UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

HELIUS MEDICAL TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

WYOMING	**3845**	**36-4787690**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

12 Penns Trail
Newtown, Pennsylvania 18940
Telephone: (267) 756-7028

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Philippe Deschamps
President, Chief Executive Officer and a director
12 Penns Trail, Newtown, PA 18940
Telephone: (267) 756-7028

(Name, address, including zip code, and telephone number, including area code, of agent for service)

From time to time after this Registration Statement is declared effective.

(Approximate date of commencement of proposed sale to the public)

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registrations statement number of the earlier effective registration statement for the same offering. [ ]

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

[ ] Large accelerated filer	[ ] Accelerated filer
[ ] Non-accelerated filer (Do not check if a smaller reporting company)	[X] Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Amount to be Registered[(1)]**	**Proposed Maximum Offering Price Per Share[(2)]**	**Proposed Maximum Aggregate Offering Price**	**Amount of Registration Fee**
Class A Common stock, without par value	17,540,000	$2.18	$38,237,200	$4,924.95
Class A Common stock underlying warrants	7,620,000	$2.18	$16,611,600	$2,139.57
Total	25,160,000	$2.18	$54,848,800	$7,064.52

(1) Includes shares of our Class A common stock, without par value, currently owned by the selling stockholders (each a "Selling Stockholder") and shares of our Class A common stock underlying warrants issuable upon the exercise of warrants held by certain Selling Stockholders, all of which may be offered pursuant to this registration statement. In the event of a stock split, stock dividend or similar transaction involving the Class A common shares of the registrant, in order to prevent dilution, the number of shares of Class A common stock registered shall be automatically increased to cover additional shares in accordance with Rule 416(a) under the United States Securities Act of 1933, as amended (the "Securities Act").
(2) Estimated in accordance with Rule 457(c) of the Securities Act solely for the purpose of computing the amount of the registration fee, based on the average of the high and low prices of our Class A common stock of $2.18 per share as reported on the Canadian Securities Exchange on July 10, 2014.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

SUBJECT TO COMPLETION, DATED JULY 11, 2014

PROSPECTUS

HELIUS MEDICAL TECHNOLOGIES, INC.
a Wyoming corporation

25,160,000 Shares of Class A Common Stock

This prospectus relates to the resale of up to 25,160,000 shares of our Class A common stock ("common stock") that may be sold, from time to time, by the selling stockholders (each, a "Selling Stockholder") named in this prospectus for their own account, consisting of 17,540,000 shares of our common stock and 7,620,000 shares of common stock issuable upon the exercise of outstanding warrants, all previously issued by us to certain Selling Stockholders.

Our common stock is listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol "HSM". On July 3, 2014, the low bid price of our common stock was CDN$2.30 per share, the high ask price of our common stock was CDN$2.34 per share, and the closing price was CDN$2.34 per share. We do not have any securities that are currently traded on any other exchange or quotation system.

It is anticipated that the Selling Stockholders will offer to sell the shares of common stock being offered in this prospectus at prevailing market prices of our common stock on the CSE. Any Selling Stockholder may, in such Selling Stockholder's discretion, elect to sell such shares of common stock at fixed prices, at varying prices or at privately negotiated prices. We will not receive any proceeds from the resale of shares of our common stock by the Selling Stockholders. All expenses of registration incurred in connection with this offering are being borne by us, but all selling and other expenses incurred by the selling stockholders will be borne by the Selling Stockholders.

We are an "emerging growth company" as that term is used in the Jumpstart our Business Startups Act of 2012 (the "JOBS Act") and, as such, may elect to comply with certain reduced public company reporting requirements for future filings.

The purchase of the securities offered by this prospectus involves a high degree of risk. You should invest in our shares of common stock only if you can afford to lose your entire investment. You should carefully read and consider the section of this prospectus entitled "Risk Factors" beginning on page 9 before buying any shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offence.

The date of this prospectus is July 11, 2014

The following table of contents has been designed to help you find important information contained in this prospectus. We encourage you to read the entire prospectus.

TABLE OF CONTENTS

In this prospectus, unless otherwise specified: (i) references to "the Company", "our Company", "we", "us" or "our" mean Helius Medical Technologies, Inc. (formerly known as "0996445 B.C. Ltd.") and its wholly-owned subsidiaries, 0995162 B.C. Ltd. and NeuroHabilitation Corporation, unless the context

otherwise requires. All financial information is stated in United States dollars unless otherwise specified. Our financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

SUMMARY

The following summary highlights selected information contained in this prospectus. This summary does not contain all the information you should consider before investing in the securities. Before making an investment decision, you should read the entire prospectus carefully, including the "Risk Factors" section, the financial statements and the notes to the financial statements.

The Company

General

On June 13, 2014, we acquired a 100% interest in NeuroHabilitation Corporation ("NHC") (the "Transaction") pursuant to a plan of merger whereby our wholly-owned subsidiary was merged with and into NHC and all of the common shares in the capital of NHC were cancelled in consideration for the issuance of an aggregate of 35,300,083 shares of our Class A common stock to the NHC shareholders. NHC is now our wholly-owned subsidiary. The Transaction constituted a reverse take-over of us by NHC. Prior to the acquisition of NHC we had no active business.

NHC is a Delaware company, incorporated on January 22, 2013, which is involved in the medical device industry. In January 2013, NHC entered into an exclusive right agreement whereby Advanced Neuro-Rehabilitation LLC ("ANR") granted NHC exclusive worldwide rights to ANR's patents, trade secrets and knowhow, including a patent pending technology that will enable the first non-invasive means for delivering neurostimulation through the oral cavity (the "PoNS^{TM}") in exchange for 50% equity in NHC and a 4% royalty of NHC's revenue collected from (1) the sale of products covered by any claim of the patent rights (the "Devices") to end users and (2) services related to the therapy or use of the Devices in therapy services.

The brain's ability to recognize its operation in response to new information sources, new functional needs, or new communication pathways is referred to as neuroplasticity. Neuroplasticity is a process underlying all cerebral learning, training, and rehabilitation. Neuromodulation is the use of external tactile stimulation to intentionally change and regulate the internal electrochemical environment of the brain.

Traditional rehabilitation interventions have typically involved medication and various forms of therapies, including physical therapy. The PoNS^{TM} device is being investigated in combination with physical therapy for the treatment of neurological symptoms from disease and trauma including traumatic brain injury (TBI) and Multiple Sclerosis.

Our principal offices are located at 12 Penns Trail, Newtown, PA 18940. Our telephone number is (267) 756-7028. Our registered office and registered agent in the State of Wyoming is located at CT Corporation System, 1712 Pioneer Ave., Ste. 120, Cheyenne, Wyoming 82001.

Plan of Operations

The management team's goal is to make the Company the first company with a patented, FDA approved, non-invasive device and therapy for the treatment of balance and disorders related to trauma brain injury.

The principal business carried on and intended to be carried on by the Company is to complete the device design and manufacturing phase of PoNS^{TM}, a patent pending technology that will enable the first non-invasive means for delivering neurostimulation through the oral cavity.

Over the next 12-month period, the Company intends to:

- complete the pilot efficacy trial;
- complete the device design and manufacturing phase;
- continue development the Company's intellectual property;
- drive the completion of international registration; and
- create a physical therapy support network.

The Offering

The Issuer:	Helius Medical Technologies, Inc.
The Selling Stockholders:	The Selling Stockholders are comprised of certain of our existing stockholders who acquired our shares and warrants as described below. The Selling Stockholders are named in this prospectus under "Selling Stockholders".
Shares Offered by the Selling Stockholders:	The Selling Stockholders are offering up to an aggregate of 25,160,000 shares of our common stock comprised of 17,540,000 shares of our common stock and 7,620,000 shares of our common stock underlying warrants, of which 15,240,000 of the 17,540,000 shares were issued to the Selling Stockholders at a price of CDN$0.50 per subscription receipt in a private placement that closed on May 30, 2014 and where each subscription receipt automatically converted into one share and one-half of one warrant upon closing of the Transaction on June 13, 2014.
Offering Price:	The Selling Stockholders may sell their shares offered under this prospectus at prevailing market prices, privately negotiated prices or otherwise as set forth under "Plan of Distribution" in this prospectus.
Terms of the	The Selling Stockholders will determine when and how they will sell

Terms of the Offering:	The Selling Stockholders will determine when and how they will sell the common stock offered in this prospectus. Refer to "Plan of Distribution".
Termination of the Offering:	The offering will conclude when all of the 25,160,000 shares of common stock have been sold, the shares no longer need to be registered to be sold or we decide to terminate the registration of shares.
Use of Proceeds:	We will not receive any proceeds from the sale of the common stock by the Selling Stockholders.

Market for our Common Stock:	Our common stock is listed for trading on the CSE under the symbol "HSM". On July 10, 2014, the low bid price of our common stock was CDN$2.30 per share, the high ask price of our common stock was CDN$2.35 per share, and the closing price was CDN$2.33 per share. We do not have any securities that are currently traded on any other exchange or quotation system.
Outstanding Shares of Common Stock:	There were 63,104,788 shares of common stock outstanding as of July 10, 2014.
Risk Factors:	See "Risk Factors" and the other information in this prospectus for a discussion of the factors you should consider before deciding to invest in our securities.

Summary of Financial Data

The following consolidated financial data has been derived from and should be read in conjunction with: (i) our audited financial statements for the period from inception (March 13, 2014) to March 31, 2014, (ii) the audited financial statements of NHC for the fiscal year ended March 31, 2014 and for the period from inception to March 31, 2013, (iii) the unaudited pro-forma consolidated financial information as at March 31, 2014, together with the notes to each of these financial statements; and (iv) the section of this prospectus entitled "Management's Discussion and Analysis or Plan of Operations", included elsewhere herein.

Balance Sheet Data

Derived from our audited Financial Statements for the period from inception (March 13, 2014) to March 31, 2014

	As at March 31, 2014
Cash	$ 9
Working capital	9
Total assets	9
Total liabilities	-
Total stockholders' deficit	9

Derived from the Audited Financial Statements of NeuroHabilitation Corporation for the Year Ended March 31, 2014*

	As at March 31, 2014	As at March 31, 2013
Cash	$ 15,968	$ 217
Working capital (deficit)	(267,977)	(7,850)
Total assets	315,968	217
Total liabilities	583,945	8,067
Total stockholders' deficit	(267,977)	(7,850)

* Effective June 13, 2014, we completed the acquisition of 100% of the issued and outstanding shares of NeuroHabilitation Corp. ("NHC"), an development stage company engaged primarily in the business of developing patent-pending technology ("PoNS™") that will enable the first non-invasive means for delivering neurostimulation through the oral cavity, through a merger transaction. As a result of the acquisition, NHC is now a wholly owned subsidiary of the Company. The information in the table above is derived from the audited financial statements of NHC. Audited balance sheet data of our Company on a consolidated basis (taking into account the acquisition of NHC) will be available when we file our Annual Report on Form 10-K for our fiscal year ended March 31, 2015.

Statement of Operations Data

Derived from our audited Financial Statements for the period from inception (March 13, 2014) to March 31, 2014

	Period from Inception (March 13, 2014) to March 31, 2014

Operating expenses		
Consulting fees	$	-
Interest expense on short-term loan		-
Legal fees		-
Office and general		-
Total operating expenses		-
Loss from operations	$	-
Net loss and comprehensive loss	$	-

Derived from the Audited Financial Statements of NHC for the Year Ended March 31, 2014*

	Year Ended March 31, 2014	Period from January 22, 2013 (inception) to March 31, 2013	Period from January 22, 2013 (inception) to March 31, 2014
Operating Expenses:			
Consulting fees	$ 807,385	$ 2,800	$ 810,185
Interest expense	1,344	-	1,344
Legal fees	33,966	14,192	48,158
Meals and entertainment	833	-	833
Office expense	6,793	482	7,275
Research and development expense	171,781	4,250,000	4,421,781
Compensation expense for shares issued for services	-	4,250,000	4,250,000
Travel	22,027	376	22,403
Wages and salaries	23,155	-	23,155
Loss from operations	1,067,284	8,517,850	9,585,134
Net loss and comprehensive loss	$ 1,067,284	$ 8,517,850	$ 9,585,134
Basic and diluted net loss per share	$ 0.53	$ 4.26	
Weighted average number of common shares outstanding - basic and diluted	2,000,000	2,000,000	

* As indicated above, effective June 13, 2014, we completed the acquisition of 100% of the issued and outstanding shares of NHC. The information in the table above is derived from the audited financial statements of NHC. Audited statements of operations of our Company on a consolidated basis (taking into account the acquisition of NHC) will be available when we file our Annual Report on Form 10-K for our fiscal year ended March 31, 2015.

Derived from the Unaudited Pro-Forma Financial Information for the Year Ended March 31, 2014

The following unaudited pro forma financial information in the following two tables gives effect to the consummation of the acquisition of NHC by the Company. This information should be read in conjunction with the audited financial statements of our Company and the audited financial statements of NHC included herein.

For the Year Ended March 31, 2014

	Helius	NHC	Pro Forma Adjustments	Pro Forma Consolidation
Operating expenses				
Accredited interest	$ -	$ 1,119	$ -	$ 1,119
Consulting fees	-	807,385	-	807,385
Interest expense	-	225	-	225
Legal fees	-	33,966	-	33,966
Meals and entertainment	-	833	-	833
Office expense	-	6,793	-	6,793
Research and development expense	-	171,781		171,781
Compensation fro shares issued for services	-	-		-

Transaction cost	-	-	300,000	300,000
Travel	-	22,027		22,027
Wages and salaries	-	23,155	-	23,155
Loss from operations	-	1,067,284	300,000	1,343,494
Net loss and comprehensive loss	$ -	$ 1,067,284	$ 300,000	$ 1,343,494

RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this prospectus in evaluating our company and its business before purchasing shares of our common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. The risks described below may not be all of the risks facing our company. Additional risks not presently known to us or that we currently consider immaterial may also impair our business operations. You could lose all or part of your investment due to any of these risks.

Risks Related to Our Company

We have limited operating history and lack profitable operations.

NHC was incorporated in the State of Delaware on January 22, 2013 and has had limited operations to date. Through its year ended March 31, 2014, NHC had accumulated losses of $9,585,134 and a working capital deficit of $267,977. We will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that we will not achieve our growth objective. We anticipate that we may take several years to achieve consistent positive cash flow from operations. There is no assurance that we will be successful in achieving significant revenues or profitability.

We may be required to obtain additional financing to carry out our plan of operations and if we require additional financing and are unable to obtain such financing, our business may fail.

Additional funds for the establishment of our current and planned operations may be required. No assurances can be given that we will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Current financial conditions, revenues, taxes, capital expenditures and operating expenses are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, we may be required to undertake additional equity financing, which would be dilutive to our stockholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to us, or at all. If we are unable to obtain additional financing as needed, we may be required to reduce the scope of our operations and pursue only those projects that can be funded through cash flows generated from its existing operations, if any.

The neuromodulation market is new and uncertain and the failure of the expansion of such market could have a material adverse effect on our business and financial position.

The neuromodulation market is relatively new and its long-term growth prospects are uncertain. Should the neuromodulation market fail to expand, it could have a materially adverse effect on our business and financial position.

Our ability to develop additional products is subject to the risks inherent in the development of new devices and products based on new technologies. Because of these inherent risks, our research and development may not result in any commercially viable devices or products, which if not commercially successful may have a material adverse affect on our business and financial condition.

The development of additional products is subject to the risks of failure inherent in the development of new, state of the art products, laboratory devices and products based on new technologies. These risks include: (i) delays in product development or manufacturing; (ii) unplanned expenditures for product development or manufacturing; (iii) failure of new products to have the desired effect or an acceptable accuracy profile; (iv) emergence of superior or equivalent products; (v) failure by any potential collaborative partners to successfully develop products; and (vi) the dependence on third parties for the manufacture, development and sale of the Company's products. Because of these risks, our research and development efforts or those of potential collaborative partners may not result in any commercially viable products. If a significant portion of these development efforts is not successfully completed, or any products are not commercially successful, we are less likely to generate significant revenues, or become profitable. The failure to perform such activities could have a material adverse affect on our business, financial condition and results of its operations.

We can provide no assurance that the development by others of new or improved devices or products will not result in our present and future products from becoming obsolete.

The areas in which we plan to commercialize, distribute, and/or sell products involves rapidly developing technology. There can be no assurance that we will be able to establish ourselves in such fields, or, if established, that we will be able to maintain our market position, if any. There can be no assurance that the development by others of new or improved products will not make our present and future products, if any, superfluous or obsolete.

Our future success depends on our ability to obtain approval on the patent for the PoNS™ technology, failing which we may be unable to protect our proprietary information and any competitive advantage which may have a material adverse affect on our business and financial condition.

Our future success will depend, in part, on our ability to obtain approval on the patent for the PoNS(TM) technology. There can be no assurance that the patent application made will result in the issuance of the patent or that the term of the patent will be extendable after it expires in due course, which will prevent us from being able to protect our proprietary information and may have a material adverse affect on our business and financial condition.

Much of our know-how and technology may not be patentable, though they may constitute trade secrets. There can be no assurance, however, that we will be able to meaningfully protect our trade secrets. To help protect our intellectual property rights and proprietary technology, we require employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance that these agreements will provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure.

If our intellectual property protection is inadequate, competitors may gain access to our technology and undermine our competitive position.

We regard our intended and future intellectual property as important to our success, and we intend to rely on patent law to protect our proprietary rights. Despite our precautions, unauthorized third parties may copy certain portions of our devices or products or reverse engineer or obtain and use information that we regard as proprietary. We may seek additional patents in the future. We do not know if any future patent application will be issued with the scope of the claims we seek, if at all, or whether any patents we receive will be challenged or invalidated. Thus, we cannot assure you that any intellectual property rights that we may receive can be successfully asserted in the future or that they will not be invalidated, circumvented or challenged. In addition, the laws of some foreign countries do not protect proprietary rights to the same extent as do the laws of the United States. Our means of protecting any proprietary rights we may receive in the United States or abroad may not be adequate and competitors may independently develop a similar

technology. Any failure to protect our proprietary information and any successful intellectual property challenges or infringement proceedings against us could have a material adverse affect on our business, financial condition, or results of operations.

We may be subject to intellectual property litigation, such as patent infringement claims, which could adversely affect our business.

Our commercial success will also depend, in part, on not infringing on the patents or proprietary rights of others. There can be no assurance that the technologies and products used or developed by us will not infringe such rights. If such infringement occurs and we are not able to obtain a license from the relevant third party, we will not be able to continue the development, manufacture, use, or sale of any such infringing technology or product. There can be no assurance that necessary licenses to third-party technology will be available at all or on commercially reasonable term. In some cases, litigation or other proceedings may be necessary to defend against or assert claims of infringement or to determine the scope and validity of the proprietary rights of third parties. Any potential litigation could result in substantial costs to, and diversion of, our resources and could have a material and adverse impact on us. An adverse outcome in any such litigation or proceeding could subject us to significant liabilities, require us to cease using the subject technology or require us to license the subject technology from the third party, all of which could have a material adverse affect on our business.

If our expenses are greater than anticipated, then we will have fewer funds with which to pursue our plan of operations and our financing requirements will be greater than anticipated.

We may find that the costs of carrying out our plan of operations are greater than we anticipate. Increased operating costs may cause the amount of financing that we require to increase. Investors may be more reluctant to provide additional financing if we cannot demonstrate that we can control our operating costs. There is no assurance that additional financing required as a result of our operating costs being greater than anticipated will be available to us. If we do not control our operating expenses, then we will have fewer funds with which to carry out our plan of operations with the result that our business may fail.

If and when we sell our products, we may be liable for product liability claims and we may not carry sufficient product liability insurance.

The devices and products that we intend to develop may expose us to potential liability from personal injury claims by end-users of the product. We intend to carry product liability insurance to protect us against the risk that in the future a product liability claim or product recall could materially and adversely affect our business. Inability to obtain sufficient insurance coverage at an acceptable cost or otherwise to protect against potential product liability claims could prevent or inhibit the commercialization of our intended products. We cannot assure you that if and when we commence distribution of our product that we will be able to obtain or maintain adequate coverage on acceptable terms, or that such insurance will provide adequate coverage against all potential claims. Moreover, even if we maintain adequate insurance, any successful claim could materially and adversely affect our reputation and prospects, and divert management's time and attention. If we are sued for any injury allegedly caused by our future products our liability could exceed our total assets and our ability to pay the liability.

We are an "emerging growth company" under the JOBS Act of 2012, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an "emerging growth company", as defined in the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not

limited to, not being required to comply with the auditor attestation requirements of section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation, shareholder approval of any golden parachute payments not previously approved and presenting the relationship between executive compensation actually paid and our financial performance. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We will remain an "emerging growth company" for up to five years after our first sale of common stock pursuant to a Securities Act registration statement, although we will lose that status sooner if our revenues exceed $1 billion, if we issue more than $1 billion in non-convertible debt in a three year period, or if the market value of our common stock that is held by non-affiliates exceeds $700 million as of any September 30.

Our status as an "emerging growth company" under the JOBS Act of 2012 may make it more difficult to raise capital as and when we need it. Because of the exemptions from various reporting requirements provided to us as an "emerging growth company", we may be less attractive to investors and it may be difficult for us to raise additional capital as and when we need it. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected..

We are dependent upon the ability and expertise of certain members of our senior management and the loss of such individuals could have an material adverse affect on our business, operating results or financial condition.

Our success is dependent upon the ability, expertise, judgment, discretion and good faith of our senior management, and in particular Mr. Phil Deschamps, our President and CEO. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse affect on our business, operating results or financial condition.

We are a small company with limited resources compared to some of our current and potential competitors and we may not be able to compete effectively and increase market share.

There is potential that we will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than us. Increased competition by larger and better financed competitors could materially and adversely affect our business, financial condition and our results of operations.

Because of the early stage of the industry in which we intend to operate, we expect to face additional competition from new entrants. To be competitive, we will require a continued high level of investment in research and development, marketing, sales and client support. We may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect our business, financial condition and our results of operations.

Our officers and directors may be subject to conflicts of interest.

Some of our officers and directors serve only part time and may be subject to conflicts of interest. Each may devote part of his working time to other business endeavors, including consulting relationships with other corporate entities, and may have responsibilities to these other entities. Such conflicts may include deciding how much time to devote to our affairs, as well as what business opportunities should be

presented to us. Because of these relationships, some of our officers and directors may be subject to conflicts of interest. Any Company-related decision made by any of these directors and officers involving us should be made in accordance with their duties and obligations to deal fairly and in good faith and to act in the best interests of us and our shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such director may have a conflict of interest.

Philippe Deschamps, our President, CEO and a director, serves full time (40 hours per week). All of the other directors and officers only provide services to us on a part time basis as follows:

Amanda Tseng (Chief Financial Officer and director) - 14 hours per week;
Savio Chiu (director) - 8 hours per week;
Yuri Danilov (director) - 8 hours per week; and
Mitch Tyler (director) - 8 hours per week.

The use of recent private placement funds received by us and as disclosed herein are estimates only and subject to change. The failure to effectively apply such funds could have a material adverse effect on our business.

Although we have set out our intended use of proceeds from our recent private placement on May 30, 2014, these intended uses are estimates only and subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by us to apply these funds effectively could have a material adverse effect on our business, including our ability to achieve our stated business objectives.

Risks Related to Our Common Stock

Trading of our common stock is sporadic, and the price of our common stock may be volatile; we caution you as to the highly illiquid nature of an investment in our shares.

Our common stock is quoted on the Canadian Securities Exchange since June 23, 2014. To date, trading in our common stock has been limited and sporadic. Securities of microcap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of our common stock include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow us, lessening in trading volume and general market interest in our common stock may affect an investor's ability to trade significant numbers of shares of our common stock; the size of our public float may limit the ability of some institutions to invest in our common stock; and a substantial decline in the price of shares of our common stock that persists for a significant period of time could cause our common stock, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of our common stock at any given point in time may not accurately reflect our long-term value. The price of our common shares may increase or decrease in response to a number of events and factors, including: changes in financial estimates; our acquisitions and financings; quarterly variations in our operating results; the operating and share price performance of other companies that investors may deem comparable; and purchase or sale of blocks of our common stock. These factors, or any of them, may materially adversely affect the prices of our common shares regardless of our operating performance. We caution you as to the highly illiquid nature of an investment in our shares.

The market price of our common stock is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for shares of our common stock and the attractiveness of alternative investments. The effect of these and other factors on the market price of our common stock is expected to make our common stock price volatile in the future, which may result in losses to investors.

A decline in the price of our common stock could affect our ability to raise any required working capital and adversely impact our operations.

A decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise any required capital for our operations. Because our operations to date have been principally financed through the sale of equity securities, a decline in the price of our common stock could have an adverse effect upon our liquidity and our continued operations. A reduction in our ability to raise equity capital in the future may have a material adverse effect upon our business plan and operations. If our stock price declines, we may not be able to raise additional capital or generate funds from operations sufficient to meet our obligations.

We have not paid any dividends and do not foresee paying dividends in the future.

We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on shares of our common stock in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the board of directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and other factors.

Our stock is a penny stock. Trading of our stock may be restricted by the SEC's penny stock regulations which may limit a stockholder's ability to buy and sell our stock.

Our stock is a penny stock. The SEC has adopted Rule 15g-9 which generally defines "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000, not including any equity in that person's or person's spouse's primary residence, or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules promulgated by the SEC, the Financial Industry Regulatory Authority (FINRA) has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock.

Any future sales of our equity securities will dilute the ownership percentage of our existing stockholders and may decrease the market price for our common stock.

Future sales or issuances of equity securities could decrease the value of our common stock, dilute stockholders' voting power and reduce future potential earnings per share. We intend to sell additional equity securities in future offerings (including through the sale of securities convertible into shares of our common stock) and may issue additional equity securities to finance our operations, development, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of our common stock. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per share.

Shares of our common stock that are "restricted securities" as defined in Rule 144(a)(3) are subject to resale restrictions imposed by Rule 144, including those set forth in Rule 144(i) which apply to a "shell company." In addition, any shares of our common stock that are held by affiliates, including any received in a registered offering, will be subject to the resale restrictions of Rule 144(i).

Pursuant to Rule 144 of the Securities Act, a "shell company" is defined as a company that has: (i) no or nominal operations and (ii) either (A) no or nominal assets, (B) assets consisting solely of cash and cash equivalents, or (C) assets consisting of any amount of cash and cash equivalents and nominal other assets. We were a "shell company" pursuant to Rule 144 prior to the Transaction, and as such, Rule 144(i) provides that sales of our securities pursuant to Rule 144 are not able to be made until a period of at least twelve months has elapsed from the date on which our initial Form S-1 providing Form 10 level disclosure was filed with the Commission, which twelve-month period will elapse on July 12, 2015. Therefore, any restricted securities currently outstanding or that we sell in the future or issue to consultants or employees, in consideration for services rendered or for any other purpose, will have no liquidity until and unless such securities are registered with the Commission and/or until a year after the date of the filing of our initial Form S-1 and we have otherwise complied with the other requirements of Rule 144. As a result, it may be harder for us to fund our operations and pay our employees and consultants with our securities instead of cash than if we had not previously been a "shell company". Furthermore, it will be harder for us to raise funding through the sale of debt or equity securities unless we agree to register such securities with the Commission, which could cause us to expend additional resources in the future. Our previous status as a "shell company" could prevent us from raising additional funds, engaging employees and consultants, and using our securities to pay for any acquisitions (although none are currently planned), which could cause the value of our securities, if any, to decline in value or become worthless. Lastly, any shares held by affiliates, including shares received in any registered offering, will be subject to the resale restrictions of Rule 144(i).

Please read this prospectus carefully. You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information provided by the prospectus is accurate as of any date other than the date on the front of this prospectus.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that involve risks and uncertainties, including statements regarding our market, strategy, competition, capital needs, business plans and expectations. Such forward-looking statements involve risks and uncertainties regarding the success of our business plan,

availability of funds, government regulations, operating costs, our ability to achieve significant revenues and other factors. Forward-looking statements are made, without limitation, in relation to operating plans, availability of funds and operating costs. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict", "potential" or "continue", the negative of such terms or other comparable terminology. Actual events or results may differ materially. In evaluating these statements, you should consider various factors, including the risks outlined in this prospectus. These factors may cause our actual results to differ materially from any forward-looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith, based on information available to us as of the date hereof, and reflect our current judgment regarding our business plans, our actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. We do not intend to update any of the forward-looking statements to conform these statements to actual results, except as required by applicable law, including the securities laws of the United States.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the shares of common stock offered through this prospectus by the Selling Stockholders. All proceeds from the sale of the shares will be for the account of the Selling Stockholders, as described below in the sections of this prospectus entitled "Selling Stockholders" and "Plan of Distribution". We will, however, incur all costs associated with this prospectus and the registration statement of which this prospectus forms a part.

