

**MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017**

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 year ended December 31, 2018 compared with the year ended December 31, 2017 as contained in the 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, 2018.

Overview and Review of Operations

MedX Health Corp. is a medical device company that was incorporated on April 15, 1999, in Ontario. The Company has two main product lines; SIAscopy™, a medical device technology 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.

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, and to athletes and sports teams. MedX's therapeutic light products are currently sold in North America. The Company utilizes medical device distributors to sell its products. The markets in which the Company sells these products are highly competitive, characterized by pricing pressure and many 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.

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 and a determination is made as to whether the suspicious mole or lesion needs a follow-on appointment with a dermatologist, or the patient is deemed clear of follow up. This enables physicians to assess the condition of the moles better and provide immediate feedback to their patients, improving the quality of care of potential skin cancer patients by reducing the need for biopsies, and the resulting pain and scars 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.

SIAscopy™ is a technology 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 Australia, Turkey and a number of other jurisdictions, totalling 34 countries.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

The Company recently launched the first release of its 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 can be connected to specialist physicians for remote assessment. 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. This project is part of a series of initiatives taken to focus on moving forward with 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 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 customer base and improve patient access and care.

DermSecure™ and MedX's other SIAscopy™ products are sold world-wide. The Company is already working with a number of groups internationally to market DermSecure™ in a number of countries. Prior to this, the focus was on Europe, where a European distributor successfully built a skin scanning business in more than 200 pharmacies in Norway, Sweden, the United Kingdom and other areas to date, allowing individuals to have a suspicious mole or lesion checked quickly by way of a network of trained physicians who can access the scan images.

While the Company had in place a program in Ontario whereby selected medical clinics used the SIAscopy™ technology and were connected to dermatologists by way of the Ontario Telemedicine Network, these clinics and others are transitioning to DermSecure™ to complete e-consults with dermatologists, gaining familiarity with the system prior to a more widespread launch of the product. The Company is also initiating programs in selected European countries and in Canada while pursuing other opportunities in other markets including the United States.

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

During 2018, the Company's President and CEO, Rob von der Porten, retired from this role, and remains with the Company as its Chairman. Scott Spearn, with many years of experience with medical device companies joined the Company as President and CEO. The Company has also added a number of internationally recognized individuals to its Scientific and Medical Advisory Board, all of which are specialists in various areas related to skin disorders and cancer, who are actively assisting the Company in the development of the DermSecure™ platform.

The Company has experienced significant issues with respect to a lack of funding and cash flow, and has experienced losses since its inception. The Company as well has

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

had a history of having large negative working capital balances. The very competitive nature of the market for the therapeutic laser products, and the time it has taken to develop the appropriate marketing strategies after the acquisition of SIAscopy™ hampered the ability of the Company to generate adequate sales and cash flow. 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 continued to build the markets for SIAscopy™ revenues, which it anticipates will continue, which should improve cash flows, 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 2017, the Company completed a brokered private placement, selling Units at \$0.12 per Unit, with each Unit consisting of one common share and one common share warrant of the Company; each warrant entitles the holder to purchase one common share of the Company for \$0.20 per share for three years from the closing. The Company raised \$1,080,557 (\$960,027 net of expenses) from the placement, in two closings in April and July 2017, by issuing a total of 9,004,639 Units.

On December 15, 2017, the Company completed a non-brokered private placement, raising gross proceeds of \$725,680 (\$690,223 net of expenses). The Company sold 6,047,329 units (the "Units"), for \$0.12 per Unit, with each Unit consisting of one common share and one common share warrant of the Company. Each warrant entitles the holder to purchase one common share of the Company for \$0.20 per share for three years from the closing date.

On January 23, 2018, the Company completed a non-brokered private placement with gross proceeds of \$1,658,520 (\$1,591,411, net of expenses). The private placement consisted of the sale of 13,821,000 units (the "Units") at a price of \$0.12 per Unit. 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 three years, at an exercise price of \$0.20 per common Share.

On October 11, 2018, the Company completed a non-brokered private placement with gross proceeds of \$337,000 (\$328,847, net of expenses). The private placement consisted of the sale of 2,106,250 units (the "Units") at a price of \$0.16 per Unit. 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 three years, at an exercise price of \$0.35 per common Share.

On November 22, 2018, the Company completed a non-brokered private placement with gross proceeds of \$182,000 (\$177,475, net of expenses). The private placement consisted of the sale of 1,137,500 units (the "Units") at a price of \$0.16 per Unit. Each Unit consisted of one common share and one common share purchase warrant

MedX Health Corp.
Management’s Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

(“Warrant”). 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 per common Share.

Also in 2018, the Company received proceeds of \$741,769 from the exercise of warrants and share options. The additional funding allowed the Company to lower its debt, with its US\$200,000 term loan and \$200,000 of demand loans fully repaid in the first half of 2018. In the last quarter of the year, the Company was advanced \$100,000 of demand loans.

Subsequent to December 31, 2018, the Company has raised additional equity of \$725,317, net of expenses from non-brokered private placements.

