LED MEDICAL DIAGNOSTICS INC.

NOTICE AND MANAGEMENT INFORMATION CIRCULAR

For the Annual and Special Meeting of Shareholders to be held at:

Farris, Vaughan, Wills & Murphy LLP
25th Floor, 700 West Georgia Street
Vancouver, BC
Canada V7Y 1B3
on Thursday, November 3, 2016
at 10:30 a.m. (Pacific time)

This booklet contains important information for Shareholders

October 3, 2016

Dear fellow shareholder,

It is my pleasure to invite you to attend the Annual and Special Meeting of Shareholders of LED Medical Diagnostics Inc. ("**LED**") for the fiscal year ended December 31, 2015. The meeting will be held on Thursday, November 3, 2016 at 10:30 a.m. (Pacific Time) at Farris, Vaughan, Wills & Murphy LLP, 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1B3.

The items of business to be considered at the meeting are described in the attached Notice of Annual and Special Meeting and Management Information Circular. During the meeting, we will also review LED's business during fiscal 2015 and our plans for the future. You will have the opportunity to ask questions and to meet your directors and executives.

Your participation at the shareholders' meeting is very important. Accordingly, whether or not you plan to attend, we encourage you to vote by following the voting instructions included on the enclosed form of proxy.

We look forward to seeing you at the meeting.

Sincerely,

"David Gane"

Dr. David Gane
Chief Executive Officer
LED Medical Diagnostics Inc.

LED MEDICAL DIAGNOSTICS INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the Board of Directors of LED Medical Diagnostics Inc. (the "**Corporation**") has called an Annual and Special Meeting of Shareholders on Thursday, November 3, 2016 at 10:30 a.m. (Pacific time) (the "**Meeting**") to be held at Farris, Vaughan, Wills & Murphy LLP, 25^{th} Floor, 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1B3.

As a shareholder of record at the close of business on September 28, 2016 (a "**Shareholder**"), you are entitled to attend the Meeting and to cast one vote for each common share that you own. If you are a registered Shareholder and are unable to attend the Meeting, you will still be able to vote by completing the proxy form included with the Management Information Circular (the "**Circular**"). The Circular explains how to complete the proxy form and how the voting process works. **In order to vote at the Meeting, registered Shareholders must submit the proxy form to the Corporation's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9^{th} Floor, Toronto, Ontario M5J 2Y1, no later than 10:30 a.m. (Pacific time) on Tuesday, November 1, 2016.**

If you are a non-registered beneficial Shareholder, a proxy form will not usually be included with the Circular; instead, a voting information form (also known as a VIF) is usually enclosed. You must follow the instructions provided by your intermediary in order to vote your shares.

The following business will be conducted at the Meeting:

1. to receive the audited financial statements of the Corporation for the financial year ended December 31, 2015 and the report of the auditors thereon;

2. to appoint Grant Thornton LLP as auditors of the Corporation for the coming year and to authorize the Board of Directors to fix the auditors' remuneration;

3. to elect the directors of the Corporation for the ensuing year;

4. to approve the stock option plan of the Corporation;

5. to transact such other business as may properly come before the Meeting.

DATED at Vancouver, British Columbia, this 3^{rd} day of October, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

"David Gane"

Dr. David Gane
Chief Executive Officer
LED Medical Diagnostics Inc.

LED MEDICAL DIAGNOSTICS INC.

MANAGEMENT INFORMATION CIRCULAR

All information in this Management Information Circular ("**Circular**") is current as of October 3, 2016 and all currency amounts are expressed in U.S. dollars, unless otherwise indicated, and where used herein the terms "Corporation" and "LED" refer to LED Medical Diagnostics Inc. unless otherwise indicated or the context otherwise requires.

This Circular is being sent by the management of the Corporation to the common shareholders (the "**Shareholders**") of the Corporation in connection with the solicitation of proxies to be voted at the Annual and Special Meeting of the Shareholders to be held on Thursday, November 3, 2016 (the "**Meeting**") and at any adjournment thereof, at the time and place and for the purposes set out in the Notice of Meeting.

The Circular's purpose is:

- to explain how you, as a Shareholder, can vote at the Meeting, whether in person or by appointing another person to vote on your behalf;
- to request that you authorize the management of the Corporation to vote on your behalf in accordance with your instructions set out on the proxy form;
- to inform you about the business to be conducted at the Meeting; and
- to give you important background information to assist you in deciding how to vote.

VOTING INFORMATION

Solicitation of Proxies

Your vote is being solicited by the management of the Corporation.

The Corporation expects that the solicitation will be primarily by mail, but also may include telephone, e-mail, fax or oral solicitations. If the Corporation does not receive your proxy by a certain time, you may receive a telephone call asking you to vote. The cost of soliciting proxies for the meeting is borne entirely by the Corporation.

Voting and Appointment of Proxy

Your rights to attend and vote at the Meeting depend on whether you are a **registered Shareholder** (that is, the shares of the Corporation are actually registered in your name) or a **non-registered beneficial Shareholder** (for example, a person who holds shares of the Corporation through a broker or a bank).

Registered Shareholders

If you are a registered Shareholder, you may attend the Meeting in person. You may also appoint someone (known as a proxyholder) to represent you at the Meeting and vote on your behalf. If you complete and submit the proxy form without alteration, then you will have appointed certain members of management of the Corporation to attend the Meeting and vote on your behalf.

You have the right to appoint a person or company to represent you at the Meeting other than the persons designated in the proxy form. If you wish to appoint some other person or company to represent you at the Meeting, you may do so by striking out the names of the persons designated in the proxy form and inserting the name of the person or company to be appointed in the blank space provided and signing the proxy form.

If you wish to vote at the Meeting by proxy, you must either: (a) complete the proxy form and return it to the Corporation's transfer agent, Computershare Investor Services Inc., or (b) follow the instructions in the proxy form to vote by telephone or on the Internet. In order to be valid, the telephone or Internet voting must be completed or the proxy form must be received by Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by fax at (416) 263-9524, no later than 10:30 a.m. (Pacific time) on Tuesday, November 1, 2016, or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays and holidays) before the time of such reconvened meeting. The deadline for the deposit of proxies may be waived by the Chairman of the Meeting at the Chairman's discretion without notice.

Even if you give a proxy, as a registered Shareholder, you may still attend and vote in person at the Meeting.

Revoking your Proxy

A proxy is revocable. If you have given a proxy, you (or your attorney authorized in writing) may revoke the proxy by giving notice of the revocation in writing to Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by fax at (416) 263-9524, at any time up to and including the last business day before the Meeting or to the Chairman of the Meeting before any vote in respect of which the proxy is given.

The notice of the revocation must be signed as follows: (a) if you are an individual, then the notice must be signed by you or your legal personal representative or trustee in bankruptcy, and (b) if you are a corporation, then the notice must be signed by the corporation or by a representative appointed for the corporation in accordance with the articles of the corporation.

Non-registered Beneficial Shareholders

If your common shares are not registered in your own name, then they are being held in the name of an intermediary (which is usually a trust company, a securities dealer or broker, a bank or another financial institution) or in the name of a clearing agency such as CDS Clearing and Depository Services Inc. You are usually called either a non-registered or a beneficial Shareholder or owner. These shareholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf and you are referred to as a "non-objecting beneficial owner". Those beneficial Shareholders who have objected to the disclosure of their name, address and information are referred to as "objecting beneficial owners". The Corporation is sending proxy-related materials directly to non-objecting beneficial owners under National Instrument 54-101. The Corporation is not sending proxy-related materials using notice-and-access procedures.

There are various procedures for voting your shares, and these procedures may vary among intermediaries and clearing agencies in ways over which the Corporation has no control. If you are a beneficial Shareholder, you should carefully follow the instructions of the intermediary or clearing agency, including instructions regarding when and where any voting instruction form or proxy form is to be delivered.

Typically, you will receive one of the following:

1. **A VOTING INSTRUCTION FORM.** This is a form also known as a VIF. If you receive a VIF and wish to vote at the Meeting, you must either: (a) complete the VIF and return it to Computershare Investor Services Inc., or (b) follow the instructions in the VIF to vote by telephone or on the Internet. The telephone or Internet voting should be completed or the VIF should be received by Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, or by fax at (416) 263-9524, no later than 10:30 a.m. (Pacific time) on Tuesday, November 1, 2016, or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays and holidays) before the time of such reconvened meeting. If you wish also to attend the Meeting in person and vote (or have another person attend and vote on your behalf), you must follow the instructions in the VIF. Unless you follow these instructions you may not be permitted to attend or vote at the Meeting in person.