DETERMINATION OF OFFERING PRICE

The Selling Stockholders may sell their shares offered under this prospectus at prevailing market prices, privately negotiated prices or otherwise as set forth under "Plan of Distribution" in this prospectus.

SELLING STOCKHOLDERS

The Selling Stockholders named in this prospectus are offering all of the 25,160,000 shares of common stock offered through this prospectus, consisting of 17,540,000 shares of our common stock and 7,620,000 shares of common stock underlying warrants, of which 15,240,000 of the 17,540,000 shares were issued to the Selling Stockholders at a price of CDN$0.50 per subscription receipt in a private placement exempt from the registration provisions of the U.S. Securities Act that closed on May 30, 2014 and where each subscription receipt automatically converted into one share of common stock and one-half of one warrant upon closing of the Transaction on June 13, 2014. The remaining 2,300,000 shares were issued to one entity in connection with the closing of the Transaction which was exempt from the registration provisions of the U.S. Securities Act.

The 25,160,000 shares of common stock referred to above are being registered to permit public sales of the shares, and the Selling Stockholders may offer the shares for resale from time to time pursuant to this prospectus. The Selling Stockholders may also sell, transfer or otherwise dispose of all or a portion of their shares in transactions exempt from the registration requirements of the U.S. Securities Act or pursuant to another effective registration statement covering those shares. We may from time to time include additional Selling Stockholders in supplements or amendments to this prospectus.

The following table sets forth certain information regarding the ownership of our shares of common stock to be sold by the Selling Stockholders as of the date of July 10, 2014.

Information with respect to ownership is based upon information obtained from the Selling Stockholders. Information with respect to "Shares Owned After this Offering" assumes the sale of all of the shares offered by this prospectus and no other purchases or sales of our common stock by the Selling Stockholders. Except as described below and to our knowledge, the Selling Stockholders own and have sole voting and investment power over all shares or rights to these shares. Except for their ownership of common stock or otherwise as described below, none of the Selling Stockholders had or have any material relationship with us.

Because a Selling Stockholder may offer by this prospectus all or some part of the common shares which it holds, no estimate can be given as at the date hereof as to the number of common shares actually to be offered for sale by a Selling Stockholder or as to the number of common shares that will be held by a Selling Stockholder upon the termination of such offering.

			Number of Shares Owned After Offering and Percentage of Total of Issued and Outstanding Shares After Offering	
Name of Selling Stockholder	**Shares Owned Prior to this Offering**[1]	**Shares to be Offered under this Prospectus**[1]	**Shares Owned After Offering**[2]	**Percentage of Issued and Outstanding Shares**[3]
Brad McPherson (4)	150,000	150,000	Nil	Nil
CuOro Resources Corp. (5)	1,950,000	1,950,000	Nil	Nil
NBCN ITF 1348462 Ontario Ltd. A/C 4FV729 (6)	375,000	375,000	Nil	Nil
NBCN ITF Medalist Capital Ltd. A/C 4FV658A (7)	375,000	375,000	Nil	Nil
Lakeside Trading Group S.A. (8)	150,000	150,000	Nil	Nil
Access Capital Corp. (9)	450,000	450,000	Nil	Nil
Scotia Capital ITF AlphaNorth Offshore Inc. (10)	1,425,000	1,425,000	Nil	Nil
	75,000	75,000	Nil	Nil

Scotia Capital ITF AlphaNorth Partners Fund Inc. (11)				
GKM Holdings Ltd. (12)	300,000	300,000	Nil	Nil
RBC Dominion Securities ITF Kurt Ostlund A/C/ 804-95391-10 (13)	75,000	75,000	Nil	Nil
EDJ Limited (14)	225,000	225,000	Nil	Nil
Porter Partners, L.P. (15)	1,275,000	1,275,000	Nil	Nil
Luke Norman Consulting (16)	600,000	600,000	Nil	Nil
Matthew Norman (17)	150,000	150,000	Nil	Nil

			Number of Shares Owned After Offering and Percentage of Total of Issued and Outstanding Shares After Offering	
Name of Selling Stockholder	**Shares Owned Prior to this Offering**(1)	**Shares to be Offered under this Prospectus**(1)	**Shares Owned After Offering**(2)	**Percentage of Issued and Outstanding Shares**(3)
Qtrade Securities Inc. (18)	1,275,000	1,275,000	Nil	Nil
Brant Investments Limited (19)	1,200,000	1,200,000	Nil	Nil
Barbara Shynkaryk (20)	30,000	30,000	Nil	Nil
Katie Bellamy (21)	75,000	75,000	Nil	Nil
Amin Somani (22)	30,000	30,000	Nil	Nil
Peter Dickson (23)	225,000	225,000	Nil	Nil
Chris Wardle (24)	300,000	300,000	Nil	Nil
Jens Biertumpel (25)	75,000	75,000	Nil	Nil
Michael Dodds (26)(88)	30,000	30,000	Nil	Nil
James Lebedovich (27)(88)	75,000	75,000	Nil	Nil
Jonathan Awde (28)(88)	750,000	750,000	Nil	Nil
Greg Hunter (29)(88)	150,000	150,000	Nil	Nil
Mark Varny (30)(88)	150,000	150,000	Nil	Nil
Neil McAllister (31)(88)	75,000	75,000	Nil	Nil
William A. Randall (32)(88)	60,000	60,000	Nil	Nil
Patrick &/or Marian Griffin (33)(88)	30,000	30,000	Nil	Nil
Peter Nash (34)(88)	75,000	75,000	Nil	Nil
Mark Cornwall (35)(88)	60,000	60,000	Nil	Nil
Alpha Capital Ltd. (36)(88)	900,000	900,000	Nil	Nil
Brett Johnson (37)(88)	150,000	150,000	Nil	Nil
Gordon Green (38)(88)	75,000	75,000	Nil	Nil
Nancy Rothery (39)(88)	300,000	300,000	Nil	Nil
Craig A. Angus (40)(88)	150,000	150,000	Nil	Nil
Patrick Robinson (41)(88)	600,000	600,000	Nil	Nil
Steven K Y Tan (42)(88)	150,000	150,000	Nil	Nil
Bruce McLeod (43)(88)	75,000	75,000	Nil	Nil
Gayle McLeod (44)(88)	75,000	75,000	Nil	Nil
Hugh Nash (45)(88)	600,000	600,000	Nil	Nil
Bruno J. Benedet (46)(88)	60,000	60,000	Nil	Nil
Anthony Joseph Alvaro (47)(88)	300,000	300,000	Nil	Nil
Trium Pacific Corp. (48)(88)	120,000	120,000	Nil	Nil
Glen G. Allen (49)(88)	90,000	90,000	Nil	Nil

Cleo C. Allen (49)(88)	90,000	90,000	Nil	Nil
Colleen Ostlund (50)(88)	90,000	90,000	Nil	Nil
Ferguson Investments (51)(88)	600,000	600,000	Nil	Nil
Gordon Holmes (52)(88)	600,000	600,000	Nil	Nil
McPherson Construction (53)(88)	150,000	150,000	Nil	Nil
Rowena M. Santos (54)(88)	150,000	150,000	Nil	Nil
Orca Capital GMBH (55)(88)	150,000	150,000	Nil	Nil
Gregg J. Sedun (56)(88)	150,000	150,000	Nil	Nil
DNG Capital Corp. (57)(88)	150,000	150,000	Nil	Nil
Ken Wong (58)(88)	150,000	150,000	Nil	Nil
GRF Consulting Corp. (59)(88)	120,000	120,000	Nil	Nil
Violetta Holdings Ltd. (60)(88)	60,000	60,000	Nil	Nil
Eric H. Hoesgen (61)(88)	97,500	97,500	Nil	Nil
Roman Grodon (62)(88)	150,000	150,000	Nil	Nil
Leighton Bocking (63)(88)	150,000	150,000	Nil	Nil
Dennis Hoesgen (64)(88)	97,500	97,500	Nil	Nil
Satwinder Mann (65)(88)	75,000	75,000	Nil	Nil
Crestmont Invest Ltd. (66)(88)	60,000	60,000	Nil	Nil
0818940 B.C. Ltd. (67)(88)	300,000	300,000	Nil	Nil
Don Simmons (68)(88)	75,000	75,000	Nil	Nil
Tradewinds Investments (69)(88)	300,000	300,000	Nil	Nil
Johanna Boomars (70)(88)	300,000	300,000	Nil	Nil
Graeme Renton (71)(88)	1,050,000	1,050,000	Nil	Nil
Kalla Holdings Ltd. (72)(88)	150,000	150,000	Nil	Nil
Willie Goldman (73)(88)	750,000	750,000	Nil	Nil
Patrick C. Lecky (74)(88)	150,000	150,000	Nil	Nil
Ramona Ambrozuk (75)(89)	60,000	60,000	Nil	Nil
Hugh Graham Christie (76)(89)	30,000	30,000	Nil	Nil
DCT Holdings Ltd. (77)(89)	15,000	15,000	Nil	Nil
Lyn Duke (78)(89)	150,000	150,000	Nil	Nil
William Majcher (79)(89)	30,000	30,000	Nil	Nil
Deborah Paes-Braga (80)(89)	42,000	42,000	Nil	Nil
Max Polinsky (81)(89)	30,000	30,000	Nil	Nil
Luc Pelchat (82)(89)	22,500	22,500	Nil	Nil
Sirius Acquisition Company Ltd. (83)(89)	28,500	28,500	Nil	Nil
Daniel Sitnam (84)(89)	7,500	7,500	Nil	Nil
Carol Vorberg (85)(89)	151,500	151,500	Nil	Nil
Christopher Vorberg (86)(89)	333,000	333,000	Nil	Nil
Iridium Capital LLC (87)	2,300,000	2,300,000	Nil	NIl
Total	**25,160,000**	**25,160,000**	Nil	Nil

(1) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided.

(2) Represents the amount of shares that will be held by the selling stockholder after completion of this offering based on the assumptions that (a) all shares registered for sale by the registration statement of which this prospectus is part will be sold and (b) that no other shares of our common stock beneficially owned by the selling stockholders are acquired or are sold prior to completion of this offering by the selling stockholders.

(3) The applicable percentage of ownership is based on 63,104,788 shares of our common stock issued and outstanding as of July 10, 2014. In computing the percentage of common stock beneficially owned by a selling stockholder on July 10, 2014, (a) the numerator is the number of shares of common stock beneficially owned by such selling stockholder (including shares that it has the right to acquire within 60 days of July 10, 2014), and (b) the denominator is the sum of (i) the 63,104,788 shares outstanding on July 10, 2014 and (ii) the number of shares of common stock which such selling stockholder has the right to acquire within 60 days of July 10, 2014.

(4) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(5) This figure includes 1,300,000 shares of common stock being offered by this prospectus and 650,000 shares of common stock underlying warrants being offered by this prospectus. CuOro Resources Corp. (now named Rockshield Capital Corp.), is a publicly listed company on the Canadian Securities Exchange. Mr. Marc Cernovitch is the CEO of Rockshield Capital Corp. and is such capacity holds voting and investment power over the shares held by Rockshield Capital Corp.

(6) This figure includes 250,000 shares of common stock being offered by this prospectus and 125,000 shares of common stock underlying warrants being offered by this prospectus. Michael Vukets or Karen Vukets or Christy Keast or Brett Vukets hold voting power over such shares and Michael Vukets and Riley Keast hold investment power over the shares held by 1348462 Ontario Ltd.

(7) This figure includes 250,000 shares of common stock being offered by this prospectus and 125,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owners of Medalist Capital Ltd. are Branden Keast (30%), Riley Keast (30%), Stephen Sandusky (30%) and Michael Keast (10%). Each of Branden Keast, Stephen Sandusky and Michael Keast hold voting and investment power over the shares held by Medalist Capital Ltd.

(8) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Lakeside Trading Group S.A. is Taylor Housser. Taylor Housser holds voting and investment power over the shares held by Lakeside Trading Group S.A.

(9) This figure includes 300,000 shares of common stock being offered by this prospectus and 150,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Access Capital Corp. is Rob Anderson. Rob Anderson holds voting and investment power over the shares held by Access Capital Corp.

(10) This figure includes 950,000 shares of common stock being offered by this prospectus and 475,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of AlphaNorth Offshore Inc. is AlphaNorth Partners Fund Inc. Steve Palmer holds voting and investment power over the shares held by AlphaNorth Offshore Inc.

(11) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus. Steve Palmer holds voting and investment power over the shares held by AlphaNorth Partners Fund Inc.

(12) This figure includes 200,000 shares of common stock being offered by this prospectus and 100,000 shares of common stock underlying warrants being officer by this prospectus. The beneficial owners of GMK Holdings Ltd. are Graham and Karen Harris. Graham and Karen Harris both share voting and investment power over the shares held by GMK Holdings Ltd.

(13) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus. Kurt Ostlund holds voting and investment power of such shares.

(14) This figure includes 150,000 shares of common stock being offered by this prospectus and 75,000 shares of common stock underlying warrants being offered by this prospectus. Porter Capital Management holds voting and investment power over the shares held by EDJ Limited.

(15) This figure includes 850,000 shares of common stock being offered by this prospectus and 425,000 shares of common stock underlying warrants being offered by this prospectus. Porter Capital Management holds voting and investment power over the shares held by Porter Partners, L.P.

(16) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Luke Norman Consulting is Luke Norman. Luke Norman holds voting and investment power over the shares held by Luke Norman Consulting.

(17) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(18) This figure includes 850,000 shares of common stock being offered by this prospectus and 425,000 shares of common stock underlying warrants being offered by this prospectus. Rob Ballard, an associate portfolio manager of Pathfinder Asset Management Limited, holds voting and investment power over the shares held by Qtrade Securities Inc.

(19) This figure includes 800,000 shares of common stock being offered by this prospectus and 400,000 shares of common stock underlying warrants being offered by this prospectus. Rob Ballard, an associate portfolio manager of Pathfinder Asset Management Limited, holds voting and investment power over the shares held by Brant Investments Limited.

(20) This figure includes 20,000 shares of common stock being offered by this prospectus and 10,000 shares of common stock underlying warrants being offered by this prospectus.

(21) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus.

(22) This figure includes 20,000 shares of common stock being offered by this prospectus and 10,000 shares of common stock underlying warrants being offered by this prospectus.

(23) This figure includes 150,000 shares of common stock being offered by this prospectus and 75,000 shares of common stock underlying warrants being offered by this prospectus.

(24) This figure includes 200,000 shares of common stock being offered by this prospectus and 100,000 shares of common stock underlying warrants being offered by this prospectus.

(25) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus.

(26) This figure includes 20,000 shares of common stock being offered by this prospectus and 10,000 shares of common stock underlying warrants being offered by this prospectus.

(27) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus.

(28) This figure includes 500,000 shares of common stock being offered by this prospectus and 250,000 shares of common stock underlying warrants being offered by this prospectus.

(29) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(30) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(31) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus.

(32) This figure includes 40,000 shares of common stock being offered by this prospectus and 20,000 shares of common stock underlying warrants being offered by this prospectus.

(33) This figure includes 20,000 shares of common stock being offered by this prospectus and 10,000 shares of common stock underlying warrants being offered by this prospectus.

(34) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus.

(35) This figure includes 40,000 shares of common stock being offered by this prospectus and 20,000 shares of common stock underlying warrants being offered by this prospectus.

(36) This figure includes 600,000 shares of common stock being offered by this prospectus and 30,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Alpha Capital Ltd. is Peter Grut. Peter Grut holds voting and investment power over the shares held by Alpha Capital Ltd.

(37) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(38) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus.

(39) This figure includes 200,000 shares of common stock being offered by this prospectus and 100,000 shares of common stock underlying warrants being offered by this prospectus.

(40) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(41) This figure includes 400,000 shares of common stock being offered by this prospectus and 200,000 shares of common stock underlying warrants being offered by this prospectus.

(42) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(43) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus. Bruce McLeod is also deemed to beneficially own the 50,000 shares of common stock and the 25,000 shares of common stock underlying warrants held by his spouse, Grace McLeod.

(44) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus. Grace McLeod is also deemed to beneficially own the 50,000 shares of common stock and the 25,000 shares of common stock underlying warrants held by her spouse, Bruce McLeod.

(45) This figure includes 400,000 shares of common stock being offered by this prospectus and 200,000 shares of common stock underlying warrants being offered by this prospectus.

(46) This figure includes 40,000 shares of common stock being offered by this prospectus and 20,000 shares of common stock underlying warrants being offered by this prospectus.

(47) This figure includes 200,000 shares of common stock being offered by this prospectus and 100,000 shares of common stock underlying warrants being offered by this prospectus.

(48) This figure includes 80,000 shares of common stock being offered by this prospectus and 40,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Trium Pacific Corp. is Steven Tan. Steven Tan holds voting and investment power over the shares held by Trium Pacific Corp.

(49) This figure includes 60,000 shares of common stock being offered by this prospectus and 30,000 shares of common stock underlying warrants being offered by this prospectus.

(50) This figure includes 60,000 shares of common stock being offered by this prospectus and 30,000 shares of common stock underlying warrants being offered by this prospectus.

(51) This figure includes 400,000 shares of common stock being offered by this prospectus and 200,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Ferguson Investments is Colin Ferguson. Colin Ferguson holds voting and investment power over the shares held by Ferguson Investments.

(52) This figure includes 400,000 shares of common stock being offered by this prospectus and 200,000 shares of common stock underlying warrants being offered by this prospectus.

(53) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of McPherson Construction is Brad McPherson. Brad McPherson holds voting and investment power over the shares held by McPherson Construction.

(54) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(55) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Orca Capital GMBH is Jan Schimmer. Jan Schimmer holds voting and investment power over the shares held by Orca Capital GMBH.

(56) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(57) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of DNG Capital Corp. is Nick DeMare. Nick DeMare holds voting and investment power over the shares held by DNG Capital Corp.

(58) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(59) This figure includes 80,000 shares of common stock being offered by this prospectus and 40,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of GRF Consulting Corp. is Gary Freeman. Gary Freeman holds voting and investment power over the shares held by GRF Consulting Corp.

(60) This figure includes 40,000 shares of common stock being offered by this prospectus and 20,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Violetta Holdings Ltd. is David Malm. David Malm holds voting and investment power over the shares held by Violetta Holdings Ltd.

(61) This figure includes 65,000 shares of common stock being offered by this prospectus and 32,500 shares of common stock underlying warrants being offered by this prospectus.

(62) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(63) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(64) This figure includes 65,000 shares of common stock being offered by this prospectus and 32,500 shares of common stock underlying warrants being offered by this prospectus.

(65) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus.

(66) This figure includes 40,000 shares of common stock being offered by this prospectus and 20,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Crestmont Invest Ltd. is Peter Grut. Peter Grut holds voting and investment power over the shares held by Crestmont Invest Ltd.

(67) This figure includes 200,000 shares of common stock being offered by this prospectus and 100,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of 0818940 B.C. Ltd. is Michael Wadkirch. Michael Wadkirch holds voting and investment power over the shares held by 0818940 B.C. Ltd.

(68) This figure includes 50,000 shares of common stock being offered by this prospectus and 25,000 shares of common stock underlying warrants being offered by this prospectus.

(69) This figure includes 200,000 shares of common stock being offered by this prospectus and 100,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owners of Tradewinds Investment are Cam Currie and Wendy Currie. Cam Currie holds voting and investment power over the shares held by Tradewinds Investment.

(70) This figure includes 200,000 shares of common stock being offered by this prospectus and 100,000 shares of common stock underlying warrants being offered by this prospectus.

(71) This figure includes 700,000 shares of common stock being offered by this prospectus and 350,000 shares of common stock underlying warrants being offered by this prospectus.

(72) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Kalla Holdings Ltd. is Antony Kalla. Antony Kalla holds voting and investment power over the shares held by Kalla Holdings Ltd.

(73) This figure includes 500,000 shares of common stock being offered by this prospectus and 250,000 shares of common stock underlying warrants being offered by this prospectus.

(74) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(75) This figure includes 40,000 shares of common stock being offered by this prospectus and 20,000 shares of common stock underlying warrants being offered by this prospectus.

(76) This figure includes 20,000 shares of common stock being offered by this prospectus and 10,000 shares of common stock underlying warrants being offered by this prospectus.

(77) This figure includes 10,000 shares of common stock being offered by this prospectus and 5,000 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of DCT Holdings Ltd. is Alistair MacLennan. Alistair MacLennan holds voting and investment power over the shares held by DCT holdings Ltd.

(78) This figure includes 100,000 shares of common stock being offered by this prospectus and 50,000 shares of common stock underlying warrants being offered by this prospectus.

(79) This figure includes 20,000 shares of common stock being offered by this prospectus and 10,000 shares of common stock underlying warrants being offered by this prospectus.

(80) This figure includes 28,000 shares of common stock being offered by this prospectus and 14,000 shares of common stock underlying warrants being offered by this prospectus.

(81) This figure includes 20,000 shares of common stock being offered by this prospectus and 10,000 shares of common stock underlying warrants being offered by this prospectus.

(82) This figure includes 15,000 shares of common stock being offered by this prospectus and 7,500 shares of common stock underlying warrants being offered by this prospectus.

(83) This figure includes 19,000 shares of common stock being offered by this prospectus and 9,500 shares of common stock underlying warrants being offered by this prospectus. The beneficial owner of Sirius Acquisition Company Ltd. is Stewart Vorberg. Stewart Vorberg holds voting an investment power over the shares held by Sirius Acquisition Company Ltd.

(84) This figure includes 5,000 shares of common stock being offered by this prospectus and 2,500 shares of common stock underlying warrants being offered by this prospectus.

(85) This figure includes 101,000 shares of common stock being offered by this prospectus and 50,500 shares of common stock underlying warrants being offered by this prospectus.

(86) This figure includes 222,000 shares of common stock being offered by this prospectus and 111,000 shares of common stock underlying warrants being offered by this prospectus.

(87) This figure includes 2,300,000 shares of common stock being offered by this prospectus. The beneficial owner of Iridium Capital LLC is Clay Kahler. Clay Kahler holds voting and investment power over the shares held by Iridium Capital LLC.

(88) These shares are registered in the name of Canaccord Genuity Corp. for administrative purposes only. Canaccord Genuity Corp. represents that it does not have any discretion over the voting power or dispositive power of such shares.

(89) These shares are registered in the name of Jordan Capital Markets Inc. for administrative purposes only. Jordan Capital Markets Inc. represents that it does not have any discretion over the voting power or dispositive power of such shares.

PLAN OF DISTRIBUTION

Timing of Sales

The Selling Stockholders may offer and sell the shares covered by this prospectus at various times. The Selling Stockholders will act independently of us in making decisions with respect to the timing, manner and size of each sale.

Offering Price

The Selling Stockholders may sell all or a portion of the shares of common stock beneficially owned by them and offered hereby from time to time directly or through one or more underwriters, broker-dealers or agents. If the shares of common stock are sold through underwriters or broker-dealers, the Selling Stockholders will be responsible for underwriting discounts or commissions or agent's commissions. The shares of common stock may be sold on the Canadian Securities Exchange or any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale, or in transactions otherwise than on these exchanges or systems and in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions, which may involve crosses or block transactions.

Manner of Sale

The shares may be sold by means of one or more of the following methods:

1. a block trade in which the broker-dealer so engaged will attempt to sell the shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction;

2. purchases by a broker-dealer as principal and resale by that broker-dealer for its account pursuant to this prospectus;

3. ordinary brokerage transactions in which the broker solicits purchasers;

4. through options, swaps or derivative;

5. privately negotiated transactions; or

6. in a combination of any of the above methods.

The Selling Stockholders may sell their shares directly to purchasers or may use brokers, dealers, underwriters or agents to sell their shares. Brokers or dealers engaged by the Selling Stockholders may arrange for other brokers or dealers to participate. Brokers or dealers may receive commissions, discounts or concessions from the Selling Stockholders, or, if any such broker-dealer acts as agent for the purchaser of shares, from the purchaser in amounts to be negotiated immediately prior to the sale. The compensation received by brokers or dealers may, but is not expected to, exceed that which is customary for the types of transactions involved. Broker-dealers may agree with a Selling Stockholder to sell a specified number of shares at a stipulated price per share, and, to the extent the broker-dealer is unable to do so acting as agent for a Selling Stockholder, to purchase as principal any unsold shares at the price required to fulfill the broker-dealer commitment to the Selling Stockholder. Broker-dealers who acquire shares as principal may thereafter resell the shares from time to time in transactions, which may involve block transactions and sales to and through other broker-dealers, including transactions of the nature described above, in the over-the-counter market or otherwise at prices and on terms then prevailing at the time of sale, at prices then related to the then-current market price or in negotiated transactions. In connection with resales of the shares, broker-dealers may pay to commissions or receive from commissions the purchasers of shares as described above.

If our Selling Stockholders enter into arrangements with brokers or dealers, as described above, we are obligated to file a post-effective amendment to the registration statement of which this prospectus forms a part, disclosing such arrangements, including the names of any broker dealers acting as underwriters.

The Selling Stockholders and any broker-dealers or agents that participate with the Selling Stockholders in the sale of the shares may be deemed to be "underwriters" within the meaning of the Securities Act. In that event, any commissions received by broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Because the Selling Stockholders may be deemed to be "underwriters" within the meaning of the Securities Act, they will be subject to the prospectus delivery requirements of the Securities Act, including Rule 172 thereunder.

Sales Pursuant to Rule 144

Any shares of common stock covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus.

Pursuant to Rule 144 of the Securities Act, a "shell company" is defined as a company that has: (i) no or nominal operations and (ii) either (A) no or nominal assets, (B) assets consisting solely of cash and cash equivalents, or (C) assets consisting of any amount of cash and cash equivalents and nominal other assets. We were a "shell company" pursuant to Rule 144 prior to the Transaction, and as such, Rule 144(i) provides that sales of our securities pursuant to Rule 144 are not able to be made until a period of at least twelve months has elapsed from the date on which this initial Form S-1 providing Form 10 level disclosure was filed with the Commission reflecting our status as an entity that is no longer a "shell company," which twelve-month period will elapse on July 12, 2015.

Regulation M

We have advised the selling security holders that the anti-manipulation rules of Regulation M under the Exchange Act may apply to sales of shares in the market and to the activities of the selling security holders and their affiliates. Regulation M under the Exchange Act prohibits, with certain exceptions, participants in a distribution from bidding for, or purchasing for an account in which the participant has a beneficial interest, any of the securities that are the subject of the distribution. Accordingly, the Selling Stockholder is not permitted to cover short sales by purchasing shares while the distribution is taking place. Regulation M also governs bids and purchases made in order to stabilize the price of a security in connection with a distribution of the security. In addition, we will make copies of this prospectus available to the selling security holders for the purpose of satisfying the prospectus delivery requirements of the Securities Act.

State Securities Laws

Under the securities laws of some states, the shares may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the shares may not be sold unless the shares have been registered or qualified for sale in the state or an exemption from registration or qualification is available and is complied with.

Penny Stock Rules

The Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "institutional accredited investors." The term "institutional accredited investor" refers generally to those accredited investors who are not natural persons and fall into one of the categories of accredited investor specified in subparagraphs (1), (2), (3), (7) or (8) of Rule 501 of Regulation D promulgated under the Securities Act, including institutions with assets in excess of $5,000,000.

The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form required by the Securities and Exchange Commission, and impose a waiting period of two business days before effecting the transaction. The risk disclosure document provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account.

The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction.

These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

Expenses of Registration

We are bearing all costs relating to the registration of the common stock. The Selling Stockholders, however, will pay any commissions or other fees payable to brokers or dealers in connection with any sale of the common stock.

DESCRIPTION OF SECURITIES TO BE REGISTERED

General

Our authorized capital stock consists of an unlimited number of Class A common stock, without par value. As of July 10, 2014, there were 63,104,788 shares of our Class A common stock issued and outstanding.