Review of Operating Results

	Year Ended December 31	
	2018	2017
Revenue	\$ 1,087,426	\$ 1,093,239
Cost of sales	398,237	478,748
Gross profit	689,189	614,491
Expenses		
Selling, general and administrative	2,492,458	1,554,133
Product and software development	880,772	182,461
Share-based compensation	1,304,972	277,290
Interest expense	101,890	115,620
Foreign exchange gain	(103)	(5,353)
Amortization of property and equipment	5,591	4,596
Amortization of intangibles	90,182	90,182
	4,875,762	2,218,929
Net loss for the year	\$ (4,186,573)	\$ (1,604,438)

Year Ended December 31, 2018 and 2017

Revenue -

Revenue of \$1,087,426 for the year ended December 31, 2018 was \$5,813, or 0.5% lower than revenue of \$1,093,239 for 2017.

Revenues from SIAscopy™ were \$320,246 for the year ended December 31, 2018, an increase of \$67,092, or 26.5% higher than revenue of \$253,154 in 2017. The increase resulted primarily from a large shipment to a European distributor opening up the Spanish market.

The Company is launching the first release of its DermSecure™ telemedicine platform and is also working on an update of the SIAscope™ hardware components. The two

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

projects have entailed development costs as well as additional costs to ensure regulatory compliance. The Company is focused on developing relationships with companies who either have or have access to multiple locations that are easily accessible for patients to have scans done, using networks to transmit scan data to dermatologists for review and assessment. The Company has existing customers successfully using this model and others currently either in the process of launching it or considering it. The Company is working on and needs broader distribution of the SIAscopy™ products to many more of such customers, otherwise sales growth will be limited by the growth of the installed base of the existing customer base.

Sales of MedX's therapeutic laser products were \$767,180 for the year ended December 31, 2018, a decrease of \$72,905 or 8.7% from sales of \$840,085 in 2017. Sales have been variable by quarter, with a pattern of a stronger quarter followed by weakness; the Company should experience more consistent growth as the number of distributors is increased, which is a focus for the Company. Sales were stronger toward the end of 2018, but had been at near record levels in the same period in 2017.

Cost of sales -

Cost of sales of \$398,237 for the 2018 were \$80,511 or 16.8% lower than cost of sales of \$478,748 for the year ended December 31, 2017, with the lower costs attributable to a different product mix, with a higher proportion of revenue attributed to lower cost items. Cost of sales as a percent of sales was 36.6% for 2018 compared with 43.8% in the year ended December 31, 2017.

Gross profit -

Gross profit for the year ended December 31, 2018 was \$689,189, an increase of \$74,698, or 12.2% from gross profit of \$614,491 for 2017. The gross margin for the year ended December 31, 2018 was 63.4% of sales versus 56.2% of sales in the prior year. While revenues were marginally lower in 2018, SIAscopy™ sales, including license fees, at a higher margin, represented a higher proportion of sales.

Selling, general and administrative expenses –

Administrative expenses of \$2,492,458 for the year ended December 31, 2018 were \$938,325 higher than expenses of \$1,554,133 for the year ended December 31, 2017. Personnel related costs have increased in 2018, required during this growth phase, as have expenses relating to regulatory matters, investor relations and other public company costs, and expenses related and marketing and business development.

Product and software development –

Product and software development expenses of \$880,772 for the year ended December 31, 2018 were incurred in the development of the Dermsecure™ platform and hardware improvements for the Company's SIAscopy™ product line. Expenses of \$182,461 in 2017 were lower, as these projects had just been initiated.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

Share-based compensation –

The non-cash share-based compensation expense of \$1,304,972 for the year ended December 31, 2018 was significantly higher than \$277,290 recorded in 2017. The increase resulted from the impact of the expense for a larger number of options granted in 2018 compared with 2017 and a higher calculated value per option.

Interest –

Interest expense of \$101,890 for the year ended December 31, 2018 was \$13,730 lower than interest expense of \$115,620 for the year ended December 31, 2017, with the decrease resulting from the lower debt balances. Included in the interest expense was \$57,283 (2017 – 49,723) of non-cash accreted interest relating to the Company's Convertible loan.

Foreign exchange gain –

The Company experienced a minimal foreign exchange gain of \$103 during 2018, compared with a gain of \$5,353 in 2017. Gains and losses result from translation of net payables balances and repayments of the US dollar term loan.

Amortization of property and equipment –

Amortization of \$5,591 for the year ended December 31, 2018 was \$995 higher than in 2017, as a result of asset purchases during 2018.

Amortization of intangibles –

Amortization of \$90,182 for the year ended December 31, 2018 was the same as for the 2017 period, reflecting the amortization of intangibles from 2011 and 2015, which are being amortized over the same period as the original SIAscopy™ related intangibles.

