VENTRIPOINT DIAGNOSTICS LTD

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2021

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Ventripoint Diagnostics Ltd.'s ('Ventripoint' or the 'Company') constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2021. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the years ended December 31, 2021 and 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended December 31, 2021 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at May 3, 2021 unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on SEDAR at **www.sedar.com** and on the Company's website at **www.ventripoint.com.**

Caution Regarding Forward-Looking Statements

In the interest of providing current and potential investors in Ventripoint with information regarding the Company's future plans and operations, certain statements and information, which is included or referenced herein, contain "Forward-looking Statements."

Forward-looking Statements include, but are not limited to, statements (collectively, "Statements") with respect to status of technology, development, commercialization, market size, financing, general and administrative, and beyond. You are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations they are based on will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown, and risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur.

Although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking

statements included or referenced herein include, but are not limited to, access to future funding (debt and/or equity) as described under the section titled "Liquidity"; general economics, business and market conditions as discussed in "Risks and Uncertainties – Financial"; the regulatory approval process as noted in "Risks and Uncertainties – Regulatory"; and the Company's ability to secure additional capital as discussed in "Risks and Uncertainties – Continued Operations". The reader is are cautioned that the foregoing list of important factors is not exhaustive.

With respect to forward-looking statements contained in this MD&A, we have made several key assumptions including, but not limited to:

- the market for the Company's planned product and service offerings is in excess of $1 billion worldwide and is not subject to decline in the foreseeable future;
- The Company will be able to obtain financing in a timely manner on acceptable terms;
- The current tax and regulatory regimes will remain substantially unchanged;
- The Company will be able to obtain equipment and qualified personnel in a timely manner;
- The Company will successfully market its efficient, accurate and cost-effective heart diagnostic tool that uses standard echo images to deliver functional information about the heart;
- Product and service related approvals will be obtained from all necessary agencies in a timely manner and without unplanned additional costs; and
- The Company will have sufficient resources to implement its strategies in a timely and effective manner.

The forward-looking statements contained or referenced herein are expressly qualified by this cautionary statement made as of this date. The Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking statements.

Description of Business

Ventripoint Diagnostics Ltd. (TSXV:VPT, OTCMKTS:VPTDF), headquartered in Toronto, Canada, is a medical device company engaged in the development and commercialization of diagnostic tools to monitor patients with heart disease – a leading cause of death for both men and women worldwide.

The Company is developing a suite of applications for all major heart diseases and imaging modalities, including congenital heart disease, pulmonary hypertension and cardiotoxicity in oncology patients - a multibillion-dollar market potential. By using images produced from existing medical imaging systems, the Ventripoint Medical System (VMS™) generates accurate heart volumetric measurements and a three-dimensional model in a rapid and inexpensive manner. Ventripoint's solution produces critical heart information by processing standard information received from existing medical imaging equipment with its patented and proprietary methods incorporating Knowledge Based Reconstruction (KBR) algorithms and proprietary cardiac databases (sometimes called catalogues). The VMS enables medical professionals to economically obtain accurate three-dimensional models from which critical volume and functional measurements of a patient's heart chambers are derived in only a few minutes more than the time needed for a routine echocardiogram. Measuring volume and function is fundamental in evaluating patients to determine the severity and progression of their disease, assess the effectiveness of treatment, gauge prognosis and decide on the timing of surgical and pharmacological interventions. These key

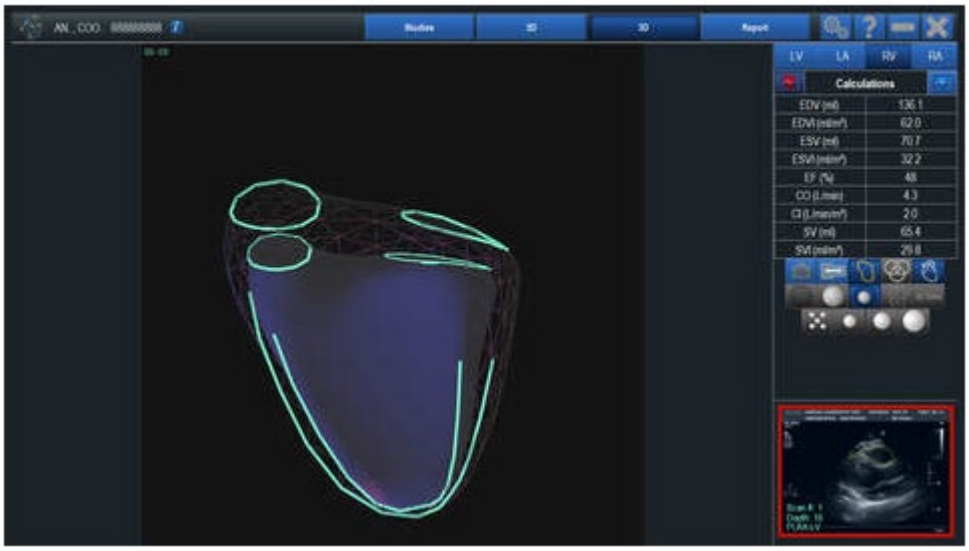
measurements and the 3D model for visual assessment provide medical professionals with some of the critical information necessary for clinical diagnosis and monitoring of their patients.

The Company's KBR method, a form of Artificial Intelligence (AI), allows for the creation of a three-dimensional model of all the chambers of the heart; right and left ventricles, and right and left atria, using images generated from existing 2D and 3D imaging equipment. The Company's technology platform is applicable to all heart diseases. The VMS system is based upon patented and proprietary technology that Ventripoint has licensed on an exclusive basis from the University of Washington. The VMS+3.0 system (hardware and software for 2D echocardiograms) and VMS+3.0 software (software only for 3D echocardiograms and MRI) have US FDA marketing clearance, Health Canada license and European CE Mark for all patients where volumetric information for any of the 4 chambers of the heart is warranted or desired.

Since the commencement of operations, Ventripoint has been committed to commercializing its breakthrough technology to be used as a tool in the diagnosis and management of various heart-related diseases to reduce the cost of healthcare for these patients worldwide.

It is the Company's goal to have the first system on the mass market that addresses the need for an efficient, accurate and cost-effective heart diagnostic tool that uses standard 2D or 3D echocardiography, as well as MRI images to deliver 3D functional information for all 4 chambers of the heart. The ability to sustain the implementation of its commercialization strategies for its VMS is dependent upon the timely receipt of additional and sufficient operating capital.

3D view of Right Ventricle showing End-Systolic and End-Diastolic



Outlook and Overall Performance

Strategy

The Company is still employing direct sales team in North America, Europe, and the UK and has begun the search for and engagement of distributors in these markets.

The Company believes the support of thought leaders is the first building block for gaining product acceptance and adoption. Accordingly, the Company has collaborated with leading echocardiologists and institutions, in order to establish luminary sites across Canada, the EU and the USA. To build awareness, VMS+3.0 deployments are designed to produce publications in leading medical journals and presentations at conferences. Internationally ranged hospitals with KOLs have indicated that they will acquire a VMS+3.0 once COVID-19 is under control in their region and their hospitals return to normal operations. The Company continues to build awareness, with such VMS+3.0 deployments, which are designed to produce publications in leading medical journals and presentations at conferences.

To remain competitive, the Company has begun work on the next generation of the VMS+ that will incorporate advanced cardiac measurement features to add further clinical value to the VMS+ product thereby improving healthcare outcomes. The primary objective of this new proposed product is to provide a complete echo cardiac analysis package with conventional 2D measurements as well as the 3D measurements currently uniquely provided by the VMS+ using 2D or 3D ultrasound. This will provide more quantitative data to clinicians and a visual aid to outline the interrelationships of the heart. These product advances will play a role in helping in the prevention and diagnosis of cardiac disease globally. This is especially relevant today with the need for thorough assessment of cardiac conditions due to COVID-19.