As set forth above in the section of this prospectus entitled "Selling Stockholders", the registration statement of which this prospectus forms a part relates to the registration of 25,160,000 shares of our Class A common stock previously issued by us or issuable upon the exercise of warrants to the Selling Stockholders.

Common Stock

Class A common stock ("common stock")

Holders of our common stock are entitled to receive notice of and attend any general meeting of the Company. In addition, holders of our common stock shall have the right to vote at any such meeting on the basis one vote for each such share held.

Holders of our common stock shall, in the absolute discretion of the board of directors, be entitled to receive dividends as and when declared by the directors out of monies of the Company properly applicable to the payment of dividends.

In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company for the purpose of winding-up its affairs or upon a reduction of capital the holders of our common stock shall share equally, share for share, in the assets and property of the Company.

Holders of our common stock have no pre-emptive rights, no conversion rights and there are no redemption provisions applicable to our common stock.

Dividend Policy

We have never declared or paid any cash dividends on our common stock. We currently intend to retain future earnings, if any, to finance the expansion of our business. As a result, we do not anticipate paying any cash dividends in the foreseeable future.

DESCRIPTION OF BUSINESS

Corporate History

We were incorporated on March 13, 2014 under the *Business Corporations Act* (British Columbia) (the "BCBCA") as "0996445 B.C. Ltd." On May 23, 2014, we changed our name to "Helius Medical Technologies, Inc." On June 2, 2014, we completed a continuation from being a corporation governed by BCBCA to a corporation governed by the Wyoming Business Corporation Act by way of a plan of arrangement.

Our head office is located at 12 Penns Trail, Newtown, PA 18940. Our registered office and registered agent is located at CT Corporation System, 1712 Pioneer Ave., Ste. 120, Cheyenne, Wyoming 82001.

We have two wholly-owned subsidiaries: 0995162 B.C. Ltd., which is incorporated in the Province of British Columbia, and NeuroHabilitation Corporation ("NHC"), which is incorporated in the State of Delaware. On June 13, 2014, pursuant to the Transaction, HMT Mergersub, Inc., our wholly-owned subsidiary, merged with and into NHC under the Delaware General Corporation Law with NHC as the surviving corporation.

Acquisition of NHC and Concurrent Financing

On June 13, 2014, we acquired a 100% interest in NHC (the "Transaction") pursuant to an agreement and plan of merger among us, HMT Mergersub, Inc., our wholly-owned subsidiary, and NHC dated June 6, 2014. Pursuant to the terms of the Transaction, HMT Mergersub, Inc. and NHC merged under the Delaware General Corporation Law with NHC as the surviving corporation and all of the common shares in the capital of NHC were cancelled. In consideration for the cancellation of the outstanding common shares of NHC each shareholder of NHC received that number of shares of our common stock determined by multiplying the number of NHC common shares held by such shareholder by 16.0350261. Pursuant to the Transaction, we issued an aggregate of 35,300,083 shares of our common stock to the former shareholders of NHC and as a result of the Transaction NHC became our wholly-owned subsidiary. The Transaction constituted a reverse take-over of us by NHC. Prior to the acquisition of NHC we had no active business.

In connection with the Transaction, we completed a non-brokered private placement financing of CDN$7.62 million (the "Concurrent Financing") by issuing 15.24 million subscription receipts (the "Subscription Receipts"). Pursuant to their terms, each Subscription Receipt automatically converted into one unit of the Company (a "Concurrent Financing Unit") upon satisfaction of certain escrow release conditions, including the completion of the Transaction. Each Concurrent Financing Unit consisted of

one share of our common stock (a "Concurrent Financing Share") and one-half of one share purchase warrant (each whole warrant being, a "Concurrent Financing Warrant") exercisable at CDN$1.00 per share for a period of two years. In connection with the Concurrent Financing, we paid aggregate finders' fees of $412,200 and issued 824,000 warrants (the "Finder Warrants"). Each Finder Warrant is exercisable at CDN$1.00 per share for a period of two years.

General Development of the Business of NHC

NHC is a Delaware company, incorporated on January 22, 2013, which is involved in the medical device industry. In January 2013, NHC entered into an exclusive right agreement whereby Advanced Neuro-Rehabilitation LLC ("ANR") granted NHC exclusive worldwide rights to ANR's patents, trade secrets and knowhow, including a patent pending technology that will enable the first non-invasive means for delivering neurostimulation through the oral cavity (the "PoNS^{TM}") in exchange for 50% equity in NHC and a 4% royalty of NHC's revenue collected from (1) the sale of products covered by any claim of the patent rights (the "Devices") to end users and (2) services related to the therapy or use of the Devices in therapy services.

On February 1, 2013, NHC, as cooperator, signed a collaborative research and development agreement (the "CRADA") with Advanced NeuroRehabilitation, LLC, as the background patent owner, Yuri Danilov, Mitchell Tyler and Kurt Kaczmarek, as the inventors, and the U.S. Army Medical Material Agency and the U.S. Army Medical Material Development Activity. Pursuant to the CRADA agreement, the U.S. Armed Forces is called to fund, manage and provide regulatory oversight associated with the clinical effort necessary to secure the U.S. Food and Drug Administration (the "FDA") clearance and approval. NHC is currently in the process of seeking de-novo 510(k) clearance from the FDA for the treatment of balance and disorders related to traumatic brain injury ("TBI"). Once the safety and efficacy of the technology is established, NHC intends to commercialize the technology.

Following completion of research, product strategy and concept generation, we intend to complete the concept development and design development phases.

Business of the Company

The brain's ability to recognize its operation in response to new information sources, new functional needs, or new communication pathways is referred to as Neuroplasticity. Neuroplasticity is a process underlying all cerebral learning, training, and rehabilitation. Neuromodulation is the use of external tactile stimulation to intentionally change and regulate the internal electrochemical environment of the brain.

Traditional rehabilitation interventions have typically involved medication and various forms of therapies, including physical therapy. In a non-controlled clinical setting, the PoNS^{TM} device, when combined with physical or cognitive therapy designed to overcome the identified symptoms, has been shown to significantly improve and sustain functional rehabilitation to address brain dysfunction from traumatic, degenerative, developmental, chemical, or unknown origins. The device, in conjunction with physical or cognitive therapy, has shown anecdotal positive results in a great majority of patients.

(a) Business Objectives

Our management team's goal is to make us the first company with a patented, FDA approved, non-invasive device and therapy for the treatment of balance and disorders related to traumatic brain injury.

The principal business carried on and intended to be carried on by us is to complete the device design and manufacturing phase of PoNS^{TM}, a patent pending technology that we believe will enable the first non-invasive means for delivering neurostimulation through the oral cavity.

Over the next 12-month period, we intend to:

i. complete the pilot efficacy trial;
ii. complete pilot trial in Multiple Sclerosis
iii. complete the device design and manufacturing phase;
iv. continue development of our intellectual property;
v. drive the completion of international registration; and
vi. create a physical therapy support network.

(b) Significant Events or Milestones

The principal milestones that must be met for us to accomplish our stated business objectives, described above, are in Canadian Dollars as follows:

Milestone	Target Date	Estimated Cost
Completion of pilot efficacy trial in TBI	Months 1 - 12	$242,000
Pilot trial in Multiple Sclerosis	Months 1 - 12	$538,000
To complete Phase 3 and 4 of the design and production process as described below	Months 1 - 12	$3,750,000
To create technology development framework with partner Intellectual Property firm to create Intellectual Property on an ongoing basis	Months 1 - 12	$495,000
To develop international regulatory submission package and drive submission to Health Canada parallel to the US submission	Months 1-12	$247,000
To develop partnership with national suppliers in the physical therapy support network	Months 1-12	$150,000
To develop certification plan for Physical Therapy Centers	Months 1 -12	$172,000
TOTAL		$5,594,000

(c) Total Funds Available (in Canadian Dollars)

As at May 31, 2014, the Company and NHC had combined working capital of approximately $(338,963). On June 13, 2014, upon conversion of the Subscription Receipts pursuant to the Concurrent Financing we received net proceeds of $7,207,800. The estimated costs of the Transaction are approximately $300,000. As such, our total available funds are approximately $6,568,837.

We intend to fund ongoing activities by utilizing current cash and cash equivalents and by raising additional capital though equity or debt financings. There can be no assurance that we will be successful in raising additional capital or that such capital, if available, will be on terms that are acceptable to us. If

we are unable to raise sufficient additional capital, we may be compelled to reduce the scope of our operations and planned capital expenditure or sell certain assets, including intellectual property assets.

(d) Purpose of Funds (in Canadian Dollars)

Use of Proceeds	Funds to be Expended
Completion of pilot efficacy trial in TBI	$242,000
Pilot trial in Multiple Sclerosis	$538,000
Design and manufacturing development	$3,750,000
Intellectual property development	$495,000
Completion of international registration	$247,000
Market shaping activities	$322,000
G&A expenses	$870,000
Unallocated working capital	$104,837
Total	**$6,568,837**

(e) Principal Products or Services

Device Description

Physical Construction and User Interface

The portable neuromodulation stimulator (PoNS(TM)) version 2.2 device is an electrical pulse generator that delivers controlled electrical stimulation to the tongue. Pulses are generated and controlled by commercially available counter, timer, and wave-shaping electronic components. The components are mounted to a single printed circuit board (Figure 1 and Figure 2). The circuit board contains 143 gold-plated electrodes that contact the tongue. A rechargeable lithium- polymer battery with built-in charge safety circuitry provides power.

Figure 1: Top of the PoNS Neuro-stimulator board

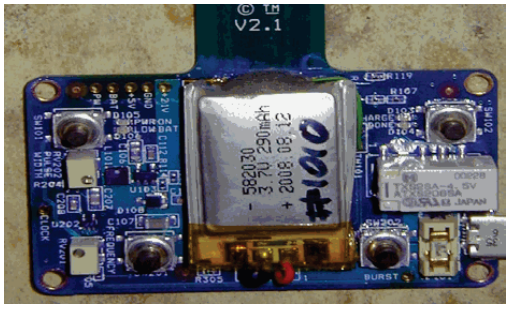


Figure 2: Bottom of the PoNS(TM) Neuro-stimulator board

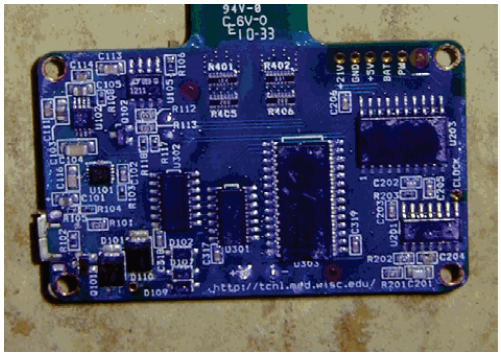


Figure 3: Photographs of the PoNS(TM) Neuromodulation Stimulator Being Investigated in Conjunction with Physical Therapy for the Treatment of Balance and Gait Disorders.

The device is held lightly in place by the lips and teeth around the neck of the tab that goes into the mouth and rests on the anterior, superior part of the tongue. The paddle-shaped tab of the device has a hexagonally patterned array of 143 gold-plated circular electrodes (1.50 mm diameter, on 2.34 mm centers) that is created by a photolithographic process used to make printed circuit boards. It uses low-level electrical current to stimulate the lingual branch projections of at least two cranial nerves in the anterior tongue through the gold-plated electrodes. Device function is user-controlled by four buttons: On, Off, Intensity 'Up', and Intensity 'Down'.

While the voltage and pulse timing to each electrode are programmed into the device and cannot be altered, the subject adjusts the stimulus intensity with a pair of buttons. At any instant in time, one of the electrodes in each of the nine sectors on the array is delivering stimulation while the remaining electrodes serve as the current return path to ground. The sensation produced by the array is similar to the feeling of drinking a carbonated beverage. The biphasic waveform is specifically designed to ensure zero net DC current to minimize the potential for tissue irritation.

When the PoNS(TM) device is turned off, the intensity setting automatically resets to zero. Upon first introduction to the device stimulation, subjects are instructed to press the "Up" intensity button (approximately 35-45 times, or press and hold it for approximately 4-5 seconds) to reach sensation threshold. Subjects will frequently notice that the sensation intensity decreases 2-4 minutes after stimulation onset. This sensation is normal and attributable to sensory adaptation. Subjects are instructed to simply increase the sensation level to return to the predetermined perceptual midpoint of their individual perceptual dynamic range. This procedure can be considered comparable to titrating a drug dosage according to a desired blood level so that the percept (and to a first approximation the neurophysiological impact) is held invariant.

The PoNS(TM) device was designed and developed in the Tactile Communication and Neurorehabilitation Laboratory (TCNL), Department of Biomedical Engineering, University of Wisconsin-Madison in Madison, Wisconsin. The printed circuit board and electrodes are fabricated by Advanced Circuits (based in Aurora, Colorado), surface-mounted integrated circuit components are assembled by a commercial electronics assembler, and packaging is performed by Simplex Electronics (based in Middleton, Wisconsin). Final inspection, verification, and epoxy encapsulation are performed at the TCNL by the investigators or designees.

Part of the Body or Type of Tissue to Which Applied or with Which the Device Is Interacting

The PoNS(TM) device is placed in the mouth and held lightly in place by the lips and teeth around the neck of the tab that goes into the mouth and rests on the anterior, superior part of the tongue. The hexagonally patterned array of 143 gold-plated circular electrodes uses low-level electrical current to stimulate the lingual projections of two cranial nerves in the anterior tongue.

Frequency of Use

To date, the intervention model that has been investigated most thoroughly is an intensive twice-daily treatment with a physical therapist for 2 weeks, followed by a period of 12 weeks of at-home twice-daily use with weekly reporting and monthly follow-up visits to the University of Wisconsin-Madison research team. A typical 12-week program is shown in Table 1. During the 2-week in-lab program, subjects are also expected to train on weekends and to perform the second breathing awareness training in the evening approximately 1-2 hours before bed. Each session with the device lasts 20 minutes.

Table 1: Typical Study Event Timeline for Cranial Nerve Noninvasive Neuromodulation Treatment Conducted to Date Using the PoNS(TM) Device

	Visit / Follow Up Interval				
Treatment Day/ period	Day (-7) to Day 0	First Day	Treatment 2x/Day for 2 Weeks	Last PM of 2-Week Treatment	1 Day in-lab after 4, 8 & 12 Weeks at Home
Screening	X				
Informed Consent, discussion	X				
Demographics, History & Physical		X			
Baseline Testing		X			
Treatment			X		X
Post Testing				X	X
			X	X	X

Adverse events recording		

Proposed Inprovements to PoNS™

The registrational clinical trials for FDA approval is anticipated to be performed with the PoNS(TM) 4.0 device. While it is expected to deliver the exact same stimulation to the patient it is expected to be considerably improved ergonomically and more feature laden than the existing PoNS(TM) 2.2 device. Table 2 lists the similarities and differences between the current PoNS(TM) device (version 2.2) and the planned, commercially marketed version of PoNS(TM) (version 4.0). Version 2.2 is hand-built in low quantities and is not produced in strict compliance with good manufacturing practices (GMPs). Version 4.0 is anticipated to be produced in accordance with the GMPs and is expected to have some additional features that the current version does not have.

Table 2: Characteristics of the Current Investigational Version of the PoNS(TM) Device (Version 2.2) and the Proposed Future Marketed Version (Version 4.0)

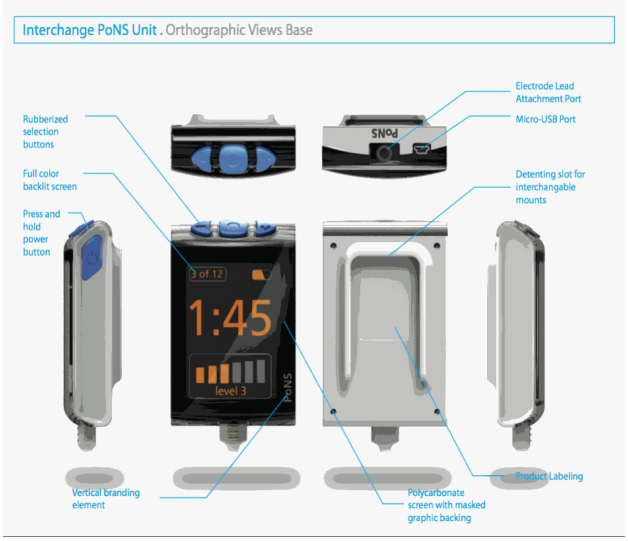
	PoNS(TM) Version 2.2 (current version)	**PoNS(TM) Version 4.0 (future marketed version)**
		Similarities
Waveform, modulation, voltage, currenta	Triplets of 0.4 - 60 µs wide pulses at 5 ms intervals (ie, 200 Hz) every 20 ms (50 Hz), with operational limits of 19V (max) on the tongue (a nominal 5-7 k- ohm load)	Triplets of 0.4 - 60 µs wide pulses at 5 ms intervals (ie, 200 Hz) every 20 ms (50 Hz), with operational limits of 19V (max) on the tongue (a nominal 5-7 k- ohm load)
		Differences
Mouthpiece	Fixed, service life unspecified	Changeable (proposed), service life fixed
Interface	None	Therapeutic information, treatments, reminders, compliance
Data logging	None	Yes
Data communications	None	Yes (I/O to be determined)
Electronics	Discrete, integrated circuit timers	Commercially available embedded Microcontroller
Housing	Low volume machined	Custom molded

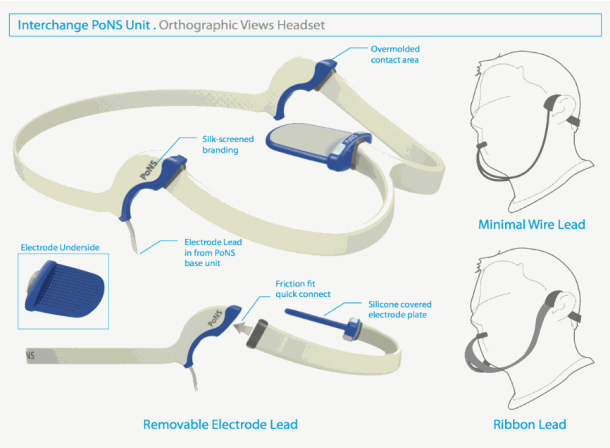
In both versions of the device the nature of the electrical stimulus is identical.

The proposed additional functionality of data logging and data communications for the PoNS(TM) version 4.0 device addresses two primary stakeholder needs:

- To provide the patient with useful/informative information about their therapy, such as a reminder to conduct therapy, time remaining during therapy, and ready status of the device (e.g. charge level).
- To provide the overseeing clinician with information concerning patient compliance with unsupervised (e.g. at home) therapy. This can enable adjustments to training and therapy that may help improve compliance and outcomes.

Figure 4: Design Evolution from PoNS(TM) 2.2 to PoNS(TM) 4.0





Safety Profile for the PoNS(TM) Device

We believe that the risks associated with the PoNS(TM) device are not significant, based on, among things, the following:

- The FDA has suggested the PoNS(TM) device is to be submitted as a de-novo class II device (i.e. non-significant risk device)
- Four separate Internal Review Boards (IRBs) from leading universities have deemed the PoNS(TM) device as a device with "non-significant risk" and thus cleared clinical protocol without having received FDA approval.
- An estimated 1,500 patients have been treated worldwide with no reports of adverse events over the last 7 years.

Specialized Skills and Knowledge

The Tactile Communication and Rehabilitation Laboratory in Madison, Wisconsin (https://tcnl.bme.wisc.edu) was founded by the three inventors and intellectual property holders of the PoNS(TM) device (subsequently licensed exclusively to NHC): Dr. Mitch Tyler, Dr. Yuri Danilov, and Dr. Kurt Kaczmarek. Between them they have over 70 years of neuro-rehabilitation expertise. They are founders, directors and scientific advisors of NHC.

Intellectual Property

The intellectual property relating to the PoNS^{TM} device is the subject of U.S. Patent Application 12/348301 and Provisional Patent Application 61/019,061 (the "Patent Rights"). The Patent Rights include one XYZ claim and 22 method claims, which cover a device in the form of a mouth piece that non-invasively delivers neurostimulation to the brain stem via the trigeminal nerve. Advanced NeuroRehabilitation, LLC ("ANR"), a significant shareholder of the Company, holds interests in the Patent Rights pursuant to an exclusive license from the inventors.

Pursuant to an amended and restated sublicense agreement (the "Sublicense Agreement"), ANR has granted NHC a worldwide, exclusive license to make, have made, use, lease and sell devices utilizing the Patent Rights. In addition, ANR has agreed that ownership of any improvements, enhancements or derivative works of the Patent Rights which are developed by NHC or ANR shall be owned by NHC, provided that if NHC decides not to patent such improvements, ANR may choose to pursue patent rights independently. Pursuant to the Sublicense Agreement, NHC has agreed to pay ANR royalties equal to 4% of NHC's revenues collection from the sale of devises covered by the Patent Rights and services related to the therapy or use of devises covered by the Patent Rights in therapy services. On June 6, 2014, NHC and ANR entered into a second amended and restated sublicense agreement (the "Second Sublicense Agreement"), which acknowledges the Agreement and Plan of Merger pursuant to which NHC will be merged with and into our wholly-owned subsidiary, HMT Mergersub, Inc. whereby NHC will be the surviving entity as a wholly-owned subsidiary of us, and includes us as well as any affiliate of NHC or us with respect to a certain termination provision and the restriction on sub-licensing.

The license of the Patent Rights are subject to the right of the Government of the United States, which funded certain research relating to the development of the PoNS^{TM} device, to a nonexclusive, non-transferable, irrevocable, paid-up license to use the Patent Rights for governmental purposes. In addition, NHC has granted a perpetual, royalty-free license to the Patent Rights back to ANR for non-profit research and development activities which do not compete with NHC's business and to produce and

derive revenues from devices and services in connection with investigational uses of the PoNS^{TM} device and related technology.

The license of the Patent Rights is also subject to the terms of the CRADA agreement. Pursuant to the CRADA agreement, the U.S. Army Medical Research and Material Command (USAMRMC) will be the sponsor of the regulatory application for the PoNS^{TM} technology until the application is cleared or approved by the FDA, at which point USAMRMC will transfer such clearance or approval to us. After transfer of the regulatory application to us, in the event that we are not willing or able to commercialize the technology within two years from the expiration of this CRADA, we are required to transfer possession, ownership and sponsorship/holdership of the regulation application, regulatory correspondence and supporting regulatory information related technology to USAMRMC and grant the U.S. Government a non-exclusive, irrevocable license to any patent, copyright, data rights, proprietary information or regulatory information for the U.S. Government to commercialize the technology.

We anticipate receiving final adjudication with respect to the Patent Rights from the United States Patent and Trademark Office by mid to late 2014. In addition, we intend to file applications through the Patent Cooperation Treaty process to attempt to gain patent protection in all 148 treaty countries and also intend to hire an intellectual property firm to help drive our intellectual property strategy and patent portfolio.

(f) Production and Sales

Design and Manufacturing Development

NHC will subcontract the design and build of the PoNS(TM) device to Ximedica (based in Providence, Rhode Island), a contract manufacturer that was chosen after an exhaustive procurement process. The inherent design of the product makes it an ideal product for contract manufacturing. NHC patents, trade secrets and know-how are expected to be shared with Ximedica on a confidential, need to know basis. The system will require some very light assembly and labeling that is expected to be done by Ximedica. Ximedica is a registered medical device manufacturer certified to ISO 13485 and in good standing with the FDA.

Based on a monthly forecast from NHC, Ximedica will build to stock, warehouse and ship product to the customer as well has handle all customer service related tasks including, order entry, order management and product warranty responsibility. NHC expects to retain responsibility for sales, marketing, R&D and all back office operations including customer service. At this stage, NHC anticipates the primary delivery points will be regional military centers and national physical therapy centers.

Ximedica was selected following a thorough procurement process to find a device design and manufacturing partner. NHC engaged Clinvue, who specialize in the design development project management, to assist with the procurement process. Clinvue was responsible for:

- ethnographic research for all stakeholders (patient, physical therapists, caregivers, health professionals);
- the procurement selection process for finding device design and manufacturing partner; and
- generation of the product specifications document to drive device design and manufacturing.

Under the Commercial Development-to-Supply Program between Ximedica, LLC and NHC, dated October 25, 2013, Ximedica' s responsibilities will include:

- designing the commercial device following their proven design development process;
- developing the manufacturing process and completing the initial manufacturing of the device (their facility can produce PoNS(TM) units in quantities of tens of thousands per year); and
- developing the quality control process.

Once larger industrial quantities will be required, NHC plans to take over the manufacturing and quality control process.

Components

The existing PoNS(TM) 2.2 device is not a commercial product, but it delivers the therapy effectively.

The design and manufacturing development process has estimate at this stage of its development that NHC will be able to produce the PoNS(TM) device at a cost of $150 per device controller in quantities in the tens of thousands and at under $100 for quantities in the hundreds of thousands. The electronic array that delivers the tongue stimulation is estimated to be designed and manufactured for $25 per unit.

U.S. Armed Forces

Pursuant to the terms of the collaborative research and development agreement (the "CRADA") between NHC, as the cooperator, ANR, as the background patent owner, Yuri Danilov, Mitchell Tyler and Kurt Kaczmarek, as the inventors, and the U.S. Army Medical Material Agency ("USAMMA") and the U.S. Army Medical Material Development Activity ("USAMMDA"), the parties agreed to the following responsibilities with respect to the development of the PoNS^{TM} device.

U.S. Armed Forces Responsibilities:

- Serve as the regulatory sponsor of the PoNS^{TM} device for all formal and informal interactions with the FDA necessary to gain FDA clearance/approval, to include the initial 513 (g) submission.
- Supply the facilities and personnel to execute and/or oversee the execution of clinical studies of the device for FDA clearance/approval in support of an intended use of the PoNS(TM) device for the treatment of soldiers suffering from balance and gait disorders, by providing the following services:
    - clinical trial monitoring,
    - full biostatical support,
    - data management oversight,
    - product technical oversight,
    - safety pharmacovigilance and reporting to FDA,
    - device qualification/validation, and
    - testing plan for release of devices.
- Conduct assessments of the manufacturing facility and assist/advise facility in meeting FDA manufacturing requirements.
- Aid in designing the clinical protocols to study the PoNS(TM) device as an adjunct to specialized physical therapy in patients with balance and gait disorders.
- Provide advice and expertise on all Army administrative protocols and approvals to execute the studies with military personnel, reservists, and/or veterans.
- Prepare and submit the necessary regulatory filings for FDA to secure regulatory clearance or approval, after which such clearance/approval will be transferred to NHC.

- Ensure NHC receives copies of all formal and informal communications with FDA related to the PoNS(TM) device.

NHC Responsibilities:

- Complete the commercial design, including ergonomics (e.g. user controls, comfort), and design for improved manufacturability, reliability, and field support and regulatory testing to comply with the FDA regulations for such devices.
- Work collaboratively with the Army personnel to supply all the technical specifications, documentation and any other information required to address FDA requests on the pathway to obtaining FDA clearance/approval of the PoNS(TM) device.
- Finalize the commercial design of the PoNS(TM) device so that the devices would be commercially available to the Army should the results of the study be positive.
- Identify and engage a commercial manufacturer post-FDA clearance of the device to produce the device for purchase by the U.S. Army.

The US armed forces were interested in signing the CRADA because of the very high incidence of Traumatic Brain Injury (TBI) in soldiers and the fact that there is virtually no treatment available for those soldiers who suffer from chronic sequelae from their TBI. Incidence of TBI in the U.S. armed forces numbers 30,000 per year in the active duty personnel and over 600,000 retired soldiers have a diagnosis of TBI in the Veteran's Administration (the "VA").

The U.S. Army has indicated that it is committed to supplying PoNS(TM) devices to the personnel who need it post FDA approval. NHC estimates that between the active duty soldiers and the VA retired soldiers that the army will purchase 23,000 units in the first 18 months of sales.

Once the U.S. Army helps NHC get its first indication for balance and disorder in TBI they have committed to pursue four other indications that are most burdensome in terms of cost in the active duty and VA personnel:

- Tinnitus;
- Post-Traumatic Stress Disorder;
- Sleep regulation; and
- Pain (headache) relief.