Net loss for the year –

The net loss of \$4,186,573 for the year ended December 31, 2018 was \$2,582,135 higher than the loss of \$1,604,438 for the year ended December 31, 2017. The \$698,311 of increased product and software development costs, the non-cash increase of \$1,027,682 of share-based compensation expense represented 67% of the increase in the loss for the year, while the increase in selling and administrative costs represented the remainder of the increase in the loss, offset in part by an increase in the gross margin.

Liquidity and Capital Resources

The Company had a negative working capital balance of \$1,700,152 as of December 31, 2018, compared with a working capital deficiency of \$1,371,297 as of December 31, 2017, and an accumulated deficit of \$29,336,114 and a shareholders' deficiency of \$1,544,349 as of December 31, 2018. The decrease in the working capital position at the end of 2018 is attributable in part to the \$500,000 Convertible debenture becoming a current liability, offset by the net proceeds of \$2,064,733 from private placements of equity during the year, and the increase of \$741,769 in cash resulting from the exercise

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

of warrants and share options in 2018, which funded the cash required for operations and a reduction in liabilities. Despite raising additional capital in 2018, 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 \$4,489,752 from private placements of equity and warrant and option exercises during 2017 and 2018. The Company has also raised an additional \$725,317, net of expenses to date in 2019 from non-brokered private placements. The Company's 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.

The Company continues to assess and manage the reduction of liabilities. During periods when the Company was not able to raise the cash required to pay down debt during the last several years, it negotiated settlements with creditors that has included issuing shares and warrants where possible. The Company has, and will continue where possible to reduce its liabilities, and its recurring cost base to conserve cash.

The Company completed a brokered private placement equity financing in 2017, consisting of two closings, in April and July of 2017, raising cash of \$1,080,557 (\$960,027 net of expenses) by issuing 9,004,639 Units. Each Unit, sold at \$0.12 per Unit, consisted of one common share and one warrant, each warrant allowing the purchaser to acquire one common share for \$0.20 for a three-year period.

On December 15, 2017, the Company completed a non-brokered private placement through the sale of Units at a price of \$0.12 per Unit, each unit consisting of one common share and one warrant exercisable at \$0.20 for three years, raising cash of \$725,680 (\$690,223 net of expenses) by issuing 6,047,329 Units.

During 2017, a \$29,000 demand loan owing to a party related to a director, at an interest rate of 6% per annum, was repaid (including accrued interest of \$34,295) through a subscription in a private placement. In addition, the Company borrowed \$50,000 from a third party, at an interest rate of 8% per annum, and \$125,000 from a corporation controlled by a director, with interest rate of 10% per annum, which were repaid in 2017.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

During 2017, the lender of the US\$200,000 Term loan originally due on June 26, 2018 requested that the principal of the loan be repaid in monthly instalments beginning in July 2017, in connection with the Company not meeting financial targets stipulated in the loan. The loan has been fully repaid by December 31, 2018.

On January 23, 2018, the Company completed a non-brokered private placement with gross proceeds of \$1,658,520 and net proceeds of \$1,591,411. The private placement consisted of the sale of 13,821,000 units (the "Units") at a price of \$0.12 per Unit. Each Unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable to acquire one common share at any time for a period of three years, at an exercise price of \$0.20 per common share. A total of 343,260 Finder's Warrants were issued to finders in connection with the placement.

On October 11, 2018, and November 22, 2018, the Company completed non-brokered private placements with gross proceeds totaling \$519,000 (\$506,322, net of expenses). The private placements consisted of the sale of a total of 3,243,750 units (the "Units") at a price of \$0.16 per Unit. 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 three years after the respective closing dates, at an exercise price of \$0.35 per common Share.

During 2018, 4,754,333 subscriber warrants and 91,689 broker warrants were exercised resulting in proceeds of \$701,769. In addition, 400,000 options were exercised, resulting in proceeds of \$40,000.

During 2018, \$200,000 of demand loans were repaid, as was the remaining balance of \$146,422 of a Term loan outstanding at the end of 2017. Advances of \$100,000, representing demand loans, were advanced to the Company in 2018.

As of December 31, 2018, the Company's capital resources consist of the following:

Accounts payable and accrued liabilities –

The Company had \$1,601,172 of accounts payable and accrued liabilities as of December 31, 2018, an increase of \$178,341 from \$1,422,831 as of December 31, 2017, the increase a result of higher accounts payable, and tax related amounts, net of reductions in amounts owing to staff and directors. The December 31, 2018 balance consists of trade payables (\$399,884), amounts owing to staff, management and directors for accrued or unpaid compensation and fees (\$106,404), amounts owing and accrued to governments primarily by an inactive subsidiary for unpaid payroll withholdings, sales and other taxes (\$525,710) and interest and other accruals (\$569,174). Accruals relating to a former director, previously included in amounts owing to directors are included in other accruals.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

Demand loans –

There are \$100,000 of unsecured demand loans outstanding from a corporation controlled by a Director as of December 31, 2018, bearing interest at 10% per annum. The \$200,000 of unsecured loans from a corporation controlled by a Director as of December 31, 2017 were repaid during 2018, of which \$50,000 had been advanced in 2017, at an interest rate of 10% per annum, and the remaining \$150,000 of the loans were advanced in prior years, without interest.