To continue to extend its patent portfolio and thereby strengthen its intellectual property estate, the Company has filed a foundational U.S. provisional patent application for its novel cardiac measurement approach (see NR April 19, 2021). This new measurement technique provides cardiologists with additional and more precise information about the function of the heart through motion tracking. This invention is as an extension of the Company's existing artificial intelligence (AI) platform, which provides accurate and reliable volumetric measurements for all four chambers of the heart. This new technology tracks the movement of heart and valves through the entire heartbeat and not just at the full and empty points in the cardiac cycle. This dynamic information can help in initial diagnosis and assessing the effectiveness of treatments, as well as the timing of interventions thereby improving clinical outcomes. Cardiovascular diseases continue to be the number 1 cause of death worldwide. Constantly advancing the tools available to clinicians for diagnosing and treating patients is key for the future of healthcare.

In August 2021, Ventripoint filed an international patent application under the Patent Cooperation Treaty (PCT) to protect Ventripoint's recent novel improvements to its cardiac measurement technology. Ventripoint is a pioneer in application of artificial intelligence (AI) to heart analysis and this latest application strengthens the company's intellectual property position and coverage for the Ventripoint's flagship products. With this one international patent application, Ventripoint registers its claim to this invention in at least 153 different contracting countries under the PCT. This latest patent application claims a new, improved method of using 2D and 3D echocardiography data for mapping and displaying the anatomical structure and configuration of the heart. A key novel component is the use of templates with predetermined anatomical landmarks so that multiple anatomical features of the heart are aligned simultaneously. This upgrade to Ventripoint's VMS+ products shortens the analysis time for both 2D and 3D echocardiograms

and will help clinicians obtain more accurate and reliable results. The patent relates to the method of using 2D and 3D echocardiography data for mapping and displaying the anatomical structure of the heart for all four pumping chambers of the heart.

In its ongoing efforts to promote the clinical applications for the VMS+ product, the Company has begun publication on the corporate website of case studies and whitepapers showing meritorious use of the VMS Heart Analysis System in routine clinical practice (see NR April 13, 2021). A series of case studies and white papers will be published over the next several months to showcase various limitations of current clinical practice, which are overcome by the VMS family of products. Coming topics include user experience perspectives, usability of the VMS products, and VMS use in patients infected with COVID-19.

The Company has no revenues for 2021, so its ability to ensure continuing operations is dependent on its ability to obtain necessary financing to complete its business plan and the development and future profitable sales of its products.

Corporate Highlights

The Company has made significant progress in implementing its development and commercialization plans.

Highlights include:

Collaboration with General Electric Healthcare (GEHC)

The Company has been seeking marketing and distribution channel partners to build awareness and access to potential customers. The Company recently announced (see NR April 27, 2021) a collaboration with (GEHC). Ventripoint has been added as an innovator under GE Healthcare's Edison Developer Program, which helps healthcare providers gain access to market-ready applications. As an innovator under this program, our installed base will be enhanced and will drive Ventripoint's commercial growth worldwide by accessing GE Healthcare's global channel.

The collaboration between GE Healthcare and Ventripoint offers the potential to enable the medical technology company's global customers to leverage the advanced 3D image analysis tools from the Ventripoint software applications for studies obtained using GE Healthcare's suite of Vivid cardiac ultrasound products.

Collaboration to Expand to Companion Animals

The Company has initiated a collaboration to expand the use of the VMS+ to include companion animals (see NR January 10, 2021).

Quality Management System and Facility Certifications

In January 2022, The Company successfully completed a surveillance audit of its quality assurance system under Medical Device Directive 93/42/EEC (MDD), Annex II with no findings. This is the first surveillance audit since Ventripoint's last full recertification (see NR March 9, 2021). The audit by a EU-based Notified Body confirmed that Ventripoint continues to remain in compliance with the requirements of the European Medical Device Directive. Our continued certification allows us to continue to market in CE Mark European

countries, which include the European Economic Area, Switzerland, and, until 2023, the United Kingdom and until Ventripoint transitions to the new EU Medical Device Regulation (MDR).

In December, the Company successfully completed the Medical Device Single Audit Program (MDSAP) re-certification for its Quality Management System (QMS) under ISO 13485:2016 regulations and the FDA Quality System Regulations, which facilitates continued design, manufacturing, installation and servicing of its products in Canada and the United States. The Company has had its MDSAP certification since 2018 and underwent a 2.5-day audit at its corporate offices and manufacturing facility under the MDSAP as part of its three-year re-certification audit. The Company had no findings. The new certificate was issued December 25, 2021, and is in effect for the next 3 years, subject to annual surveillance audits.

The Company also successfully completed a semi-annual follow up inspection of their manufacturing facility by a Nationally Recognized Testing Laboratory (NRTL) (see NR November 9, 2021). A NRTL test mark reflects a manufacturer's commitment to safety and proof of VMS+3.0 product compliance with US and Canadian national electrical safety standards and code requirements. A Nationally Recognized Testing Laboratory (NRTL) is an independent, third-party organization recognized by the United States Occupational Safety and Health Administration (OSHA) and by the Standards Council of Canada (SCC) that evaluates, tests, and certifies electrical products. Ventripoint has had the NRTL certification for over one year and due to successful quarterly inspections, is now only required to have semi-annual inspections. This certification signifies the conformance of the VMS+3.0 with the applicable electrical safety standards required to sell in the Canadian and US markets.

VMS+3.0 Showcased at Medical Conferences

In 2021, the Company sponsored and exhibited at the 23rd Annual Canadian Echo Weekend-2021 Digital Edition, which was organized by the Canadian Society of Echocardiography (CSE).

The Company had a prominent booth in the virtual exhibit hall and received a high profile. Outcomes from the weekend were:
1. A new application was identified, and a potential lead investigator was engaged,
2. Cardiologists signed up for the forthcoming webinar entitled "Remembering the forgotten ventricle – exploring the benefits of accurate and reliable measurements",
3. The Company was able to advance discussions with key cardiologists to conduct clinical evaluations, where the VMS can uniquely provide better and more timely information. These studies will be initiated once echocardiography services can fully re-open and resume normal operations.

The Company sponsored and exhibited at the 54th Annual Meeting of the Association of European Paediatric and Congenital Cardiology (AEPC) that was held digitally on May 25th-27th, 2021. The AEPC mission is to promote the knowledge and learning in the field of cardiac disease in children. The current overall membership of the Association includes 1500 paediatric cardiologists and other specialists. The event will feature digital platforms with plenaries, parallel sessions, digital posters, and industry exhibitions. Some highlights of the digital conference included sessions on topics such as timing of pulmonary valve replacements, optimal treatment in atrial septum defect in pediatric patients, and value of ultrasound in congenital heart disease. The AEPC 2021 will be showcasing Ventripoint's support by having a digital booth on the AEPC digital platform.

The Company also exhibited at the 71st Annual Scientific Session and Expo, hosted by the American College of Cardiology (ACC) between April 2-4, 2022, in Washington, D.C., United States. The ACC is a not-for-profit medical community that has over 54,000 medical professionals worldwide. The ACC aims to provide the best care possible for patients with cardiovascular disease and to help raise awareness about the prevention of cardiovascular disease. The conference highlighted the latest advancements in cardiac care and will be holding specific education sessions for practitioner continuing education. Some of the keynote topics included health equity in cardiovascular disease prevention, technology, heart healthy diet, and more. The conference already has over 18,000 members attending and provided an excellent opportunity for Ventripoint to connect with the cardiovascular community and engage in pressing topics within the field.

Chinese Partnership and Future Development

On February 16, 2021, the Company announced that its joint-venture partner Yutian Medical Shanghai Inc. ("Yutian") had informed the Company that it had achieved a number of milestones in its platform development to commercialization.

Development Funding

The Company has received additional advisory services and up to $107,000 in research and development funding from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP). This new funding is in addition to the up to $120,000 that has already been approved (see NR May 4, 2021). The combined funding of up to $227,000 will provide Ventripoint with the resources and advisory services to further enhance the VMS+ system to revolutionize the way heart analysis is performed.