On April 26, 2014, NHC, as cooperator, entered into Notice of Modification No. 1 of Cooperative Research and Development Agreement (the "Amended CRADA") with ANR, as the background patent owner, Yuri Danilov, Mitchell Tyler and Kurt Kaczmarek, as the inventors, and the USAMMA and the USAMMDA, whereby NHC will no longer provide expertise and training in the design of clinical study protocols or for U.S. Army and/or Veterans Affairs personnel in the physical therapy interventions required for clinical studies. In addition, pursuant to the Amended CRADA, ANR will share all data with USAMMA and NHC will provide all data supporting clinical claims for regulatory approval. Furthermore, USAMMDA agreed to provide regulatory support as agreed upon for unregulated studies and the associated budgets and funding reimbursement will be reviewed and agreed upon between USAMMA and USAMMDA.

Market

Market Overview

North America is expected to dominate the overall market throughout the forecast period. The presence of high healthcare expenditures and patient awareness levels in developed countries, such as the U.S., is one of the factors accounting for its high market share. Furthermore, the presence of sophisticated healthcare

infrastructure and industry friendly organizations such as the North American Neuromodulation Society and the American Tinnitus Association will propel the future growth of this market. The North America neurostimulation devices market was valued at USD 1,959.0 million in 2012.[1] Europe followed North America in terms of market share in 2012 at over 17.0%.[1]

1. "Global Neurostimulation Devices Market to Reach USD 8,791.8 Million by 2020 - Industry Trends, Market Size, Segments, Industry Applications, Market Size, Analysis and Forecast", PR Web, available from http://www.prweb.com/releases/Neurostimulation/Devices-Market/prweb11531091.htm

Some of the drivers of the European market include the relatively easy and faster CE device approval process, presence of a large base of population over 60 years in Western European countries and rapid economic development witnessed in Eastern European countries such as Poland and Russia. However, Asia Pacific is identified as the fastest growing region of the neurostimulation devices market.

The large presence of unmet medical needs in countries such as India and China and the constantly improving healthcare infrastructure and patient awareness levels in these countries accounted for its lucrative growth. The Asia Pacific neuromodulation market is expected to grow at a compound annual growth rate ("CAGR") of 17.6% from 2013 to 2020.[2]

2. Supra note 1.

(g) Competitive Conditions and Position

We have performed a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis demonstrating our competitive position.

Strengths	Weaknesses
• Understanding and expertise in Neuro-Stimulation • US Department of Defense sponsorship through CRADA	• US only patent submission presently • Consumer device development not completed • No corporate equity in marketplace as NHC

- Healthcare marketing expertise
- PoNS™ competitive position in neurostimulation market
- High Consumer market development expertise

- Small staff infrastructure
- Process and systems need to be fully developed

Opportunities

- Market growth forecasted to be 14% CAGR through 2020[3]
- IP development in U.S. and internationally through technological advancement and peripheral device development
- PoNS™ deployment to create positive synergy with Physical Therapy market potential increase
- Drive consumer demand for new safe technology for neurological disorders
- Obtain regulatory approvals internationally (Canada, EU, Japan, Latin America)
- Large unmet need in neuro-rehabilitation disorders (including tinnitus, stroke and Alzheimer's disease)

Threats

- Medical inertia on neurostimulation
- Powerful medical device companies potentially disrupted by our technology

3. Supra note 1.

The following is a description of certain of our main competitors:

Table 3: Competitive Analysis

	NHC		NeuroSigma	Cyberonics and Others	Cefaly
Annual Sales	None		None	$243M	Just approved FDA
Type of Device	Non Invasive		Non Invasive and Minimally Invasive	Invasive: Implantable	Forehead Cutaneous stim.
Approved Indications	None		None	Drug Resistant Epilepsy	Migraine Headache
Units Sold	None		None	65,000	--
Anticipated Indications	TBI, MS, Parkinson and Stroke		Drug resistant Epilepsy, Post Traumatic Stress Disorder, Obesity, Cachexia		
Targeted Nerve	Trigeminal (lower part and facial)		Trigeminal (upper part)	Vagus	Trigeminal (upper part)
Product Name	PoNS(TM)		Monarch	?	Cefaly
Product Classification	TBD		TBD	Class III	Class II
FDA Cleared	No		No	Yes	Yes
Product Classification	Class II		TBD	Class III	Class II

Cyberonics

Cyberonics, Inc., (NASDAQ: CYBX) is a medical technology company with core expertise in neuromodulation. The company developed and markets the Vagus Nerve Stimulation (VNS) Therapy system, which is FDA-approved for the treatment of refractory epilepsy and treatment-resistant depression. The VNS Therapy system uses a surgically implanted medical device that delivers pulsed electrical signals to the vagus nerve. Cyberonics markets the VNS Therapy system in selected markets worldwide.

Cyberonics is based in Houston, Texas with annual sales of $243 million. The Cyberonics device is surgically placed directly on the vagus nerve in the carotid artery. The procedure is invasive, but has shown to be effective in a wide range of patients, which supports the premise that neuro stimulation is safe

and effective.

NeuroSigma, Inc

NeuroSigma, Inc., a California-based medical device company, recently announced the publication of a positive Phase II clinical study for the use of external Trigeminal Nerve Stimulation (eTNS(TM)) for the treatment of drug-resistant epilepsy as well as depression, PTSD, ADHD and other disorders. The NeuroSigma's device has two components, external electrical patches that are placed on the forehead and a pulse generator. NeuroSigma is also working on a subcutaneous approach. If a patient responds positively to the externally placed patch approach, NeuroSigma is proposing that the patient could move to a minimally invasive approach. The external system is currently being marketed in the European Union for Drug resistant epilepsy (DRE), which is a serious medical disorder and affects approximately 30% of the estimated 50 million people with epilepsy worldwide. NeuroSigma has completed its Pre-Investigational Device Exemption (Pre-IDE) meeting with the FDA and is preparing to submit its IDE application. In September 2012, NeuroSigma received CE Mark approval for the adjunctive treatment of epilepsy and major depressive disorder, for adults and children 9 years and older. NHC is encouraged by NeuroSigma's work in that it further validates the safety and efficacy of non-invasive neuromodulation therapy in one of the more complex disease states.

Cefaly

Cefaly is a Belgian company that has released a cutaneous neuro stimulator. The stimulator received FDA approval in the U.S. and it has a CE approval in the E.U.

Neurostimulation of the trigeminal nerve with Cefaly produces a sedative effect. Regular repetition of this sedative effect helps reduce the number of attacks of migraine.

Though using electrical stimulation of the brain as a means of treating migraines provides an alternative to over-the-counter medication. Cefaly, a battery-operated headband, has now been approved by the FDA (US Food and Drug Administration) and is claimed to not only treat migraines, but possibly prevent them altogether.

For treatment during a migraine, Cefaly uses high-frequency neurostimulation, which limits the pain signals from the nerve center. For preventative use, intended for regular sufferers, Cefaly uses low-frequency stimulation to change the migraine's trigger threshold, making it harder to reach and the headaches less painful, or causing them to disappear entirely.

According to the company, users can expect to feel a light sensation when wearing the headband, though it says the dose of electromagnetic waves is weaker than you receive when watching television.

For preventative use, Cefaly is intended to be worn for 20-minute sessions. Pressing a button will begin the session, with the intensity and tingling gradually increasing as time progresses. The idea is to build up a tolerance to the sensation and, in effect, the migraine threshold in your brain, though if the sensations do become too much, pressing the button again will reduce the intensity.

Competitive Advantages of NHC

The combined independent clinical research and product development work by NHC, Cyberonics and NeuroSigma is significant in the field of neuromodulation and is foundational as neuromodulation becomes an accepted means of neurological therapy. As mentioned previously, NHC is targeting the trigeminal and facial nerves versus the vagus nerve and rather than stimulating the trigeminal nerve on the forehead (upper branch), the NHC device stimulates the trigeminal nerve in the tongue (lower branch), which is key for the following reasons:

1) The trigeminal and facial nerves are the largest cranial nerves, offering a high-bandwidth pathway for signals to enter the brain.
2) The trigeminal nerve projects to specific areas of the brain, such as the brainstem (trigeminal and solitary nuclei) and cerebellum, basal ganglia, thalamus and the cerebral cortex.
3) The tongue is the anatomically unique, highly sensitive and receptors-reach skin surface in the human body directly linked to the brain by at least two cranial nerves.
4) Unlike Cyberonics the NHC device delivers bilateral therapy.
5) The PoNS(TM) device delivers effective and powerful neuro modulation non-invasively.

These five factors make NCH's device and approach unique and represent the driving factors behind the PoNS(TM) device competitive advantage for non-invasive neuromodulation therapy.

NHC's Market

NHC has established its selling price at $2,500 for the PoNS^{TM} device which will include the controller and electronic tongue array and lanyard, belt clip and arm band. The cost of producing the device as packaged is estimated $150/unit. The replaceable electrode array is expected to sell for $100 cost of producing is anticipated to be $25.

Pricing sensitivity research has not been completed but we anticipate this price reflects the premium to be paid for the first non-invasive therapy for neurological disorders.

NHC plans to submit an application to the U.S. Department of Health and Human Services for an ICD 10 reimbursement code so that the device is covered under Medicare and Medicaid. NHC also plans to seek coverage from private insurance plans.

The PoNS(TM) 4.0 device is expected to have a design feature that stops delivering therapy every 14 weeks. This is expected to force patients to return to their physician or PTC for assessment of their progress and reestablishment of challenging physical therapy to achieve higher goals. At this time the device is expected to be inspected visually by the physical therapist, reset for another 14 weeks of treatment and the tongue array is expected to be replaced by a new one to ensure no degradation of the electrodes occurs. This business model feature is expected to ensure proper support for patients in the early phase of their therapy.

The key to the business success of NHC is to set up a national framework of PoNS(TM) accredited Physical Therapy Centers ("**PTC**"). We plan to seek partnership with one or more national PTC companies (there are three national companies). This partnership is expected to include an agreement where all PTCs become accredited PoNS(TM) therapy centers. This accreditation is expected to come from NHC. There is expected to be strong financial incentive for the PTC companies to partner because PoNS(TM) training offers substantial opportunity for growth for the PTCs. We anticipate that PTCs will be able to use existing reimbursement codes for the physical therapy portion of the therapy. NHC plans to apply for reimbursement codes for the PoNS(TM) device.

We expect physicians will be informed to prescribe both the PoNS(TM) and the "local" accredited PTC for their patients to receive the PoNS(TM) device and their training. A PoNS(TM) website and smart phone application is expected to help physicians select the appropriate PTC convenient for the patient.

Upon discharge from the PTC, patients are expected to be monitored in their home therapy from a PTC phone center (set up by NHC through select PTCs) who plan to help the patients be compliant and ensure the therapy is performed appropriately. At the end of the 14 weeks of therapy we expect patients to be

directed back to their physician for assessment and then return to the Accredited PTC for replacement of the tongue array.

Deployment

The U.S. Armed Forces is expected to be deploying the device through their rehabilitation centers under orders from the central medical command. All personnel are expected to be certified PoNS(TM) trainers supported by live, paper and video based training materials developed through this project by the U.S. Armed Forces.

NHC has approached the Canadian Armed Forces to discuss their support of a similar program in Canada and discussions are ongoing. We also intend to pursue other military organizations in relevant countries based on need and size of potential deployment.

NHC expects to be able to leverage the equity of the deployment of the device in the U.S. Armed Forces in its marketing of the PoNS(TM) device to the civilian population.

PoNS(TM) in Civilian Population

NHC plans to concentrate its efforts in the U.S. and Canadian marketplaces as first launch markets. It is unclear as of yet which of these two markets will launch first primarily due to the relative speed of the regulatory process. NHC then intends to commercialize the PoNS(TM) device in Europe and Japan as second phase countries (2017) and Brazil, Russia, India and China as Phase III countries (2018).

Going Concern

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills.

However, subsequent to our period from inception (March 13, 2014) to March 31, 2014, we completed a non-brokered private placement financing of CDN$7.62 million, which funds have been released from escrow and we believe such funds are sufficient to maintain our operations for at least the next 12 months.

Employees

As of the closing of the Transaction, we now have a total of 1 employee who is full-time and NHC, our wholly owned subsidiary, has 1 employee who is full-time. None of our employees are subject to a collective bargaining agreement. We experienced no work stoppages and believe that we have good relations with our employees.

Subsidiaries

We have two wholly-owned subsidiaries: 0995162 B.C. Ltd., which is incorporated in the Province of British Columbia, and NeuroHabilitation Corporation ("NHC"), which is incorporated in the State of Delaware.

Patents

The PoNS^{TM} device intellectual property is the subject of U.S. Patent Application 12/348301 of which was initially filed on April 1, 2009 by the inventors, Kurt Kaczmarek, Yuri Danilov and Mitchell Tyler, and Provisional Patent Application 61/019,061 which was initially filed on January 4, 2008. NHC's applications includes one XYZ claim and 22 method claims, which covers a device in the form of a mouth piece that non-invasively delivers neurostimulation to the brain stem via the trigeminal nerve. We expect final adjudication of the patents in the fall of 2014.

LEGAL PROCEEDINGS

We are not aware of any legal proceedings contemplated by any governmental authority or any other party involving us or our properties. As of the date of this registration statement, no director, officer or affiliate is (i) a party adverse to us in any legal proceeding, or (ii) has an adverse interest to us in any legal proceedings. We are not aware of any other legal proceedings pending or that have been threatened against us or our properties.

MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

Shares of our common stock were listed on the Canadian Securities Exchange ("CSE") on June 23, 2014 under the symbol "HSM". The market for our common stock is very recent, and therefore, limited, volatile and sporadic. The following table sets forth the high and low prices relating to our common stock for the periods indicated, as provided by the CSE. These quotations reflect inter-dealer prices without retail mark-up, mark-down, or commissions, and may not reflect actual transactions.

Quarter Ended	High	Low

June 30, 2014	CDN$2.38	CDN$1.00

On July 10, 2014, the low bid price of our common stock was CDN$2.30 per share, the high ask price of our common stock was CDN$2.35 per share, and the closing price was CDN$2.33 per share. We do not have any securities that are currently traded on any other exchange or quotation system.

Holders

As of July 10, 2014, we had approximately 180 shareholders of record.

Options

As of July 10, 2014, we have 3,770,000 stock options outstanding which are exercisable into 3,770,000 shares of our common stock.

Warrants

As of July 10, 2014, we have 8,444,400 common share purchase warrants outstanding which are exercisable into 8,444,400 shares of common stock.

Dividend Policy

We have not paid any cash dividends on our common shares since our inception and do not anticipate paying any cash dividends in the foreseeable future. We plan to retain our earnings, if any, to provide funds for the expansion of our business.

Securities Authorized For Issuance Under Compensation Plans

The following table shows our equity securities that are authorized for issuance pursuant to equity compensation plans for our most recently completed fiscal year ended March 31, 2014.:

Equity Compensation Plan Information

		Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
		(a)	**(b)**	**(c)**
(a)	Equity compensation plans approved by security holders	N/A	$ N/A	N/A
(b)	Equity compensation plans not approved by security holders	N/A	$ N/A	N/A

June 2014 Stock Incentive Plan

On June 18, 2014, our Board of Directors authorized and approved the adoption of the 2014 Stock Incentive Plan (the "2014 Plan") effective June 18, 2014, under which an aggregate of 12,108,016 of our shares may be issued. The purpose of the 2014 Plan is to enhance our long-term stockholder value by offering opportunities to our directors, officers, employees and eligible consultants to acquire and maintain stock ownership in order to give these persons the opportunity to participate in our growth and success, and to encourage them to remain in our service. Pursuant to the terms of the 2014 Plan, we are authorized to grant stock options, as well as awards of stock appreciation rights, restricted stock, unrestricted shares, restricted stock units and deferred stock units.

The 2014 Plan is to be administered by our Board of Directors or a committee appointed by and consisting of two or more members of the Board of Directors, which shall determine, among other things, (i) the persons to be granted awards under the 2014 Plan; (ii) the number of shares or amount of other awards to be granted; and (iii) the terms and conditions of the awards granted. An aggregate of 12,108,016 of our shares may be issued pursuant to the grant of awards under the 2014 Plan.

An award may not be exercised after the termination date of the award and may be exercised following the termination of an Eligible Participant's continuous service only to the extent provided by the administrator under the 2014 Plan. If the administrator under the 2014 Plan permits an Eligible Participant to exercise an award following the termination of continuous service for a specified period, the award terminates to the extent not exercised on the last day of the specified period or the last day of the original term of the award, whichever occurs first. In the event an Eligible Participant's service has been terminated for "cause," he or she shall immediately forfeit all rights to any of the awards outstanding.

The foregoing summary of the 2014 Plan is not complete and is qualified in its entirety by reference to the 2014 Plan, a copy of which is filed herewith as Exhibit 4.1.

As of June 18, 2014, we granted an aggregate of 3,770,000 stock options under the 2014 Plan.

FINANCIAL STATEMENTS

This prospectus includes (i) our audited financial statements for the period from inception (March 13, 2014) to March 31, 2014, (ii) the audited financial statements of NHC for the year ended March 31, 2014, for the period from January 22, 2013 (inception) to March 31, 2013 and for the period from January 22, 2013 (inception) to March 31, 2014, and (iii) the unaudited pro-forma financial information for the year ended March 31, 2014. These financial statements have been prepared on the basis of accounting principles generally accepted in the United States and are expressed in U.S. dollars.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We effected the acquisition of NHC pursuant to an agreement and plan of merger whereby HMT Mergersub, Inc., our wholly-owned subsidiary, was merged with and into NHC and all of the common shares in the capital of NHC were cancelled in consideration for the issuance of an aggregate of 35,300,083 shares of our common stock to the NHC shareholders. The Transaction was effective on June 13, 2014, pursuant to which the identity and separate corporate existence of HMT Mergersub, Inc. ceased and NHC became the surviving corporation in the merger and our wholly-owned subsidiary.

The closing of the acquisition of NHC represented a change in control of our Company. For accounting purposes, this change of control constitutes a re-capitalization of the Company, and the acquisition has been accounted for as a reverse merger whereby we, as the legal acquirer, are treated as the acquired entity, and NHC, as the legal subsidiary, is treated as the acquiring company with the continuing obligations.

Prior to the acquisition of NHC we had no active business or operations. Therefore, the following discussion will only focus on NHC.

The following discussion of NHC's financial condition, changes in financial condition, plan of operations and results of operations should be read in conjunction with (i) the audited financial statements of NHC for the year ended March 31, 2014 and for the period from January 22, 2013 (inception) to March 31, 2013 and the period from January 22, 2013 (inception) to March 31, 2014, (ii) the unaudited pro-forma financial information for the year ended March 31, 2014, and (iii) the section entitled "Business", included in this prospectus. The discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including, but not limited to, those set forth under "Risk Factors" and elsewhere in this prospectus.

Results of Operations

Fiscal Year Ended March 31, 2014 Compared to the Period From Inception to March 31, 2013

	Year Ended March 31, 2014	Period from January 22, 2013 (inception) to March 31, 2013	Period from January 22, 2013 (inception) to March 31, 2014
Operating Expenses:			
Consulting fees	$ 807,385	$ 2,800	$ 810,185
Interest expense	1,344	-	1,344
Legal fees	33,966	14,192	48,158
Meals and entertainment	833	-	833
Office expense	6,793	482	7,275
Research and development expense	171,781	4,250,000	4,421,781
Compensation expense for shares issued for services	-	4,250,000	4,250,000
Travel	22,027	376	22,403
Wages and salaries	23,155	-	23,155
Loss from operations	1,067,284	8,517,850	9,585,134
Net loss and comprehensive loss	$ 1,067,284	$ 8,517,850	$ 9,585,134
Basic and diluted net loss per share	$ 0.53	$ 4.26	
Weighted average number of common shares outstanding - basic and diluted	2,000,000	2,000,000	

Revenues

During the fiscal year ended March 31, 2014 and the period from inception to March 31, 2013, NHC did not generate any revenues.

Operating Expenses

Operating expenses incurred during the fiscal year ended March 31, 2014 were $1,067,284 as compared to $8,517,850 during the period from inception to March 31, 2013. Significant changes and expenditures are outlined as follows:

- Consulting fees were $807,385 for the fiscal year ended March 31, 2014 and $2,800 for the period from inception to March 31, 2013. The increase of $804,585 was mainly due to the expense in 2014 associated with the granting of options to consultants for providing services in design and manufacturing and strategic growth plan, which were subsequently exercised.

- Interest expenses were $1,344 for the fiscal year ended March 31, 2014 as compared to Nil for the period from inception to March 31, 2013.
- Legal fees were $33,966 for the fiscal year ended March 31, 2014 as compared to $14,192 for the period from inception to March 31, 2013. The increase of $19,774 was mainly due to legal fees associated with patent applications and general corporate matters.
- Meals and entertainment expenses were $833 for the fiscal year ended March 31, 2014 as compared to Nil for the period from inception to March 31, 2013.

- Office expenses were $6,793 for the fiscal year ended March 31, 2014 as compared to $482 for the period from inception to March 31, 2013. The increase of $6,311 was mainly due to the increased number of activities of the operation and engagement of a part-time office assistant.
- Research and development expenses were $171,781 for the fiscal year ended March 31, 2014 as compared to $4,250,000 for the period from inception to March 31, 2014.
- Compensation expenses for shares issued for services was Nil for the fiscal year ended March 31, 2014 as compared to $4,250,000 for the period from inception to March 31, 2013. The decrease of $4,250,000 was a result of not issuing any shares for as compensation for services rendered during the fiscal year ended March 31, 2014.
- Travel expenses were $22,027 for the fiscal year ended March 31, 2014 as compared to $376 for the period from inception to March 31, 2013. The increase of $21,651 was mainly due to the required traveling of the CEO as NHC was actively seeking for external financing and interviewing external parties in preparation of the research and development activities.
- Wages and salaries expenses were $23,155 for the fiscal year ended March 31, 2014 as compared to Nil for the period from inception to March 31, 2013. The increase of $23,155 was due to the new employment contract with the CEO.

Net Loss

The net loss was $1,067,284 for the fiscal year ended March 31, 2014 and $8,517,850 for the period from inception to March 31, 2013. The decrease in net loss of $7,450,566 resulted primarily from a decrease in research and development expenses and compensation expenses for shares issued for services, which was offset somewhat by an increase in consulting fees, legal fees, travel expenses and wages and salaries.

Liquidity and Capital Resources

NHC's financial statements have been prepared assuming that it will continue as a going concern and, accordingly, does not include adjustments relating to the recoverability and realization of assets and classification of liabilities that might be necessary should we be unable to continue in operation.

The following table sets out NHC's cash and working capital as of March 31, 2014 and March 31, 2013:

	As of March 31, 2014 (audited)	**As of March 31, 2013 (audited)**
Cash and cash equivalents	$15,968	$217
Working capital (deficit)	($267,977)	($7,850)

As at March 31, 2014, NHC's current assets were $315,968 and current liabilities were $583,945 resulting in a working capital deficit of $267,977. NHC's current assets as at March 31, 2014 consisted of cash and cash equivalents of $15,968 and prepaid expenses of $300,000. NHC's current liabilities as at March 31, 2013 consisted of accounts payable and accrued liabilities of $215,921 and convertible debentures of $368,024.

As at March 31, 2013, NHC's current assets were $217 and current liabilities were $8,067 resulting in a working capital deficit of $7,850. NHC's current assets as at March 31, 2013 consisted of cash and cash equivalents of $217. NHC's current liabilities as at March 31, 2013 consisted of accounts payable and accrued liabilities of $5,836 and short term loan of $2,231.

Deficit accumulated since inception increased from ($8,517,850) as at March 31, 2013 to ($9,585,134) as at March 31, 2014.

NHC has not yet put the PoNS™ device into commercial production, and therefore, has no operating revenues. Accordingly, NHC is dependent on equity and debt financing as its sole source of operating working capital. NHC's capital resources are largely determined by the strength of the markets and its ability to compete for the investor support of its projects.

NHC will have to continue to rely on equity and debt financing. There can be no assurance that financing, whether debt or equity, will always be available to us in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to us.

Contractual Obligations

A summary of NHC's contractual obligations at March 31, 2014 is detailed in the table below.

Contractual Obligations	**Payments Due by Period**				
	Total	**Less than 1 Year**	**1 - 3 Years**	**4 - 5 Years**	**After 5 Years**
Accounts Payable, Accrued and Other Liabilities	$215,921	$215,921	N/A	N/A	N/A
Convertible debenture	$368,024	$368,024	N/A	N/A	N/A
Total	**$583,945**	**$583,945**	**N/A**	**N/A**	**N/A**

NHC entered into a commercial development-to-supply program with Ximedica where Ximedica will design, develop and produce PoNS™ product solution suitable for clinical trial and commercial sale. The agreed budget for phase 1B of development is $499,000; Phase 2 is $1,065,000; Phase 3 and 4 is

$1,389,000 and 2nd software development cycle is $586,000, of which $171,781 was expensed as research and development during the year ended March 31, 2014. The estimated duration of the project is 10 months. As of March 31, 2014, NHC recorded a prepaid of $300,000 to Ximedica which will be applied at the end of the project.

On January 30, 2013, NHC entered into an independent contractor agreement with Clinvue, a company of which a shareholder owns 1/3 of the ownership, where Clinvue is to lead the design and manufacturing program of PoNS^{TM}. As of March 31, 2014, the services were compensated by a grant of a total of 58,000

stock options exercisable at $0.005 per option for 10 years. The estimated remaining costs to be incurred in the future under the contract are $100,000 and will be paid in cash.

Statement of Cashflows

During the fiscal year ended March 31, 2014, NHC's net cash increased by $15,751, which included net cash used in operating activities of ($350,929), net cash used in investing activities of Nil and net cash provided by financing activities of $366,680.

Cash Used in Operating Activities

Operating activities in the fiscal year ended March 31, 2014 used cash of ($350,929) compared to ($9,783) for the period from inception to March 31, 2013. This was made up of a net loss of $1,067,284 (2013 - $8,517,850) less adjustments for non-cash items such as: accreted interest of $1,344 (2013 - Nil), consulting expenses of $807,157 (2013 - Nil), and accounts payable and accrued expenses of $210,085 (2013 - $5,836). NHC used $302,231 (2013 - Nil) in changes in operating assets and liabilities. The most significant item was $300,000 used to prepay Ximedica with respect to the commercial development-to-supply program.

Cash Provided by Financing Activities

During the fiscal year ended March 31, 2014, $366,680 was received from proceeds of a convertible debenture.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Subsequent Events

In April 2014, NHC issued 201,436 shares pursuant to the exercise of options.

On May 27, 2014, NHC entered into a rental agreement for office space. The monthly rent is $3,896. The agreement expires on May 31, 2015.

On June 4, 2014, NHC entered into an amendment letter for the convertible debenture. Pursuant to the amendment letter, if any qualified financing being an aggregate amount of at least $2,000,000 occurs, the principal amount of the debenture shall be automatically converted into shares of our common stock at a price per share equal to CDN $0.425. For the avoidance of doubt, upon conversion of the debenture, we will issue a total of 2,564,705 shares of common stock and we will pay $11,131 in cash with respect to the accrued and unpaid interest outstanding.

On June 6, 2014, NHC entered into a definitive agreement with us where we acquired 100% of the outstanding and issued shares of NHC by issuing 16.035 shares of our common stock for every common stock outstanding of NHC. As a result, NHC will become a wholly owned subsidiary of us. Under certain conditions, termination of the agreement could result in a break fee payable of $500,000 by either of the parties. In connection with the acquisition, we conducted a non-brokered private placement at CDN$0.50 per unit of 15,240,000 units raising CDN $7.62 million, which is currently was held in escrow pending the close of the acquisition and a listing on the Canadian Securities Exchange (the "CSE"). Each unit consists of one share of our common stock and one-half of one warrant of us where one full warrant is exercisable for 2 years at CDN$1.00 into one share of our common stock.

In connection with the agreement and plan of merger with NHC, we advanced an unsecured loan in the amount of $150,000 (the "Bridge Loan") to NHC. The Bridge Loan is for a term of one year commencing on May 30, 2014, and is payable in a lump sum at the end of the term. The Bridge Loan bears interest at a rate of 8% per annum.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements that have been prepared in accordance with generally accepted accounting principles in the United States of America ("US GAAP"). This preparation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. US GAAP provides the framework from which to make these estimates, assumption and disclosures. We choose accounting policies within US GAAP that management believes are appropriate to accurately and fairly report our operating results and financial position in a consistent manner. Management regularly assesses these policies in light of current and forecasted economic conditions. Actual results could differ from those estimates made by management. While there are a number of significant accounting policies affecting our financial statements, we believe the critical accounting policies involving the most complex, difficult and subjective estimates and judgments are: valuation of non-monetary transactions, stock compensation for services, valuation of options and valuation of income taxes.