2. **A FACSIMILE SIGNED PROXY.** This is a proxy that has been signed by the intermediary (typically by a facsimile, stamped signature) and already indicates the number of common shares you beneficially own but that is otherwise uncompleted. You do not need to sign this form. If you receive a facsimile signed proxy and you wish to vote at the Meeting, you must properly complete the proxy and deposit it with Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1,

Attention: Proxy Department, or by fax at (416) 263-9524, no later than 10:30 a.m. (Pacific time) on Tuesday, November 1, 2016, or in the case of any adjournment or postponement of the Meeting, no later than 48 hours (excluding Saturdays and holidays) before the time of such reconvened meeting. If you wish also to attend the Meeting in person and vote (or have another person attend and vote on your behalf), simply strike out the names of the persons indicated in the proxy form and insert your (or such other person's) name in the blank space provided.

3. **A BROADRIDGE VOTING INSTRUCTION FORM.** This voting instruction form is provided by Broadridge in accordance with arrangements often made by brokers to delegate the responsibility for obtaining voting instructions to Broadridge. If you receive a Broadridge voting instruction form and wish to vote at the Meeting, you must return the Broadridge voting instruction form to Broadridge or follow the instructions on the form for telephone voting. Broadridge will tabulate the results and then provide instructions to Computershare Investor Services Inc. respecting the voting of shares to be represented at the Meeting. You must return the voting instruction form to Broadridge or give the telephone voting instructions well in advance of the Meeting in order to have your shares voted. If you wish also to attend the Meeting in person and vote (or have another person attend and vote on your behalf), you must follow the instructions in the voting instruction form unless you follow these instructions you may not be permitted to attend or vote at the Meeting in person.

Recent amendments to securities legislation allow a non-objecting beneficial owner to submit to the Corporation or its intermediary any document in writing that requests that such non-objecting beneficial owner or its nominee be appointed as proxyholder. If such a request is received, the Corporation or the intermediary, as applicable, must arrange, without expense to the non-objecting beneficial owner, to appoint such non-objecting beneficial owner or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Corporation or the intermediary receives such written instructions at least one business day prior to the time at which proxies are to be submitted for use at the Meeting. Accordingly, any such request must be received at least 72 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof.

The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners the proxy–related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*, and an objecting beneficial owner will not receive those materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

If non-registered beneficial shareholders have any questions, they should contact Computershare Investor Services Inc. if they are a non-objecting beneficial owner, or their intermediary if they are an objecting beneficial owner.

Revoking your proxy

A non-registered holder may revoke a proxy or voting instruction form which has been given to an intermediary by written notice to the intermediary. In order to ensure that an intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the intermediary well in advance of the Meeting.

Provisions Relating to Voting of Proxies

Voting By Show of Hands

Voting at the Meeting generally will be by a show of hands, with each Shareholder or proxyholder present in person being entitled to one vote.

Voting By Poll

Voting at the Meeting will be by poll only if a poll is:

(a) requested by a Shareholder present at the Meeting in person or by proxy;

(b) directed by the Chairman; or

(c) required by law.

On a poll, each Shareholder and each proxyholder will have one vote for each common share held or represented by proxy.

Approval of Resolutions

To approve a motion for an ordinary resolution, a simple majority of the votes cast in person or by proxy will be required. To approve a motion for a special resolution, at least two-thirds of the votes cast in person or by proxy will be required.

Exercise of Discretion by Proxyholders

A Shareholder may indicate the manner in which the persons named in the accompanying form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy.**

If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of proxy. It is intended that the proxyholder named by management in the accompanying form of proxy will vote the shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Corporation's Board of Directors for directors and auditor and for the approval of the stock option plan.

The accompanying form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Circular, management of the Corporation is not aware of any such amendments or variations, or any other matters, that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment.

Voting Shares and Principal Holders Thereof

The Board of Directors of the Corporation has fixed September 28, 2016 as the record date for determining which Shareholders are entitled to vote at the Meeting. On September 28, 2016 the Corporation had 112,919,063 issued and outstanding common shares. Each share carries the right to one vote.

To the knowledge of the directors and senior officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the Corporation's issued and outstanding common shares, as at September 28, 2016.

ANNUAL BUSINESS TO BE CONDUCTED AT THE MEETING

Presentation of Financial Statements

The audited financial statements of the Corporation for the fiscal year ended December 31, 2015, together with the report of the auditors thereon, will be placed before the Meeting. A copy of the Corporation's financial statements and Management's Discussion and Analysis may be obtained from the Corporation, at Suite 810, 580 Hornby Street, Vancouver, British Columbia V6C 3B6, Attention: Investor Relations.

Appointment of Auditors

Grant Thornton LLP was first appointed as the Corporation's auditor at last year's annual and special meeting held on November 27, 2015. Prior thereto, Deloitte LLP was the Corporation's auditor. The Corporation is proposing to appoint Grant Thornton LLP as auditor until the next annual meeting of shareholders of the Corporation. In connection with the previous change in auditor, please see the enclosed Notice of Change of Auditor and letters from Deloitte LLP and Grant Thornton LLP attached as Schedule B to this Circular.

Shareholders will be asked to vote for an ordinary resolution (in substantially the form set out below) to appoint Grant Thornton LLP, Chartered Accountants, as auditors of the Corporation until the end of the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration.

"BE IT RESOLVED as an ordinary resolution that:

1. Grant Thornton LLP, Chartered Accountants, be, and is hereby, appointed as the auditors of the Corporation to hold office until the close of the next annual meeting of the Shareholders at the remuneration to be fixed by the Board of Directors of the Corporation; and

2. Any officer or director of the Corporation is authorized and directed to do all things and execute all instruments and documents necessary or desirable to carry out the foregoing."

The Board of Directors recommends that Shareholders vote IN FAVOUR of the above resolution at the Meeting. The persons named in the enclosed form of proxy will vote IN FAVOUR of the appointment of Grant Thornton LLP, Chartered Accountants, as auditors of the Corporation until the end of the next annual meeting of the Shareholders and the authorization of the directors to fix their remuneration, unless a Shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect thereof.

Election of Directors

The number of directors presently in office is five and five directors are standing for election.

At the Meeting, Shareholders will be called upon to elect David Gane, Rick Pauls, Lamar Roberts, Rodger Tourigny and Darryl Yea directors by ordinary resolution. The persons named below are the nominees of management for election as directors. Each director elected will hold office until his successor is elected or appointed, unless his office is earlier vacated under any of the relevant provisions of the articles of the Corporation or the *Business Corporations Act* (British Columbia).

The following table sets out the name of each of the persons proposed to be nominated for election as a director and the name of each of the persons whose term of office, if elected, shall continue after the Meeting; all positions and offices in the Corporation presently held by that person; that person's principal occupation at present; the period(s) during which that person has served as a director; and the number of common shares of the Corporation that such person has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised. The additional biographical information following the table sets out each person's principal occupation within the five preceding years.

Name and Residence	Position with the Corporation	Principal Occupation	Director Since	Common Shares owned or controlled
David Gane British Columbia, Canada	Chief Executive Officer and Director	Chief Executive Officer of the Corporation	August 28, 2014	485,700 common shares
Rick Pauls(1)(2) Minnesota, USA	Director	President and CEO of DiaMedica Inc., a biopharmaceutical company	October 15, 2008	47,500 common shares
Lamar Roberts Georgia, USA	President, LED Dental and Director	President, LED Dental	August 28, 2014	796,857 common shares
Rodger Tourigny(2) Alberta, Canada	Director	President of Tourigny Management Ltd.	November 16, 2005	670,000 common shares

Name and Residence	Position with the Corporation	Principal Occupation	Director Since	Common Shares owned or controlled
Darryl Yea(1)(2) British Columbia, Canada	Director	President and Director of Investco Capital Management Inc.	November 21, 2011	865,001 common shares

Notes:
(1) Member, Corporate Governance and Compensation Committee.
(2) Member, Audit Committee.

Background of the Nominees

Set forth below is a brief profile of each of the nominees for election as a director of the Corporation. Other than as set forth below, each nominee has held the same principal occupation for the last five years.

David Gane

Dr. David Gane was appointed the Chief Executive Officer of the Corporation on October 10, 2013. Dr. Gane is a graduate of the University of Western Ontario with an honors degree in physiology and pharmacology and a doctorate degree in dental surgery. Dr. Gane is a corporate executive with extensive experience in dental technology and a recognized opinion leader in the dental imaging industry. He is the founder and Chairman of Orbit Imaging Inc., a company that owns and operates dental imaging centers, and the former Vice President of Dental Imaging for Carestream Dental LLC (a daughter company of Carestream Health LLC). Dr. Gane is a licensed dental practitioner with commercialization, sales and marketing. He has served in executive capacities with a number of dental companies including Image FX Software Solutions and DICOM Imaging Systems.