On October 20, 2021, the Company closed a offering of 15,490,500 ("Units"), at a price of $0.52 per Unit for aggregate gross proceeds of $8,055,060. Each Unit consists of one common share of the Company (a "Common Share") and one Common Share purchase warrant (each whole purchase warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one common share at an exercise price of $0.70 (the "Exercise Price") at any time up to 60 months following Closing.

VMS+3.0 Purchase Orders and Commitments to Customers

Over the last year, Ventripoint has been in dialogue with major cardiovascular centres in Canada, United States, UK, and Europe to expand sales of VMS+3.0 units. The Company received purchase orders and has committed to supply VMS+3.0 machines,b ut access to hospitals during COVID is limited Some of these purchases will be on a lease and pay-per-use arrangement and so the Company will be building recurring revenue streams with these leading cardiac centres. The Company continues to build its sales funnel by actively marketing the VMS+3.0. Twenty-one systems have been installed to date worldwide, with a calendar year-end target of 25 to 30 units.

On November 22, 2021, the Company announced that it had received four more orders for the VMS+3.0 whole-heart analysis system. These units are being manufactured at the Ventripoint facility and are expected to be installed by the end of the 2022 calendar year. These four units will be installed in leading pediatric and adult cardiovascular centres in the UK, Canada and USA and add to the existing installed base of 21 VMS+ units in Canada, United Kingdom, Europe, USA and China. The Company targeted to deploy 25- 30 units by the end of 2022 and is on track to achieve this goal. The Company will announce the sites as they are installed, and permission is obtained to name the hospitals who have adopted the

VMS+ approach to improved cardiac diagnostics. Each installation further validates VMS+ technology as the alternative to cardiac MRI imaging, offering cost effective solutions to ultrasound clinics everywhere - a massive market opportunity.

On October 21, 2021, the Company announced that the East Midlands Congenital Heart Centre in Leicester, UK has received the VMS+3.0 unit. This is the second site in the UK to receive the VMS+3.0 as a tool for aiding in the diagnosis and monitoring of patients with heart disease. Regular monitoring and reassessments are especially critical for the care of patients with congenital heart disease (CHD), as well as for managing case load of new patients. The VMS+ system is a tool for regular monitoring and assessments because it provides a rapid and complete visualization of the function of the whole heart. Dr. Gregory Skinner, MB BS MRCPCH, is one of Ventripoint's early adopters of the first model of the VMS system and works as a Paediatric Cardiology consultant, specializing in advanced echocardiography at the East Midlands Congenital Heart Centre. Dr. Skinner runs a regular Advanced Echocardiography Imaging Clinic at Glenfield Hospital which is where the new VMS+3.0 unit has been installed.

The Company continues to employ direct sales in North America, Europe, and the United Kingdom as well as seeking distribution partners worldwide.

Expanding Product Distribution in Europe and North America

On December 21, 2021, The Company announced that a distributor partnership with a medical device distributor, CardioLogic Ltd., had been finalized. CardioLogic Ltd specializes in the development, marketing, and distribution of medical devices for cardiac care and has an extensive network and customer base. Ventripoint does have prominent UK hospitals using the VMS+3.0, but the UK market is largely untapped. CardioLogic will expand Ventripoint's UK footprint with a sales team calling on echocardiologists, interventional cardiologists and cardiac surgeons, who would benefit from the VMS+3.0 system's fast and reliable diagnostic imaging. The process for purchase or lease of medical devices in the UK is controlled by Health Trusts and the National Health Service (NHS) and CardioLogic's experience in dealing with these processes will accelerate the approval of sales and allow a more rapid expansion into hospitals and cardiac facilities across the UK.

On April 7, 2022, the Company announced it had signed Angiopro GmbH as Ventripoint's European Distributor for Ventripoint's products and engaged AngioConsult, their affiliated company to tailor the marketing efforts to the different countries in the EU. AngioConsult and Angiopro are both based in Germany. While AngioConsult is a consulting firm that specializes in market access, product management, sales organization as well as training programs in one company, Angiopro is a classic distributor company focusing on the distribution of medical devices and software products in the cardiology, vascular surgery, and radiology/angiology fields. AngioConsult will combine its consulting arm with its distribution partner, Angiopro, to position Ventripoint in the European market. AngioConsult was selected based on its reputation in the cardiovascular market, alignment with Ventripoint's current customer base, and an extensive distribution network with contacts to professional decision makers in the cardiovascular field.

The Company continues to interview additional potential European distribution partners.

Ventripoint has hired a consulting company to screen additional North American candidates, who has identified eight distributors in various parts of the USA. The Company expects to announce final agreements with these partners in the near term.

New CPT Code

At the recommendation of the AMA (American Medical Association), the U.S. Department of Health and Human Services (HHS) through CMS (Centers for Medicare & Medicaid Services) has finalized a CPT (Current Procedural Terminology) billing code (+93319) for 3D echocardiographic imaging and postprocessing during transesophageal or transthoracic echocardiography. Effective January 1, 2022, the CPT billing code will be a new compensation for doctors to analyze 3D echocardiograms and can be used by doctors and hospitals to claim reimbursement from payers (Medicare, Medicaid, insurance companies, etc.). This is a significant development for 3D echocardiography, which has struggled to be adopted due to poor image quality and difficulty of analysis. Our 3D echo VMS+ product has recently been shown (https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8250005/) to yield excellent results in 75% of children for the most difficult heart chamber, the right ventricle. The Company believes it can accelerate the adoption of 3D echocardiography by improving the ease and success rate of reading the exams and generating MRIgrade measurements for all 4 chambers of the heart. There will always be a need for VMS+3.0 to analyze 2D echocardiography exams for the 25% of patients who generate unreadable images in 3D scans. The VMS+ systems (2D and 3D) are fast and reliable ways to assist in diagnosing and monitoring patients with heart defects and other cardiac issues. Now the VMS+ 3D can also help in driving the adoption of an additional source of billable income for doctors.

New Board Directors

On December 20, 2021, the Company announced Randy AuCoin joining the Board of Directors of the Company. Since 2013, Randy AuCoin has been the CEO of Exact Imaging, which is the world leader in high-frequency ultrasound applied to the early detection of prostate cancer. Randy has raised over $50 million of venture capital and has had progressively more senior roles in Quinton Electrophysiology Corporation, DICOMIT, VisualSonics Inc. and Imagistx Inc. Randy is well versed in all aspects of a medical device company from operations to sales and marketing to governance.

On October 25, 2021, the Company announced Fiona Fitzgerald joining the Board of Directors of the Company. Fiona Fitzgerald was employed with General Electric Healthcare Corporation (GEHC) in Canada starting in 1995 and transitioned to Cytiva (formerly GEHC Life Sciences) when Danaher Corporation bought the operating company in March 2020. She is an experienced business leader in life sciences with a track record of success in sales, marketing, operations, and R&D across three countries: Canada USA and UK/Ireland. Along with a bachelor's degree in Applied Biochemical Sciences, she also has a post graduate diploma in Management Sciences. She is also a graduate member of the Chartered Institute of Marketing. Fiona has participated on various Government of Canada Federal committees including NSERC`s CREATE program and several NSERC Centre of Excellence Evaluation committees. In 2014 she chaired the CREATE Committee. She currently holds board memberships in CellCAN, CATTI, CIMTEC and the Advisory Board for the Centre of Bioengineering and Biotechnology at Waterloo University. Fiona is actively involved in her community and volunteers with several local organizations.

Clinical Advisory Board

The Company is assembling a clinical advisory board with the appointments of Dr. Gregory Skinner in February 2022 (see NR February 2, 2022) and Dr. Howard Michael Leong-Poi in April 2022 (see NR April 19, 2022).