Recently Issued Accounting Pronouncements

We have reviewed recently issued accounting pronouncements and concluded that they are either not applicable or not expected to have a significant impact on our financial statements.

Financial Instruments and other risks

Level 1- Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and

Level 3 - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

The Company's financial instruments consist primarily of cash and cash equivalents, accounts payable and accrued liabilities, short-term loan and convertible debenture, of which only cash and cash equivalents is carried at fair value.

	Fair Value Measurements Using				
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, March 31, 2014 $	Balance, March 31, 2013 $
Cash	15,968	-	-	15,968	217

Concentrations of Credit Risk

The financial instrument which potentially subjects us to concentration of credit risk is cash. We placed our cash and cash equivalents with high credit quality financial institutions. As of March 31, 2014, we had Nil in a bank beyond the insured limit (March 31, 2013 - Nil).

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We have had no disagreements with our independent registered public accountants with respect to accounting practices or procedures or financial disclosure.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Our directors and executive officers and their respective ages as of the date of this prospectus are as follows:

Name	**Age**	**Position Held**
Philippe Deschamps	51	CEO, President and director
Amanda Tseng	31	CFO, Corporate Secretary and director
Savio Chiu	31	Director
Yuri Danilov	57	Director
Mitch Tyler	61	Director

The following describes the business experience of each of our directors and executive officers, including other directorships held in reporting companies:

Philippe Deschamps, *Chief Executive Officer, President and a Director*

Mr. Deschamps has served as our CEO, President and director since June 13, 2014. Mr. Deschamps offers extensive experience in pharmaceutical and healthcare commercialization. The depth of his expertise stems from his 27 years in the Health Sciences industry, half spent at Bristol Myers Squibb (NYSE: BMY), and half on the service side as CEO of GSW Worldwide, a leading healthcare commercialization company. At GSW Worldwide, Mr. Deschamps was responsible for the GSW Worldwide operations which includes offices in the 15 major markets around the world with a turnover of $160 million. He primarily consulted on global marketing, commercialization and new business model development for pharmaceutical, device and diagnostics companies. From 1986 to 1998, Mr. Deschamps served as director of neuroscience marketing at Bristol Myers Squibb (BMS) in Princeton, N.J., where he participated on several pre-launch global marketing teams in the neuroscience and pain therapeutic areas.

In February 2012, Mr. Deschamps joined MediMedia Health, a marketing services company as CEO. He was responsible for the strategic development of the organization, nurturing their clients and developing new non personal products and services for the Healthcare industry. In October 2013, he became CEO of NHC.

Mr. Deschamps has a BSc. from the University of Ottawa in Canada which he obtained in 1985.

It is expected that Mr. Deschamps will devote approximately 100% of his time to our business to effectively fulfill his duties as an officer and director.

Amanda Tseng, *Chief Financial Officer, Corporate Secretary and a Director*

Ms. Tseng has served as our CFO, Corporate Secretary and director since June 13, 2014. Ms. Tseng is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of British Columbia which she obtained in 2007. From January 2012 to present, she serves as the Assistant Manager, Corporate Finance of Baron Global Financial Canada Ltd. From December 2008 to December 2011, Ms. Tseng served as the Manager of MNP LLP (Chang Lee LLP).

Ms. Tseng is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Ms. Tseng will devote approximately 30% of her time to our business to effectively fulfill her duties as an officer.

Savio Chiu, *Director*

Mr. Chiu has served as one of our directors since June 13, 2014. From April 2011 to present, Mr. Chiu serves as the Chief Financial Officer and Corporate Secretary of Confederation Minerals Ltd. (TSXV: CFM). From December 2010 to present, Mr. Chiu serves as a director of Finore Mining Inc. (CSE: FIN). From June 2009 to present, Mr. Chiu has been the Senior Manager, Corporate Finance of Baron Global Financial Canada Ltd. From October 2010 to August 2013, Mr. Chiu served as the Chief Financial Officer of Golden Fame Resources Corp. (TSXV: PFE). From July 2010 to June 2011, he served as the Chief Financial Officer of Cassius Ventures Ltd. (TSXV: CZ).

Mr. Chiu is a Chartered Accountant and holds a Bachelor of Commerce degree in Accounting from the University of British Columbia which he obtained in 2005.

Mr. Chiu is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Chiu will devote approximately 20% of his time to our business to effectively fulfill his duties as a director.

Yuri Danilov, *Director*

Mr. Danilov has served as one of our directors since June 13, 2014. Mr. Danilov is currently the Research Director in Tactil Communication and Neurorehabilitation Laboratory, UW-Madison (2008 to present), co-owner and Neuroscience Director of Advanced NeuroRehablitation LLC (2009 to present), former Research Director of Wicab, Inc (2002 to 2004). He is also currently a Senior Scientist of Biomedical Engineering Department of University of Wisconsin-Madison (2008 to present).

Mr. Danilov received his Ph.D. in Neuroscience from Pavlov Institute of Physiology, Russian Academy of Science in 1984.

Mr. Danilov is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Danilov will devote approximately 20% of his time to our business to effectively fulfill his duties as a director

Mitch Tyler, *Director*

Mr. Tyler has served as one of our directors since June 13, 2014. Mr. Tyler is currently the co-owner of Advanced NeuroRehablitation LLC (2009 to present). Mr. Tyler is also currently the Clinical Director of Education/Training of NHC. He received his M.S. of Bioengineering from University of California in

1985 and is currently working on his PH.D. in Biomedical Engineering at the University of Wisconsin. In addition, Mr. Tyler was the Principal Investigator for Wicab, Inc. from 1998 to 2006.

Mr. Tyler is not a party to any employment, non-competition or confidentiality agreement with the Company. It is expected that Mr. Tyler will devote approximately 20% of his time to our business to effectively fulfill his duties as a director

Term of Office

Our directors are appointed for a one-year term to hold office until the next annual general meeting of our stockholders or until they resign or are removed from the board in accordance with our bylaws. Our officers are appointed by our Board of Directors and hold office until they resign or are removed from office by the Board of Directors.

Significant Employees

We have no significant employees other than the officers and directors described above.

Family Relationships

There are no family relationships among our directors and officers.

Involvement in Certain Legal Proceedings

Except as disclosed in this prospectus, during the past ten years none of the following events have occurred with respect to any of our directors or executive officers:

1. A petition under the Federal bankruptcy laws or any state insolvency law was filed by or against, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

2. Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

3. Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining him from, or otherwise limiting, the following activities:

i. Acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing, or as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

ii. Engaging in any type of business practice; or

iii. Engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of Federal or State securities laws or Federal commodities laws;

4. Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any Federal or State authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in paragraph (3)(i) above, or to be associated with persons engaged in any such activity;

5. Such person was found by a court of competent jurisdiction in a civil action or by the Commission to have violated any Federal or State securities law, and the judgment in such civil action or finding by the Commission has not been subsequently reversed, suspended, or vacated;

6. Such person was found by a court of competent jurisdiction in a civil action or by the Commodity Futures Trading Commission to have violated any Federal commodities law, and the judgment in such civil action or finding by the Commodity Futures Trading Commission has not been subsequently reversed, suspended or vacated;

7. Such person was the subject of, or a party to, any Federal or State judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated, relating to an alleged violation of:

i. Any Federal or State securities or commodities law or regulation; or

ii. Any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease-and-desist order, or removal or prohibition order; or

iii. Any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or

8. Such person was the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self-regulatory organization (as defined in Section 3(a)(26) of the Exchange Act), any registered entity (as defined in Section 1(a)(29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member.

There are currently no legal proceedings to which any of our directors or officers is a party adverse to us or in which any of our directors or officers has a material interest adverse to us.

Code of Ethics

We do not currently have a Code of Ethics applicable to our principal executive, financial and accounting officers; however, we plan to consider implementing such a code in the near future.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The table below summarizes all compensation awarded to, earned by or paid to our executive officers by any person for all services rendered in all capacities to them during our fiscal years ended March 31, 2014

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Non-qualified Deferred Compen-sation Earnings ($)	All Other Com-pen-sation ($)	Total ($)
Philippe Deschamps, *Chief Executive Officer, President and Director(1)*	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Amanda Tseng, *Chief Financial Officer, Corporate Secretary and Director(2)*	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Marco Babini, *Former CEO, President and Director(3)*	2014	7,500	Nil	Nil	Nil	Nil	Nil	Nil	7,500

(1) Mr. Deschamps was appointed as our CEO, President and a director on June 13, 2014. Pursuant to Mr. Deschamps employment agreement, Mr. Deschamps will have the opportunity to receive a target annual bonus of thirty percent of the base salary of $300,000, conditioned upon, and subject to upward or downward in good faith by the board of directors.
(2) Ms. Tseng was appointed as our CFO, Corporate Secretary and a director on June 13, 2014. Pursuant to an advisory agreement between the Company and Baron Global Financial Canada Ltd. ("Baron"), Baron receives an advisory fee of $12,500 per month, which is the portion attributable to Mr. Tseng's salary.
(3) Marco Babini resigned as our CEO, President and a director on June 13, 2014. Mr. Babini was paid a total of $7,500 by the Company for consulting services.

Outstanding Equity Awards

As at March 31, 2014, there were no outstanding stock options as we did not have a stock incentive plan until our board of directors adopted the 2014 Plan on June 16, 2014.

Compensation of Directors

The table below summarizes all compensation awarded to, earned by or paid to our directors during our fiscal year ended March 31, 2014. Certain of our directors served as officers of our Company, and any compensation they received due to their services are disclosed in the table above and are not included

in the table below.

Director Compensation

Name	Fees earned or paid in cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Non-qualified Deferred Compen-sation Earnings ($)	All Other Compen-sation ($)	Total ($)
Marco Babini [(1)(2)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Philippe Deschamps [(1)(3)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Amanda Tseng[(1)(4)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Savio Chiu[(5)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Yuri Danilov(6)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mitch Tyler[(7)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) See Summary Compensation Table above.

(2) Mr. Babini resigned as our CEO, President and a director on June 13, 2014.

(3) Mr. Deschamps was appointed as our CEO, President and a director on June 13, 2014.

(4) Ms. Tseng was appointed as our CFO, Corporate Secretary and a director on June 13, 2014.

(5) Mr. Chiu was appointed as a director on June 13, 2014.

(6) Mr. Danilov was appointed as a director on June 13, 2014.

(7) Mr. Tyler was appointed as a director on June 13, 2014.

Employment Contracts, Termination of Employment, Change-in-control Arrangements

On June 13, 2014, we entered into an employment agreement with Philippe Deschamps with respect to serving as our President and CEO. Pursuant to such employment agreement, Mr. Deschamps will receive a base salary at an annualized rate of $250,000 until investments in the Company reach a level of US$5 million (the 'Financing Threshold") and after such Financing Threshold is met, his base salary will increase to $300,000 until the end of the employment term, which is at-will. In addition to Mr. Deschamps' base salary, he shall have the opportunity to receive a target annual bonus of 30% of the base salary, conditional upon, and subject to upward or downward adjustment based upon, achievement of the Company and individual goals to be established in good faith by the board of directors and Mr. Deschamps, which goals have not yet been established. If Mr. Deschamps is terminated without cause, the Company shall pay Mr. Deschamps an aggregate amount equal to the sum of his base salary and the earned portion of the annual bonus paid for the year preceding the year of his termination of which such amount is to be paid in equal monthly installments during the twelve (12) month period following such termination of employment.

Management Contracts

Effective July 1, 2014, Baron Group Financial Canada Ltd. has been engaged as an advisor to provide corporate advisory and CFO services. The corporate advisory services will include advising on corporate governance, assisting in compliance with the standards and policies of stock exchanges and regulators, advising on continuous disclosure requirements, compilation of financial statements, liaising with legal counsel, auditors and transfer agent, and assisting/advising on corporate finance related matters. The CFO services will be provided by Amanda Tseng, who is an employee of Baron Group Financial Canada Ltd.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information concerning the number of shares of our common stock owned beneficially as of July 10, 2014 by: (i) each person (including any group) known to us to own more than 5% of our shares of common stock; (ii) each of our directors; (iii) each of our officers; and (iv) our officers and directors as a group. To our knowledge, each holder listed possesses sole voting and investment power with respect to the shares shown.

Title of class	Name and address of beneficial owner[(1)]	Amount and nature of beneficial owner[(2)]	Percentage of class[(3)]
Officers and Directors			
Common Stock	Philippe Deschamps	16,635,026[(4)]	26.1%
Common Stock	Amanda Tseng	20,000[(5)]	(*)
Common Stock	Savio Chiu	20,000[(6)]	(*)
Common Stock	Yuri Danilov	133,333[(7)]	(*)

Common Stock	Mitch Tyler	133,333[8]	(*)
Common Stock	All executive officers and directors as a group (5 persons)	16,941,692[9]	26.5%
Persons owning more than 5% of voting securities			
Common Stock	MPJ Healthcare, LLC 208 Palmer Aly Newtown, PA 18940	16,035,026[10]	25.4%
Common Stock	Advanced NeuroRehabilitation, LLC 510 Charmany Dr., Suite 175F Madison, WI 53719	16,035,026[11]	25.4%

(*) indicates less than 1%.

(1) The address of our officers and directors is our Company's address, which is 12 Penns Trail, Newtwon, PA 18940.

(2) Under Rule 13d-3 of the Exchange Act a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares: (i) voting power, which includes the power to vote or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights.

(3) Based on 63,104,788 shares of our common stock issued and outstanding as of July 10, 2014.

(4) This figure includes: (i) 16,035,026 shares of common stock held by MPJ Healthcare, LLC, which are deemed to be indirectly owned by Mr. Deschamps as he controls discretion with respect to voting and dispositive power over such shares; and (ii) 600,000 stock options held of record by Mr. Deschamps which are vested and are exercisable into 600,000 shares of common stock at CDN$0.60 per share expiring on June 18, 2019.

(5) This figure includes 20,000 stock options held of record by Ms. Tseng which are vested and are exercisable into 20,000 shares of common stock at CDN$0.60 per share expiring on June 18, 2019.

(6) This figure includes 20,000 stock options held of record by Mr. Chiu which are vested and are exercisable into 20,000 shares of common stock at CDN$0.60 per share expiring on June 18, 2019.

(7) This figure includes 133,333 stock options held of record by Mr. Danilov which are vested and are exercisable into 133,333 shares of common stock at CDN$0.60 per share expiring on June 18, 2019.

(8) This figure includes 133,333 stock options held of record by Mr. Tyler which are vested and are exercisable into 133,333 shares of common stock at CDN$0.60 per share expiring on June 18, 2019.

(9) This figure includes: (i) 16,035,026 shares of common stock; and (ii) stock options to purchase 906,666 shares of our common stock.

(10) MPJ Healthcare, LLC is beneficially owned by Montel Williams as to 60%, Philippe Deschamps as to 20%, and Jonathan Sackier as to 20%. However, Mr. Deschamps is deemed to indirectly own the shares held of record by MPJ Healthecare, LLC as he controls discretion with respect to voting and dispositive power over such shares.

(11) Advanced NeuroRehabilitation, LLC is beneficially owned by Kurt Kaczmarek as to 26.67%, Yuri Danilov as to 26.67%, Mitch Tyler as to 26.67%, Klus Family Trust 1 as to 10%, and Klus Family Trust 2 as to 10%. However, Kurt Kaczmarek is deemed to indirectly own the shares held of record by Advanced NeuroRehabilitation, LLC as he controls discretion with respect to voting and dispositive power over such shares.

Changes in Control

We are unaware of any contract, or other arrangement or provision, the operation of which may at a subsequent date result in a change of control of our company.

EXPERTS

Holland & Hart LLP, our independent special legal counsel, has provided an opinion on the validity of the shares of our common stock that are the subject of this prospectus.

The audited financial statements included in this prospectus have been audited by Davidson & Company LLP, Chartered Accountants, which is an independent registered public accounting firm, to the extent and for the periods set forth in their report appearing elsewhere in this prospectus. These financial statements are included in reliance upon the authority of said firms as experts in auditing and accounting.

INTERESTS OF NAMED EXPERTS AND COUNSEL

No expert or counsel named in this prospectus as having prepared or certified any part of this prospectus or having given an opinion upon the validity of the securities being registered or upon other legal matters in connection with the registration or offering of the common stock offered hereby was employed on a contingency basis, or had, or is to receive, in connection with such offering, a substantial interest, direct or indirect, in our company, nor was any such person connected with our company as a promoter, managing or principal underwriter, voting trustee, director, officer, or employee.

TRANSACTIONS WItH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS, AND DIRECTOR INDEPENDENCE

Except as described below, there are no transactions from our inception (March 13, 2014) to date, or any currently proposed transactions, in which we were or are to be a participant where the amount involved exceeds the lesser of $120,000 or one percent of the average of our total assets at year-end from or inception (March 13, 2014), and in which any "related person" had or will have a direct or indirect material interest. "Related person" includes:

(a) any of our directors or officers;
(b) any person proposed as a nominee for election as a director;
(c) any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to our outstanding shares of common stock; or
(d) any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of any of the foregoing persons who has the same house as any of such person.

Related Party Transactions

Agreement and Plan of Merger with NHC

On June 6, 2014, we entered into an Agreement and Plan of Merger among us, HMT Mergersub, Inc., our wholly-owned subsidiary, and NHC. Pursuant to the Agreement and Plan of Merger we issued 35,300,083 shares to the shareholders of NHC. Two of the shareholders of NHC that received 16,035,026 shares each were MPJ Healthcare, LLC and Advanced Rehabilitation, LLC whereby Mr. Philippe Deschamps, our current President, CEO and director, is

one of three beneficial owners of MPJ Healthcare, LLC and Messrs. Yuri Danilov and Mitch Tyler, our current directors, are two of five beneficial owners of Advanced Rehabilitation, LLC.

Employment Agreement with Philippe Deschamps

On June 13, 2014, we entered into an employment agreement with Philippe Deschamps with respect to serving as our President and CEO. Pursuant to such employment agreement, Mr. Deschamps will receive a base salary at an annualized rate of $250,000 until investments in the Company reach a level of US$5 million (the 'Financing Threshold") and after such Financing Threshold is met, his base salary will increase to $300,000 until the end of the employment term, which is at-will. In addition to Mr. Deschamps' base salary, he shall have the opportunity to receive a target annual bonus of 30% of the base salary, conditional upon, and subject to upward or downward adjustment based upon, achievement of the Company and individual goals to be established in good faith by the board of directors and Mr. Deschamps, which goals have not yet been established. If Mr. Deschamps is terminated without cause, the Company shall pay Mr. Deschamps an aggregate amount equal to the sum of his base salary and the earned portion of the annual bonus paid for the year preceding the year of his termination of which such amount is to be paid in equal monthly installments during the twelve (12) month period following such termination of employment.

Sublicense Agreement with Advanced Rehabilitation, LLC

Pursuant to an amended and restated sublicense agreement (the "Sublicense Agreement") between Advanced Rehabilitation, LLC ("ANR") and NHC, dated June 6, 2014, ANR has granted NHC a worldwide, exclusive license to make, have made, use, lease and sell devices utilizing the Patent Rights. In addition, ANR has agreed that ownership of any improvements, enhancements or derivative works of the Patent Rights which are developed by NHC or ANR shall be owned by NHC, provided that if NHC decides not to patent such improvements, ANR may choose to pursue patent rights independently. Pursuant to the Sublicense Agreement, NHC has agreed to pay ANR royalties equal to 4% of NHC's revenues collection from the sale of devises covered by the Patent Rights and services related to the therapy or use of devises covered by the Patent Rights in therapy services. Messrs. Yuri Danilov and Mitch Tyler, our current directors, are two of five beneficial owners of ANR.

Review, Approval and Ratification of Related Party Transactions

Our Board of Directors has responsibility for establishing and maintaining guidelines relating to any related party transactions between us and any of our officers or directors. Any conflict of interest between a director or officer and us must be referred to the non-interested directors, if any, for approval. We intend to adopt written guidelines for the board of directors which will set forth the requirements for review and approval of any related party transactions.

Director Independence

The Board of Directors has determined that Savio Chiu, Yuri Danilov and Mitch Tyler each qualify as independent directors under the listing standards of the NYSE MKT Equities Exchange.

DISCLOSURE OF commission POSITION ON INDEMNIFICATION FOR SECURITIES ACT LIABILITIES

Our directors and officers are indemnified as provided by the Wyoming Business Corporation Act, our Articles of Continuance and our Bylaws.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 under the Securities Act with the SEC with respect to the shares of our common stock offered through this prospectus. This prospectus is filed as a part of that registration statement but does not contain all of the information contained in the registration statement and exhibits. Statements made in the registration statement are summaries of the material terms of the referenced contracts, agreements or documents of our Company. You may inspect the registration statement, exhibits and schedules filed with the SEC at the SEC's principal office in Washington, D.C. Copies of all or any part of the registration statement may be obtained from the Public Reference Section of the SEC, at 100 F Street, NE, Washington, D.C. 20549, on official business days during the hours of 10:00 a.m. to 3:00 p.m. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference rooms. The SEC also maintains a web site at http://www.sec.gov that contains reports, proxy statements and information regarding registrants that file electronically with the SEC. Our registration statement and the referenced exhibits can also be found on this site.

DEALER PROSPECTUS DELIVERY OBLIGATION

No dealer, salesman or any other person has been authorized to give any information or to make any representations other than those contained in this prospectus, and, if given or made, such information or representations may not be relied on as having been authorized by us. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances create an implication that there has been no change in our affairs since the date of this prospectus. This prospectus does not constitute any offer to sell, or solicitation of any offer to buy, by any person in any jurisdiction in which it is unlawful for any such person to make such an offer or solicitation. Neither the delivery of this prospectus nor any offer, solicitation or sale made hereunder, shall under any circumstances create any implication that the information herein is correct as of any time subsequent to the date of the prospectus.

INDEX TO FINANCIAL STATEMENTS

Audited Financial Statements of Helius Medical Technologies, Inc. for the year ended March 31, 2014

Report of Independent Registered Public Accounting Firm

To the Shareholders and Directors of
Helius Medical Technologies, Inc. (A Development Stage Company)

We have audited the accompanying financial statements of Helius Medical Technologies, Inc. (the "Company"), which comprise the balance sheet of Helius Medical Technologies, Inc. as of March 31, 2014, and the related statements of operations and comprehensive loss, stockholders' equity, and cash flows for the period from inception on March 13, 2014 to March 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Helius Medical Technologies, Inc. as of March 31, 2014, and the results of its operations and its cash flows for the period from inception on March 13, 2014 to March 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that Helius Medical Technologies, Inc. will continue as a going concern. As discussed in Note 1 to the financial statements, Helius Medical Technologies, Inc. has suffered recurring losses from operations and has a net capital deficiency. These matters, along with the other matters set forth in Note 1, indicate the existence of material uncertainties that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada Chartered Accountants

June 16, 2014

Balance Sheet
(Expressed in United States Dollars)

	March 31, 2014
ASSETS	
Current Assets:	
Cash	$ 9
TOTAL ASSETS	9
LIABILITIES & SHAREHOLDERS' EQUITY	
Current Liabilities:	
Accounts payable	$ -
Total Liabilities	-
Stockholders' Equity:	
Common Stock - without par value, unlimited common A shares authorized; unlimited common B shares authorized; unlimited preferred A shares; 10 common shares issued and outstanding at March 31, 2014	$ 9
Additional paid-in capital	-
Deficit accumulated during the development stage	-
Total Stockholders' Equity	9
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	9

Nature and continuance of operations (Note 1)

Subsequent events (Note 4)

These financial statements are authorized for issue by the Board of Directors on June 16, 2014. They are signed on the Company's behalf by:

"Savio Chiu " Director *"Amanda Tseng "* Director

(The accompanying notes are an integral part of these financial statements.)

Helius Medical Technologies, Inc. (formerly known as 0996445 B.C. Ltd.)
(A development stage company)
Statement of operations and comprehensive loss
(Expressed in United States Dollars)

	Period from March 13, 2014 (inception) to March 31, 2014
Operating Expenses:	
Consulting fees	$ -
Interest expense on short-term loan	-
Legal fees	-
Office and general	-
Loss from operations	-
Net loss and comprehensive loss	-
Basic and diluted income (loss) per share	-
Weighted average number of common stock outstanding - basic and diluted	10

(The accompanying notes are an integral part of these financial statements.

Helius Medical Technologies, Inc. (formerly known as 0996445 B.C. Ltd.)
(A development stage company)
Statement of stockholders' equity
March 13, 2013 (inception) to March 31, 2014
(Expressed in United States Dollars)

	Common Stock		Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total Shareholders' Equity (Deficit)
	Shares	Amount			
Balance at March 13, 2014 (Inception)	-	$ -	$ -	$ -	$ -
Shares issued on March 13, 2014	10	9	-	-	9
Net loss and comprehensive loss	-	-	-	-	-
Balance at March 31, 2014	10	$ 9	$ -	$ -	$ 9

(The accompanying notes are an integral part of these financial statements.)

Helius Medical Technologies, Inc. (formerly known as 0996445 B.C. Ltd.)
(A development stage company)
Statement of cash flows
(Expressed in United States Dollars)

	Period from March 13, 2014 (inception) to March 31, 2014
Cash Flows from Operating Activities:	
Net loss	$ -
Cash	-
Net cash flows used for operating activities	-
Cash Flows from Investing Activities:	
Net cash flows provided by investing activities	-
Cash Flows from Financing Activities:	
Share issuance	9
Net cash flows provided by financing activities	9
Net increase in cash and cash equivalents	9
Cash and Cash Equivalents at beginning of period	-
Cash and Cash Equivalents at End of Period	$ 9

(The accompanying notes are an integral part of these financial statements.)

Helius Medical Technologies, Inc. (formerly known as 0996445 B.C. Ltd.)
(A development stage company)
Notes to Financial Statements for the period ended March 31, 2014
(Expressed in United States Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Helius Medical Technologies, Inc. (formerly known as 0996445 B.C. Ltd.) ("Helius" or the "Company") was incorporated in British Columbia, Canada, on March 13, 2014. The Company is engaged primarily in the business of medical technology industry. On May 28, 2014, the Company completed a continuation via a plan of arrangement whereby the Company moved from being a corporation governed by the British Columbia Corporations Act to a corporation governed by the Wyoming Business Corporations Act. The Company's head office is located at 1500-1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, Canada.

The financial information is presented in United States Dollars and the functional currency of the Company is the Canadian Dollar.

The Company has not incurred any revenue or expenses since inception and, as of March 31, 2014, the Company has a working capital of $9 and an accumulated deficit during the development stage of $nil. Until the Company generates a level of revenue to support its cost structure, the Company expects to continue to incur substantial operating losses and net cash

outflows. While the Company had cash of $9 as of March 31, 2014, management does not believe these resources will be sufficient to meet the Company's operating and capital needs through 2015.

The Company intends to fund ongoing activities by utilizing current cash and cash equivalents and by raising additional capital though equity or debt financings. The Company is in the process of negotiating certain agreements subsequent to March 31, 2014, to raise additional capital as detailed in Note 4. There can be no assurance that the Company will be successful in raising additional capital or that such capital, if available, will be on terms that are acceptable to the Company. If the Company is unable to raise sufficient additional capital, the Company may be compelled to reduce the scope of its operations and planned capital expenditures or sell certain assets, including intellectual property.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the liabilities in the normal course of business. The Company is currently seeking for additional financing subsequent to year end. See Note 4. However, given the Company's current cash and cash equivalents balance and the Company's planned operating activities, there is substantial doubt about the Company's ability to continue as a going concern. Even if the Company is able to raise additional capital, the Company may never become profitable, or if the Company does attain profitable operations, the Company may not be able to sustain profitability and positive cash flows on a recurring basis.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's annual financial statements have been presented in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") that are published at the time of preparation and that are effective on March 31, 2014.

Development Stage

The Company is considered a "development stage" entity, as it has not yet generated revenues from the sale of products. The Company has been researching and developing new technologies and product applications. The Company will continue as a development stage entity, including reporting "inception to-date" amounts and cumulative equity transactions, until such time, if any, as the Company generates revenue, and commences its planned principal operations.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. Financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 the current and future periods.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less are classified as cash equivalents. As at March 31, 2014, the Company does not have such investments. Cash and cash equivalents as at March 31, 2014 only include cash.