Dr. Gane is not a director of any other public companies other than the Corporation. Dr. Gane attended nine meetings or 100% of eligible meetings of the Board of Directors held during 2015.

Rick Pauls

Mr. Pauls is the President and CEO of DiaMedica Inc. Before that, Mr. Pauls was the Managing Director of CentreStone Ventures Inc., an early-stage life sciences venture capital fund. Prior to CentreStone, he was with Centara Corporation, another early-stage venture capital fund. Before that, Mr. Pauls specialized in asset-backed securitization and structured finance with General Motors Acceptance Corporation in Minnesota. He received his Bachelor of Arts in Economics from the University of Manitoba and his M.B.A. in Finance from the University of North Dakota.

Mr. Pauls is not a director of any public companies other than the Corporation and DiaMedica Inc. Mr. Pauls attended eight meetings or 89% of eligible meetings of the Board of Directors held during 2015.

Lamar Roberts

Mr. Roberts was appointed Vice President, Sales and Marketing of the Corporation effective October 1, 2013, Executive Vice President of the Corporation effective November 27, 2015 and President of LED Dental Ltd. effective February 25, 2014. Mr. Roberts has over 30 years of diverse executive business experience. He has provided leadership for multiple public companies in the dental and medical technology industry. He is currently the President of LED Dental. Prior to LED Dental, he held Senior Executive positions with 360imaging, Carestream Dental and PracticeWorks and has developed a dental industry reputation for guiding companies from early growth stages to becoming industry leaders. He has expertise in Sales and Marketing. In all of his previous companies, he built a strong sales and marketing team. He also has a strong background in leading commercial efforts in technical, medical, and geographically dispersed organizations.

Mr. Roberts is not a director of any public companies other than the Corporation. Mr. Roberts attended nine meetings or 100% of eligible meetings of the Board of Directors held during 2015.

Rodger Tourigny

Mr. Tourigny is the President of Tourigny Management Ltd., a private consulting company. He has been providing consulting services since 1979 primarily dealing with oil and gas, financial services and real estate. During his 37 years of consulting, Mr. Tourigny has been involved in numerous business ventures including the establishment of a public oil and gas company, managing investment portfolios, purchase and sale of various real estate properties and owning and managing various oil and gas properties. Prior to establishing his own consulting company in 1979, Rodger was Vice President – Finance of Siebens Oil & Gas Ltd. from 1976 to 1979 and Secretary-Treasurer of Ranger Oil (Canada) Ltd. from 1969 to 1976. Rodger obtained his Bachelor of Commerce from the University of Saskatchewan in 1964 and became a Chartered Accountant in 1966. Currently, Mr. Tourigny is a director of and chair of the audit committee of Bonterra Energy Corp. and is Chairman of the Audit Committee of LED.

Mr. Tourigny attended nine meetings or 100% of eligible meetings of the Board of Directors held during 2015.

Darryl Yea

Mr. Yea is currently the president of Investco Capital Management Inc., a private Vancouver-based company that invests in a diverse range of businesses and projects and advises on mergers and acquisitions, corporate and strategic issues. He is currently a director of American Potash Corp. and Handa Copper Corporation. Prior to that, he was chairman, president and chief executive officer of Toronto Stock Exchange-listed Datawest Solutions Inc., a banking technology and payment processing company, and president and CEO of a national financial services organization. Mr. Yea was a former member of the board of governors of the Vancouver Stock Exchange, the predecessor to the TSX Venture Exchange and chaired its corporate finance committee. He was also a member of its market ethics and conduct committee, and chaired its prelisting advisory committee. In addition, Mr. Yea has served as an industry adviser to the B.C. Securities Commission's new economy and adoption of technology (NEAT) committee on securities regulation reform for B.C.'s new economy, and was a member of the faculty advisory board of the Sauder School of Business at the University of British Columbia. Mr. Yea has served on the boards of several public companies including chairing special board committees that oversaw privatizations and divestitures. He holds a bachelor of commerce degree from the University of British Columbia in both urban land economics and finance, was a member of the Real Estate Institute of British Columbia and of the Institute of Certified Management Consultants of British Columbia, and has lectured on various subject matters concerning the Canadian securities industry.

Currently, Mr. Yea is a director of American Potash Corp. and Handa Copper Corporation and is Chairman of the Board of Directors of LED. Mr. Yea attended eight meetings or 89% of eligible meetings of the Board of Directors held during 2015.

Corporate Cease Trade Orders or Bankruptcies

None of the persons proposed as directors of the Corporation:

(a) is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity:

  (i) was the subject of a cease trade or similar order, or an order that denied the other issuer relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days,

  (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of the cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, or

  (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the such person.

While management does not contemplate that any of the nominees will be unable to serve as a director, if, prior to the Meeting, any vacancies occur in the state of such nominees for any reason, the management representatives designated in the form of proxy solicited in respect of the Meeting shall have the discretionary authority to vote for the election of any other person or persons as directors, provided that such other person or persons has been nominated by or at the direction of the Board of Directors, as required by the advance notice provisions of the Corporation's Articles.

Text of Resolution

"BE IT RESOLVED as an ordinary resolution that:

1. Each of David Gane, Rick Pauls, Lamar Roberts, Rodger Tourigny and Darryl Yea be elected as directors of the Corporation to hold office until the close of the next annual meeting of the Shareholders."

The Board of Directors unanimously recommends that Shareholders vote IN FAVOUR of the above resolution at the Meeting. The persons named in the enclosed form of proxy will vote IN FAVOUR of the election of the directors to hold office until the close of the next annual meeting of Shareholders, unless a Shareholder has specified in the proxy that his or her shares are to be withheld from voting in respect thereof.

APPROVAL OF STOCK OPTION PLAN

TSX Venture Exchange (the "**Exchange**") policies with respect to incentive stock options provide that listed companies may only issue incentive stock options pursuant to the terms of a stock option plan that has been approved by the shareholders of the company and the Exchange and that such plan be approved each year by the shareholders (in the case of a 10% rolling plan) and the Exchange. Therefore, LED is seeking approval of its stock option plan (the "**10% Option Plan**") reserving for issuance upon the exercise of options granted pursuant to the 10% Option Plan a maximum of 10% of the issued and outstanding shares of LED at any time.

LED intends to use stock options as a share related mechanism to enable LED to attract, retain and motivate qualified directors, officers, consultants and employees, to reward directors, officers, consultants and employees for their future contribution to the long-term goals of LED and to enable and encourage such individuals to acquire shares of LED as long-term investments. Accordingly, shareholders will be asked to consider, and the directors, believing it to be in the best interests of LED, recommend that the shareholders approve the 10% Option Plan and the allotment and reservation of sufficient common shares from treasury to provide the shares necessary for issuance upon the exercise from time to time of options granted pursuant to the 10% Option Plan.

The 10% Option Plan is in the form of a 'rolling' stock option plan reserving for issuance upon the exercise of options granted pursuant to the 10% Option Plan a maximum of 10% of the issued and outstanding shares of LED at any time, less any shares required to be reserved with respect to options granted by LED prior to the implementation of the 10% Option Plan and less any shares reserved pursuant to LED's deferred share unit plan. The 10% Option Plan is administered by the Board of Directors of LED. Subject to the provisions of the plan, the directors in their sole discretion will determine all options to be granted pursuant to the 10% Option Plan, the exercise price therefore and any special terms or vesting provisions applicable thereto. The directors will comply with all Exchange and other regulatory requirements in granting options and otherwise administering the plan.

Pursuant to Exchange policies and applicable securities laws, the shares underlying any options granted may be restricted from trading for a period of four months from the date of grant of the option. A copy of the 10% Option Plan is attached as Schedule A hereto and forms a part of this Information Circular.

A summary of some of the additional provisions of the 10% Option Plan are as follows:

1. options granted to insiders of the Corporation as a total in any twelve-month period shall not exceed 10% of the issued and outstanding shares of the Corporation;

2. options granted to any one person as a total in any twelve-month period shall not exceed 5% of the issued and outstanding shares of the Corporation;

3. options granted to any one Consultant to the Corporation as a total in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Corporation at the beginning of the period;

4. options granted to all employees, consultants and their associates engaged in investor relations activities for the Corporation in aggregate in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Corporation at the beginning of the period;

5. options granted shall be non-assignable and not transferable and shall not have a term in excess of ten years;

6. the exercise price of options granted shall not be less than the closing price of the Corporation's shares on the last trading day less any discount permitted by the Exchange, but, in any event, not less than $0.10 per share;

7. all options granted shall be evidenced by written option agreements; and

8. any amendment to reduce the exercise price of options granted to insiders of the Corporation shall be subject to approval of the disinterested shareholders of the Corporation.