Long-term debt -

There is no long-term debt outstanding as of December 31, 2018. The debt consisted of a Term loan with a balance of \$146,422 (US\$116,665) as of December 31, 2017, which has been fully repaid. The loan was from a party related to a customer in 2015, that had an interest rate of 8% per annum, paid quarterly, and due in June 2018. The loan was secured by a General Security Agreement on a pari passu basis with the Convertible debt.

Convertible Debt -

The Convertible debt consists of a \$500,000 loan with a party that is related to a Director of the Company, which is due on December 31, 2019, and bears interest at 8% per annum, paid quarterly. The loan is convertible in whole or in part, at any time during its term into common shares of the Company at \$0.20 per share. The Company has the option of repaying the loan at any time. The debt is secured by a General Security Agreement covering all the Company's assets.

In accounting for the convertible debt, the value of the debt component was determined to be \$327,000, based on a discounted cash flow of the cash interest and principal obligations of the loan, and the value of the equity component of \$227,000, was based on a Black-Scholes valuation of the shares into which the loan may be converted, assuming a share price volatility of 75% based on historical volatility, a risk-free rate of 1.15%, and with no expected dividend yield over the life of the loan.

Share Capital -

The Company had 135,053,901 shares outstanding as of December 31, 2018:

	Number of shares	Stated Capital
Outstanding at December 31, 2016	97,691,161	\$ 16,445,020
Issued for cash	15,051,968	894,592
Outstanding at December 31, 2017	112,743,129	17,339,612
Issued for cash	17,064,750	1,206,234
Issued on exercise of share options	400,000	40,000
Issued on exercise of warrants	4,846,022	701,769
Reclassification from contributed surplus and warrants on option and warrant exercises	-	166,342
Outstanding at December 31, 2018	135,053,901	\$ 19,453,957

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

On January 23, 2018, the Company completed a non-brokered private placement with gross proceeds of \$1,658,520 (\$1,591,411, net of expenses). The private placement consisted of the sale of 13,821,000 units at a price of \$0.12 per unit. Each unit consisted of one Common share and one Common share purchase Warrant. Each Warrant will be exercisable to acquire one Common share at any time for a period of three years, at an exercise price of \$0.20 per Common share. A total of 343,260 Broker Warrants were issued to finders in connection with the placement, with each exercisable for a period of three years, to acquire a unit at \$0.12, comprising a Share and a Warrant exercisable until January 23, 2021, at \$0.20. The Broker Warrants were valued at \$86,364 and allocated as a \$50,625 reduction of share capital and \$35,739 reduction of the warrants.

Also, in 2018 the Company completed a non-brokered private placement in two tranches, on October 11, 2018 and November 22, 2018, raising gross proceeds totaling \$519,000 (\$506,322, net of expenses). The Company sold 3,243,750 units in total, for \$0.16 per unit, with each unit consisting of one Common share and one common share Warrant, with each Warrant entitling the holder to purchase one Common share of the Company for \$0.35 per share for three years from the closing date.

In accounting for the transactions, at the time of each closing, the Company allocated the 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 for the warrants was estimated using the Black-Scholes pricing model at each date using the following assumptions:

- No expected dividends over the life of the warrants;
- A 1.35%, 1.45% and 1.50% risk-free interest rate, for each closing, respectively;
- Based on historic volatility, 126%, 120% and 114% share price volatility for each closing, respectively.

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.

Amounts raised from the 2018 private placements are summarized as follows:

Date	# of Units	Gross Proceeds	Issue Costs	Net Proceeds	Broker Warrants	Allocation to Shares	Allocation to Warrants
January 23	13,821,000	\$ 1,658,520	\$ 67,109	\$ 1,591,411	\$ 86,364	\$ 882,229	\$ 709,182
October 11	2,106,250	337,000	8,153	328,847	-	207,831	121,016
November 22	1,137,500	182,000	4,525	177,475	-	116,174	61,301
	17,064,750	\$ 2,177,520	\$ 79,787	\$ 2,097,733	\$ 86,364	\$ 1,206,234	\$ 891,499

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

The share price on the closing date of each of the transactions was \$0.17, \$0.16 and \$0.145, respectively. The warrant value for each transaction was determined to be \$0.12, \$0.09 and \$0.08, respectively.

During 2017, the Company completed a brokered private placement in two tranches, on April 21, 2017 and July 14, 2017, raising gross proceeds of \$1,080,557 (\$960,027 net of expenses). The Company sold 9,004,639 units in total, for \$0.12 per unit, with each unit consisting of one Common share and one common share Warrant of the Company. Each Warrant entitles the holder to purchase one Common share of the Company for \$0.20 per share for three years from the closing date.

In addition, on December 15, 2017, the Company completed a non-brokered private placement, raising gross proceeds of \$725,680 (\$690,223 net of expenses). The Company sold 6,047,329 units for \$0.12 per unit, with each unit consisting of one Common share and one common share Warrant of the Company. Each Warrant entitles the holder to purchase one Common share of the Company for \$0.20 per share for three years from the closing date.