Patents

Costs related to patent development, filing, and maintenance are expensed as incurred since the underlying technology associated with these assets is purchased or incurred in connection with our research and development efforts and the future realizable value cannot be determined.

Concentrations of Credit Risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash. The Company placed its cash and cash equivalent with high credit quality financial institution. As of March 31, 2014, the Company had $nil in a bank beyond the insured limits.

Research and Development

Research and development costs are expensed as incurred. These costs include business development, and consulting and legal services.

Income Taxes

The Company has adopted ASC 740, "*Income Taxes*", which requires the Company to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns using the liability method. Under this method, deferred tax liabilities and assets are determined based on the temporary differences between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect in the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized. Due to the limited nature of the Company's operations as at March 31, 2014, no current and deferred income tax disclosure has been presented as it is considered immaterial.

Stock-Based Compensation

The Company applies the fair value method of accounting for all stock option awards, whereby the Company recognizes a compensation expense for all stock options awarded to employees, officers and consultants based on the fair value of the options on the date of grant, which is determined using the Black Scholes option pricing model. The options are expensed over the vesting period of the options.

Foreign Exchange

The Company's functional currency is the Canadian Dollar as this is the principal currency of the economic environment in which the Company operates. The presentation currency is the United States Dollar.

Non-monetary items, revenue and expenses that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Any monetary assets and liabilities that are in a different functional currency are translated at the rate prevailing at year end.

Assets and liabilities of the Company are translated into U.S. dollars at the exchange rate at the balance sheet date, equity accounts are translated at historical exchange rate and revenues and expenses are translated by using the average exchange rate. Translation adjustments are reported as cumulative translation adjustment and are shown as a separate component of other comprehensive income (loss) in the statements of stockholders' equity (deficiency).

Net Loss Per Common Share

Basic net earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of outstanding common shares for the period, without consideration for common share equivalents. Diluted net loss per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common share equivalents outstanding for the period determined using the treasury-stock method and the if-converted method, as applicable.

Fair Value of Financial Assets and Liabilities

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables or at held for trading.

Financial assets classified as held for trading are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and other financial liabilities and loss are measured at amortized cost using the effective interest rate method. Cash has been classified as held for trading.

The Company has implemented the following classifications for its financial instruments:

ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value;

Level 1- Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and

Level 3 - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

Cash is measured using Level 1 inputs.

Recent Accounting Pronouncements

The Company reviewed recently issued accounting pronouncements and concluded that they are either not applicable or not expected to have a significant impact on the Company's financial statements.

3. COMMON STOCK

Authorized:

Unlimited Class A common shares without par value
Unlimited Class B common shares without par value
Unlimited Class A preferred shares without par value

On March 13, 2014, the Company issued a total of 10 common shares to Boomerang Oil, Inc. (formerly known as 0922327 B.C. Ltd) for a total consideration of $9.

4. SUBSEQUENT EVENTS

On March 25, 2014 and amended on April 8, 2014 the Company entered into an arrangement agreement ("Arrangement") with Boomerang Oil, Inc. (formerly known as 0922327 B.C. Ltd) ("Pubco") and 0995162 B.C. Ltd. ("Buyco") to reorganize the businesses by way of a plan of arrangement ("Plan of Arrangement"). Pursuant to the Plan of Arrangement, the following steps should be taken:

1. Buyco shall acquire all issued and outstanding shares of the Company from Pubco for consideration of $5,000;

2. The shareholders of Buyco and the Company shall exchange securities on a 1:1 basis;

3. Pubco and the Company shall exchange securities as follows: Pubco shall issue the Pubco Exchange Shares to the Company and the Company shall issue the Company Exchange Shares to Pubco;

4. The Pubco Exchange Shares and the Company Exchange Shares shall be cancelled.

The Arrangement was completed on April 15, 2014.

On April 16, 2014, the Company entered into a consulting agreement with its sole director for service related to strategic planning and business development. The term of the agreement is for 45 days expiring on May 31, 2014 with a fee of $2,500 per every 15 days.

On June 6, 2014, the Company entered into a definitive agreement with Neurohabilitation Corporation ("Neuro") where the Company issued 16.035 shares for every common stock outstanding of Neuro (the "Acquisition"). As a result, Neuro became a wholly owned subsidiary of the Company. Under certain conditions, termination of the agreement could result in a break fee payable of $500,000 by either of the parties. In connection to the Acquisition, the Company is conducting a non-brokered private placement at CAD $0.50 per unit of 15,240,000 units raising up to CAD $7.62 million, which is currently held in escrow pending the close of the acquisition and a listing on the Canadian Securities Exchange (the "CSE"). Each unit consists of one common share of the Company and one half of a warrant of the Company where one full warrant is exercisable for 2 years at CAD $1.00 into one common stock.

In connection with the Acquisition, the Company has advanced Neuro an unsecured loan in the amount of $150,000 (the "Bridge Loan"). The Bridge Loan is for a term of one year commencing on May 30, 2014, and is payable in a lump sum at the end of the term. The Bridge Loan bears interest at a rate of 8% per annum.

The Company has evaluated subsequent events through the issuance date of the financial statements. The Company is not aware of any additional significant subsequent events that occurred subsequent to the balance sheet date, but prior to the date of issuance that would have a material impact on the Company's financial statements.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Directors of
NeuroHabilitation Corporation (A Development Stage Company)

We have audited the accompanying financial statements of NeuroHabilitation Corporation (the "Company"), which comprise the balance sheets of NeuroHabilitation Corporation as of March 31, 2014 and 2013, and the related statements of loss and comprehensive loss, stockholders' equity (deficiency), and cash flows for the year ended March 31, 2014, the period from January 22,

2013 (inception) to March 31, 2013 and the period from January 22, 2013 (inception) to March 31, 2014. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NeuroHabilitation Corporation as of March 31, 2014 and 2013, and the results of its operations and its cash flows for the year ended March 31, 2014, the period from inception on January 22, 2013 (inception) to March 31, 2013 and the period from January 22, 2013 (inception) to March 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that NeuroHabilitation Corporation will continue as a going concern. As discussed in Note 1 to the financial statements, the NeuroHabilitation Corporation has suffered recurring losses from operations and has a net capital deficiency. These matters, along with the other matters set forth in Note 1, indicate the existence of material uncertainties that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

June 16, 2014

NEUROHABILITATION CORPORATION
(A development stage company)
Balance Sheets
(Expressed in United States Dollars)

	March 31, 2014	March 31, 2013
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 15,968	$ 217
Prepaids (Note 8)	300,000	-
Total Current Assets	315,968	217
TOTAL ASSETS	$ 315,968	$ 217
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 215,921	$ 5,836
Short term loan (Note 3)	-	2,231
Convertible debenture (Note 4)	368,024	-
Total Liabilities	583,945	8,067
Stockholders' Equity (Deficiency):		
Common Stock - $0.0001 par value; 3,000,000 shares authorized; 2,000,000 and 2,000,000 shares issued and outstanding at March 31, 2013 and March 31, 2014	200	200
Additional paid-in capital	9,316,957	8,509,800
Deficit accumulated during the development stage	(9,585,134)	(8,517,850)
Total Stockholders' Equity (Deficiency)	(267,977)	(7,850)
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIENCY)	$ 315,968	$ 217

Nature and continuance of operations (Note 1)
Commitments and contingencies (Note 8)
Subsequent events (Note 10)
These financial statements are authorized for issue by the Board of Directors on June 9, 2014. They are signed on the Company's behalf by:

"Philippe Deschamps" Director *"Savio Chiu"* Director

(The accompanying notes are an integral part of these financial statements.)

NEUROHABILITATION CORPORATION
(A development stage company)

Statements of loss and comprehensive loss
(Expressed in United States Dollars)

	Year Ended March 31, 2014	Period from January 22, 2013 (inception) to March 31, 2013	Period from January 22, 2013 (inception) to March 31, 2014
Operating Expenses:			
Consulting fees	$ 807,385	$ 2,800	$ 810,185
Interest expense	1,344	-	1,344
Legal fees	33,966	14,192	48,158
Meals and entertainment	833	-	833
Office expense	6,793	482	7,275
Research and development expense	171,781	4,250,000	4,421,781
Compensation expense for shares issued for services	-	4,250,000	4,250,000
Travel	22,027	376	22,403
Wages and salaries	23,155	-	23,155
Loss from operations	1,067,284	8,517,850	9,585,134
Net loss and comprehensive loss	$ 1,067,284	$ 8,517,850	$ 9,585,134
Basic and diluted net loss per share	$ 0.53	$ 4.26	
Weighted average number of common shares outstanding - basic and diluted	2,000,000	2,000,000	

(The accompanying notes are an integral part of these financial statements.)

NEUROHABILITATION CORPORATION
(A development stage company)
Statements of stockholders' equity (deficiency)
January 22, 2013 (inception) to March 31, 2014
(Expressed in United States Dollars)

	Common Shares		Additional Paid-In Capital	Deficit Accumulated During the Development Stage	Total Shareholders' Equity (Deficit)
	Shares	Amount			
Balance at January 22, 2013 (Inception)	-	$ -	$ -	$ -	$ -
Shares issued to ANR and MPJ (Note 5)	2,000,000	200	8,509,800	-	8,510,000
Net loss and comprehensive loss	-	-	-	(8,517,850)	(8,517,850)
Balance at March 31, 2013	2,000,000	200	8,509,800	(8,517,850)	(7,850)
Stock based compensation on 40,816 options granted	-	-	173,872	-	173,872
Stock based compensation on 143,436 options granted	-	-	560,082	-	560,082
Stock based compensation on 17,184 options granted	-	-	73,202	-	73,202
Net loss and comprehensive loss	-	-	-	(1,067,284)	(1,067,284)
Balance at March 31, 2014	2,000,000	$ 200	$ 9,316,957	$ (9,585,134)	$ (267,977)

(The accompanying notes are an integral part of these financial statements.)

NEUROHABILITATION CORPORATION
(A development stage company)
Statements of cash flows
(Expressed in United States Dollars)

	Year Ended March 31, 2014	Period from January 22, 2013 (inception) to March 31, 2013	Period from January 22, 2013 (inception) to March 31, 2014
Cash Flows from Operating Activities:			
Net loss	$ (1,067,284)	$ (8,517,850)	$ (9,585,134)
Accreted interest	1,344	-	1,344
Consulting expense	807,157	-	807,157
Research and development	-	4,250,000	4,250,000
Compensation expense for shares issued for services	-	4,250,000	4,250,000
Changes in operating assets and liabilities:			
Prepaids	(300,000)	-	(300,000)
Account payable and accrued liabilities	210,085	5,836	215,921
Short term loan	(2,231)	2,231	-
Net cash flows used for operating activities	(350,929)	(9,783)	(360,712)
Cash Flows from Investing Activities:			
Net cash flows provided by (used for) investing activities	-	-	-
Cash Flows from Financing Activities:			
Proceeds from convertible debenture	366,680	-	366,680
Proceeds from share issuance	-	10,000	10,000
Net cash flows provided by financing activities	366,680	10,000	376,680
Net increase in cash and cash equivalents	15,751	217	15,968
Cash and Cash Equivalents at beginning of period	217	-	-
Cash and Cash Equivalents at end of period	$ 15,968	$ 217	$ 15,968
Supplementary disclosure with respect to cash flows			
Cash paid for interest	$ 212	$ -	$ 212
Cash paid for income taxes	$ -	$ -	$ -

There were no non-cash financing or investing activities during the periods presented.

NEUROHABILITATION CORPORATION
(A development stage company)
Notes to Financial Statements for the periods ended March 31, 2014 and 2013
(Expressed in United States Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

NeuroHabilitation Corp. ("NHC" or the "Company") was incorporated in Delaware, USA, on January 22, 2013. The Company is engaged primarily in the business of developing a patent-pending technology ("PoNS^{TM}") that will enable the first non-invasive means for delivering neurostimulation through the oral cavity. The Company's head office is located at 12 Penns Trail, Newtown PA 18940.

The financial information is presented in United States Dollars, which is the functional currency of the Company.

The Company has experienced recurring losses since inception and, as of March 31, 2014, the Company has negative working capital as at March 31, 2014 of $267,977 (March 31, 2013 - $7,850) and an accumulated deficit during the development stage of $9,585,134 (March 31, 2013 - $8,517,850). Until the Company generates a level of revenue to support its cost structure, the Company expects to continue to incur substantial operating losses and net cash outflows. While the Company had cash of $15,968 as of March 31, 2014 (March 31, 2013 - $217), management does not believe these resources will be sufficient to meet the Company's operating and capital needs through 2015.

The Company intends to fund ongoing activities by utilizing current cash and cash equivalents and by raising additional capital though equity or debt financings. The Company is in the process of negotiating certain agreements subsequent to March 31, 2014, to raise additional capital as detailed in Note 10. There can be no assurance that the Company will be successful in raising additional capital or that such capital, if available, will be on terms that are acceptable to the Company. If the Company is unable to raise sufficient additional capital, the Company may be compelled to reduce the scope of its operations and planned capital expenditure or sell certain assets, including intellectual property assets.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the liabilities in the normal course of business. The Company is currently seeking additional financing subsequent to year end. See Note 10. However, given the Company's current cash and cash equivalents balance and the Company's planned operating activities, the Company's recurring losses raise substantial doubt about the Company's ability to continue as a going concern. Even if the Company is able to raise additional capital, the Company may never become profitable, or if the Company does attain profitable operations, the Company may not be able to sustain profitability and positive cash flows on a recurring basis.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company's annual financial statements have been presented in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC") that are published at the time of preparation and that are effective or available on March 31, 2014.

Development Stage

The Company is considered a "development stage" entity, as it has not yet generated revenues from the sale of products. The Company has been researching and developing new technologies and product applications. The Company will continue as a development stage entity, including reporting "inception to-date" amounts and cumulative equity transactions, until such time, if any, as the Company generates revenue, and commences its planned principal operations.

Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Significant estimates include valuation of non-monetary transactions, compensation for shares issued for services, valuation of options and valuation of income taxes. Actual outcomes could differ from these estimates. Financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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 the current and future periods.

Cash and Cash Equivalents

All highly liquid investments with original maturities of three months or less are classified as cash equivalents. As at March 31, 2014, the Company does not have such investments. Cash and cash equivalents as at March 31, 2014 only includes cash.

Patents

Costs related to patent development, filing, and maintenance are expensed as incurred since the underlying technology associated with these assets is purchased or incurred in connection with our research and development efforts and the future realizable value cannot be determined.

Concentrations of Credit Risk

The financial instrument which potentially subjects the Company to concentration of credit risk is cash. The Company placed its cash and cash equivalent with high credit quality financial institution. As of March 31, 2014, the Company had $nil in a bank beyond insured limits (March 31, 2013 - $nil).

Research and Development

Research and development costs are expensed as incurred. These costs include business development, and consulting and legal services.

Income Taxes

The Company has adopted ASC 740, "*Income Taxes*", which requires the Company to recognize deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns using the liability method. Under this method, deferred tax liabilities and assets are determined based on the temporary differences between the financial statements and tax bases of assets and liabilities using enacted tax rates in effect in the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. In addition, a valuation allowance is established to reduce any deferred tax asset for which it is determined that it is more likely than not that some portion of the deferred tax asset will not be realized.

Stock-Based Compensation

The Company applies the fair value method of accounting for all stock option awards, whereby the Company recognizes a compensation expense for all stock options awarded to employees, officers and consultants based on the fair value of the options on the date of grant, which is determined using the Black Scholes option pricing model. The options are expensed over the vesting period of the options.

NEUROHABILITATION CORPORATION
(A development stage company)
Notes to Financial Statements for the periods ended March 31, 2014 and 2013
(Expressed in United States Dollars)

Foreign Exchange

The Company's reporting and functional currency is the United States dollar as this is the principal currency of the economic environment in which the Company operates.

Non-monetary items, revenue and expenses that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Any monetary assets and liabilities that are in a different functional currency are translated at the rate prevailing at year end.

Net Loss Per Common Share

Basic net earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of outstanding common shares for the period, without consideration for common share equivalents. Diluted net loss per share is computed by dividing the net earnings (loss) attributable to common shareholders by the weighted average number of common share equivalents outstanding for the period determined using the treasury-stock method and the if-converted method, as applicable. As at March 31, 2014, there were 201,436 options (March 31, 2013 - nil) outstanding which have not been included in the weighted average common shares outstanding as these were anti-dilutive.

Fair Value of Financial Assets and Liabilities

All financial assets and financial liabilities are initially recorded at fair value and designated upon inception into one of the following categories: held-to-maturity, available-for-sale, loans and receivables or at held for trading.

Financial assets classified as held for trading are measured at fair value with unrealized gains and losses recognized through profit and loss. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Held-to-maturity instruments, loans and receivables and other financial liabilities and loss are measured at amortized cost using the effective interest rate method.

The Company's financial instruments consist primarily of cash and cash equivalents, accounts payable and accrued liabilities, and convertible debenture.

The Company has implemented the following classifications for its financial instruments:

a) Cash has been classified as held for trading;

b) Accounts payable and accrued liabilities and convertible debenture have been classified as other financial liabilities

ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value;

Level 1- Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable; and

(Expressed in United States Dollars)

Level 3 - Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumptions that market participants would use in pricing.

Cash and cash equivalents are measured using Level 1 inputs.

Recent Accounting Pronouncements

The Company reviewed recently issued accounting pronouncements and concluded that they are either not applicable or not expected to have a significant impact on the Company's financial statements.

3. SHORT TERM LOAN

On December 9, 2013, the Company entered into a formal loan agreement with MPJ Healthcare LLC, a shareholder of the Company, to borrow up to $40,000. Expenses incurred on behalf of the Company were charged as drawdowns of this loan. During the year ended March 31, 2014, $29,107 was repaid, being expenses incurred of $26,875 for March 31, 2014 and $2,231 for March 31, 2013. The interest rate is 3% per annum. For the year ended March 31, 2014, an interest expense of $225 was recorded (March 31, 2013 - $nil).

4. CONVERTIBLE DEBENTURE

On February 19, 2014, the Company entered into a securities purchase agreement where the Company agreed to sell and issue a note in a principal amount of up to $1,000,000 with annual simple interest at 8%. As at March 31, 2014, $366,905 had been received and $633,095 was received subsequently. The debenture matures on the earliest of (i) February 28, 2015 or such later date as agreed (ii) the closing of a transaction involving a change in control of the Company or (iii) the date of the closing of the Company's qualified financing being an aggregate amount of at least $2,000,000.

Upon completion of a qualified financing, the debenture shall automatically convert into equity securities of the Company at a price per share equal to 85% of the price per share of the qualified financing. If a qualified financing does not occur on or before the maturity date, at the option of the Company's board of directors, the outstanding balance of the debenture shall be converted into the Company's equity securities at a conversion price per common stock determined using a valuation of $8.5 million and the number of shares outstanding at that date.

In the event of a change in control of the Company, the Company shall pay the outstanding amount and an amount equal to 50% of the outstanding principal amount of the debenture in cancellation of the debenture.

The contingent conversion on completion of a qualified financing gives rise to a contingent beneficial conversion feature which will be calculated and adjusted if necessary on settlement of the contingency. There are no other beneficial conversion features or significant items that should be accounted for separately.

As of March 31, 2014, the outstanding balance is $366,905 (March 31, 2013 - $nil) with interest of $1,119 (March 31, 2013 - $nil).

5. COMMON STOCK

Authorized: 3,000,000 common voting shares with par value at $0.0001 as amended in February 2014.

On January 22, 2013, the Company issued a total of 1,000,000 shares to Advanced NeuroRehabilitation LLC for cash proceeds of $5,000 and an exclusive license right to Advanced NeuroRehabilitation's patent pending technology and knowhow valued at $4.25 million per an independent valuation report. The Company recorded the $4.25 million exclusive license right as research and development expense per the Company's accounting policy.

On January 22, 2013, the Company also issued a total of 1,000,000 shares to MPJ Healthcare LLC for cash proceeds of $5,000. In addition, the Company recorded $4.25 million of stock based compensation expense.

The articles of the Company is subject to a stockholders agreement, which places certain restrictions on the stock and stockholders. These include approvals prior to sale or transfer of stock, a right of first refusal to purchase stock held by the Company and a secondary right of refusal to stockholders, right of co-sale whereby certain stockholders be enabled to participate in a sale of other stockholders to obtain the same price, term and conditions on a pro-rata basis, rights of first offer of new security issuances to current stockholders on a pro-rata basis and certain other restrictions.

The stockholders of the Company, as at March 31, 2014, being Advanced NeuroRehabilitation LLC and MPJ Healthcare, LLC are also subject to a voting agreement which places additional restrictions on the stockholders, including the composition of the Board of Directors. Each stockholder agrees to vote to ensure the Board of Directors is set at seven directors, of which three individuals are designated by each of Advanced NeuroRehabilitation LLC and MPJ Healthcare LLC. Any common stock issued pursuant to the convertible debenture (Note 4) and stock options (Note 6) will be subject to the stockholders and voting agreement.

6. STOCK OPTIONS

The Company has a stock option plan whereby the Company is authorized to grant options, performance share awards, or monetary payments based on the value of the stock to independent contractors enabling them to acquire up to a maximum of 201,436 of the issued and outstanding stock of the Company. Vesting and the term of an option is determined at the discretion of the Board of Directors of the Company.

On April 1, 2013, the Company granted a consultant company, 58,000 options exercisable at $0.005 for 10 years upon completion of certain services in accordance with a consulting agreement to lead the design and manufacturing program of the Company's technology (Note 8). On December 4, 2013, 40,816 options vested, and the remaining 17,184 vested on March 4, 2014.

On October 30, 2013, the Company granted 143,436 options to a consultant company at $0.005 for 10 years. On February 11, 2014, 50% of these options vested upon completion of the first of two milestones. The remainder vested in April 2014. The remaining compensation related to the unvested options is estimated as $48,831.

As of March 31, 2014, the Company recognized a total of $807,157 in stock based compensation for consulting fees.

The continuity of stock options for the year ended March 31, 2014 is as follows:

	Options Outstanding	
	Number of options	Weighted Average Exercise Price
Balance on inception and March 31, 2013	-	$ -

(Expressed in United States Dollars)

Granted	201,436	$	0.005
Balance, March 31, 2014	201,436	$	0.005

The options outstanding and exercisable at March 31, 2014 are as follows:

	Options outstanding			Options exercisable		
Number of shares	remaining contractual life		Exercise Price	Number of shares exercisable		Exercise Price
58,000	9.01	$	0.005	58,000	$	0.005
143,436	9.59	$	0.005	71,718	$	0.005

The Cmpany used the Black-Scholes option pricing model to estimate the fair value of the options as the fair value of the services provided could not be reliably calculated. The following weighted average assumptions were used:

		2014
Risk-free interest rate (%)		1.55
Dividend yield (%)		-
Expected volatility (%)		107.52
Expected option life (years)		4.66
Fair value per option granted	$	4.26
Far value per option of unvested options	$	4.26

The Black-Scholes option pricing model was developed for use in estimating the fair value of share options that have no vesting provisions and are fully transferable. Also, option-pricing models require the use of estimates and assumptions including the expected volatility. The Company uses expected volatility rates which are based upon the average volatility rates of other companies in the same industry, due to the Company's limited history. The Company based the current stock price on the value per shares issued to date. Changes in the underlying assumptions can materially affect the fair value estimates.

(d) **Share Purchase Warrants**

The Company does not have any share purchase warrants outstanding for the years ended March 31, 2014 and March 31, 2013.

7. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is follows:

		2014		**2013**
Earnings (loss) for the year	$	(1,067,284)	$	(8,517,850)
Expected income tax (recovery)	$	(270,000)	$	(2,151,000)
Change in statutory rates and other		(93,000)		(745,000)
Permanent difference		275,000		2,890,000
Change in unrecognized deductible temporary differences		88,000		6,000
Total income tax expense (recovery)	$	-	$	-

The significant components of the Company's deferred assets and liabilities are as follows:

		2014		**2013**
Deferred Tax Assets				
Non-capital losses	$	94,000	$	6,000
Deferred tax assets not recognized		(94,000)	$	(6,000)
Net deferred tax assets	$	-	$	-

The Company has loss carryfowards of approximately $278,000 in the US available for deduction against future taxable income which if they are not utilized, will expire through 2034.

8. COMMITMENTS AND CONTINGENCIES

(a) The Company entered into a sub-license agreement with Advanced NeuroRehabilitation LLC for an exclusive right on Advanced NeuroRehabilitation LLC's patent pending technology, claims and knowhow. In addition to the issuance of 1,000,000 shares (Note 5), the Company agreed to pay a 4% royalty on net revenue on the sales of devices covered by the patent-pending technology and services related to the therapy or use of devices covered by the patent-pending technology.

(b) The Company entered into a commercial development-to-supply program with Ximedica where Ximedica will design, develop and produce PoNS^{TM} product solution suitable for clinical trial and commercial sale. The agreed budget for phase 1B of development is $499,000; Phase 2 is $1,065,000; Phase 3 and 4 is $1,389,000 and 2nd software DV cycle is $586,000, of which $171,781 was expensed as research and development during the year ended March 31, 2014. The

estimated duration of the project is 10 months. As of March 31, 2014, the Company recorded a prepaid of $300,000 to Ximedica which will be applied at the end of the project.

(c) The Company entered into an employment contract with the CEO of the Company with an annual salary of $250,000 until any qualified investments in the Company reaches $5 million, at which time the salary is increased to $300,000 annually.

(d) On January 30, 2013, the Company entered into an independent contractor agreement with Clinvue, a company of which a shareholder owns 1/3 of the ownership, where Clinvue is to lead the design and manufacturing program of PoNS^{TM}. As of March 31, 2014, the services were compensated by a grant of a total of 58,000 stock options exercisable at $0.005 per option for 10 years (Note 6). The estimated remaining costs to be incurred in the future under the contract are $100,000 and will be paid in cash.

(e) On February 1, 2013, the Company entered into a Master Cooperative Research and Development Agreement (CRADA) with the US Army Medical Material Agency (USAMMA) and the US Army Medical Material Development Activity (USAMMDA) pursuant to which USAMMA and USAMMDA on behalf of the US Government agrees to cooperate with the Company in research and development of PoNS^{TM} assisted physical therapy for the treatment of soldiers with balance and gait disorder. The agreement automatically expires on December 31, 2015 unless modified in writing by the parties. US Army Medical Research and Material Command (USAMRMC) will be the sponsor of the regulatory application for the PoNS^{TM} technology until the application is cleared or approved by the FDA, at which point USAMRMC will transfer such clearance or approval to the Company. After transfer of the regulatory application to the Company and in the event that the Company is not willing or able to commercialize the technology within two years from the expiration of this CRADA, the Company will transfer possession, ownership and sponsorship/holdership of the regulation application, regulatory correspondence and supporting regulatory information related technology to USAMRMC and grant the U.S. Government a non-exclusive, irrevocable license to any patent, copyright, data rights, proprietary information or regulatory information for the U.S. Government to commercialize the technology.

(f) On March 3, 2014, the Company entered into a letter of intent with Transmax Investing with an intent of Transmax Investing to effect a transaction with the Company whereby a certain financing will be conducted into the Company and a public listing of the Company on a recognized stock exchange.

9. RELATED PARTY TRANSACTIONS

For the year ended March 31, 2014, the Company was a party to the following related party transactions not disclosed elsewhere in these financial statements:

As of March 31, 2014, $ nil (March 31, 2013 - $2,231) in short-term loan payable is outstanding to a shareholder of the Company.

During the year ended March 31, 2014, the Company paid $20,833 (March 31, 2013 - $nil) as wages to the CEO of the Company.

See also Notes 3 and 8.

10. SUBSEQUENT EVENTS

In April 2014, 201,436 shares were issued pursuant to the exercise of options.

On May 27, 2014, the Company entered into a rental agreement for office space. The monthly rent is $3,896. The agreement expires on May 31, 2015.

On June 4, 2014, the Company entered into an amendment letter for the convertible debenture. Pursuant to the amendment letter, if any qualified Financing being an aggregate amount of at least $2,000,000 occurs, the principal amount of the debenture shall be automatically converted into common shares of Helius Medical Technologies , Inc. ("Helius") at a price per

share equal to CAD $0.425. For the avoidance of doubt, upon conversion of the debenture, Helius will issue a total of 2,564,705 common stock of Helius and Helius will pay $11,131 in cash with respect to the accrued and unpaid interest outstanding.