LED directors believe the 10% Option Plan is in LED's best interests and recommend that the shareholders approve the 10% Option Plan. Accordingly, shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution of disinterested shareholders.

"Resolved that, subject to TSX Venture Exchange (the "**Exchange**") approval:

1. LED adopt a stock option plan, including the reserving for issuance under the stock option plan at any time of a maximum of 10% of the issued common shares of LED;

2. LED is authorized to grant stock options under the stock option plan, in accordance with its terms;

3. LED is authorized to prepare such disclosure documents and make such submissions and filings as LED may be required to make with the Exchange to obtain Exchange acceptance of the stock option plan; and

4. Authority is granted to the Board of Directors of LED to make such amendments to the stock option plan as are required by the Exchange to obtain Exchange acceptance of the stock option plan."

EXECUTIVE COMPENSATION

Oversight and Description of Director and Named Executive Officer Compensation

All dollar amounts referred to in this Circular are in U.S. dollars unless otherwise designated. Amounts referred to in this Circular in U.S. dollars were translated using the average Canadian to US dollar exchange rate for the period beginning January 1, 2015 and ending December 31, 2015, or 0.78210135**.**

In this Circular, a Named Executive Officer (or "**NEO**") means each of the following individuals: (i) the Corporation's Chief Executive Officer (the "**CEO**") including any individual who served as CEO during any part of fiscal 2015; (ii) the Corporation's Chief Financial Officer (the "**CFO**") including any individual who served as CFO or performed similar functions during any part of fiscal 2015; and (iii) the Corporation's most highly compensated executive officer, other than the CEO and CFO, at the end of fiscal 2015 whose total compensation was, individually, more than CDN$150,000 for fiscal 2015 including each individual who would be named as an NEO under (iii) but for the fact that he or she was neither an executive officer of the Corporation, nor serving in a similar capacity, at the end of fiscal 2015.

The Objectives

The Corporation's compensation program for its NEOs has three objectives, namely: (i) to provide a compensation package that encourages and motivates performance; (ii) to be competitive with other companies of similar size and scope of operations, so as to attract and retain talented executives; and (iii) to align the interests of its executive officers with the long-term interests of the Corporation and its Shareholders through stock-ownership programs.

Elements of Compensation

The Corporation's executive compensation program is comprised primarily of the following elements:

- base salary;
- participation in the Corporation's stock option plan and deferred share unit plan;
- perquisites and benefits; and
- compensation under the Corporation's short-term incentive plan, namely a cash bonus, which is awarded on an annual basis.

Each element of the Corporation's compensation program is chosen to satisfy one or more of the stated compensation objectives. The Corporation's Compensation Committee regularly reviews the various elements of the Corporation's compensation program to ensure that each element is aligned with both the goals of the Corporation and the individual executive officer. The compensation program, as designed, achieves the Corporation's compensation objectives through:

- *Benchmarking.* No benchmarking was conducted during fiscal 2015 and the Corporation does not plan to conduct any benchmarking in respect of fiscal 2016.
- *Providing Fixed and Variable Compensation.* The Corporation provides a mix of fixed and variable compensation (heavily weighted to variable compensation for the NEOs) designed to attract, retain and motivate top performing executives, as well as appropriately link compensation levels with the achievement of relevant financial and strategic goals. The Corporation's fixed compensation includes salary, perquisites and benefits. The Corporation's variable compensation includes participation in the Corporation's stock option plan and compensation under the short-term incentive plan.
- *Providing a Mix of Equity and Cash Incentives.* The Corporation provides a mix of equity compensation, through participation in its stock option plan, and cash incentives designed to motivate executive officers to focus on achieving performance results that lead to sustainable long-term shareholder returns.

Independent Compensation Consultant

Under its mandate, the Compensation Committee has the sole authority to select, retain and terminate a compensation consultant and to approve the consultant's fees and other retention terms. The Compensation Committee is also entitled to the resources and authority appropriate to discharge its duties and responsibilities, including the authority to retain counsel and other experts or consultants. In each of fiscal 2014 and 2015, the Compensation Committee did not engage any independent consultants having regard to the Corporation's ongoing cost reduction initiatives. The Compensation Committee does not anticipate engaging any independent consultants in fiscal 2016.

Recommendations of Management

In general, the Compensation Committee develops pay strategies and recommendations for the CEO. The Committee is responsible for the initial review and discussion regarding all matters involving the CEO's compensation. After this review, the Compensation Committee prepares its recommendation for the Board of Directors to review and discuss. The independent members of the Board of Directors have the sole authority to approve compensation decisions made with respect to the CEO.

With respect to the Corporation's other senior management and employees, it is the CEO who develops the pay strategies and recommendations, which the Compensation Committee then reviews and discusses. However, the authority to approve those strategies and recommendations resides with different parties according to the employee's level. For senior management, decisions must be approved by the CEO, subject to the Compensation Committee's overall review and acceptance. For employees below the level of senior management, the CEO and his designees have the authority to approve pay actions. However, the Compensation Committee is responsible for approving actions related to other aspects of these employees' compensation, such as any grant of options and, if appropriate, the amount of any bonus pool.

The Determination of Each Element

The Compensation Committee's processes for establishing and overseeing NEO compensation include:

- *Meetings:* The Compensation Committee meets to consider the Corporation's executive compensation, benefit plans and policies.

- *Role of Executive Officers and Management:* Each year, the CEO provides the Committee with an individual performance assessment for each of the other NEOs, his or her direct reports and other executive officers, along with compensation recommendations for each group. The Committee reviews and discusses these recommendations with the CEO and has full discretion over all recommended compensation actions.

When determining compensation policies and individual compensation levels for the NEOs, the Compensation Committee takes into consideration a variety of factors. These factors include: (i) overall financial and operating performance of the Corporation; and (ii) the Compensation Committee's and the Board of Directors' overall assessment of each executive's individual performance and contribution towards meeting corporate objectives, levels of responsibility, length of service.

- *Salary*: The base salary for each NEO is determined based on his or her responsibilities, individual performance factors, overall corporate performance, and the assessment of such individual as presented by management to the Board of Directors and the Compensation Committee. The base salaries of executive officers are reviewed annually.

- *Stock Options*: NEOs benefit from improved performance of the Corporation through their participation in the Corporation's stock option plan. The Compensation Committee may from time to time recommend the grant of stock options to the Corporation's executive officers under the Corporation's stock option plan. All grants of options are reviewed and approved by the Board of Directors. Grants of stock options are intended to emphasize the executive officers' commitment to the Corporation's growth and the enhancement of share value and to reward executive officers for the Corporation's performance through appreciation in equity values. The grant of stock options, as a key component of the executive compensation package, enables the Corporation to attract and retain qualified executives. The Compensation Committee reviews option balances annually and recommends grants to newly hired executive officers at the commencement of their initial employment. The amount and terms of outstanding options held by an executive officer are taken into account when determining whether and how new option grants should be made to the executive. The number of common shares which may be subject to option in favour of any one individual is limited under the terms of the Corporation's stock option plan, and the limit cannot be increased without Shareholder or regulatory approval.

- *Share Based Awards*: The Board of Directors approved the adoption of a Deferred Share Unit Plan (the "**DSU Plan**") effective May 11, 2012 which was approved by Shareholders on June 20, 2012. The purpose of this DSU Plan is to provide an alternative form of compensation to satisfy annual and special bonuses payable to "Eligible Persons", which is currently defined in the DSU Plan to mean senior officers, directors and service providers. This form of compensation promotes a greater alignment of interests amongst senior officers, directors and service providers and the Corporation's shareholders. The DSU Plan provides that the Board of Directors may, from time to time, issue deferred share units to any eligible person at the time of declaring or awarding any bonuses or at the time of payment of fees to directors. The number of DSUs granted is determined by dividing the applicable bonus amount by the fair market value of the common shares as at the last trading day before the award date as calculated in accordance with the policies of the TSX Venture Exchange. The maximum aggregate number of common shares that may be reserved for issuance pursuant to the DSU Plan is 2,000,000 common shares.

- *Perquisites and Benefits*: The Compensation Committee also determines perquisites for each NEO. Executive officers also participate in the Corporation's employee health insurance benefit plans.

- *Short-term Incentive Plan*: NEOs also benefit from the improved performance of the Corporation from time to time by the receipt of cash bonuses, awarded at the discretion of the Compensation Committee based on bonus targets set in conjunction with the annual financial budget. Cash bonuses are typically paid once per year in the first quarter and reflect a performance assessment from the immediately preceding financial year.