Dr. Skinner is currently a Consultant Paediatric Cardiologist at the East Midlands Congenital Heart Centre in Leicester, UK and is the Clinical Lead for the Department of Paediatric Cardiology and Deputy Head of Service for the East Midlands Congenital Heart Centre. On top of paediatric cardiology, Dr. Skinner is well versed in advanced imaging, particularly transthoracic and transoesophageal echocardiography in congenital heart disease. He also specializes in paediatric and congenital cardiac x-ray computed tomography (CT) and magnetic resonance imaging (MRI). Dr. Skinner is certified in Congenital Heart Disease Echocardiography from the European Society of Cardiovascular imaging and a member of the Royal College of Paediatrics and Child Health (MRCPCH).

Dr. Howard Leong-Poi is Head of the Division of Cardiology, as well as the Medical Director of the Heart and Vascular Program at St. Michael's Hospital in Toronto, Ontario. He is also a Full Professor of Medicine at the University of Toronto. He is currently an Associate Editor for the Canadian Journal of Cardiology and has published over 100 articles in peer-reviewed journals. Dr. Leong-Poi has served on multiple grant review panels, such as the CancerCare Manitoba Foundation, Swiss National Science Foundation, Canadian Foundation for Innovation, and others. He is a member of the Institute of Medical Sciences, Canadian Society of Echocardiography, Canadian Cardiovascular Society, and other notable associations. Dr. Leong-Poi has received numerous international awards, including the 2017 Feigenbaum Lecturer, recipient of the 2005 William W. Parmley Young Author Achievement Award, and 1st prize for the Research Award Competition for the American Society of Echocardiography. Dr. Leong-Poi's clinical research interests focus on cardiac imaging, specifically echocardiography, in coronary artery disease, heart failure and valvular heart disease. His extensive experience and clinical research will bring insight and ideas for the development of the VMS+ system to better diagnose and monitor cardiovascular disease.

Marketing Outreach and OTCQB Up-listing

During the last quarter, Ventripoint has engaged digital marketing firms to assist in telling the Company's story globally. This initiative is ramping up through the fall, as the Company has received official notification from OTC Markets to up-list to the OTCQB tier effective as of January 7, 2022 (see NR January 7, 2022). whereby online investors will have easy access to trading through their own local accounts. In addition, this status should broaden exposure on many different online platforms. The Company will trade on the OTCQB exchange under symbol "VPTDF"; the Company's common shares will continue to trade on the Toronto Securities Venture Exchange under the symbol "VPT". The Company has also engaged specialty groups in Europe and abroad to assist in this process. As our sales and distribution expands, so will our outreach. With many important announcements expected this fall and winter, our objective is to reach an expanding global audience of investors.

DTB Eligibility Approval

On March 21, 2022, the Company announced that Ventripoint's common shares are now eligible for electronic clearing and settlement through the Depository Trust Company ("DTC") in the United States ("US"). DTC is a subsidiary of the Depository Trust & Clearing Corp., which manages the electronic clearing and settlement of publicly traded companies in the US. DTC eligibility incorporates an electronic method of clearing securities that accelerates the receipt of stock and cash, reduces costs, and allows the stock to be traded over a much wider selection of brokerage firms by meeting their clearing and settlement requirements.

Commercialization

The Company has sold or has new orders and commitments for the VMS+3.0 devices. New orders have not been fulfilled due to the temporary restrictions of hospitals as they deal with the COVID-19 pandemic. To date, the Company has installed machines in cardiac centres in North America, UK, and Europe. The Company has sold and delivered three VMS+3.0 machines to its Chinese partners for demonstration and research use and received full payment. In addition, Yutian has built and installed 8 QAS machines (see Chinese Partnership section above) in China. The Company has also delivered one VMS+3.0 for 3D-echo – its software-only product, to a major European centre. This was the first sale of this product, which is able to analyze 3D echocardiograms from all major ultrasound machines.

Planned and Ongoing Clinical Studies

On February 23, 2021, the Company reported announcing the commencement of a new clinical study to measure atrial volumes and ejection fractions in children with suspected valvular disease. The study is being conducted by cardiologists in the Department of Pediatrics, Division of Pediatric Cardiology at the University of Alberta in collaboration with the Mazankowski Heart Institute and Stollery Children's Hospital. There is a real need for a reliable, accurate and simple procedure to assess valvular function especially between the atria and ventricles of the heart. Left atrial enlargement is an indicator of diastolic dysfunction due to congenital or acquired left heart disease, volume overload due to left to right shunting, a marker of severity of mitral stenosis and regurgitation, and a risk factor for atrial arrhythmias. Right atrial volume is a known marker for right ventricular diastolic dysfunction and severity of tricuspid regurgitation or stenosis. The VMS+3.0 is uniquely able to measure volumes for all 4 chambers of the heart using 2D ultrasound and so can provide regular monitoring of children throughout their early years as the heart grows. This information is critical to determine the need and timing for therapeutic interventions. This study aims to demonstrate the capabilities of the VMS+3.0 in assessing the performance and function of the left and right atria in combination with the ventricle assessment. For comparison purposes, the children will also be assessed by 3D ultrasound, as well as MRI, when possible.

On September 15, 2021, the Company reported having twelve clinical projects underway or being planned. This shows the innovative nature of the VMS+3.0 in enabling clinicians to study a variety of heart problems by analyzing the whole heart for the first time. All these studies are being funded through institutional sponsorships or grants. The Company is providing training for research staff and logistical support for these ground-breaking studies conducted by leading cardiologists. The following five projects are currently underway:

1. Normal and Abnormal Maternal Heart Function during Pregnancy at the Mazankowski Alberta Heart Institute in Edmonton, Alberta, Canada under the direction of Dr. Lisa Hornberger, Principal Investigator and Dr. Jonathan Windram, Co-Investigator.
2. Congenital Heart Defects with Septal Defects
3. LA Enlargement as an Earlier Indicator of Heart Failure with Diastolic Dysfunction
4. Right Atrial (RA) and Right Ventricular (RV) Enlargement as an Indicator of Tricuspid Valvular Dysfunction
5. Retrospective Analysis of Benefits of VMS+3.0 for Determining Optimal Point for Pulmonary Valve Replacement (PVR) in Young Adults with Tetralogy of Fallot

The other seven studies will address, single-ventricle, hypertension, Duchenne muscular dystrophy, acute COVID-19, long-haul COVID-19, COVID-19 in elite athletes and surgical planning in valve replacements.

The Company will provide details on these studies when they have been approved by the host institutions.

Upsized Bought Deal Offering of Units

On October 20, 2021, Ventripoint closed a public offering (the "Offering") including full exercise of the overallotment option. The full Offering closed for a total of 15,490,500 ("Units"), at a price of $0.52 per Unit for aggregate gross proceeds of $8,055,060. Each Unit consists of one common share of the Company (a "Common Share") and one Common Share purchase warrant (each whole purchase warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of $0.70 (the "Exercise Price") at any time up to 60 months following Closing (as defined below). In the event that the volume weighted average trading price of the Common Shares for ten (10) consecutive trading days exceeds $1.00, the Company may, within 10 business days of the occurrence of such event, deliver a notice (including a press release) to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice.

The Company paid the Underwriters a cash commission of $535,774 and has issued 1,030,335 compensation options (the "Compensation Options"). Each Compensation Option is exercisable for one Unit at $0.52 per Unit for a period of 60 months following the closing of the Offering.

The Company will use proceeds of the Offering for product design and development, commercialization, production, sales and marketing, distribution, customer support, and general working capital.

Business Objectives and Milestones

The Company has the following milestones: • Grow cumulative cardiac base in United States, Europe, and United Kingdom (See "VMS+3.0 Purchase Orders and Commitments to Customers" and "Commercialization" above). The Company is building a small direct salesforce and partnering with distributors to accelerate sales of its products. It will need to hire additional staff for sales, management of distributor and preparation of marketing material. The Company intends to exhibit at a number of major cardiology and medical device conferences in the next year to build brand awareness and build its sales funnel.