On June 6, 2014, the Company entered into a definitive agreement with Helius where Helius acquired 100% of the outstanding and issued shares of the Company by issuing 16.035 shares of Helius for every common stock outstanding of the Company. As a result, the Company will become a wholly owned subsidiary of Helius. Under certain conditions, termination of the agreement could result in a break fee payable of $500,000 by either of the parties. In connection with the acquisition, Helius is conducting a non-brokered private placement at CAD $0.50 per unit of 15,240,000 units raising up to CAD $7.62 million, which is currently held in escrow pending the close of the acquisition and a listing on the Canadian Securities Exchange (the "CSE"). Each unit consists of one common share of Helius and one half of a warrant of Helius where one full warrant is exercisable for 2 years at CAD $1.00 into one common stock.

In connection with the definitive agreement, Helius advanced an unsecured loan in the amount of $150,000 (the "Bridge Loan") to the Company. The Bridge Loan is for a term of one year commencing on May 30, 2014, and is payable in a lump sum at the end of the term. The Bridge Loan bears interest at a rate of 8% per annum.

The Company has evaluated subsequent events through the issuance date of the financial statements The Company is not aware of any additional significant subsequent events that occurred subsequent to the balance sheet date, but prior to the date of issuance that would have a material impact on the Company's financial statements.

Helius Medical Technologies, Inc.

Unaudited Pro Forma Consolidated Balance Sheet
(Expressed in United States dollars)
March 31, 2014

	Helius Medical Technologies, Inc.	NeuroHabilitation Corporation	Notes	Pro Forma Adjustments	Pro Forma Consolidation
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 9	$ 15,968	2(a)	6,594,790	$ 6,840,942
			2(d)	230,175	
Prepaids	-	300,000			$ 300,000
TOTAL ASSETS	$ 9	$ 315,968		$ 6,824,965	$ 7,140,942
LIABILITIES & SHAREHOLDERS' EQUITY					
Current Liabilities:					
Accounts payable	-	215,921	2(b)	276,210	515,809
			2(d)	23,678	
Convertible debenture	-	368,024		-	368,024
Total Liabilities	-	583,945		299,888	883,833
Stockholders' Equity:					
Common Stock	9	200	2(a)	5,739,511	10,131,566
			2(a)	(420,944)	
			2(a)	(230,184)	
			2(a)	5,000,000	
			2(c)	(187,200)	
			2(d)	230,175	
Additional paid-in capital	-	9,316,957	2(a)	1,276,223	10,593,180
			2(c)	187,200	187,200
Deficit accumulated during the development stage	-	(9,585,134)	2(b)	(276,210)	(14,654,838)
			2(a)	(4,793,503)	
			2(d)	(23,678)	
			2(d)	23,687	
Total Stockholders' Equity	9	(267,977)		6,525,077	6,257,109
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 9	$ 315,968		$ 6,824,965	$ 7,140,942

See accompanying notes to the pro forma consolidated financial statements

Helius Medical Technologies, Inc.

Unaudited Pro Forma Consolidated Statement of Loss and Comprehensive Loss
(Expressed in United States dollars)
For the year ended March 31, 2014

	Helius Medical Technologies, Inc.	NeuroHabilitation Corporation	Notes	Pro Forma Adjustments	Pro Forma Consolidation
Operating Expenses:					
Accredited interest	$ -	$ 1,119			1,119
Consulting fees	-	807,385			807,385
Interest expense	-	225			225
Legal fees	-	33,966			33,966
Meals and entertainment	-	833			833
Office expense	-	6,793			6,793
Research and development expense	-	171,781			171,781
Compensation for shares issued for services	-	-			-
Transaction cost	-	-	2(b)	276,210	276,210
Travel	-	22,027			22,027
Wages and salaries	-	23,155			23,155
Loss from operations	-	1,067,284		276,210	1,343,494
Net loss and comprehensive loss	$ -	$ 1,067,284		$ 276,210	$ 1,343,494

See accompanying notes to the pro forma consolidated financial statements

Helius Medical Technologies, Inc.

Notes to Unaudited Pro Forma Consolidated Financial Statements
(Expressed in United States dollars)
March 31, 2014

1. Basis of Presentation

(Expressed in United States dollars)

The accompanying unaudited pro forma consolidated financial statements have been prepared for the purpose of inclusion in the listing statement in connection with the acquisition of NeuroHabilitation Corporation ("NHC") by Helius Medical Technologies, Inc. ("Helius" or the "Company") through a stock exchange of 100% of NHC's capital stock ("Transaction").

The unaudited pro forma consolidated financial statements have been prepared by the management of Helius in accordance with U.S. generally accepted accounting principles ("US GAAP") to give effect to the transactions and assumptions described in the notes. The unaudited pro forma consolidated balance sheet has been prepared assuming the Transaction had occurred on March 31, 2014 and the unaudited pro forma consolidated statement of loss and comprehensive loss has been prepared assuming the transaction occurred on the first day of the period presented

The unaudited pro forma consolidated financial statements should be read in conjunction with the description of the transaction in this listing statement and are derived from the followings:

a) the audited financial statements of Helius as at March 31, 2014; and

b) the audited financial statements of NHC as at March 31, 2014

The underlying assumptions for the pro forma consolidated adjustments provide a reasonable basis for presenting the significant financial effects directly attributable to such transactions. These pro forma adjustments are tentative and are based on available financial information and certain estimates and assumptions. The actual adjustments to the consolidated financial statements of the Company will depend on a number of factors. Therefore, the actual adjustments will differ from the pro forma adjustments. Management believes that such assumptions provide a reasonable basis for presenting all of the significant effects of the transactions contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma consolidated financial statements.

The accounting policies used in preparation of the unaudited consolidated pro-forma financial statements are consistent in all material respects with those used by the Company as described in Note 2 to its audited financial statements for the period ended March 31, 2014.

2. Pro Forma Consolidated Balance Sheet Assumptions and Adjustments

a) The Proposed Transaction

Pursuant to the Transaction, Helius has entered into the Agreement and Plan of Merger with NHC, whereby Helius will acquire 100% of the issued and outstanding shares of NHC. In exchange, Helius will issue a total of 35,300,083 shares to the shareholders of NHC of which will merge with a wholly owned subsidiary of Helius, HMT Mergersub, organized pursuant to the laws of Delaware.

Although the Transaction will result in NHC becoming a wholly-owned subsidiary of Helius, the Transaction will constitute a Reverse Takeover of Helius as the former NHC Shareholders will own the majority of the outstanding shares of Helius upon completion of the Proposed Transaction. In accordance with US GAAP, this transaction is considered to be a capital transaction and the difference between the purchase price and the net assets acquired is charged directly to equity.

The consideration paid by NHC to acquire the Company is estimated at $5,000,000, being the estimated fair value of the shares exchanged. The net assets acquired of Helius are $206,497, resulting in a net charge to deficit of $(4,793,503).

In connection with the Transaction, Helius will complete a financing of up to 15,240,000 units at CAD $0.50 per unit ("Concurrent Financing") for total proceeds of $7,015,734 (CAD $7,620,000). Each unit will consist of one Helius share and one half of one Helius warrant. The finder's fee will consist of 6% cash $420,944 (CAD $457,200) and 6% warrants (914,400 warrants). Proceeds were allocated among common shares and warrants based on their relative fair values. The fair value of the warrants was $1,276,223 (CAD $1,386,144) and determined using a Black Scholes model using the following weighted average assumptions:

Weighted average fair value at grant date (CAD $)	0.50
Average risk-free interest (%)	1.48
Expected life (years)	2
Expected volatility (%)	115.57

b) Transaction costs

The incremental management and administrative costs of the Corporation for the above related offering and acquisition, including audit fees, legal fees, finder's fee for the Concurrent Financing and any costs associated with regulatory filings have been estimated to be $276,210 (CAD $300,000) which is deemed to be incurred and expensed as transaction costs.

c) With respect to the Concurrent Financing, the Company agreed to pay finder's fees equal to 6% cash and 6% warrants on gross proceeds of the financing. The fair value of the warrants of $187,200 (CAD $203,324) was determined using a Black Scholes model using the following weighted average assumptions:

Weighted average fair value at grant date (CAD $)	0.50
Average risk-free interest (%)	1.48
Expected life (years)	2
Expected volatility (%)	115.57

d) On March 25, 2014 and amended on April 8, 2014 Helius entered into an arrangement agreement ("Arrangement") with Boomerang Oil, Inc. (formerly known as 0922327 B.C. Ltd) ("Pubco") and 0995162 B.C. Ltd. ("Buyco") to reorganize the businesses by way of a plan of arrangement ("Plan of Arrangement"). Pursuant to the Arrangement, the following steps should be taken:

(Expressed in United States dollars)

4. Buyco shall acquire all issued and outstanding shares of the Company from Pubco for consideration of $5,000;

5. The shareholders of Buyco and the Company shall exchange securities on a 1:1 basis;

6. Pubco and the Company shall exchange securities as follows: Pubco shall issue the Pubco Exchange Shares to the Company and the Company shall issue the Company Exchange Shares to Pubco;

7. The Pubco Exchange Shares and the Company Exchange Shares shall be cancelled.

8. Shares of Helius owned by Buyco shall be cancelled.

Pursuant to this Transaction, Helius acquired $230,184 of net assets from Buyco.

e) On June 3, 2014, Helius agreed to advance NHC a bridge loan in the amount of US $150,000 in connection with the proposed acquisition. The bridge loan is for a term of one year commencing on the date of advance and is payable in a lump sum at the end of the term. The bridge loan bears interest at a rate of 8% per annum.

3. Pro Forma Share Capital

A continuity of Helius issued common share capital and related recorded values after giving effect to the pro forma transactions described in note 2 above is set out below:

	March 31, 2014	
	Common Shares	Amount ($)
Share capital of Helius before the Transaction	10,000,000	5,000,000
Shares issued to NHC	35,300,083	200
Concurrent financing, net of finder's fees - 6% cash and 6% warrants	15,240,000	5,131,366
Total	60,540,083	10,131,566

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following is a list of the expenses to be incurred by us in connection with the preparation and filing of this registration statement. All amounts shown are estimates except for the SEC registration fee:

SEC registration fee:	$7,065
Accounting fees and expenses:	$5,000
Legal fees and expenses:	$40,000
Transfer agent and registrar fees:	$2,000
Fees and expenses for qualification under state securities laws:	$2,500
Miscellaneous (including Edgar filing fees):	$2,000
Total:	$58,565

We are paying all expenses of the offering listed above. No portion of these expenses will be borne by the Selling Stockholders. The Selling Stockholders, however, will pay any other expenses incurred in selling their common stock, including any brokerage or underwriting discounts or commissions paid by the Selling Stockholders to broker-dealers in connection with the sale of their shares.

ITEM 14. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Our directors and officers are indemnified as provided by the Wyoming Business Corporation Act (the "WBCA"), our Articles of Continuance and our Bylaws.

Wyoming Business Corporation Act

The WBCA, provides that a corporation shall indemnify any director, officer, employee or agent of a corporation against expenses, including attorneys' fees, actually and reasonably incurred by him in connection with any the defense to the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding, or in defense of any claim, issue or matter therein.

The WBCA provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding if he: (a) is not liable pursuant to the WBCA; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

The WBCA provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses, including amounts paid in settlement and

attorneys' fees actually and reasonably incurred by him in connection with the defense or settlement of the action or suit if he: (a) is not liable pursuant to the WBCA; or (b) acted in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification may not be made for any claim, issue or matter as to which such a person has been adjudged by a court of competent jurisdiction, after exhaustion of all appeals there from, to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which the action or suit was brought or other court of competent jurisdiction determines upon application that in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

The WBCA provides that except as otherwise provided by specific statute, no director or officer of a corporation is individually liable for a debt or liability of the corporation, unless the director or officer acts as the alter ego of the corporation. The court as a matter of law must determine the question of whether a director or officer acts as the alter ego of a corporation.

Our Articles of Continuance

Article 14 of our Articles of Continuance provide for indemnification of our directors and officers as follows:

PERSONAL LIABILITY; INDEMNIFICATION; ADVANCEMENT OF EXPENSES: To the fullest extent permitted by law, a director of the Company shall not be personally liable to the Company or to its shareholders for monetary damages for any breach of fiduciary duty as a director. No amendment to, modification of or repeal of this paragraph 14 shall apply to or have any effect on the liability or alleged liability of any director of the Company for or with respect to any acts or omissions of such director occurring prior to such amendment. The Company shall indemnify, advance expenses, and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Company or, while a director or officer of the Company, is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except for claims for indemnification (following the final disposition of such Proceeding) or advancement of expenses not paid in full, the Company shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized in the specific case by the board of directors of the Company. Any amendment, repeal or modification of this paragraph 14 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

Our Bylaws

Our Bylaws provide that we shall indemnify a director as required by the mandatory indemnification provisions of the Act, to the extent applicable, and as otherwise provided in the Articles of Incorporation.

ITEM 15. RECENT SALES OF UNREGISTERED SECURITIES

On May 30, 2014, we closed a private placement consisting of 15,240,000 subscription receipts at a price of CDN$0.50 per subscription receipt for gross proceeds of CDN$7,620,000. On June 13, 2014, each subscription receipt automatically converted, for no additional consideration, into one common share of Helius and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional share of our common stock at a price of CDN$1.00 until May 30, 2016. We relied on exemptions from registration under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), provided by Rule 506 of Regulation D and/or Section 4(a)(2) for US purchasers as well as Regulation S for Canadian and offshore purchasers, based on representations and warranties provided by the purchasers of the subscription receipts in their respective subscription agreements entered into between us and each purchaser.

In connection with the May 30, 2014 private placement, we paid finder's fees of CDN$412,200 in cash and 824,400 finder's warrants (each, a "Finder's Warrant") in aggregate to five entities in British Columbia, Canada and one entity in Nevis, West Indies. The Finder's Warrants have the same attributes as the Warrants. We relied on the exemption from registration under the U.S. Securities Act provided by Regulation S for the issuance of the Finder's Warrants to each finder.

On June 13, 2014, we acquired a 100% interest in NHC, as discussed above, pursuant to an agreement and plan of merger whereby our wholly-owned subsidiary was merged with and into NHC and all of the common shares in the capital of NHC were cancelled in consideration for the issuance of an aggregate of 35,300,083 shares of our common stock to the NHC shareholders. We relied on the exemption from registration under the U.S. Securities Act provided by Section 4(a)(2) for the issuance of shares of our common stock to the NHC shareholders.

ITEM 16. EXHIBITS

The following exhibits are filed with this registration statement on Form S-1:

Exhibit No.	Description of Exhibit

3.1	Articles of Continuation
3.2	Articles of Amendment filed with the Wyoming Secretary of State on July 3, 2014
3.3	Bylaws
4.1	2014 Stock Incentive Plan
5.1	Opinion of Holland & Hart LLP
10.1	Amended and Restated Patent Sub-License Agreement between Advanced NeuroRehabilitation, LLC and NeuroHabilitation Corporation, having an effective date of January 22, 2013
10.2	Master Cooperative Research and Development Agreement between NeuroHabilitation Corporation, Advanced NeuroRehabilitation, LLC, Yuri Danilov, Mitchell Tyler, Kurt Kaczmarek and U.S. Army Medical Material Agency and U.S. Army Medical Material Development Activity, dated effective February 1, 2013
10.3	Design and Manufacturing Consultant Agreement between NeroHabilitation Corporation and Clinvue, LLC, dated January 30, 2013
10.4	Commercial Development-to-Supply Program between NeuroHabilitation Corporation and Ximedica, dated October 25, 2013
10.5	Notice of Modification No. 1 to Cooperative Research and Development Agreement between NeuroHabilitation Corporation, Advanced NeuroRehabilitation, LLC, Yuri Danilov, Mitchell Tyler, Kurt Kaczmarek and U.S. Army Medical Material Agency and U.S. Army Medical Material Development Activity, dated April 26, 2014
10.6	Agreement and Plan of Merger among Helius Medical Technologies, Inc., HMT Mergersub, Inc. and NeuroHabilitation Corporation, dated June 6, 2014
10.7	Second Amended and Restated Patent Sub-License Agreement between Advanced NeuroRehabilitation, LLC and NeuroHabilitation Corporation, dated June 6, 2014, but having an effective date of January 22, 2013
21.1	Subsidiaries of the Company: 1. 0995162 B.C. Ltd., is a wholly owned subsidiary of the Company. 2. NeuroHabilitation Corporation, is a wholly owned subsidiary of the Company
23.1	Consent of Davidson & Company LLP
23.2	Consent of Counsel (included in Exhibit 5.1)
24.1	Power of Attorney (included in the signature page of this registration statement)
99.1	Employment Agreement between Helius Medical Technologies, Inc. and Philippe Deschamps, dated June 13, 2014.
99.2	Advisory Agreement between Helius Medical Technologies, Inc. and Baron Global Financial Canada Ltd., dated June 13, 2014.

ITEM 17 UNDERTAKINGS

The undersigned registrant hereby undertakes that it will:

1. File, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to:

   (a) Include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

   (b) Reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in the volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

   (c) Include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

2. For determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Remove from registration by means of a post-effective registration statement any of the securities being registered which remain unsold at the termination of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the

successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

For the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in Newtown, Pennsylvania, on July 11, 2014.

HELIUS MEDICAL TECHNOLOGIES, INC.

By:
/s/ Philippe Deschamps
Philippe Deschamps
President, Chief Executive Officer and a director

POWER OF ATTORNEY

Know all persons by these presents that that each individual whose signature appears below constitutes and appoints Philippe Deschamps as a true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective upon filing under Rule 462 promulgated under the Securities Act of 1933, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any one of them, or his or their substitutes, may lawfully do or cause to be done by virtue hereof.

In accordance with the requirements of the Securities Act of 1933, this registration statement was signed by the following persons in the capacities and on the dates stated.

Signature	Title	Date
/s/ Philippe Deschamps Philippe Deschamps	President, Chief Executive Officer and a director	July 11, 2014
/s/ Amanda Tseng Amanda Tseng	Chief Financial Officer, Corporate Secretary and a director	July 11, 2014
/s/ Savio Chiu Savio Chiu	Director	July 11, 2014
/s/ Yuri Danilov Yuri Danilov	Director	July 11, 2014
/s/ Mitch Tyler Mitch Tyler	Director	July 11, 2014

Max Maxfield, WY Secretary of State
FILED: 06/02/2014 11:24 AM
ID: 2014-000665988

ARTICLES OF CONTINUANCE
OF
HELIUS MEDICAL TECHNOLOGIES, INC.

Pursuant to Wyo. Stat. Section 17-16-1810 of the Wyoming Business Corporation Act (the "Act"), the undersigned hereby submits the following Articles of Continuance for Helius Medical Technologies, Inc., a British Columbia, Canada corporation (the "Company"):

1. **Existing Corporate Name.** The name of the Company is Helius Medical Technologies, Inc.

2. **Jurisdiction of Incorporation.** The Company was incorporated under the laws of the Province of British Columbia, Canada.

3. **Incorporation Date**. The date of the Company's incorporation was March 13, 2014.

4. The period of the Company's duration is perpetual.

5. **Mailing Address.** The mailing address of the Company is:

1500-1055 West Georgia Street
Vancouver, British Columbia V6E 4N7

6. **Principal Office.** The address of the Company's principal office is:

1500-1055 West Georgia Street
Vancouver, British Columbia V6E 4N7

7. **Name and Physical Address of Company's Wyoming Registered Agent.** The physical address of the Company's proposed registered office in Wyoming and the name of its registered agent at that address is:

C T Corporation System
1712 Pioneer Ave., Ste. 120
Cheyenne, Wyoming 82001

8. **Purpose:** The purpose which the Company proposes to pursue is to engage in any lawful business permitted under the laws of the State of Wyoming.

"Received
May 28, 2014
Secretary of State
Wyoming"

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9. **Directors & Officers:** The names and respective addresses of the Company's officers and directors are:

Position	name	address
Director and President, Chief Executive Officer	Marco Babini	16312 27A Avenue Surrey, BC V3S 6R8 Canada

10. **Authorized Shares:** The aggregate number of shares which the Company has authority to issue, itemized by classes, par value of shares, shares without par value and series, if any, within a class is:

Number of Shares	Class	Par Value/Share
Unlimited	Class A Common	No par value
Unlimited	Class B Common	No par value
Unlimited	Class A Preferred	No par value

See Exhibit A attached hereto regarding the rights and preferences associated with each class of shares of the Company.

11. **Issued Shares:** The aggregate number of the Company's issued shares itemized by classes, par value of shares, shares without par value and series, if any, within a class is:

Number of Shares	Class	Par Value/Share
10,000,010	Class A Common	No par value

12. **Quorum for Shareholder Vote.** Shares entitled to vote as a separate voting group may take action on a matter at a shareholder meeting only if a quorum of those shares are present in person or by proxy with respect to the matter. At least two (2) shareholders, present in person or by proxy, representing at least five percent (5%) of the total outstanding shares of the Company entitled to vote as a separate voting group, shall constitute a quorum at any meeting of shareholders, except as otherwise set forth in these Articles or as required by the Act.

13. **Written Consent.** Any action required or permitted by the Act to be taken at a shareholders' meeting may be taken without a meeting, and without prior notice, if consents in writing setting forth the action so taken are signed by the holders of the outstanding shares having not less than the minimum number of votes that would be required to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted.

The written consent shall bear the date of signature of the shareholder(s) who signs the consent and be delivered to the Company for inclusion in the minutes or filing with the corporate records.

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14. **Personal Liability; Indemnification; Advancement of Expenses:** To the fullest extent permitted by law, a director of the Company shall not be personally liable to the Company or to its shareholders for monetary damages for any breach of fiduciary duty as a director. No amendment to, modification of or repeal of this paragraph 14 shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment.

The Company shall indemnify, advance expenses, and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Company or, while a director or officer of the Company, is or was serving at the request of the Company as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except for claims for indemnification (following the final disposition of such Proceeding) or advancement of expenses not paid in full, the Company shall be required to indemnify a Covered Person in connection with a Proceeding (or part thereof) commenced by such Covered Person only if the commencement of such Proceeding (or part thereof) by the Covered Person was authorized in the specific case by the board of directors of the Company. Any amendment, repeal or modification of this paragraph 14 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

15. **Constitution:** The Company accepts the Constitution of the State of Wyoming in compliance with the requirements of Article 10, Section 5 of the Wyoming Constitution.

16. **Certified Copy of Company's Corporate Charter Documents Attached.** A certified copy of the Company's original corporate charter and all amendments thereto filed with the British Columbia Registrar of Companies are attached hereto.

[Signature page to follow]

Dated May 26, 2014.

HELIUS MEDICAL TECHNOLOGIES, INC.
By: /s/ Marco Babini
Name: Marco Babini
Title: President and CEO

Contact Person: Marco Babini
Daytime Phone Number: (778) 881-3232
Email: marco.babini@gmail.com

PROVINCE OF BRITISH COLUMBIA

Subscribed and sworn to before me this 26 day of May, 2014 by Marco Babini, President and Chief Executive Officer of Helius Medical Technologies, Inc.

/s/ Mark Neighbor
Notary Public

(SEAL)

My Commission Expires: On death or dishonour

"Mark Neighbor
Barrister and Solicitor
McMillan LLP
1500 - 1055 West Georgia Street
P.O. Box 11117
Vancouver, BC V6E 4N7
t 604.689.9111
f 604.685.7084"

EXHIBIT A
TO
ARTICLES OF CONTINUANCE
OF
HELIUS MEDICAL TECHNOLOGIES, INC.

Share Rights and Preferences

1. CLASSES A & B COMMON SHARES- SPECIAL RIGHTS AND RESTRICTIONS

a. Each holder of a Class A Common Share shall be entitled to receive notice of and attend any general meeting of the Company and shall have the right to vote at any such meeting on the basis of one vote for each such share held.

b. Each holder of a Class B Common Share shall be entitled to receive notice of and attend any meetings of shareholders of the Company but shall not be entitled to vote at any such meeting except as required by the Act.

c. Subject to the rights of the holders of any class of Preferred Shares, the holders of the Class A Common Shares and Class B Common Shares shall, in the absolute discretion of the board of directors, be entitled to receive dividends as and when declared by the directors out of monies of the Company properly applicable to the payment of dividends.

d. The board of directors may, in their absolute discretion, pay dividends on the Class A Common Shares to the exclusion of the Class B Common Shares and vice versa.

e. Subject to the rights of the holders of any class of Preferred Shares, in the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital the holders of the Class A Common Shares and Class B Common Shares shall, after payment has been made to the holders of any class of Preferred Shares and after share equally, share for share, in the remaining assets and property of the Company.

2. CLASS A PREFERRED SHARES- SPECIAL RIGHTS AND RESTRICTIONS

a. Each holder of a Class A Preferred Share shall be entitled to receive notice of and attend any meetings of shareholders of the Company but shall not be entitled to vote at any such meeting except as required by the Act.

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b. Subject to the provisions of the Act, the Company may at any time or times at the discretion of the board of directors redeem all or any of the Class A Preferred Shares by paying to the registered holder the redemption amount (the "Redemption Amount") thereof together with all declared but unpaid dividends thereon.

c. Upon the issue of any Class A Preferred Shares, the board of directors shall determine the fair market value (the "FMV") of the consideration received by the Company in respect of that share, including, without restricting the generality of the foregoing, any consideration credited by the Company to any contributed surplus account (the "Consideration").

d. In determining the FMV of the Consideration, the board of directors shall act in good faith and may act on whatever advice or evidence they deem necessary or advisable. The directors shall evidence their determination by a resolution in writing (the "Agreed Value").

e. The Redemption Amount of each Class A Preferred Share shall equal the Agreed Value of the Consideration received in respect of the issuance of that share.

f. If the Internal Revenue Service or any similar authority shall assess or reassess the Company or its shareholders for income tax purposes or propose such an assessment or reassessment on the basis of a determination or assumption that the FMV of the Consideration received in respect of the issuance of any Class A Preferred Shares does not equal the Agreed Value, the following adjustments shall be made:

i. for the purposes of the adjustments hereunder the FMV of the Consideration received shall be deemed to be:

(a) subject to clause (i)(c), the FMV of the Consideration as determined by the authority making or proposing such an assessment or reassessment, provided that the board of directors agree that that determination is accurate; or

(b) subject to clause (i)(c), where the board of directors do not agree that the authority's determination is accurate, the FMV of the Consideration as determined by a qualified person whom the board of directors shall appoint to make that determination forthwith following the making or proposing of such an assessment or reassessment; or

(c) where any such assessment or reassessment is the subject of an appeal to a court of competent jurisdiction, the FMV of the Consideration as determined by that court.