In accounting for the transactions, at the time of each closing, the Company allocated the 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 for the warrants was estimated using the Black-Scholes pricing model at each date using the following assumptions:

- No expected dividends over the life of the warrants;
- A 1.00%, 1.03% and 1.35% risk-free interest rate, for each closing, respectively;
- Based on historic volatility, 142%, 137% and 127% share price volatility for each closing, respectively.

Amounts raised from the 2017 private placements are summarized below:

Date	# of Units	Gross Proceeds	Issue Costs	Net Proceeds	Broker Warrants	Allocation to Shares	Allocation to Warrants
April 21	6,948,333	\$ 833,800	\$ 74,463	\$ 759,337	\$ 79,642	\$ 391,508	\$ 367,829
July 14	2,056,306	246,757	46,067	200,690	21,101	105,108	95,582
December 15	6,047,329	725,680	35,457	690,223	32,434	397,976	292,247
	15,051,968	\$ 1,806,237	\$ 155,987	\$ 1,650,250	\$ 133,177	\$ 894,592	\$ 755,658

The share price on the closing date of each of the transactions was \$0.130, \$0.125 and \$0.115, respectively. The warrant value for each transaction was determined to be \$0.10, \$0.09 and \$0.08, respectively.

The April 21, 2017 costs included issuing 400,365 Broker warrants with each warrant entitling the holder to purchase one unit of the Company at \$0.12 during the period expiring April 21, 2020, comprised of a Common share and a Warrant exercisable into one Common share until April 21, 2020 at \$0.20. The Broker warrants were valued at

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

\$79,642, with \$45,874 allocated as a reduction in share capital and a \$33,768 reduction of the warrants. In 2018, 30,000 of these units were exercised for Common shares and warrants.

The July 14, 2017 costs included issuing 114,005 Broker warrants with each warrant entitling the holder to purchase one unit of the Company at \$0.12 during the period expiring July 14, 2020, comprised of a Common share and a Warrant exercisable into one common share until July 14, 2020 at \$0.20. The Broker warrants were valued at \$21,101, with \$12,350 allocated as a reduction in share capital and a \$8,751 reduction of the warrants. In 2018, 61,689 of these units were exercised for Common shares and warrants.

The December 15, 2017 costs included issuing 204,400 Broker warrants with each Warrant entitling the holder to purchase one unit of the Company at \$0.12 during the period expiring December 15, 2020, comprised of a Common share and a Warrant exercisable into one Common share until December 15, 2020 at \$0.20. The Broker warrants were valued at \$32,434, with \$19,623 allocated as a reduction in share capital and a \$12,811 reduction of the warrants.

August 2, 2016 private placement costs included issuing 99,762 Finder's warrants with each warrant entitling the holder to purchase one common share of the Company at \$0.14 during the period expiring August 2, 2019. The finder's warrants were valued at \$0.059 for a total of \$5,871, with \$3,383 allocated as a reduction in share capital and a \$2,488 reduction of the warrants.

September 2, 2016 private placement costs included issuing 48,870 Finder's warrants, with each warrant entitling the holder to purchase one common share of the Company at \$0.14 during the period expiring September 2, 2019. The finder's warrants were valued at \$0.072, and the \$3,539, allocated as a \$2,008 reduction in share capital and a \$1,531 reduction of the warrants.

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. During a previous Annual and Special Meeting of Shareholders held on January 17, 2018, shareholders approved an amendment to the Company's 2014 Incentive Stock Option Plan to increase the number of shares available under the plan from 16,400,000 to 21,200,000.

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 December 31, 2018 there were 18,100,000 options that have been granted and are outstanding, with 7,900,000 options available to be granted under the plan. Options generally expire after five years, with vesting provisions stated in the plan.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

The outstanding options have exercise prices in the range of \$0.10 and \$0.25 and an average remaining life of 2.7 years, and as of December 31, 2018, 15,462,500 options are exercisable. The exercisable options have a weighted average remaining life of 2.4 years and a weighted average exercise price of \$0.16.

On April 27, 2018, the Company granted 7,375,000 share options under the Company's Stock Option Plan to members of the Board of Directors, management, employees and consultants. The options have an exercise price of \$0.25 per share and expire five years from the date of issue. As of December 31, 2018, 4,437,500 of the options are vested, and the remaining 2,637,500 vest within one-year of the grant date. The options were valued at \$1,398,071 of which \$1,293,391 has been expensed to date in 2018, with the remainder to be expensed as the options vest. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 1.6%, volatility of 141% based on historical stock price volatility, expected life of five years, and no expected dividend yield.

During 2018, 400,000 options were exercised, which options had an exercise price of \$0.10 resulting in proceeds of \$40,000, and 600,000 options were expired/forfeited.