- GE Healthcare product resulting from collaboration (see "Distribution Agreements" and "GE Healthcare Collaboration" above. The Company will continue to collaborate with GE Healthcare to result in a fully validated product, which is developed by the Company in-house and validated by GE Healthcare. The Company will require additional staff to participate in the planning of the launch of the product by GE Healthcare and to prepare supporting documentation for regulatory submissions and marketing, as well as training and support for GE Healthcare's salesforce. The Company will also need additional application specialists to train and support GE Healthcare's application specialists during sales and for aftersales support of customers. The Company is also looking for clinical sites to further validate the product in existing and new applications. Estimated costs through to Q3 2022 is $570,000 for operations and commercialization and $322,000 for product design and development.
- Upgrade of VMS+3.0 to VMS+4.0. The next generation of the Company's products will be focused on 4D (motion) analysis and enhanced tracking and user-friendly features to accelerate analysis and optimize visualization of all 4 chambers of the heart. The new design will also significantly lower the cost of manufacturing the product. This design and development will be done by Ventripoint in-house. It is estimated that the completion of the development of the VMS+4.0 and

validation, regulatory market approvals and transfer to production will occur within the next 12 months. Regulatory market approvals will be done by the Company in-house. Current facility is scaled to manufacture at least 3units/week with a full-time assembler and quality control personnel. Estimated costs through to Q4 2022 is $1,710,000 for Operations and commercialization and $966,000 for product design and development.

Current Focus for Clinical Applications

1. Congenital Heart Disease

Children born with a heart abnormality almost universally have the defect in the right ventricle (RV). The VMS+ system was originally developed to address this need and it continues to be a focus for the Company. Currently, a number of pediatric hospitals are using the VMS+2.0 or VMS+3.0 to evaluate such patients as it is critical to monitor the size of the RV as the children grow to be sure it is not dilated. There is significant risk of permanent damage to the RV, if it is left dilated for an extended period. Hence the ASE guidelines call for an echocardiogram with estimation for RV size every 3 months. Stollery Children's Hospital, The Alberta Children's Hospital, The Hospital for Sick Children and Sofia Hospital in Rotterdam have VMS+3.0 systems.

While tetralogy or fallot and septal shunts are the majority of CHD patients (about 1% of all births), there are a number of other more rare but clinically challenging abnormalities. The Company continues to assist with studies on these types of CHD patients a major children's hospitals around the world.

CHD patients now live a normal life span and so there are a number of adult CHD patients who still need to be monitored for RV dilation throughout their life. Toronto General Hospital (see NR November 5, 2020) has a large cohort of these patients and this one of the foci for the use of the VMS+3.0.

2. Pulmonary Hypertension (PH) and COVID

Lung congestion results in increased blood pressure in the pulmonary artery. This results in increased load on the right heart and dilation of the RV. There are now a number of drugs to treat PH and it is critical to determine when a particular drug is effective and when to change to another therapy. Once again, if the RV is allowed to be dilated for a long time, there is a great chance of right heart failure and death. The ASE guidelines call for echocardiogram and RV size determinations every 3 months, but this is not done currently as the standard technique to quantify RV size is not reliable. The VMS+3.0 has been verified to give accurate and reliable results equivalent to MRI in PH patients. One of the foci for the Hospital for Sick Children and the Toronto General Hospital (see NR November 5, 2020) is to use the VMS+3.0 on pediatric and adult PH, respectively.

Lung congestion and RV dilation is being seen now in COVID patients worldwide and there have been studies correlating RV size with mortality in ICUs. It is now clear COVID-19 significantly damages the heart and results in both acute and chronic cardiac dysfunction. The Company is engaging with two major cardiac centres to conduct clinical studies on COVID-19 patients. The

literature has shown RV, LV and biventricular dysfunction can be detected with echocardiography using crude analysis of the heart. The Company anticipates it will be able to significantly improve the results for echocardiograms from COVID-19 patients. King's College London is primarily focused on using the VMS+3.0 in COVID patients.

3. Cardiotoxicity of Chemotherapy Treatments for Cancer.

There is a growing literature base to show all chemotherapy agents are cardiotoxic, with many patients developing chronic heart disease following cancer therapy. A study published in Echo Res Pract. (2016, Sept 3(3): 79-84) entitled "Right heart function deteriorates in breast cancer patients undergoing anthracycline-based chemotherapy", by a group led by Dr. Boczar at the University of Ottawa Heart Institute, Ottawa, Ontario, Canada, concluded: "This study demonstrates that breast cancer patients receiving anthracycline-based chemotherapy experience adverse effects on both right atrial size and RV function". The Ottawa Heart Institute has purchased a VMS+3.0 system. The Company has been contacting cardiologists within cancer centers to determine the need to accurately determine RA and RV size and function during and after cancer therapy.

There are 1.7M new cancer patients/year in the USA. The lifetime risk of cancer is 42% in men and 38% in women. Cancer has surpassed cardiovascular disease as the number one killer in the USA with 600,000 deaths per year. The leading cause of death in cancer, for both women and men (27%), is lung cancer where RV failure is a major risk. Direct medical costs for cancer in the US in 2013 were $74.8B billion and $30B (40%) were for inpatient hospital stays. In the USA, there are more than 1,400 cancer-care facilities, which are accredited by the Commission on Cancer of the American College of Surgeons. These centers have been adding cardiologist to their staff as cardiotoxicity is now well established.

MD Anderson Hospital received a VMS+3.0 system (see NR October 8, 2020) to use for routine clinical assessment of oncology patients to determine cardiac changes during and after treatments.. When the Company met with the cardiology team to assess their experience to date, they indicated the VMS+3.0 resolved all their operational concerns. MD Anderson has been one of the top two cancer centers in the USA for decades. It receives the highest number of research grants from the National Cancer Institute and is the recognized leader in the diagnosis and treatment of cancer.

A key addition to the VMS+3.0 was a complete workstation to allow remote analysis of echocardiograms in viewing rooms within the hospital. Unlike Europe where the cardiologist captures and analyzes the images on the ultrasound unit, in the United States, sonographers collect the images into a standardized DICOM file and upload them to an internal server (PACS) so they can be retrieved and analyzed by a cardiologists in a viewing room. Viewing rooms are equipped with workstations and high-resolution screens to optimize the images. Accordingly, the Company elected to incorporate a workstation into the VMS+3.0. While the VMS+3.0 is designed to deal with low-quality images and allow for analysis on the unit itself, it never hurts to have optimal viewing conditions.

4. Technically-Difficult Imaging

Technically-difficult imaging is a continual problem in echocardiography. About 20-30% of patients yield unreadable images using conventional 2D echo due to their particular anatomy. When a result is needed, a contrast medium is injected into the patient while the study is re-done to increase the contrast between the heart muscle and the blood. This results in a readable image about 80% of the time, but the procedure has a number of drawbacks. It takes extra time as the study needs to be redone. It requires a patient to approve an infusion and requires an IV nurse to be summoned to do the infusion, which can also take time. As well, the contrast media is expensive and only provides one view (typically apical 4-chamber view) as compared with the 16 views taken during a standard echocardiogram. With conventional 2D echo, there are usually some views that can be difficult to interpret due to either borders that are not easily distinguishable or areas of drop out (fading). The VMS only needs a small number of points to analyze the heart and once the heart can be located in the views, other anatomical landmarks become recognizable. The Company believes it can significantly reduce the use of contrast media, which would save time, money and patient discomfort.

