



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014
(EXPRESSED IN U.S. DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed consolidated interim financial statements they must be accompanied by a notice of indication that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by management and approved by the Audit Committee of the Board of Directors of the Company and the Board of Directors of the Company.

The Company's independent auditors have not performed a review of these unaudited condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Dr. David Gane
Chief Executive Officer
November 30, 2015

LED MEDICAL DIAGNOSTICS INC.

Condensed Interim Consolidated Statements of Financial Position (unaudited)

(Expressed in U.S. Dollars)

Notes	September 30, 2015	December 31, 2014
Assets		
Current assets		
Cash	\$ 1,174,842	\$ 2,396,994
Trade and other receivables	760,376	1,373,693
Inventory	1,058,823	3,103,636
Prepaid expenses and deposits	772,129	176,857
Total current assets	<u>3,766,170</u>	<u>7,051,180</u>
Non-current assets		
Prepaid expenses and deposits	116,597	287,500
Property and equipment	265,002	411,923
Patents and intellectual property	17,203	36,557
TOTAL ASSETS	<u>\$ 4,164,972</u>	<u>\$ 7,787,160</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Trade payables and accrued liabilities	\$ 1,667,613	\$ 4,301,950
Deferred Revenue	392,335	1,124,621
Current portion of finance lease obligation	-	3,190
Debenture	4 1,275,818	-
Warrants	-	162,872
Total current liabilities	<u>3,335,766</u>	<u>5,592,633</u>
Non-current liabilities		
Lease Liability	87,128	24,512
Total liabilities	<u>3,422,894</u>	<u>5,617,145</u>
Shareholders' equity		
Share capital	5 35,086,139	34,145,786
Stock-based payment reserve	6 1,873,871	1,568,645
Warrants reserve	6,098,157	4,718,328
Accumulated other comprehensive income	474,458	474,458
Deficit	(42,790,547)	(38,737,202)
Total shareholders' equity	<u>742,078</u>	<u>2,170,015</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 4,164,972</u>	<u>\$ 7,787,160</u>

Nature and Continuation of Operations (Note 1)

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Approved on behalf of the Board:

signed "Dr. David Gane" Chief Executive Officer

Dr. David Gane

signed "Roger Tourigny" Director

Rodger Tourigny



LED MEDICAL DIAGNOSTICS INC.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss (unaudited)

(Expressed in U.S. Dollars)

	Notes	Three months ended September 30, 2015	Three months ended September 30,2014	Nine months ended September 30, 2015	Nine months ended September 30, 2014
			(restated – Note 10)		(restated – Note 10)
Revenues		\$ 1,783,120	\$ 1,628,643	\$ 7,494,642	\$ 4,273,818
Cost of goods sold		1,453,370	1,027,842	5,516,403	2,277,609
		329,750	600,801	1,978,239	1,996,209
Expenses					
Sales and marketing		1,188,194	1,801,895	4,121,176	4,375,649
Research and development		31,744	113,967	146,522	474,090
Administration		417,105	308,557	1,575,754	1,207,813
Stock-based compensation	6	32,620	331,695	129,220	709,546
Other operating expenses		44,294	21,738	215,422	45,610
		1,713,957	2,577,852	6,188,094	6,812,708
Operating loss		(1,384,207)	(1,977,051)	(4,209,855)	(4,816,499)
Other income					
Mark to market adjustments on Canadian dollar denominated warrants		-	(707,057)	94,610	(593,691)
Interest expense		(16,543)	-	(16,543)	-
Foreign exchange gain (loss)		38,977	(9,753)	74,348	(95,104)
		22,434	(716,810)	152,415	(688,795)
Net loss before income taxes		(1,361,773)	(2,693,861)	(4,057,440)	(5,505,294)
Income taxes		(4)	-	(4,095)	-
Net loss and comprehensive loss for the period		\$ (1,361,769)	\$ (2,693,861)	\$ (4,053,345)	\$ (5,505,294)
Net loss per share – basic and diluted		(\$0.01)	(\$0.03)	(\$0.04)	(\$0.07)
Weighted-average number of shares outstanding – basic and diluted		100,393,519	82,312,719	91,780,594	75,207,052

The accompanying notes are an integral part of these condensed interim consolidated financial statements