On December 29, 2017, the Company granted 300,000 share options, which have expired. The options had an exercise price of \$0.15, were exercisable for one year, and vested during the one-year period they were outstanding. The options were valued at \$8,537, which was expensed in 2018. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 0.73%, volatility of 98% based on historical stock price volatility, expected life of one year, and no expected dividend yield.

On July 26, 2017, the Company granted 200,000 share options, which have an exercise price of \$0.14, and are exercisable for five years. The options were valued at \$21,567, of which \$18,523 was included in expenses and contributed surplus in 2017, and \$3,044 in 2018. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 1.60%, volatility of 148% based on historical stock price volatility, expected life of five years, and no expected dividend yield.

On February 27, 2017, 1,825,000 options were granted to consultants and employees of the Company, which are exercisable at \$0.18 for a period of five years from the grant date and vested during 2017. The options were valued at \$248,667, and this was included in expenses and contributed surplus in 2017. The value was determined using the Black-Scholes option pricing model based on a risk-free interest rate of 1.13%, volatility of 154% based on historical stock price volatility, expected life of five years, and no expected dividend yield.

Warrants –

The Company has issued warrants in connection with debt and share offerings and debt.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

During 2018, 4,754,333 subscriber warrants and 91,689 broker warrants were exercised, resulting in proceeds of \$701,769.

The number of warrants, including broker warrants, outstanding as of December 31, 2018, and a summary of their terms are as follows:

Warrants	Warrant Expiry and Exercise Prices
7,971,540	\$0.14 until June 6, 2019
1,202,454	\$0.14 until August 2, 2019
6,190,293	\$0.14 until September 2, 2019
3,199,998	\$0.14 until September 15, 2019
6,929,365	\$0.20 until April 21, 2020
2,170,311	\$0.20 until July 14, 2020
6,251,729	\$0.20 until December 15, 2020
14,164,260	\$0.20 until January 23, 2021
2,106,250	\$0.35 until October 11, 2021
1,137,500	\$0.35 until November 22, 2021
51,323,700	

In connection with the private placement completed in the January 2018, 13,821,000 warrants were granted to subscribers of units, each allowing the holder to purchase one common share at a price of \$0.20 until January 23, 2021. In addition, 343,260 Finder warrants were issued, each warrant entitling the holder to purchase one unit for \$0.12 during the period expiring January 23, 2021, each unit comprised of a share and a warrant exercisable into one share until January 23, 2021 at \$0.20.

In connection with the private placement completed in the October and November of 2018, 3,243,750 warrants were granted to subscribers of units, each allowing the holder to purchase one common share at a price of \$0.35 for three years from the closing date,

In connection with the brokered private placement completed in 2017, a total of 9,004,639 warrants were granted to subscribers of units, each allowing the holder to purchase one common share at a price of \$0.20 per share, with 6,948,333 of the warrants expiring on April 21, 2020 and 2,056,306 of the warrants expiring on July 14, 2020. In addition, Broker warrants were issued, with 400,365 warrants entitling the holder to purchase one unit for \$0.12 during the period expiring April 21, 2020, a unit comprised of a share and a warrant exercisable into one share until April 21, 2020 at \$0.20, and 114,005 Broker warrants with each warrant entitling the holder to purchase one unit for \$0.12 during the period expiring July 14, 2020, each unit comprised of a share and a warrant exercisable into one share until July 14, 2020 at \$0.20.

In connection with the private placement completed in December 2017, 6,047,329 warrants were granted to subscribers of units, each allowing the holder to purchase one common share at a price of \$0.20 per share until December 15, 2020. In addition,

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

204,400 Finder warrants were issued, each entitling the holder to purchase one unit for \$0.12 during the period expiring December 15, 2020, each unit comprised of a share and a warrant exercisable into one share at a price of \$0.20 per share until December 15, 2020.

In connection with the private placements in 2016, in addition to the 23,075,652 subscriber warrants issued, all of which expire three years from their respective closing dates and are exercisable at \$0.14 per share, the Company issued 148,632 Finder warrants, each entitling the holder to purchase one common share for \$0.14 expiring three years from the closing date.

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, broker warrants, stock options and shares that could be issued on conversion of loans were issued and outstanding:

	December 31 2018	April 30 2019
Common shares	135,053,901	139,782,651
Warrants	51,323,700	56,131,800
Stock Options	18,100,000	18,100,000
Shares from conversion of Convertible loan	2,500,000	2,500,000
Total	206,977,601	216,514,451

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

Three Months Ended December 31, 2018 and 2017

	Three Months Ended December 31	
	2018	2017
Revenue	\$ 275,193	\$ 361,269
Cost of sales	76,199	180,727
Gross profit	198,994	180,542
Expenses		
Selling, general and administrative	762,544	367,238
Product and software development	324,637	29,000
Share-based compensation	98,043	35,811
Interest expense	26,431	33,326
Foreign exchange gain	(19,327)	(1,474)
Amortization of property and equipment	(640)	(3,959)
Amortization of intangibles	22,546	22,546
	1,214,234	482,488
Net loss for the period	\$ (1,015,240)	\$ (301,946)

Revenue -

Revenue of \$275,193 for the three months ended December 31, 2018 was \$86,076, or 23.8% lower than revenue of \$361,269 for the three months ended December 31, 2017.