The Company installed the VMS+3.0 whole heart analysis system at the University of Alberta Mazankowski Alberta Heart Institute under the supervision of Dr. Jonathan Windram, Staff Cardiologist, Northern Alberta Adult Congenital Heart Program and Associate Clinical Professor of Medicine, Division of Cardiology, Department of Medicine, University of Alberta Mazankowski Alberta Heart Institute. The first clinical study addressed technically-difficult patients and the ability of the VMS+ to reduce the use of contrast media. In 10-25% of patients the images collected by standard 2D ultrasound are not clear enough to allow for interpretation using conventional methods. Using the artificial intelligence (AI) approach embedded in the VMS+ heart analysis system, the standard images can be analyzed. Normally in these patients, a second exam is immediately performed using the injection of a contrast media, which enhances the ability to see the heart walls and allows for conventional analysis in most cases. The reduction in the number of contrast-enhanced 2D echo studies would represent a significant savings in time and costs for echocardiology departments. It would also reduce the need to inject the patient with contrast media. The use of contrast-enhanced ultrasound is increasing in the western world with the burgeoning population of heavier people making it more difficult to obtain clear images using ultrasound.

The Mazankowski Alberta Heart Institute is the advanced cardiac care center for Edmonton, Northern and North-Central Alberta, Northern BC, Saskatchewan, Manitoba, Yukon and Northwest Territories. Located on the Walter C. Mackenzie Health Sciences Centre Campus in Edmonton, Mazankowski is physically integrated with the University of Alberta and Stollery Children's Hospitals, making it one of the very few heart institutes to accommodate both adult and pediatric patients. The Mazankowski has one of the most technologically advanced echo labs in the world employing leading-edge imaging techniques.

The Company will be focusing on the above four applications and approaching leading cardiologists who have published in these areas to make them aware of the VMS+3.0.

Regulatory

Canada and Europe

The Company has received Health Canada approval and has received the European CE Mark approval to market its VMS+ product and service offering.

In March 2012, the Company was notified that it had received Notified Body approval to market its pulmonary hypertension application in Europe and on May 4, 2012, the Company was notified that it had received Health Canada approval to market its pulmonary hypertension application in Canada.

In April 2013, the Company was notified that it had received Notified Body approval to market its NRV application in Europe. On April 25, 2012 Health Canada approved the Company's application for approval of the NRV database in Canada.

In November 2014, the Company received a renewal of its European CE Mark.

In March 2017, the Company announced it had received a license to market the VMS+ with the 4- Chamber analysis package from Health Canada.

In May 2017, the Company successfully completed an ISO 13485 re-certification audit, which is carried out every three years, as well as a surprise audit in August, 2017.

In December 2017, the Company announced it had received ISO60601 certification for the VMS+.

In January, 2018, the Company announced it had received the CE Mark for the VMS+ with the 4- Chamber analysis package.

In November, 2018 the Company concluded it had approval for the VMS+ (software only for 3D) module in Canada and Europe.

In June 2019, the Company received a license to market the VMS+3.0 in Canada.

In July 2019, the Company received an updated CE Mark for the VMS+3.0.

United States

In March 2014, the Company received clearance from the FDA to market the VMS device for use in adults with PAH in the United States. The VMS is the first ultrasound system to be cleared as equivalent to MRI for right ventricle analysis.

The Company completed an initial Establishment Inspection by the US FDA on January 8, 2015. This initial Establishment Inspection, at the Company's Bellevue, Washington location, was a pre-announced Good Manufacturing Practices (GMP) facility inspection. It was a very detailed inspection of our Quality System as it relates to Federal Regulations. The inspection reported only two minor observations, as noted on FDA Form 483, that were easily addressed.

In May 2015, the Company announced that the US FDA had granted Marketing Clearance for Ventripoint's NRV catalogue, which was developed to provide right ventricular volumes of individuals being evaluated, regardless of their cardiac diagnosis. Previous submissions to the FDA required us to prove the methodology, safety, and accuracy of the entire VMS product to the reviewers, which was challenging with such novel technology. By referring to our cleared product throughout any future submissions as a Predicate Device, our path forward becomes much more predictable. This approval will also allow us to formulate additional submissions for expansion of the databases to other heart chambers.

In January 2018, the Company announced it had submitted a traditional 510(k) application to the US Food and Drug Administration's (FDA) Center for Devices and Radiological Health (CDRH) to request clearance for sale of the VMS+ whole-heart analysis system. The Company submitted the 510(k) to extend the capabilities of our current model to all 4 chambers of the heart. The submission uses the existing VMS as the predicate device and provides testing data to show that the databases for the left atrium, right atrium and left ventricle perform equally well in assessing the chamber volumes in a wide variety of heart conditions, and shapes and sizes of hearts. The volumes and ejection fraction determination by VMS+ were equivalent to MRI measurements, which is the gold standard for these types of cardiac assessments. The data also demonstrate excellent reproducibility between operators.

In May 2018, the Company announced it had received market clearance with the label for use for all patients where the analysis is warranted or desired. There are no restrictions on use.

In November, 2018 the Company concluded it had approval for the VMS+ (software-only for 3D) module in the USA

In October 2019, the Company received premarket clearance for the VMS+3.0 for volumetric analysis of all 4 chambers of the heart where it is warranted or desired.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

The Company routinely evaluates various business development opportunities which could entail optioning properties, direct acquisitions, trades and/or divestitures. In this regard, the Company is currently in discussions with various parties, but no definitive agreements with respect to any proposed transactions have been entered into as of the date of this MD&A. There can be no assurances that any such transactions will be concluded in the future.

Selected Annual Financial Information

	Years Ended December 31,		
	2020 ($)	**2020 ($)**	**2019 ($)**
Total revenue	nil	36,017	81,023
Net loss for the year	3,881,030	1,850,676	3,322,628
Basic and diluted loss per share	0.03	0.02	0.05
Total assets	9,544,848	801,570	314,280
Total non-current liabilities	125,377	1,823,081	868,030

Selected Quarterly Financial Information

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss (Income)		Total Assets ($)	Total Non Current Liabilities $
		Total ($)	Per Share ($)		
2021-December 31	nil	1,096,576	0.01	9,544,848	125,377
2021-September 30	nil	730,836	0.01	3,226,840	148,390
2021-June 30	nil	612,321	0.01	3,617,931	159,058
2021-March 31	nil	1,441,297	0.01	2,824,114	171,069
2020-December 31	30,000	502,238	0.00	801,570	1,327,114
2020-September 30	6,017	629,755	0.01	511,708	1,280,398
2020-June 30	nil	317,842	0.00	380,787	1,524,698
2020-March 31	nil	400,841	0.01	429,174	1,463,021

Discussion of Operations

Three Months Ended December 31, 2021 Compared with Three Months Ended December 31, 2020

The Company's net loss totaled $1,096,576 for the three months ended December 31, 2021, with basic and diluted loss per share of $0.01. This compares with a net loss of $502,238 with basic and diluted loss per share of $0.01 for the three months ended December 31, 2020. The increase of $594,338 in net loss was principally because:

- For the three months ended December 31, 2021 revenue was $nil, compared to $30,000 for the three months ended December 31, 2020.

- For the three months ended December 31, 2021, general and administrative expenses was $678,513, compared to $492,758 for the three months ended December 31, 2020. The increase in general and administrative was primarily due to increase in share-based compensation.

- For the three months ended December 31, 2021, research and development expenses was $152,428, compared to $90,144 for the three months ended December 31, 2020. The increase in research and development was primarily due to salaries and external consultants with specialized knowledge in product testing and regulatory.

- For the three months ended December 31, 2021, sales and marketing expenses was $352,630, compared to $30,558 for the three months ended December 31, 2020. The increase in sales and marketing was due higher media setup and management thereof, searching for sales agents in European markets, and Company promotion.

- For the three months ended December 31, 2021, the Company recorded a $nil other income compared to a $122,797 for the three months ended December 31, 2020 due to additional contribution from the National Research Council of Canada Industrial Research Assistance Program.

