



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL Manuals and will be included in the bound June 2017 Monthly News Reports and is published on our Website.

## DIAGNOS INC

Company Website: [www.diagnos.com](http://www.diagnos.com)

**History:** Incorporated in Canada on Apr. 11, 1996 as Goths Resources Inc. Present name adopted on Oct. 3, 2000.

On Sept. 6, 2000, Co. acquired 100% of DMS & Technologies Inc. (DMS) through the issuance of 20,000,000 common shares and 10,000,000 stock warrants.

On July 8, 2014, Warnex Inc. ("Warnex") merged with and into Co.'s subsidiary (the "Merger"). As a result of the Merger, Co. will issue 28,323,884 of its common shares to the shareholders of Warnex and 1,875,000 stock warrants to Persistence Capital Partners.

On May 17, 2017, Co. acquired 8,000,000 common shares of Majescor Resources Inc. pursuant to the sale of the assets from its mining division. This acquisition brings Co.'s total ownership to 10,500,000 shares, representing approximately 21.68% interest in the issuer.

**Business Summary:** Diagnos is engaged in early detection of critical health issues through the use of its Artificial Intelligence tool CARA (Computer Assisted Retina Analysis). CARA is a software tool which assists health specialists in the detection of diabetic retinopathy. CARA is an in-house hosted web-based application that integrates fundus cameras with an image processing engine over a secure internet connection and is compatible with all recognized image formats and brands of fundus cameras, and is EMR compatible. CARA has been approved by regulatory authorities including Health Canada, US Food and Drug Administration, the European Union and in Mexico.

**Property:** Co. maintains its head office in Brossard, Quebec.

### Subsidiaries

(wholly owned unless otherwise noted)

DMS & Technologies Inc.  
8913404 Canada Inc.  
Diagnos USA Inc. (United States)  
Diagnos Poland sp. Z.o.o. (Poland)  
Diagnos Internacional SA de CV (Mexico) (99.8%)  
Diagnos Healthcare (India) Private Limited (India) (99.74%)

### Associate

(wholly owned unless otherwise noted)

SARL Diagnos Medical (Algeria) (48%)

### Officers

Philip Renaud, Chairman  
Andre Larente, President; Chief Executive Officer  
Marc-Andre Massue, Chief Financial Officer; Vice President - Finance  
Guillermo Moreno Robles, Vice President - Sales

### Directors

Philip Renaud, Chairman; Director  
Netan Choudhry, Director  
Tristam Coffin, Director  
Georges L. Hebert, Director  
Andre Larente, Director  
Jean-Yves Therien, Director

**Auditors:** Deloitte LLP

**Annual Meeting:** In July

**Shareholder Relations:** Marc Andre Massue, Chief Financial Officer  
Tel: 450-678-8882 Ext. 235

**No. of Employees:** June 13, 2017, 28

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### Consolidated Income Statement, Years Ended Mar. 31 (Can\$):

	2016	2015 (revised)	2014 (revised)
Revenue	981,480	564,175	2,704,974
Costs of services & research & development	(1,184,986)	(1,105,607)	(2,240,441)
Selling & administrative	(2,519,706)	(2,126,755)	(2,110,543)
Total expenses	(3,704,692)	(3,232,362)	(4,350,984)
Income (loss) before other income	...	...	(1,646,010)
Income (loss) before interest	(2,723,212)	(2,668,187)	...
Interest income	...	...	5,226
Interest expense	(469,219)	(159,401)	...
Net income (loss)	(3,192,431)	(2,827,588)	(1,640,784)
Weighted average shares outstanding - basic	106,160,009	98,521,912	77,823,689
Weighted average shares outstanding - diluted	106,160,009	98,521,912	77,823,689
Year end ordinary shares outstanding	106,163,823	106,147,573	77,823,689
Comprehensive income (loss) per share - basic	Can\$(0.03)	Can\$(0.03)	Can\$(0.02)
Comprehensive income (loss) per share - diluted	Can\$(0.03)	Can\$(0.03)	Can\$(0.02)
Total number of employees	28	...	...