Revenues from the Company's SIAscopy™ product line were \$15,825 for the three months ended December 31, 2018, compared with \$75,374 in the 2017 three-month period. Revenue in the 2018 period was impacted by adjustments to amounts recorded with respect of software licenses. It is anticipated that revenues will increase as the Company expands its distribution network as well as with the launch of its DermSecure™ telemedicine platform.

Revenues from MedX's therapeutic laser products of \$259,368 for the three months ended December 31, 2018 were \$26,527, or 9.3% lower than \$285,895 in the 2017 period. Sales for the fourth quarter were more than double the level of the third quarter, showing a strong rebound, and were the highest of any of the quarters in 2018.

Cost of sales -

Cost of sales of \$76,199 for the three months ended December 31, 2018 were \$104,528 or 57.8% lower than cost of sales of \$180,727 for the three months ended December 31, 2017. Cost of sales as a percent of sales was 27.7% for the three-month period compared with 50.0% in the three months ended December 31, 2017. The costs as a percent of sales were lower in 2018 due in part to year end adjustments to inventory balances.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

Gross profit -

Gross profit for the three months ended December 31, 2018 was \$198,994, a decrease of \$18,452 from gross profit of \$180,542 for the three months ended December 31, 2017, with the lower amount resulting from lower sales, offset by higher margins. The gross margin for the three months ended December 31, 2018 was 72.3% of sales versus 50.0% of sales in the prior year.

Selling, general and administrative expenses –

Administrative expenses of \$762,544 for the three months ended December 31, 2018 were \$395,306 higher than expenses of \$367,238 for the three months ended December 31, 2017. Staffing costs were increased to support the growth of the business, as were regulatory and public company related costs. A provision of \$77,959 was made in 2018 for the potential non-collection of receivables also impacted the costs.

Product and software development –

Product and software development expenses of \$324,637 represent expenditures during the fourth quarter of 2018 with respect to on-going development of the Company's DermSecure™ telemedicine platform and hardware improvements for the Company's SIAscopy™ product line. The costs during the three-month period ended December 31 were higher than other quarters during 2018 as the Company continued to make improvements and add features, and in addition, completed important security and privacy assessments on the new platform.

Share-based compensation –

The expense related to non-cash share-based compensation of \$98,043 for the three months ended December 31, 2018 were higher than \$35,811 recorded for the 2017 three-month period. The larger expense in the 2018 period represents primarily the costs related to the options that vested during the period from the option grants made in the second quarter of 2018. The amount in the prior year resulted from the allocation of expenses for the options granted in 2017 that vested in 2017. Unless more options are granted, these non-cash expenses will be lower in 2019.

Interest –

Interest expense of \$26,341 for the three months ended December 31, 2018 was \$6,895 lower than interest expense of \$33,326 for three months ended December 31, 2017, with the decrease resulting from lower debt balances. Approximately one half of the interest expense is non-cash accreted interest relating to the Company's Convertible loan, and interest costs going forward will be lower with the repayment of the Term loan in June 2018.

Foreign exchange gain –

The Company experienced a foreign exchange gain of \$19,327 for the three months ended December 31, 2018, compared with a gain of \$1,474 for the 2017 three-month period. While in previous quarters the gains and losses resulted primarily from the translation of the US Dollar denominated term loan, with its repayment, they now result

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

from translation of other net payables balances and settling aged payables that originated at different exchange rates.

Amortization of property and equipment –

Amortization of (\$640) three months ended December 31, 2018 resulted from small adjustments to the amortization for the year.

Amortization of intangibles –

Amortization of \$22,546 the three months ended December 31, 2018 was the same as for the 2017 period, reflecting the amortization of intangibles from 2011 and 2015, which are being amortized over the same period as the original SIAscopy™ related intangibles.

Net loss for the period –

The net loss of \$1,015,240 the three months ended December 31, 2018 was \$713,294 higher than the loss of \$301,946 for the three months ended December 31, 2017. The \$62,232 increase in non-cash share-based compensation expense and the \$295,637 higher expenses for product and software development represent a large portion of the increase. The net loss for the period was also impacted by higher administrative expenses and lower revenue for the three-month period.

Capital Resources –

The Company has made relatively low levels of capital expenditures in the last two years 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 are not anticipated to be as large in 2019. The Company will continue to update the technology in its SIAscopy™ units and software and provide an environment where it can broaden the distribution of its SIAscopy™ products to multi-centre outlets, which could involve a significant level of expenditures, which will be undertaken as cash is available.

The Company defines its managed capital as the total of demand loans, long-term debt, convertible debt and shareholders' deficiency including share capital, warrants, equity portion of convertible debt, contributed surplus and deficit. As at December 31, 2018, total managed capital was (\$1,010,343) (2017 - (\$779,105)).