Year Ended December 31, 2021 Compared With Year Ended December 31, 2020

The Company's net loss totaled $3,881,030 for the year ended December 31, 2021, with basic and diluted loss per share of $0.03. This compares with a net loss of $1,850,676 with basic and diluted loss per share of $0.02 for the year ended December 31, 2020. The increase in net loss was principally because:

- For the year ended December 31, 2021 revenue was $nil, compared to $36,017 for the year ended December 31, 2020. The decrease in sales were primarily due to COVID-19 related delays in access to hospital during COVID lock downs. Given the average 12-month sales cycle to hospitals, we do not expect to see significant revenue from the VMS+3.0 until 2022 However, due to the duration and impact of the COVID-19 outbreak, the return of public access to hospitals is unknown at this time as well as how quickly marketing and installations can proceed.

- For the year ended December 31, 2021, general and administrative expenses was $2,709,835, compared to $1,526,564 for the year ended December 31, 2020. The increase in general and

administrative was primarily due higher share-based compensation, increase in corporate activity, and an increase in investor relations.

- For the year ended December 31, 2021, research and development expenses was $457,341, compared to $272,041 for the year ended December 31, 2020. . The increase in research and development was primarily due to salaries, external consultants with specialized knowledge in product testing and regulatory and product cost.

- For the year ended December 31, 2021, sales and marketing expenses was $541,974, compared to $116,762 for the year ended December 31, 2020. . The increase in sales and marketing was due higher media setup and management thereof, searching for sales agent in European markets, and Company promotion.

  For the year ended December 31, 2021, the Company recorded finance income of $31,968, compare to finance cost of $219,740. The decrease in interest is due to the conversion of all convertible debt during Q1 2021.

- For the year ended December 31, 2021, the Company recorded a $79,969 other income compared to $234,193 for the year ended December 31, 2020. During 2020, additional contribution from the National Research Council of Canada Industrial Research Assistance Program, income recorded under the Ontario-Canada Emergency Commercial Rent Assistance Program, and the forgivable portion of the CEBA loan were recorded.

Liquidity and Financial Position

The activities of the Company, principally the development and commercialization of diagnostic tools to monitor patients with heart disease, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and debt financing. There is no assurance that debt financing and equity capital will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

Cash used in operating activities was $3,146,764 for the year ended December 31, 2021. Operating activities for the year ended December 31, 2021 were affected by net loss of $3,881,030 plus adjustments of $1,196,852 and the negative change in non-cash working capital balances of $462,586 primarily related to the decrease in accounts payables and accrued liabilities and increase in prepaid expenses.

Cash used in operating activities was $1,100,354 for the year ended December 31, 2020. Operating activities for the year ended December 31, 2020 were affected by net loss of $1,850,676 plus adjustments of $707,304 and the positive change in non-cash working capital balances of $122,987 primarily related to the increase in accounts payables and accrued liabilities and decrease in prepaid expenses.

Cash used in investing activities was $4,257 for the year ended December 31, 2021 compared to $3,763 in the year ended December 31, 2020 as a result of additions to property and equipment.

Cash provided by financing activities was $11,890,470 for the year ended December 31, 2021, compared to $1,620,884 in the year ended December 31, 2020. Financing activities for the year ended December 31,

2021 primarily included a offering of 15,490,500 ("Units"), at a price of $0.52 per Unit for aggregate gross proceeds of $8,055,060, and proceeds of $3,954,866 received from the exercise of warrants.

At December 31, 2021, the Company had $9,268,963 in cash (December 31, 2020 - $526,026).

The Company has no revenues and therefore must utilize its funds obtained from the equity financing and other financing transactions to maintain its capacity to meet ongoing the commercialization of VMS+ 3.0.

As of December 31, 2021, and to the date of this MD&A, the cash resources of the Company are held with the Canadian Imperial Bank of Commerce and Royal Bank of Canada.

The Company's use of cash at present occurs, and in the future will occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its development and commercialization activities. For fiscal 20222, the Company's expected operating expenses are estimated to average $125,000 per month for recurring operating costs. The Company has no development commitments on its property interests over the next 12 months. Management may reassess its planned expenditures based on the Company's working capital resources, the scope work required to advance exploration on its projects and the overall condition of the financial markets.

The Company's working capital of $8,416,869 at December 31, 2021, (December 31, 2020 - working capital deficiency of $1,108,586), and is sufficient to satisfy current liabilities and general and administrative costs for it to continue operations for the twelve-month period ending December 31, 2022 (see "Outlook and Overall Performance" above).

Recent Accounting Pronouncements

New Accounting Standards Adopted

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. None are applicable or do not have a significant impact to the Company and have been excluded.

New Standards Not Yet Adopted And Interpretations Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2022. Many are not applicable or do not have a significant impact to the Company and have been excluded.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting

adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Derivatives and debt valuation

The valuation of debt and embedded derivatives for convertible instruments is based on the application of a recognized option valuation formula, which is highly dependent on, amongst other things, the expected volatility of the Company's registered shares and the expected life of the options. The Company uses an expected volatility rate for its shares based on past stock trading data, adjusted for future expectations, and actual volatility may be significantly different.

The resulting value calculated is not necessarily the value that the holder of the instrument could receive in an arm's length transaction. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

Share-based payments
The fair value of share-based payments are estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option, the volatility of the underlying share price, the risk free rate of return, and the estimated rate of forfeiture of options granted.

Capital Risk Management

The Company's objective in managing capital is to safeguard its ability to continue as a going concern and to sustain future development of the business. In the management of capital, the Company includes shareholders' deficit, excluding accumulated other comprehensive loss. The Company's objective is met by retaining adequate equity to provide for the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. In order to maintain or adjust its capital structure, the Company may issue new shares or units. The Board of Directors does not establish quantitative return on capital criteria for management. The Company is not subject to any externally imposed capital requirements and the Company's overall strategy with respect to capital management remains unchanged from the year ended December 31, 2021.

Financial Risk Management

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, warrant liabilities, convertible debentures, and other loans. Cash and accounts receivable are classified as amortized cost. Accounts payable and accrued liabilities, interest payable on debentures, convertible debentures, leases, and other loans are classified as other financial liabilities, which are also measured at amortized cost. Warrant liabilities are measured at fair value.

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical

assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly (ie. as prices) or indirectly (ie. derived from prices); and
Level 3: Inputs that are not based on observable market data.

The Company measures its derivative liabilities at fair value through profit or loss and has determined this valuation to be a level 2 valuation as it is based on inputs that are observable. There has been no change in level from prior year.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, market risk and foreign currency risk.

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash, and accounts receivable. The carrying amount of the financial assets represents the maximum credit exposure.

The Company limits its exposure to credit risk on cash by placing these financial instruments with high-credit quality financial institutions and only investing in liquid, investment grade securities.

The carrying amount of accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss within operating expenses. When a receivable balance is considered uncollectable it is written off against the allowance. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss. Within the accounts receivable, all amounts receivable are considered to be collectible.

Amounts receivable from the Government for grants or sales tax refunds are considered to have no credit risk.

The maximum exposure to credit risk as at December 31, 2021 and 2020 was:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	$9,268,963	$526,026

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by monitoring forecasted and actual cash flows, as well as anticipated investing and financial activities. The majority of the Company's financial liabilities are due within 90 days.

The following table consists of accounts payable and accrued liabilities and sets out contractual maturities (representing undiscounted contractual cash flows) of the financial liabilities outstanding at December 31, 2021:

	Due within				
	1 year	2 Years	3 Years	Over 4 Years	Total
Accounts payable and accrued liabilities	$1,050,867	$nil	$nil	$nil	$1,050,867
Lease payments	$37,350	$nil	$nil	$nil	$37,350
Other loans	$45,000	24,453	32,604	32,604	134,661
Total	**$1,133,217**	24,453	32,604	**$32,604**	**$1,222,878**

Market Risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates will affect the Company's income or the value of the financial instruments held.

Foreign Currency Risk

The majority of the Company's total expenditures were denominated in CDN$ in 2021 (2020 - CDN$). The Company's capital transactions are denominated in CDN$ and the Company now maintains most of its cash in CDN$. Foreign currency risk reflects the risk that the Company's earnings will be impacted by fluctuations in exchange rates.