Compensation paid to NEOs in 2015

Below are the specific compensation actions for each of the Corporation's NEOs in fiscal 2015. See also the Table of Compensation under the heading "Compensation of Named Executive Officers and Directors".

Base Salaries

Name and Principal Position	Base Salaries (per annum)
Dr. David Gane Chief Executive Officer	\$300,000(1)
Lamar Roberts President, LED Dental	\$225,000(1)
Bruce Reese Former Vice President, Finance	\$160,000(1)
Jody Kelly Former Vice President, Finance	\$160,000(1)

Notes:

(1) Effective, April 1, 2015, David Gane, Lamar Roberts and Jody Kelly voluntarily agreed to a salary reduction. The base salaries noted above are the amounts contracted annual base salaries. The 2015 annual base salaries paid are David Gane - \$217,500, Lamar Roberts - \$194,500, Jody Kelly - \$97,587 and Bruce Reese - \$33,436.

Actual Short-Term Annual Incentive Compensation

Dr. David Gane's employment contract provides that he shall be eligible for an additional grant of 800,000 options as soon as reasonably practical following sufficient options becoming available, pursuant to the terms of LED's Stock Option Plan, at an exercise price equal to the market price of the Shares at the time of grant, which will vest on January 1, 2015 and shall be exercisable from the date of release of LED's financial statements for the year ended December 31, 2015 until June 1, 2016, based on achievement of the following milestones based on the business plan to be approved by the LED Board and the Employee (the "**Business Plan**"):

- Achievement of three (3) additional product lines contemplated by the Business Plan by December 31, 2014 (the "**Product Line Milestone**"), as to 400,000 options; and

- Gross revenue of LED for the year ended December 31, 2015 equal to an amount as set out in the Business Plan (the "**Gross Revenue Milestone**"), as to 400,000 options.

If the Gross Revenue Milestone is achieved or is missed by up to 20%, then 400,000 options shall vest. If the Gross Revenue Milestone is missed by 20% or more, then the Employee shall receive a reduction in vested options equal to 400,000 multiplied by the percentage miss in the Gross Revenue Milestone. If the Product Milestone is achieved, then 400,000 of the options shall vest. If the Product Line Milestone is not achieved, then 400,000 of the options shall not vest and shall be cancelled. The 800,000 options expired unexercised on June 1, 2016.

Dr. David Gane shall be entitled to a bonus for the second year of employment, commencing January 15, 2015, based on earnings before interest, taxes, depreciation and amortization ("**EBITDA**") of LED of 50% of his base salary as follows:

- 2015 BOD Plan Revenue of $20 million or greater: 25% bonus weighting;
- 2015 BOD Plan EBITDA[1] of $2.0 million or greater: 25% bonus weighting;
- December 31, 2014 BOD Plan net working capital of $2.0 million or greater, excluding any additional financings or loans in the period: 50% bonus weighting.

Dr. Gane earned a bonus, which has not yet been paid, for fiscal 2015 of $61,600 as a discretionary bonus. Dr. Gane did not qualify for a bonus based on EBITDA.

Lamar Roberts's employment agreement provides that he shall be eligible for an additional grant of 700,000 options as soon as reasonably practical following sufficient options becoming available, pursuant to the terms of LED's Stock Option Plan, at an exercise price equal to the market price of the Shares at the time of grant, which will vest on January 1, 2015 and shall be exercisable from the date of release of LED's financial statements for the year ended December 31, 2015 until June 1, 2016, based on achievement of the following milestones based on the business plan approved by the LED Board (the "**Business Plan**"):

- Achievement of three (3) additional product lines contemplated by the Business Plan by December 31, 2014 (the "**Product Line Milestone**"), as to 350,000 options; and
- Gross revenue of LED for the year ended December 31, 2015 equal to an amount as set out in the Business Plan (the "**Gross Revenue Milestone**"), as to 350,000 options.

If the Gross Revenue Milestone is achieved or is missed by up to 20%, then 350,000 options shall vest. If the Gross Revenue Milestone is missed by 20% or more, then the Employee shall receive a reduction in vested options equal to 350,000 multiplied by the percentage miss in the Gross Revenue Milestone. If the Product Milestone is achieved, then 350,000 of the options shall vest. If the Product Line Milestone is not achieved, then 350,000 of the options shall not vest and shall be cancelled. The 700,000 options expired unexercised on June 1, 2016.

Lamar Roberts is also eligible for additional options to purchase Shares at the sole discretion of the LED Board, subject to the terms of the Stock Option Plan.

Lamar Roberts is also entitled to an incentive bonus paid on a quarterly basis, less statutory withholdings, based on his performance and achievement of quarterly milestones to be mutually agreed upon by the Employee and the Company, and other relevant factors.

Mr. Roberts earned a bonus, which has not yet been paid, for fiscal 2015 of $50,400 as a discretionary bonus. Mr Roberts did not qualify for a bonus based on EBIDTA.

Stock Options

The NEOs were granted the following stock options in 2015: Jody Kelly – 20,000 options.

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[1] *EBITDA or Earnings before Interest, Taxes Depreciation and Amortization is a non-IFRS measure that does not have a standardized meaning and may not be comparable to a similar measure disclosed by other issuers. This measure does not have a comparable GAAP measure. EBITDA referenced here relates to net loss and comprehensive loss and excludes interest, income taxes, depreciation, amortization, finder's warrants issuance costs, stock-based compensation, deferred share unit compensation, mark to market adjustments on Canadian dollar denominated warrants, foreign exchange gain or loss and other income. This measure does not have a comparable IFRS measure and is used by the Company to manage and evaluate the cash operating loss of the business.*

The NEOs were granted the following stock options in 2014: Jody Kelly – 100,000 options.

Compensation Plan Changes for 2016

The corporate performance objectives for the 2016 short-term incentive plan are currently being finalized and are expected to be based on the achievement of certain financial objectives contained in the Corporation's Board of Director approved financial budget for fiscal 2016.

Director Compensation

Director compensation is overseen by the Corporate Governance and Compensation Committee.

The compensation paid to each director is $3,910.51 per year, a meeting fee of $1,173.15 per in-person meeting and $586.58 per phone meeting. The Audit Committee chair is paid an additional $3,910.51 and each Audit Committee member is paid $293.29 per meeting. The Corporate Governance and Compensation Committee chair is paid $293.29 per meeting.

Compensation of Named Executive Officers and Directors

The following table sets out all compensation paid, payable, awarded or granted by the Corporation for the two most recently completed financial years of the Corporation ended December 31, 2015 and December 31, 2014 in respect of the Corporation's NEOs and Directors, excluding compensation securities.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	**Year**	**Salary, consulting fee, retainer or commission**	**Bonus[5]**	**Committee or meeting fees[6]**	**Value of perquisites**	**Value of all other compensation**	**Total Compensation**
Dr. David Gane[1] Chief Executive Officer and Director	2015 2014	$217,000 $225,000	$61,600 -	- -	- -	$3,109 $10,802	$281,709 $235,802
Lamar Roberts[2] President, LED Dental and Director	2015 2014	$194,500 $220,000	$50,400 -	- -	- -	$13,997 $15,398	$258,897 $235,398
Bruce Reese[3] Former Vice President, Finance	2015	$33,436	-	-	-	-	$33,346
Jody Kelly[4] Former Vice President, Finance	2015 2014	$97,587 $44,308	- -	- -	- -	- -	$109,005 $44,308
Rick Pauls Director	2015 2014	- -	- -	$10,167 $15,160	- -	- -	$10,167 $15,160
Rodger Tourigny Director	2015 2014	- -	- -	$13,687 $20,591	- -	- -	$13,687 $20,591
Darryl Yea Director	2015 2014	- -	- -	$24,147 $24,890	- -	- -	$24,147 $24,890

Notes:

(1) Dr. David Gane was appointed President and Chief Executive Officer on October 10, 2013. Dr. Gane is not compensated in his capacity as director.

(2) Mr. Lamar Roberts was appointed Vice President, Sales and Marketing effective October 1, 2013, Executive Vice President effective November 27, 2015 and President of LED Dental Ltd. effective February 25, 2014. Mr. Roberts is not compensated in his capacity as director.

(3) Mr. Bruce Reese joined the Corporation October 16, 2015 and was appointed Vice President, Finance effective November 27, 2015 and resigned September 7, 2016.

(4) Ms. Jody Kelly joined the Corporation as Vice President, Finance on September 22, 2014 and resigned August 31, 2015.

(5) Represents the cash bonus awards and commissions earned but not yet paid to the Named Executive Officers. Bonuses earned are attributable to the noted financial year.

(6) Represents accrued fees as not all accrued fees have been paid as at the date of this Circular.