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 were no changes in the Company's approach to capital management during the year ended December 31, 2018. The Company is not subject to externally imposed capital restrictions.

MedX Health Corp.
Management’s Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

Summary of Quarterly Results

Amounts in \$000's, except per share amounts

Quarter Ended	March 31 2017	June 30 2017	September 30 2017	December 31 2017	March 31 2018	June 30 2018	September 30 2018	December 31 2018
Revenues	\$240	\$237	\$255	\$361	\$226	\$406	\$180	\$275
Comprehensive Income/(Loss)	(\$348)	(\$404)	(\$551)	(\$302)	(\$672)	(\$1,579)	(\$920)	(\$1,015)
Income (loss) per share	(\$0.00)	(\$0.00)	(\$0.01)	(\$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 lower losses have resulted primarily from gains relating to debt settlements or other liability reductions by the Company, and recent 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, entering into a five-year lease in 2015, with annual minimum lease obligations of \$38,828 in 2019 and \$26,072 in 2020.

Significant Accounting Judgments and Estimates

The preparation of the 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 these 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 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 financial statements.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

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 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 consolidated financial statements.

Recent Accounting Pronouncements

At the date of authorization of these consolidated financial statements, the IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following new and revised Standards and Interpretations that will become effective in future years.

IFRS 16- Leases

In January 2016, the IASB issued the final publication of the IFRS 16 Standard, which will supersede the current IAS 17, Leases Standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months. A lessee will be required to recognize a right-of-use asset, which represents its right to use that underlying asset and a lease liability, which represents the obligation to make a lease payment. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted if IFRS 15 has also been applied. Management is currently assessing the impact of this standard on the consolidated financial statements.

Financial Instruments

Fair Value Measurement

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

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

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 on 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.

Upon adoption of IFRS 9 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, no provision was made as of December 31, 2018 or 2017. 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 of \$77,959 of accounts receivable as of December 31, 2018 (2017-\$nil).

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

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

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. If cash balances are higher than required for immediate requirements, the Company invests with a low risk strategy in secure short-term deposits through major banks to earn interest income.

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, and in 2017 as a result of debt denominated in US Dollars. As of December 31, 2018, a portion of the Company's accounts receivable and accounts payable were denominated in US Dollars, Euros and British Pounds. A 5% change in the exchange rate of those currencies relative to the Canadian Dollar would impact the net loss by approximately \$7,000 (2017 - \$8,000).

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 has entered into transactions to settle debts through the issuance of shares. Cash has been raised in 2017 and 2018 and to date in 2019 and must raise additional cash to fund its ongoing operating requirements. A portion of the cash raised was 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	\$ 1,601,172	\$ -	\$ 1,601,172
Demand loans	100,000	-	100,000
Convertible debt	500,000	-	500,000
At December 31, 2018	\$ 2,201,172	\$ -	\$ 2,201,172
At December 31, 2017	\$ 1,769,253	\$ 500,000	\$ 2,269,253

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

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

Related Party Transactions

During the year ended December 31, 2018, the Company incurred costs for management and Board compensation of \$556,500 (2017 - \$313,750). In addition, \$801,190 of the expense recorded in 2018 (2017 - \$68,128) for share-based compensation relates to management.

In 2018, an amount of \$33,000 owing to a director was repaid through a subscription in a private placement. During 2017 certain board members waived amounts earned and payable to them of \$44,250 and \$170,785 owed to a corporation controlled by a director was repaid through a subscription in a private placement.

See notes 8 and 9 of the Company's consolidated financial statements for related party transaction disclosure relating to demand loans, long-term debt and stock option issuances.

Included in accounts payable and accrued liabilities as of December 31, 2018 is \$48,407 (2017 - \$595,166) accrued for officers and directors of the Company.

Subsequent Events

On January 29, 2019, the Company completed a non-brokered private placement with gross proceeds of \$474,000 (\$462,527, net of expenses). The private placement consisted of the sale of 2,962,500 units at a price of \$0.16 per unit. 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 three years, at an exercise price of \$0.35.

On April 26, 2019, the Company completed a non-brokered private placement with gross proceeds of \$282,000 (\$262,790, net of expenses). The private placement consisted of the sale of 1,766,250 units at a price of \$0.16 per Unit. 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, at an exercise price of \$0.25. The Company issued 79,350 Agent's warrants in connection with the placement.

Subsequent to December 31, 2018, the Company was advanced \$50,000 by a company controlled by a Director, and a demand loan from that company advanced during 2018 was repaid. In addition, the Company was advanced \$100,000 by a Director subsequent to December 31, 2018, of which \$50,000 has been repaid. The amounts advanced are unsecured, due on demand and bear interest at 10% per annum.

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

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 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 December 31, 2018, MedX has a deficit of \$29,336,114. 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

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

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 an early stage commercial company 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 fluctuations in the value of the Canadian dollar.

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

MedX Health Corp.
Management's Discussion and Analysis
For the Years Ended December 31, 2018 and 2017

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: April 30, 2019