With all other variables held constant, a 10% point increase in the value of the US$ relative to the CDN$ would have no significant impact.

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures and the resulting volatility of the Company's earnings. The Company manages this risk by pricing sales in CDN$ where possible. The Company has not entered into any forward foreign exchange contracts.

The Company was exposed to currency risk for the following assets (liabilities) as at December 31, 2021 and 2020:

	December 31, 2021 US$	**December 31, 2020 US$**
Cash and cash equivalents	10,820	3,399
Accounts payable and accrued liabilities	(424,546)	(424,819)
Total	**(413,726)**	**(421,420)**

Related Party Transactions

Related parties include the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount established and agreed to by the related parties.

(a) Remuneration of directors and key management personnel of the Company was as follows:

	December 31, 2021 $	December 31, 2020 $
Salaries, fees and short term benefits	240,000	250,000
Share-based payments	119,115	184,609
Total	**359,115**	**434,609**

Executive Officers and Directors participate in the Stock Option Plan and the DSU Plan. Officers also participate in the Company's health plan. Directors receive monthly and meeting fees for their service

(b) Other transactions of directors and key management personnel of the Company was as follows:

- For the year ended December 31, 2021, the Company expensed $65,076 (year ended December 31, 2020 - $28,673) to Marrelli Support Services Inc. ("Marrelli") for: the Chief Financial Officer ("CFO") of the Company; and for bookkeeping services. The CFO is an employee of Marrelli. These services were incurred in the normal course of operations for general accounting and financial reporting matters.

- For the year ended December 31, 2021, the Company expensed $80,000 (year ended December 31, 2020 - $nil) to Hodgkinson Equities Corp., a company controlled by a director of the Company. These services were incurred in the normal course of operations for general accounting and financial reporting matters.

- For the year ended December 31, 2021, the Company expensed $41,250 (year ended December 31, 2020 - $nil) a director of the Company for professional fees. These services were incurred in the normal course of operations for general accounting and financial reporting matters.

- In February 2020, two directors of the Company purchased $300,000 of Debentures II (Note 11). During the year ended December 31, 2021, the Company expensed $3,295 in interest on the convertible debentures to these directors (year ended December 31, 2020 - $169).

- In September 2020, a director of the Company purchased $50,000 of Debentures III (Note 11). During the year ended December 31, 2021, the Company expensed $271 in interest on the convertible debentures to the director (year ended December 31, 2020 - $169).

- In February 2020, two directors of the Company purchased $300,000 of Debentures II (Note 11). During the year ended December 31, 2021, the Company expensed $3,295 in interest on the convertible debentures to these directors (year ended December 31, 2020 - $169).

- In September 2020, a director of the Company purchased $50,000 of Debentures III (Note 11). During the year ended December 31, 2021, the Company expensed $271 in interest on the convertible debentures to the director (year ended December 31, 2020 - $169).

- On February 16, 2021, a director of the Company exercised 100,000 options at an exercise price of $0.10, with an expiry date of January 12, 2031.

- On February 19, 2021, an officer and director of the Company exercised 466,799 warrants at an exercise price of $0.10, with an expiry date of February 6, 2022.

- On February 23, 2021, the Company issued to an officer and directors of the Company, 30,186 shares for debt for final interest on convertible debt.

- On July 1, 2021, the Company granted 150,000 common share options to a director with an exercise price of $0.30 per share, the options has a expiry with an expiry date of 1 year, 75,000 vesting immediately, and 75,000 vesting equally after 3, 6 and 9 month.

- On October 25, 2021, the Company granted 500,000 common share options to a director with an exercise price of $0.50 per share. The options has a expiry with an expiry date of 10 years, and vests annually over 5 years

- On December 20, 2021, the Company granted 500,000 common share options to a director with an exercise price of $0.40 per share. The options has a expiry with an expiry date of 10 years, and vests annually over 5 years

- As at December 31, 2021, $98,873 (December 31, 2020 - $571,432) was included in accounts payable and accrued liabilities due to related parties. .

Share Capital

As of the date of the MD&A, the Company had 155,658,905 issued and outstanding common shares. 9,208,750 stock options and 15,880,835 warrants.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP (IFRS).

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The Company's financial condition, results of operation and business are subject to certain risks, certain of which are described below (and elsewhere in this MD&A):

Additional Funding Requirements

The Company's success in raising new operating capital has enabled it to finalize its VMS+ development and implement initial commercialization strategies. The Company will require additional operating capital to sustain and grow the level of its operations and to further implement its commercialization strategies. The Company is in discussions with multiple parties related to its financing, development and commercialization efforts to secure sufficient additional capital and resources for commercialization of its VMS technology and to achieve cash flow break-even. The need, success and timing of additional financings and/or strategic relationships cannot be projected with any certainty and their ultimate success is necessary for the Company to continue operations and to achieve its near term commercial and development milestones.

Continued Operations

Without sufficient additional capital being secured in a timely manner, Company operations may have to be curtailed; the result of which could render the Company unable to pursue commercialization of its products and services, or to continue its operations.

There is no certainty whether the Company will generate significant revenues or attain profitable operations in the near future and there can be no assurance that it will achieve profitability in the future, as it incurred

a loss of $3,881,030 and had a negative cash flow from operating activities of $3,146,764 for the year ended December 31, 2021, and has accumulated $43,748,212 of losses as at December 31, 2021. As a result, there is a material uncertainty which creates significant doubt regarding the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent on its raising of future required capital, bringing its products to market and achieving and maintaining profitable operations. The outcome of these matters cannot be predicted at this time.

Country Risk

The Company could be at risk regarding any political developments in the country in which it operates. At present the Company is only active in Canada, Europe and the United States.

COVID19

Since the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

The Company continues to engage with cardiologists so that when hospitals re-open a rapid deployment of VMS+3.0 units can be achieved. During the COVID-19 restrictions, the Company has been focusing on support of existing customers and advancing its technology. The Company has now the successfully have the ability to remotely install, calibrate the VMS+3.0 and train users to operate the equipment and software.

Potential Dilution

The issue of common shares of the Company upon the exercise of the options and warrants or conversion of debentures will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional options and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

Conflicts of Interest

Certain of the directors of the Company are also directors, officers or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company will be required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the director will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Subsequent events

- Subsequent to December 31, 2021, the Company issued 1,975,000 stock options to a directors, officer, employees and consultants at an exercisable at a price between $0.33 and $0.40 share exercisable for a period of 1 year to 10 years.

- Subsequent to December 31, 2021, 100,000options were exercised at a price of $0.40.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

Names	Year Ended December 31, 2021 ($)	2020 ($)
General and administration	1,811,363	1,136,295
Share-based payments	861,955	350,041
Depreciation and amortization of property and equipment	36,517	40,228
Total	**2,709,835**	**1,526,564**

Research and Development

Names	Year Ended December 31, 2021 ($)	2020 ($)
Research and development	423,057	227,025
Share-based payments	22,568	31,302
Depreciation and amortization of property and equipment	11,686	13,714
Total	**457,341**	**272,041**

Sales and Marketing

Names	Year Ended December 31, 2021 ($)	2020 ($)
Sales and marketing	527,622	102,261
Share-based payments	13,743	13,503
Depreciation and amortization of property and equipment	609	998
Total	**541,974**	**116,762**

Other material income (costs)

Names	Year Ended December 31, 2021 ($)	2020 ($)
Warrant liabilities revaluation adjustment	(193,050)	12,297
Finance income (costs)	31,968	(219,740)
Foreign currency differences	(1,352)	(2,906)
Impairment of assets	nil	(20,752)
Other income	79,969	234,193
Loss on debt settlement	(83,147)	nil
Gain on modification of convertible debentures	nil	35,329
Total	**(165,612)**	**38,421**