Stock Options and Other Compensation Securities

The following table sets out, for each NEO and Director information concerning all compensation securities granted or issued during the financial year ended December 31, 2015.

COMPENSATION SECURITIES							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price (CDN$)**	**Closing price of security or underlying security on date of grant (CDN$)**	**Closing price of security or underlying security at year end (CDN$)**	**Expiry date**
Dr. David Gane[(1)] Chief Executive Officer and Director	-	-	-	-	-	-	-
Lamar Roberts[(2)] President, LED Dental and Director	-	-	-	-	-	-	-
Bruce Reese[(3)] Former Vice President, Finance	-	-	-	-	-	-	-
Jody Kelly[(4)] Former Vice President, Finance	Stock Options	20,000 representing 20,000 underlying common shares	January 27, 2015	$0.28	$0.27	$0.175	January 27, 2023
Rick Pauls[(5)] Director	-	-	-	-	-	-	-
Rodger Tourigny[(6)] Director	-	-	-	-	-	-	-
Darryl Yea[(7)] Director	-	-	-	-	-	-	-

Notes:

(1) As of December 31, 2015, Dr. Gane held a total of 1,600,000 stock options representing 1,600,000 underlying common shares. The options vest as described under "Compensation paid to NEOs in 2015 – Actual Short-Term Annual Incentive Compensation".

(2) As of December 31, 2015, Mr. Roberts held a total of 1,500,000 stock options representing 1,500,000 underlying common shares. The options vest as described under "Compensation paid to NEOs in 2015 – Actual Short-Term Annual Incentive Compensation"

(3) As of December 31, 2015, Mr. Reese did not hold any compensation securities.

(4) As of December 31, 2015, Ms. Kelly held a total of 33,333 vested stock options representing 33,333 underlying common shares.

(5) As of December 31, 2015, Mr. Pauls held a total of 121,000 vested stock options and 120,000 deferred share units representing a total of 241,000 underlying common shares.

(6) As of December 31, 2015, Mr. Tourigny held a total of 121,000 vested stock options and 120,000 deferred share units representing a total of 241,000 underlying common shares.

(7) As of December 31, 2015, Mr. Yea held a total of 71,000 vested stock options and 120,000 deferred share units representing a total of 191,000 underlying common shares.

Hedging

The Corporation's treasury management policy prohibits NEO or any Director being permitted to purchase non-policy financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or any Director.

Incentive Plan Awards

The Corporation adopted a stock option plan (the "**Stock Option Plan**") which was last approved by the Corporation's shareholders on November 27, 2015 and the DSU Plan which was approved by the Corporation's shareholders on June 20, 2012 pursuant to the policies of the Exchange. 7,160,000 stock options and 710,000 deferred share units were outstanding as at December 31, 2015. Currently, 5,910,165 stock options and 360,000 deferred share units are outstanding. See "Approval of Stock Option Plan".

Compensation Committee

The Compensation Committee currently consists of Rick Pauls (Chairman) and Darryl Yea, all of whom are independent directors. The Chairman of the Compensation Committee has experience that is relevant to his or her responsibilities in executive compensation inclusive of his current role as a chief executive officer of another Exchange listed medical device company that enable the Compensation Committee to make decisions on the suitability of the company's compensation policies and practices. The Compensation Committee undertakes to set and review the compensation policies and practices on a periodic basis which are subject to approval by the Corporation's Board of Directors for which the Compensation Committee meets periodically during each fiscal year to perform such duties.

Exercise of Compensation Securities

The following table sets out for each NEO and Director, information concerning the exercise of compensation securities during the financial year ended December 31, 2015.

EXERCISE OF COMPENSATION SECURITIES BY DIRECTORS AND NEOs							
Name and position	**Type of compensation security**	**Number of underlying securities exercised**	**Exercise price per security ($)**	**Date of exercise**	**Closing price per security on date of exercise ($)**	**Difference between closing price and closing price on date of exercise ($)**	**Total value on exercise date ($)**
Dr. David Gane Chief Executive Officer and Director	-	-	-	-	-	-	-
Lamar Roberts President, LED Dental and Director	-	-	-	-	-	-	-
Bruce Reese Former Vice President, Finance	-	-	-	-	-	-	-
Jody Kelly Former Vice President, Finance	-	-	-	-	-	-	-
Rick Pauls Director	-	-	-	-	-	-	-
Rodger Tourigny Director	-	-	-	-	-	-	-
Darryl Yea Director	-	-	-	-	-	-	-

Equity Compensation Plan Information

The following table sets out information concerning the number and price of securities to be issued under equity compensation plans to employees and others as at December 31, 2015.

Plan Category	Number of Securities to be Issued upon Exercise of Options, Warrants and Rights (as at December 31, 2015) (a)	Weighted – Average Exercise Price of Outstanding Options, Warrants and Rights (as at December 31, 2015) (CDN$) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in (a)) (as at December 31, 2015) (c)
Equity Compensation Plans Approved by Securityholders	7,160,000	$0.39	3,361,906
Total	7,160,000	$0.39	3,361,906

The equity compensation plans of the Corporation include the Option Plan and the DSU Plan. As of December 31, 2015, the Corporation had 7,160,000 options issued and outstanding under its Stock Option Plan and 710,000 deferred share units issued under its DSU Plan. The maximum number of options issued and issuable is equal to 10% of the outstanding common shares of the Corporation. The maximum number of DSUs to be granted is 2,000,000 DSUs, provided that the number of outstanding options plus the number of outstanding DSUs may not exceed 10% of the outstanding common shares of the Corporation.

Pension Plan Benefits

The Corporation does not have defined benefit or defined contribution pension plans in place, whether determined primarily by final compensation and years of service or not.

Employment, Consulting and Management Agreements

LED and Dr. David Gane have entered into an employment agreement in respect of Dr. Gane's role as CEO. The agreement is for a term to January, 2016 subject to a one year extension by mutual agreement. Dr. Gane's base salary is $300,000 and he is entitled to annual incentives as described under "Compensation Paid to NEOs in 2015 – Actual Short-Term Annual Incentive Compensation". If the employment of Dr. Gane is terminated without just cause at any time prior to the expiry of the term or the extended term, LED shall pay Dr. Gane either six (6) months base salary plus an amount in lieu of benefits, or all amounts owing under the agreement to the end of the term or the extended Term, whichever is greater. Dr. Gane may resign by providing a minimum of 60 days' notice. If Dr. Gane's employment were to be terminated by LED without notice as of December 31, 2015, Dr. Gane would be entitled to a payment of $150,000 plus an amount in lieu of benefits.

LED and Lamar Roberts have entered into an employment agreement in respect of Lamar Roberts' role as Vice President, Sales and Marketing. The Agreement is for a term to December 31, 2015 subject to a one year extension by mutual agreement. Mr. Roberts' base salary is $225,000 and he is entitled to annual incentives as described under "Compensation Paid to NEOs in 2015 – Actual Short-Term Annual Incentive Compensation". If the employment of Mr. Roberts is terminated without just cause at any time prior to the expiry of the term or the extended term, LED shall pay Mr. Roberts either six (6) months base salary plus an amount in lieu of benefits, or all amounts owing under the agreement to the end of the term or the extended Term, whichever is greater. Mr. Roberts may resign by providing a minimum of 60 days' notice. If Mr. Roberts' employment were to be terminated by LED without notice as of December 31, 2015, Mr. Roberts would be entitled to a payment of $112,500 plus an amount in lieu of benefits.

The Corporation entered into an employment agreement with Bruce Reese in respect of Mr. Reese's role as LED's Vice President, Finance October 15, 2015. Under the terms of the agreement, remuneration was US$160,000 per annum plus Mr. Reese was eligible for a grant of 100,000 stock options.

The Corporation entered into an employment agreement with Jody Kelly in respect of Ms. Kelly's role as LED's Vice President, Finance effective September 22, 2014. Under the terms of the agreement, remuneration was US$160,000 per annum plus Ms. Kelly was eligible for an annual bonus with a target payment of US$25,000 and a grant of 100,000 stock options.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee of the Corporation or any proposed management nominee for election as director, or any associate of such director, executive officer or proposed nominee, has been indebted to the Corporation at any time during the financial year ended December 31, 2015.

INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, no director, proposed management nominee for election as director, executive officer or principal shareholder of the Corporation, or any associate or affiliate of such person, has any material interest, direct or indirect, in any material transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no director or executive officer of the Corporation at any time since the beginning of the last financial year of the Corporation, or any proposed management nominee for election as director, or any associate or affiliate thereto, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting, other than the election of directors.

MANAGEMENT CONTRACTS

The management functions of the Corporation are performed by the Corporation's directors and executive officers and the Corporation has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Corporation.