□ Reclassified to conform with 2016 presentation; □ Shares increased due to the effect of additional issuance of common shares; □ As of June 13, 2017

### Consolidated Balance Sheet, Years Ended Mar. 31 (Can\$):

	2016	2015 (revised)
Assets:		
Cash	477,015	352,105
Short-term investments	103,686	157,263
Customers	100,916	226,014
Tax credits on research & development expenses	141,453	186,638
Demand loan bearing annual interest rate of 4%	43,500	43,283
Sales taxes	31,967	20,625

Deposits	10,612	14,451
Other accounts receivable	21,654	31,620
Prepaid expenses	47,535	49,890
Total current assets	978,338	1,081,889
Investments	129,250	48,880
Capital assets, gross	843,250	665,927
Less: accumulated amortization	(701,991)	(638,452)
Capital assets	141,259	27,475
Intangible assets	21,775	14,018
Total non-current assets	292,284	90,373
Total assets	1,270,622	1,172,262
Liabilities:		
Accounts payable & accrued liabilities	161,087	129,862
Salaries & benefits	178,328	142,822
Sales taxes	2,966	766
Deferred revenue	100,083	187,233
Loans	474,659	...
Convertible notes	1,066,162	715,051
Total current liabilities	1,983,286	1,175,734
Convertible notes	...	221,378
Convertible debentures	2,436,297	...
Total non-current liabilities	2,436,297	221,378
Total liabilities	4,419,583	1,397,112
Common shares	18,163,302	18,161,677
Share capital	18,163,302	18,161,677
Reserve	6,020,477	5,843,011
Retained earnings (accumulated deficit)	(27,284,302)	(24,091,871)
Investment revaluation reserve	(48,438)	(137,667)
Total shareholders' equity (deficiency)	(3,148,961)	(224,850)
Total liabilities & shareholders' equity (deficiency)	1,270,622	1,172,262

□ Reclassified to conform with 2016 presentation

### Auditor's Report:

The following is an excerpt from the Report of the Independent Auditors, Deloitte LLP, as it appeared in Co.'s 2016 Annual Report:

### "OPINION

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of DIAGNOS Inc. as at March 31, 2016 and March 31, 2015, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Corporation has not realized annual profit from operations nor generated positive cash flow from operations since its inception. The Corporation's ability to continue as a going concern is dependent on securing additional financing and on achieving and maintaining profitable operations. These conditions, along with

other matters as set forth in Note 1, indicate the existence of a material uncertainty that cast significant doubt about the Corporation's ability to continue as a going concern."

**Long-Term Debt:** Mar. 31, 2016, C\$3,977,118 (including current portion of C\$1,154,821 and compounded interest expense of C\$152,667) comprised of:

(1) C\$474,659 (classified as current) unsecured non-convertible loan, bearing interest rate at 12% per annum, due from Mac. 6, 2017 to Mac. 22, 2017.

(2) C\$1,066,162 (classified as current) unsecured convertible promissory notes, bearing interest rate at 10%.

(3) C\$2,436,297 secured convertible debentures, bearing inter-

est rate at 10% per annum, due July 29, 2019.

**Capital Stock: 1. Diagnos Inc common; no par.**

OUTSTANDING—Mar. 31, 2016, 106,163,823 shs; no par.

WARRANTS—Warrants 7,247,833.

STOCK SPLIT—No par shares split 1-for-4 on June 21, 2002.

OPTIONS—Mar. 31, 2016, authorized for issuance, 20,000,000; outstanding, 7,814,684.

TRANSFER AGENTS & REGISTRAR—Computershare Trust Company of Canada

PRIMARY EXCHANGE—Venture Exchange (TVX): ADK.

SECONDARY EXCHANGES—National Bulletin Board (NBB): DGNO F.

PRIVATE PLACEMENTS—(4,337,897 shares) privately placed in fiscal 2003 for gross proceeds of C\$904,000.

(1,500,000 shares) privately placed in fiscal 2004 for gross proceeds of C\$150,000.

(10,833,000 shares) privately placed in fiscal 2005 for gross proceeds of C\$1,850,000.

(4,000,000 shares) privately placed in fiscal 2006 for gross proceeds of C\$106,000.

(261 units) privately placed Apr. 27, 2017 for gross proceeds of C\$2,610,000. Each unit consists of one secured convertible and redeemable debenture and 20,000 stock warrants.

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