AUDIT COMMITTEE

The information regarding the Audit Committee required to be disclosed by Multilateral Instrument 52-110 – *Audit Committees* is detailed in the Corporation's 2015 Annual Information Form filed and available on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE

The Board of Directors and executive officers of the Corporation consider good corporate governance to be central to the effective operation of the Corporation. As part of the Corporation's commitment to effective corporate governance, the Board of Directors, with the assistance of the Corporate Governance and Nominating Committee, monitors changes in legal requirements and best practices.

Board of Directors

The Board of Directors and the Corporation annually reviews the Corporation's system of corporate governance including its Corporate Governance Manual (the "**Manual**") to ensure its practices meet or exceed applicable legal and stock exchange requirements.

Corporate Governance Disclosure

National Instrument 58-101 – Disclosure of Corporate Governance Practices requires the Corporation to disclose certain corporate governance information as is set out in Form 58-101F2 Corporate Governance Disclosure, which came into effect on June 30, 2005. A description of the Corporation's approach to corporate governance, in response to the Form 58-101F2 Corporate Governance Disclosure, is set out below.

The Board has responsibility for the stewardship of LED including responsibility for strategic planning, identification of the principal risks of LED's business and implementation of appropriate systems to manage these risks, succession planning (including appointing, training and monitoring senior management), communications with investors and the financial community and the integrity of LED's internal control and management information systems.

The Board sets long term goals and objectives for LED and formulates the plans and strategies necessary to achieve those objectives and to supervise senior management in their implementation. The Board delegates the responsibility for managing the day-to-day affairs of LED to senior management but retains a supervisory role in respect of, and ultimate responsibility for, all matters relating to LED and its business. The Board is responsible for protecting shareholders interests and ensuring that the incentives of the shareholders and of management are aligned.

As part of its ongoing review of business operations, the Board reviews, as frequently as required, the principal risks inherent in LED's business including financial risks, through periodic reports from management of such risks, and assesses the systems established to manage those risks. Directly and through the Audit Committee, the Board also assesses the integrity of internal control over financial reporting and management information systems.

In addition to those matters that must, by law, be approved by the Board, the Board is required to approve any material dispositions, acquisitions and investments outside the ordinary course of business, long-term strategy, and organizational development plans. Management of LED is authorized to act without board approval, on all ordinary course matters relating to LED's business.

The Board also monitors LED's compliance with timely disclosure obligations and reviews material disclosure documents prior to distribution. The Board is responsible for selecting the President and appointing senior management and for monitoring their performance.

The Board considers that the following directors are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act with the best interests of LED: Rick Pauls, Rodger Tourigny and Darryl Yea. The Board considers Dr. David Gane and Lamar Roberts not independent because they are executive officers and members of management.

Directorships

Certain of the directors are presently a director of one or more other reporting issuers (or equivalent) in a Canadian or foreign jurisdiction. For a list of the reporting issuers which the directors are presently a director of, please see "Election of Directors".

Orientation and Continuing Education

If new directors are appointed, they will receive orientation, commensurate with their previous experience, on LED's business and industry and on the responsibilities of directors. Board meetings may also include presentations by LED's management to give the directors additional insight into LED's business.

Ethical Business Conduct

LED has implemented a Code of Ethical Business Conduct that addresses ethical conduct in the work environment and business practices and relationships and which explains the standards of behaviour that LED expects of its employees in their activities and in dealing with others.

In addition, the fiduciary duties placed on individual directors by LED's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest also ensure that the Board operates independently of management and in the best interests of LED. Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of LED and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director must disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The disclosure must be evidenced in writing by being included in the consent resolutions or minutes of the meeting that approved the transaction or in a written disclosure delivered to LED's records office. Unless the director properly discloses his interest and has the transaction properly approved, he may be liable to account to LED for any profit he makes as a result of the transaction, unless the court finds that the transaction was fair and reasonable to LED. Once the appropriate disclosure has been made by the interested director, the transaction must be approved by the directors or by the shareholders by special resolution. An interested director would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination of Directors

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees to fill vacancies and for the next annual meeting the shareholders. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to LED, the ability to devote the time required, shown support for LED's mission and strategic objectives and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, this policy may be reviewed in the future depending on the circumstances of LED.

Compensation

The Board has appointed a Corporate Governance and Compensation Committee to oversee the compensation policies and practices of LED for directors and executive officers.

Other Board Committees

The Board of Directors has no other committees other than the Audit Committee and Corporate Governance and Compensation Committee.

Assessments

The Board of Directors conducts periodic assessments of its members including individual assessments to determine if the board, its committee and the individual directors are performing efficiently. Based on LED's size and stage of development, the Board considers a formal assessment process to be inappropriate at this time. As the activities of LED develop, it will consider the establishment of more formal evaluation procedures, including more quantitative measures of performance.

Directors' and Officer's Liability Insurance

The Corporation maintains directors' and officers' liability insurance in the aggregate amount of $5,000,000, subject to a deductible in respect of corporate reimbursement of $25,000 for each loss. During the fiscal year ended December 31, 2015, the total annual premium paid in respect of such insurance was $35,868.

OTHER MATTERS

Management of the Corporation is not aware of any other matters to come before the Meeting other than as set forth in the Notice of the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgement on such matter.

Matters which may properly come before the Meeting shall be any matter not effecting change in the Articles of the Corporation, not effecting a change of control of the Corporation or not disposing of all or substantially all of the assets of the Corporation.

PARTICULARS OF MATTERS TO BE ACTED UPON

At the Meeting, in addition to receiving the Corporation's financial statements for the fiscal year ending December 31, 2015, Shareholders are being asked:

- to appoint Grant Thornton LLP as auditors of the Corporation for the coming year and to authorize the Board of Directors to fix the auditors' remuneration;
- to elect the directors of the Corporation for the ensuing year; and

- to approve the Stock Option Plan.

Each of the above items are described in more detail under the sections entitled "Annual Business to be Conducted at the Meeting" and "Approval of Stock Option Plan".

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Shareholders may contact the Corporation at Suite 810, 580 Hornby Street, Vancouver, British Columbia, V6C 3B6 Attention: Investor Relations, to request copies of the Corporation's financial statements and Management's Discussion and Analysis for the fiscal year 2015. Information about the Corporation can also be found on its web site at www.velscope.com. Financial information is provided in the Corporation's comparative consolidated financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2015.

BOARD APPROVAL AND STATEMENT OF DIRECTORS

This Circular contains information as at October 3, 2016, except where another date is specified. The contents of this Circular have been approved and its mailing to each shareholder of the Corporation entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of Directors of the Corporation.

BY ORDER OF THE BOARD

"David Gane"

Dr. David Gane
Chief Executive Officer
LED Medical Diagnostics Inc.

SCHEDULE "A"
STOCK OPTION PLAN

LED MEDICAL DIAGNOSTICS INC.
(the "Company")

STOCK OPTION PLAN
Dated for Reference June 30, 2010

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with Exchange Policies (or, if applicable, the NEX Policies) and any inconsistencies between this Plan and Exchange Policies) (or, if applicable, the NEX Policies) will be resolved in favour of the latter.

Definitions

1.2 In this Plan

(a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

(b) **Associate** has th**e** meaning set out in the Securities Act;

(c) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;

(d) Capital Pool Company or CPC means a corporation:

(i) that has been incorporated or organized in a jurisdiction in Canada;

(ii) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with Policy 2.4; and

(iii) in regard to which the Final Exchange Bulletin has not yet been issued in accordance with Policy 2.4;

(e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

(i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or Resulting Issuer, or,

(ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or Resulting Issuer to affect materially the control of the Company or Resulting Issuer,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially control of the Company or Resulting Issuer. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or Resulting Issuer is deemed to materially affect control of the Company or Resulting Issuer;

(f) **Common Shares** means common shares without par value in the capital of the Company providing such class is listed on the Exchange (or the NEX, as the case may be);

(g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;

(h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:

  (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;

  (ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

  (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and

  (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;

(i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) **Directors** means the directors of the Company as may be elected from time to time;

(k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the Exchange;

(l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders to whom options may be granted under this Plan or their Associates;

(m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;

(n) **Effective Date** for an Option means the date of grant thereof by the Board;

(o) **Employee** means:

  (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

  (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

  (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

(p) **Exchange** means the TSX Venture Exchange Inc., and any successors thereto;

(q) **Exchange Policies** means the rules and policies of the Exchange as amended from time to time;

(r) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;

(s) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment described in paragraph 4.1 of the Plan or in accordance with the terms of this Plan;

(t) **Insider** means an insider as defined in Exchange Policies or as defined in securities legislation applicable to the Company;

(u) **Investor Relations Activities** has the meaning assigned by Exchange Policy 1.1;

(v) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;

(w) **NEX** means a separate board of the Exchange for companies previously listed on the Exchange or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;

(x) **NEX Issuer** means a company listed on the NEX;

(y) **NEX Policies** means the rules and policies of the NEX as amended from time to time;

(z) **Officer** means a Board appointed officer of the Company;

(aa) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;

(bb) **Option Agreement** means the agreement evidencing the grant of an Option by the Company under the Plan to a Service Provider;

(cc) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;

(dd) **Optionee** means the recipient of an Option hereunder;

(ee) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;

(ff) **Participant** means a Service Provider that becomes an Optionee;

(gg) **Person** includes a company, any unincorporated entity, or an individual;

(hh) **Plan** means this stock option plan, the terms of which are set out herein or as may be amended;

(ii) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in paragraph 2.2;

(jj) **Policy 2.4** means Exchange Policy 2.4 – Capital Pool Companies, as amended from time to time.

(kk) **Regulatory Approval** means the approval of the Exchange and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

(ll) **Resulting Issuer** has the meaning assigned by Policy 2.4, and Policy 1.1 and 5.2 of the Exchange;

(mm) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, or any successor legislation;

(nn) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

(oo) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan, deferred share unit plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider; and

(pp) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the Exchange Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the Exchange Policies (and, if applicable, the NEX Policies).

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2
STOCK OPTION PLAN

Establishment of Stock Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 The number of Plan Shares that may be reserved for issuance under the Plan will be 500,000 while the Company is a CPC and until the Company completes a Qualifying Transaction as defined in Policy 2.4. The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time, other than as set out in the immediately preceding sentence, is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under stock options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the Exchange Policies and, if applicable, the NEX Policies.

Eligibility

2.3 Subject to the provisions of Policy 2.4, Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the Exchange and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Agreement showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out in the Plan will be deemed to be incorporated into and form part of an Option Agreement.

Limitations on Issue

2.6 Subject to paragraph 2.9, the following restrictions on issuances of Options are applicable under the Plan:

(a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares (unless the Company has obtained Disinterested Shareholder Approval to do so);

(b) no Options can be granted under the Plan if the Company is on notice from the Exchange to transfer its listed shares to the NEX;

(c) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the Exchange;

(d) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the Exchange; and

(e) until the Company ceases to be a CPC, no Options may be granted to Service Providers engaged in Investor Relations Activities, and all options granted to Service Providers will be subject to the provisions of Policy 2.4.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

(a) allot Common Shares for issuance in connection with the exercise of Options;

(b) grant Options hereunder;

(c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the Exchange Policies or the Company's tier classification thereunder;

(d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and

(e) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

Terms or Amendments Requiring Disinterested Shareholder Approval

2.9 The Company shall obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

(a) the Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:

(i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares (in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares);

(ii) the grant to Insiders within a 12 month period, of a number of Options exceeding 10% of the Outstanding Shares (in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares); or,

(iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of Outstanding Shares; or

(b) any reduction in the Exercise Price of an Option previously granted to an Insider.

ARTICLE 3
TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

Option Amendment

3.3 Subject to paragraph 2.9(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the Exchange, and the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in paragraph 3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the Exchange, and if applicable, by shareholders of the Company, prior to the exercise of such Option.

Vesting of Options

3.6 Subject to paragraph 3.7, vesting of Options shall be in accordance with Schedule A attached hereto or otherwise, at the discretion of the Board, and will generally be subject to:

(a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

(b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding paragraph 3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

(a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or

(b) such longer vesting period as the Board may determine.

Optionee Ceasing to be Director, Employee or Service Provider

3.8 No Option may be exercised after the Service Provider has left his employ/office or has been advised by the Company that his services are no longer required or his service contract has expired, except as follows:

(a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

(b) in the case of a CPC, an Option granted to any Service Provider will expire on the earlier of (a) the Expiry Date, and (b) the date that is 90 days after the effective date of the Optionee ceasing to be a Service Provider provided that, if the Optionee ceases to be a Service Provider because the Optionee does not continue as a director, officer, technical consultant or employee of the Resulting Issuer, the Option will have a maximum term, subject to the Expiry Date, of the later of 12 months after Completion of the Qualifying Transaction (as defined in Policy 2.4) and 90 days after the Optionee ceases to be a director, officer, technical consultant or employee of the Resulting Issuer;

(c) an Option granted to any Service Provider will expire within 6 months after the date the Optionee ceases to be employed by or provide services to the Company, unless such lesser time is set out in an Option Agreement, but only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and

(d) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.9 Subject to paragraph 3.8, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.10 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

(a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;

(b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;

(c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

(d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this paragraph 3.10;

(e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;

(f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this paragraph 3.10, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

(g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this paragraph 3.10, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records. Such determination will be binding upon the Company and all Optionees.

ARTICLE 4
GRANT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option under the Plan, an authorized officer of the Company will deliver to the Optionee an Option Agreement detailing the terms of such Options and upon such delivery the Optionee will be subject to the

Plan and have the right to purchase the Optioned Shares at the Exercise Price set out in the Option Agreement and subject to the terms and conditions of the Option Agreement and the Plan.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering

(a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and

(b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price by the Optioned Shares being acquired.

Delivery of Certificate and Hold Periods

4.3 As soon as practicable after receipt of the notice of exercise described in paragraph 4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if the Exercise Price is set below than the then current market price of the Common Shares on the Exchange, the certificate will also bear a legend stipulating that the Optioned Shares are subject to a four-month Exchange hold period commencing the date of the grant of the Option.

ARTICLE 5
GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee’s office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Continuation of Plan

5.4 The Plan will become effective from and after June 30, 2010, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to June 30, 2010.

SCHEDULE A
STOCK OPTION PLAN
VESTING SCHEDULE

1. All Options granted to Service Providers other than persons conducting Investor Relations Activities, will be subject to such vesting provisions determined by the Board of Directors of the Company at the time the Option Commitment is made, subject to Regulatory Approval.

2. Options granted to Service Providers involved in Investor Relations Activities vest in accordance with paragraph 3.7 of the Plan.

SCHEDULE "B"
CHANGE OF AUDITOR PACKAGE

NOTICE OF CHANGE OF AUDITOR

Section 4.11 of National Instrument 51-102 – Continuous Disclosure Obligations

LED MEDICAL DIAGNOSTICS INC.
(the "Corporation")

The board of directors of the Corporation decided on October 31, 2015 that Deloitte LLP would not stand for reappointment as the auditor of the Corporation and Grant Thornton LLP would be recommended to the shareholders to be appointed as the auditor of the Corporation effective at the next annual meeting of the shareholders of the Corporation.

There were no modified opinions expressed in Deloitte LLP's audit reports for the financial statements of the Corporation relating to the two most recently completed fiscal years or any subsequent period.

There were no reportable events (as defined in National Instrument 51-102) between the Corporation and Deloitte LLP.

DATED the 31st day of October, 2015

LED MEDICAL DIAGNOSTICS INC.

Per: *"David Gane"*
David Gane
Chief Executive Officer

Deloitte.

Deloitte LLP
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

Tel: 604-669-4466
Fax: 778-374-0496
www.deloitte.ca

November 20, 2015

To: Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission

Dear Sirs/Mesdames:

As required by section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of LED Medical Diagnostics Inc. dated October 31, 2015 (the "Notice") and, based on our knowledge of such information at this time, we agree with the second and third paragraphs of the Notice.

We have no basis to agree or disagree with the first paragraph of the Notice.

Yours truly,

Deloitte LLP

Chartered Professional Accountants

Grant Thornton

Alberta Securities Commission
Suite 600, 250 – 5th St. SW
Calgary, AB
T2P 0R4

British Columbia Securities Commission
701 West Georgia Street
P.O. Box 10142, Pacific Centre
Vancouver, BC
V7Y 1L2

Grant Thornton LLP
Suite 1600, Grant Thornton Place
333 Seymour Street
Vancouver, BC
V6B 0A4

T (604) 687-2711
F (604) 685-6569
www.GrantThornton.ca

November 10, 2015

RR-LEDME

Dear Sirs / Mesdames:

Re: **LED Medical Diagnostics Inc. (the "Company")**
Notice of Change of Auditor

This is to advise that in connection with National Instrument 51-102 – *Continuous Disclosure Obligations*, we have read the Company's notice of change of auditors dated October 31, 2015 and based on our knowledge at the time, we are in agreement with the statements contained in the notice.

Yours sincerely,
Grant Thornton LLP

Grant Thornton LLP

Chartered Professional Accountants

cc: LED Medical Diagnostics Inc.