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ii. If the FMV determined pursuant to paragraph (i) is less than the Agreed Value, the following adjustments shall be made forthwith following such determination to account for that deficiency:

(a) If at the date of adjustment the Class A Preferred Share is issued and outstanding and still held by the original holder thereof, its Redemption Amount shall be reduced by an amount equal to the lesser of the deficiency and the amount by which the Redemption Amount of the share exceeds its par value and the Redemption Amount so adjusted shall be deemed retroactively to the date of issue of the share to have been its Redemption Amount; and

(b) If the reduction made pursuant to clause (ii)(a) is less than the total deficiency, the Redemption Amount of such other Preferred Shares of that class held by that original holder at the date of adjustment as may be selected by him shall be reduced by an amount equal to such portion of the deficiency as that original holder may determine and the Redemption Amount of such share so adjusted shall be deemed retroactively to the date of issue of that share to have been its Redemption Amount; and

(c) If the aggregate reduction made pursuant to clauses (ii)(a) and (ii)(b) is less than the total deficiency, the original holder shall make a contribution of capital to the Company equal to the balance of the deficiency.

iii. If the FMV determined pursuant to paragraph (i) is greater than the Agreed Value, the following adjustments shall be made forthwith following such determination to account for that excess:

(a) If at the date of adjustment the share remains issued and outstanding and held by the original holder thereof, the Redemption Amount of that share shall be increased by the amount of the excess and the Redemption Amount so adjusted shall be deemed retroactively to the date of issue of the share to have been its Redemption Amount; and

(b) In any other case, the Redemption Amount of any other Preferred Shares of that class held by that original holder at the date of adjustment shall be increased by an amount equal to the excess divided by the number of Class A Preferred Shares held by the original holder at the date of adjustment and the Redemption Amount of each such share shall be deemed retroactively to the date of its issue to have been its Redemption Amount; and

(c) If no Preferred Shares of that class are held by the original holder at the date of adjustment the directors shall issue to him Preferred Shares of that class having an aggregate Redemption Amount equal to the amount of the excess.

g. Subject to the provisions of the Act:

i. Each holder of Class A Preferred Share may at any time demand that the Company redeem all or any part of the Class A Preferred Shares held by him by payment to him of the Redemption Amount thereof and all declared but unpaid dividends thereon.

ii. Such demand for redemption shall be made in writing, signed by the holder demanding redemption and shall be delivered or mailed to the registered office of the Company and shall be deemed to have been received on the day of delivery if delivered and on the business day following the day of mailing if mailed.

iii. Forthwith upon receipt of a demand for redemption the Company shall deliver or mail a copy thereof to all other holders, if any, of the Class A Preferred Shares and such copy shall be deemed to have been received on the day of delivery if delivered and on the business day following the day of mailing if mailed. The rationale for this mailing shall be to allow other holders of Class A Preferred Shares to submit demands for redemption.

iv. If there is only one holder of the Class A Preferred Shares the Company shall redeem the Class A Preferred Shares forthwith upon receipt thereof. If there is more than one such holder, then on the 21st day following the last date of delivery or mailing of the copies referred to in the preceding paragraph, the Company shall redeem all the Class A Preferred Shares in respect of which it has then received demands for redemption provided that if the assets of the Company are not sufficient to redeem all of those shares the redemption shall be made pro rata in proportion to the number of the number of Preferred Shares specified in the demands received on or before that 21st day.

h. Subject to the provisions of the Act, the Company may at any time or times at the discretion of the directors redeem all or any of the Class A Preferred Shares by paying to the registered holder the Redemption Amount thereof together with all declared but unpaid dividends thereon.

i. The holders of the Class A Preferred Shares shall be entitled to receive arid the Company shall pay thereon if and when declared by the board of directors out of monies of the Company properly applicable to the payment of dividends fixed non-cumulative preferential dividends at the rate of 6% per annum on the par value thereof. Except that, if the Company is not a "small business corporation" (as defined at subsection 248(1) of the Income Tax Act (Canada)) at any time during the year, such that section 74.4 of the Income Tax Act (Canada) applies to any holder of the Class A Preferred shares, then, at the discretion of the directors, dividends may be paid on the Class A Preferred shares out of all profits or surplus available for distribution, but such dividends shall not exceed the total of:

ii. 20129 of the Redemption Amount in the case of dividends paid as "eligible dividend(s)" (as defined at subsection 89(1) of the income Tax Act (Canada)) ("Eligible Dividends"); or

ii. 4/5 of the Redemption Amount in the case of dividends not paid as Eligible Dividends, multiplied by the prescribed rate at Regulation 4301(c) of the Income Tax Act (Canada). The holders of the Class A Preferred Shares shall not be entitled to any dividends other than the preferential dividends provided for herein.

j. In the event of the liquidation, dissolution, winding-up, or return of capital of the Company, holders of Class A Preferred Shares shall be entitled to receive the Redemption Amount thereof and all dividends declared thereon and unpaid before any amount shall be paid or any property or asset of the Company distributed to the holders of any Common Shares. After payment to the holders of the Class A Preferred Shares of the amounts so payable to them as above provided, they shall not be entitled to share in any further distribution of the property or assets of the Company.

k. The holders of the Class A Preferred Shares shall be entitled to receive notice of and to attend any meetings of shareholders of the Company but shall not be entitled to vote at any such meetings except as required by the Act.

Wyoming Secretary of State
State Capitol Building, Room 110
Cheyenne, WY 82002-0020

Max Maxfield, WY Secretary of State
FILED: 07/03/2014 09:18 AM
Original ID: 2014-000665988
Amendment ID: 2014-001633835

ARTICLES OF AMENDMENT

Pursuant to the provisions of the Wyoming Business Corporation Act (the "*Act*"), the shareholders and board of directors of Helius Medical Technologies, Inc., a Wyoming corporation (the "*Corporation*"), hereby present these Articles of Amendment to its Articles of Incorporation, pursuant to Wyo. Stat. 17-16-1006, on behalf of the Corporation. The Corporation's Articles of Incorporation were filed with the Wyoming Secretary of State on June 2, 2014 (the "*Articles of Incorporation*"), and the Corporation has been assigned filing number 2014-000665988.

1. The name of the Corporation: Helius Medical Technologies, Inc.

2. Article 10 of the Articles of Incorporation is hereby amended by deleting Class B Common Shares and Class A Preferred Shares from the list of classes of shares the Corporation is authorized to issue.

3. Exhibit A of the Articles of Incorporation of the Corporation is hereby deleted in its entirety.

4. This amendment does not provide for an exchange, reclassification, or cancellation of issued shares as none of the Class B Common Shares or Class A Preferred Shares authorized are issued or outstanding.

5. The date of the amendment's adoption: June 12, 2014.

1. The amendment was duly approved by at least a majority of the shareholders and all of the board of directors of the Corporation in the manner required by the Act and by the Corporation's Articles of Incorporation.

DATED: June 25, 2014

By: /s/ Philippe Deschamps
Philippe Deschamps
President and CEO

Received 4:00 PM
June 30, 2014
Secretary of State
Wyoming

Contact person as to this filing: Amanda Tseng
Daytime phone number: (778) 331-2091
E-mail: Amanda.tseng@barongroupintl.com

BYLAWS
OF
HELIUS MEDICAL TECHNOLOGIES, INC.

(as adopted on May 28, 2014)

Article I.
Name, Seal and Offices

1.1 NAME. The name of this corporation is Helius Medical Technologies, Inc. (the "Company"), continued as a Wyoming corporation pursuant to Wyoming Statutes Section Section 17-16-1810 *et seq.* and governed by the Wyoming Business Corporation Act (the "Act").

1.2 SEAL. The Company shall not be required to obtain a corporate seal. The seal, if any, of this Company shall be circular in form and shall have inscribed thereon the name of the Company and the words, "Corporate Seal, Wyoming". The Board of Directors may change the form of the seal (if any) or the inscription thereon at its pleasure.

1.3 OFFICES. The Company's principal office shall be located at 1500-1055 West Georgia Street, Vancouver, British Columbia V6E 4N7, or at such other place as is determined by the Board of Directors. The Company may have such other offices, as the Board of Directors may from time to time appoint, as the purposes of the Company may require.

1.4 BOOKS AND RECORDS. Any records maintained by the Company in the regular course of its business, including its stock ledger, books of account and minute books, may be maintained on any information storage device or method; *provided that* the records so kept can be converted into clearly legible paper form within a reasonable time. The Company shall so convert any records so kept upon the request of any person entitled to inspect such records pursuant to applicable law.

Article II.
Shareholders

2.1 ANNUAL MEETING. The annual meeting of the Shareholders shall be held once in every calendar year on such date and at such time and place as may be determined by the Board of Directors for the purpose of electing Directors and for the transaction of such other business as may come before the meeting in accordance with these Bylaws. If the day fixed for the annual meeting shall be a legal holiday, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the Shareholders as soon thereafter as conveniently may be.

2.2 SPECIAL MEETINGS. Special meetings of the Shareholders may be called by the President, Chairman of the Board, the Board of Directors, or by the Shareholders holding at least five percent (5%) of all the votes entitled to be cast on any issue proposed to be considered

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at the proposed special meeting by signing, either manually or in facsimile, dating and delivering to the Company's secretary one (1) or more written demands for the meeting describing the purpose or purposes for which it is to be held. The Board of Directors shall have the discretion to require that the issues for which a special meeting is demanded by Shareholder be considered instead at the next annual meeting if the demand for the special meeting is made within 180 days of the next annual meeting.

2.3 PLACE OF MEETING. The Board of Directors may designate any place, either within or outside the State of Wyoming, as the place of meeting for any annual meeting or for any special meeting. It shall be the duty of the President to fix the time and place of any such meeting, and to give due notice thereof. If the President shall neglect or refuse to fix the place, time and date of such meeting and give notice thereof, the person or persons calling the meeting may do so. If no designation of place is made, or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Company.

2.4 NOTICE OF MEETINGS. Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose for which the meeting is called, shall be given to each Shareholder of record having voting power with respect to the business to be transacted at such meeting, not less than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary, or the Board of Directors. If mailed, such notice shall be deemed to be delivered when deposited in the mail in a sealed envelope addressed to the Shareholder at his address as it appears on the records of the Company, with postage thereon prepaid. Without limiting the manner by which notice otherwise may be given effectively to shareholders, notice of meetings may be given to shareholders by means of electronic transmission in accordance with applicable law. Notice of any meeting need not be given to any shareholder who shall, either before or after the meeting, submit a waiver of notice or who shall attend such meeting, except when the shareholder attends for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any Shareholder so waiving notice of the meeting shall be bound by the proceedings of the meeting in all respects as if due notice thereof had been given.

2.5 PURPOSE. No matter which is not within the purpose or purposes specifically described in the notice of a special meeting shall be conducted at the meeting, nor shall any action be taken by the Shareholders on any other matter unless it is specifically described as a purpose in the notice for the special meeting. Notice of an annual meeting need not include a description of the purpose or purposes for which the meeting is called.

2.6 FIXING OF RECORD DATE. The Board of Directors of the Company may fix in advance a date, not exceeding sixty (60) and not less than ten (10) calendar days prior to the date of any meeting of Shareholders, or to the date for the payment of any dividend or for the allotment of rights, or to the date when any exchange or reclassification of shares shall be effective, as the record date for the determination of Shareholders entitled to notice of, or to vote at, such meeting, or Shareholders entitled to receive payment of any such dividend or to receive any such allotment of rights, or to exercise rights in respect of any exchange or reclassification of shares; and the Shareholders of record on such date shall be the Shareholders entitled to notice of

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and to vote at, such meeting, or to receive payment of such dividend or to receive such allotment of rights, or to exercise such rights in the event of an exchange or reclassification of shares, as the case may be. If the transfer books are not closed and no record date is fixed by the Board of Directors, the date on which notice of the meeting is mailed shall be deemed to be the record date for the determination of Shareholders entitled to vote at such meeting. Transferees of shares which are transferred after the record date shall not be entitled to notice of or to vote at such meeting.

Only Shareholders on the record date fixed by this Section 2.6 are entitled to notice of and permitted to vote or to demand a special meeting or to take any other action, notwithstanding any transfer of any shares on the books of the Company after any such record date.

Notwithstanding the foregoing, in order that the Company may determine the Shareholders entitled to receive payment of any share dividend or other distribution from the Company or allotment of any rights or the Shareholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If not record date is fixed, the record date for determining Shareholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

In order to determine the Shareholders entitled to vote and take action without a meeting of the Shareholders, as provided in Section 2.14 of these Bylaws, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than twenty (20) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining Shareholders entitled to consent to corporate action in writing without a meeting: (1) when no prior action by the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent, setting forth the action taken or proposed to be taken is delivered to the Company in the manner required by Section 2.14, was signed by any Shareholder, and (2) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action. Notwithstanding anything to the contrary herein, no written consent shall be effective to take the corporate action referred to therein unless, within sixty (60) days of the earliest date on which a consent delivered to the Company as required by this Section was signed, written consents signed by sufficient Shareholders to take the action have been delivered to the Company.

2.7 VOTING LISTS. The officer or agent having charge of the transfer book for shares of the Company shall prepare, at least two (2) days after notice of the meeting is given for which the list was prepared, a complete list of the Shareholders entitled to vote at such meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list shall be kept on file at the principal office of the Company and shall be subject to inspection by any Shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Shareholder during the whole time of the meeting. The original share ledger or transfer book, or

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a duplicate thereof kept at the Company's principal office, shall be prima facie evidence as to who are the Shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of Shareholders.

2.8 QUORUM. Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares are present in person or by proxy with respect to that matter. At least two (2) Shareholders representing at least five percent (5%) of the outstanding shares of the Company entitled to vote as a separate voting group at such meeting, represented in person or by proxy, shall constitute a quorum at any meeting of Shareholders, except as otherwise provided by the Act. In the absence of a quorum at any meeting, a majority of the shares so represented may adjourn the meeting for a period not to exceed thirty (30) days at any one adjournment without further notice. At such adjourned meeting, at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting, and for any adjournment of that meeting unless a new record date is or shall be set for that adjourned meeting.

The Shareholders present or represented by proxy at an annual or special meeting at which a quorum is not present may take only the following actions: (i) with the consent of the officer presiding at the meeting, receive or hear any reports on the affairs of the Company that may be presented; (ii) within the constraints of the time allowed on the agenda, ask questions concerning the affairs of the Company; and (iii) adjourn the meeting as provided above in this Section 2.8.

If different quorums are required for different purposes at a meeting, the absence of a quorum on one purpose shall not affect the ability of the Shareholders at the meeting to act on other purposes where a quorum is present.

2.9 MANNER OF ACTING. At any Shareholder meeting at which a quorum is present, the affirmative vote of a majority of the shares represented at the meeting and entitled to vote as a separate voting group shall be the act of the Shareholders.

2.10 PROXIES. At all meetings of Shareholders, a Shareholder may vote by proxy execute in writing, either manually or by facsimile, by the Shareholder or by his or her duly authorized attorney-in-fact. Such proxy shall be filed with the Secretary of the Company not less than forty eight (48) hours before the time of the meeting, unless the Board of Directors fixes a different time by which proxies must be filed. Unless otherwise provided in the proxy, a proxy may be revoked at any time before it is voted, either by written notice filed with the Secretary or the Acting Secretary of the meeting or by oral notice given by the Shareholder to the presiding officer during the meeting. The presence of a Shareholder who has filed his or her proxy shall not of itself constitute a revocation. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Appointments of proxies shall be in such form as shall be required by the Board and as set forth in the notice of meeting and/or proxy or information statement concerning such meeting. The proxies named in the Company's proxy statement shall have discretionary authority to vote at all meetings of shareholders as provided in Rule 14a-4(c) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as that rule is currently in effect or as it subsequently may be amended or superseded.

2.11 VOTING OF SHARES. Each outstanding share of common stock shall be entitled to one (1) vote upon each matter to which they are entitled to vote submitted to a vote at a meeting of Shareholders.

2.12 VOTING OF SHARES BY CERTAIN HOLDERS. Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his or her name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A Shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee and thereafter the pledgee shall be entitled to vote the shares so transferred.

Treasury shares of its own stock held by the Company shall not be voted at any meeting or counted in determining the total number of outstanding shares at any given time for purposes of any meeting.

Redeemable shares which have been called for redemption shall not be entitled to vote on any matter and shall not be deemed outstanding shares on and after the date on which written notice of redemption has been mailed to Shareholders and a sum sufficient to redeem such shares has been deposited with a bank or trust company with irrevocable instruction and authority to pay the redemption price to the holders of the shares upon surrender of certificates therefor.

2.13 VOTING BY BALLOT. Voting on any question or in any election may be by voice vote unless the presiding officer shall order or any Shareholder shall demand that voting be by ballot.

2.14 ACTION BY SHAREHOLDERS WITHOUT A MEETING. Any action required or permitted by the Act to be taken at a shareholders' meeting may be taken without a meeting, and without prior notice, as allowed under the Act and as otherwise provided in the Articles. To the extent required by the Act, if action is taken by less than unanimous written consent of the voting shareholders, the Company shall give its non-consenting voting Shareholders written notice of the action not more than ten (10) days after written consents sufficient to take the action have been delivered to the Company. The notice shall reasonably describe the action taken and contain or be accompanied by the same material that, under any provision of the Act, would have been required to be sent to voting Shareholders in a notice of a meeting at which the action would have been submitted to the Shareholders for action. Such notice requirement shall not delay the effectiveness of action taken by written consent, and a failure to comply with such notice requirements shall not invalidate actions taken by written consent.

2.15 PARTICIPATION BY ELECTRONIC MEANS. The Shareholders may participate in any meeting of Shareholders by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

2.16 INSPECTORS. The Company shall appoint one (1) or more inspectors to act at a meeting of Shareholders and make a written report of the inspectors' determinations. Each inspector shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of the inspectors ability. Such inspector(s) shall carry out the duties require by the Act, including without limitatoin ascertaining the number of shares outstanding and the voting power of each, determinng the shares represented at a meeting and the validity of proxies and b allots, counting all votes, and determiing the result of such vote.

2.17 SHAREHOLDER LISTS. Access to the list of Shareholders shall be restricted to a period beginning two (2) business days after the date of the notice of the Shareholders' meeting for which the list was prepared and continuing through the meeting, or ten (10) business days before the date of the meeting, whichever is less. Copying of the list of Shareholders may be made by such persons and subject to the requirements set forth in the Act. The Board may take such steps it deems reasonable or necessary to prevent the use of its Shareholder lists for purposes not related to issues under consideration at a Shareholder meeting.

2.18 NOMINATIONS FOR ELECTION AS DIRECTORS. Any Shareholder of record for an annual or special meeting of Shareholders at which Directors are to be elected may request that one or more persons be nominated, at the annual or special meeting, for election as Directors at such meeting, in opposition to the slate of candidates for which management will solicit proxies, and the Board of Directors shall nominate such candidate(s) at the meeting, and include such candidate(s) in the Company's proxy statement, but only if each of the following conditions has been satisfied:

(a) The Shareholder complies with all the provisions of Rule 14a-8 promulgated under the Exchange Act, as that rule is currently in effect or as it subsequently may be amended or superseded;

(b) At least one hundred fifty (150) calendar days before the date for the meeting of the Company's Shareholders, the requesting Shareholder requests, in writing, that the Nominating Committee of the Board of Directors consider an individual for inclusion as a Director nominee in the proxy statement for the subject meeting, and provide to the Company (i) as to each person whom the Shareholder proposes to nominate for election as a Director, (1) all information required by the Company's Nominating Committee, (2) all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act; and (3) whether and the extent to which any derivative instrument, swap, option, warrant, short interest, hedge or profit

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interest or other transaction has been entered into by or on behalf of such person with respect to stock of the Company and whether any other agreement, arrangement or understanding (including any short position or any borrowing or lending of shares of stock) has been made by or on behalf of such person, the effect or interest of any of the foregoing being to mitigate loss to, or to manage risk of stock price changes for, such person or to increase or decrease the voting power or pecuniary or economic interest of such person with respect to stock of the Company; (ii) a representation that the Shareholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination; and (iii) a representation whether the Shareholder or the beneficial owner, if any, intends or is part of a group which intends to solicit proxies from other Shareholders in support of such nomination;

(c) The Nominating Committee recommends that the full Board of Directors consider including the individual in the Company's proxy statement for the upcoming meeting; and

(d) The Board of Directors, by majority vote, determines that such inclusion is not prohibited by the Company's Articles of Continuance, referred to herein as the Articles of Incorporation ("Articles of Incorporation"), other provisions of these Bylaws in effect from time to time, or Wyoming law and that the proposed individual(s) shall be nominated at the meeting for election as directors and included in the Company's proxy statement.

2.19 ADVANCE NOTICE REQUIREMENT FOR SHAREHOLDER PROPOSALS. In addition to the requirements of Section 2.18, for any matter to be considered as a proper purpose for consideration by the Shareholders at an annual or special meeting, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before a meeting, business must be (a) brought before the meeting by the Company and specified in the notice of meeting given by or at the direction of the Board of Directors, (b) brought before the meeting by or at the direction of the President or Board of Directors, or (c) otherwise properly brought before the meeting by a Shareholder who (i) was a Shareholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such

beneficial owner was the beneficial owner of shares of the Company) both at the time of giving the notice provided for in this Section and at the time of the meeting, (ii) is entitled to vote at the meeting, and (iii) has complied with this Section as to such business.

For business to be property brought before an annual or special meeting by a Shareholder, the Shareholder must (i) provide Timely Notice (as defined below) of such business in writing and in proper form (as described below) to the President of the Company at the Company's principal office and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section. To be timely, a Shareholder's notice must be delivered to, or mailed and received at, the principal office of the Company (i) not less than thirty (30) calendar days prior to actual date of the annual meeting, or (ii) the date that is ten (10) calendar days after the day on which disclosure of the date of such annual meeting was first made to Shareholders, whichever is earlier (such notice within such time periods, "Timely Notice"). In no event shall any adjournment of a meeting or the announcement thereof commence a new time period for the giving of Timely Notice described above.

To be in proper form for purposes of this Section, a Shareholder's notice to the Secretary of the Company shall include: (a) the name and address of the Shareholder(s) of record proposing an item(s) for the meeting agenda and the class or series and number of shares of the Company that are, directly or indirectly, owned of record or beneficially owned by such Shareholder; and (b) as to each item of business that the Shareholder proposes to bring before the meeting, (i) a reasonably brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of each proposing Shareholder, and (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration). A Shareholder providing notice of business proposed to be brought before a meeting shall update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section shall be true and correct as of the record date for the meeting and as of the date of the meeting or any adjournment or postponement thereof.

The chairman or presiding officer of the meeting shall, if the facts warrant, determine that the business was either properly or not properly brought before the meeting in accordance with this Section, and if the chairman or presiding offer of the meeting should determine that the business was not properly brought before the meeting, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

A proposal to nominate persons for election to the Board, if such persons are not to be included in the Company's proxy statement as a result of the procedures set forth in Section 2.18, including without limitation nomination of persons from the floor for election to the Board, shall satisfy the requirement of this Section.

This Section 2.19 shall not apply to installation by the Board of Directors of a Director to fill a vacancy on the Board.

2.20 REIMBURSEMENT OF EXPENSES OF SUCCESSFUL PROXY CONTEST. The Company shall reimburse the actual, reasonable and bona fide expenses of proxy solicitation incurred by any person who is successful in soliciting proxies in opposition to a solicitation made on behalf of management only after approval of such reimbursement by Shareholders holding at least a majority of the outstanding shares of stock of the Company. For purposes of this Section, a person is "successful" in soliciting proxies in opposition to management only if the following have been satisfied: (a) with respect to a proposal for election of Directors if such Shareholders(s) elects a majority of the class of Directors elected at the meeting; (b) with respect to opposition to a proposal submitted by management if more proxies were voted against such management proposal than were voted for such proposal; and (c) with respect to a Shareholder proposal opposed by management if such proposal is approved by the requisite Shareholder vote. Except as provided in this Section, the Company shall not reimburse any expenses soliciting proxies in opposition to a solicitation made on behalf of the management of the Company.

Article III.
Directors

3.1 GENERAL POWERS. The business and affairs of the Company shall be managed by its Board of Directors, including without limitation oversight of the Company's business

performance and plans; major risks to which the Company is or may be exposed; the performance and compensation of the Chief Executive Officer; policies and practices to foster the Company's compliance with law and ethical conduct; preparation of the Company's financial statements; the effectiveness of the Company's internal controls; arrangements for providing adequate and timely information to Directors; and the composition of the Board and its committees, taking into account the role of independent Directors.

3.2 NUMBER, TENURE AND QUALIFICATIONS. The number of Directors shall be a variable range of at least one (1) Director but not more than twelve (12) Directors, with the number of Directors fixed or changed within the minimum and maximum numbers of the range from time to time by resolution of the Board of Directors. Each Director shall hold office until the next annual meeting of Shareholders or until his or her successor shall have been elected and qualified. The term of each independent Director (as defined in the rules and regulations of the Securities and Exchange Commission) shall be two terms, unless the Chairman of the Board of Directors specifically recommends and the full Board approves one additional term for each such independent Director. Directors shall be natural persons, eighteen (18) years of age or older, but need not be residents of Wyoming or Shareholders of the Company.

3.3 REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held without other notice than these Bylaws, immediately after, and at the same place as, the annual meeting of Shareholders for the purpose of organization, election of corporate officers, election or appointment of other officers, agents or employees and for any other proper business. The Board of Directors may provide, by resolution, the time and place, either within or outside the State of Wyoming, for the holding of additional regular meetings without other notice than such resolution.

3.4 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or the Chairman of the Board of Directors. The person authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Wyoming, as the place for holding any special meeting of the Board of Directors so called.

3.5 NOTICE. Notice of any special meeting shall be given at least twenty-four (24) hours previously thereto by written notice delivered personally or by mail or facsimile to each Director at his or her business address. If mailed, such notice shall be deemed to be delivered when deposited in the mail in a sealed envelope so addressed, with postage thereon prepaid. If notice is given by facsimile, such notice shall be deemed to be delivered when the transmitting facsimile machine confirms the transmission. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to

be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

3.6 QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, provided, that if less than a majority of the Directors are present at said meeting, a majority of the Directors present may adjourn the meeting for a period not to exceed thirty (30) days without further notice.

3.7 MANNER OF ACTING. Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

3.8 COMPENSATION. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expense of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board of Directors; provided that nothing herein contained shall be construed to preclude any Director from serving the Company in any other capacity and receiving compensation therefor or from receiving compensation for any extraordinary or unusual services as a Director.

3.9 ACTION BY DIRECTORS WITHOUT MEETING. Any action required to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting forth the action so taken is signed by all of the Directors and included in the minutes or filed with the corporate records reflecting the action taken. Actions taken by written unanimous consent are effective when the last Director signs the consent, unless the consent specifies a different effective date. Such consent shall have the same force and effect as a unanimous vote of the Directors.

3.10 PARTICIPATION BY ELECTRONIC MEANS. Any members of the Board of Directors or any committee designated by such Board may participate in a meeting of the Board of Directors or committee by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

3.11 VACANCIES. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his or her predecessor in office. Any directorship to be filled by reason of an increase in the number of Directors may be filled by the affirmative vote of a majority of the Directors then in office or by an election at an annual meeting or at a special meeting called for that purpose. A Director chosen to fill a position resulting from an increase in the number of Directors shall hold office until the next election of Directors by the Shareholders and until his or her successor shall have been elected and qualified.

3.12 RESIGNATION. Any Director of the Company may resign at any time by giving written notice to the President or the Secretary of the Company. The resignation of any Director shall take effect upon receipt of notice thereof or at such later time as shall be specified in such

notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. When one or more Directors shall resign from the Board, effective at a future date, a majority of the Directors then in office, including those who have so resigned or a majority of the Shareholders, shall have power to fill such vacancy or vacancies, the results of the vote thereon to take effect when such resignation or resignations shall become effective.

3.13 REMOVAL OF DIRECTORS. At a special meeting called expressly for the purpose of removal of Directors, the Shareholders entitled to vote for a Director may remove such Director, with or without cause, by a vote of the holders of the majority of the shares then entitled to vote for such Director at an election of Directors. The notice for any special meeting at which it is proposed that a Director be removed must specifically state that such is the purpose of the meeting.

3.14 PRESUMPTION OF ASSENT. A Director of the Company who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his or her dissent shall be entered in the minutes of the meeting or unless he or she shall file his or her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Article IV.
Committees

4.1 DESIGNATION AND AUTHORITY. The Board of Directors may adopt a resolution designating from among its members an Executive Committee and one or more other committees each of which, to the extent provided in the resolution, shall have all the authority of the Board of Directors; except no committee shall have the authority of the Board of Directors in reference to amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending to the Shareholders the sale, lease, exchange, or other disposition of all or substantially all of the property and assets of the Company otherwise than in the usual and regular course of its business, or recommending to the Shareholders a voluntary dissolution of the Company or a revocation thereof. Unless specifically authorized by the Board of Directors, a committee may not authorize or approve distributions except according to a formula or method, or within limits, prescribed by the Board; approve or propose to Shareholders action that the Act requires to be approved by Shareholders; fill vacancies on the Board or on any of its committees; or adopt, amend or repeal these Bylaws. The designation of such committees and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

4.2 COMPENSATION. The members of any committee shall not receive any stated salary for their services as such, but by resolution of the Board of Directors a fixed reasonable sum or expenses of attendance, if any, or both, may be allowed for attendance at each regular or special meeting of such committee. The Board of Directors shall have power in its discretion to contract for and to pay to any member of any committee, rendering usual or exceptional services to the Company, special compensation appropriate to the value of such services.

Article V.
Officers

5.1 NUMBER. The Company shall have the corporate offices of a Chief Executive Officer/President, Secretary, and Treasurer/Chief Financial Officer, each of whom shall be appointed by the Board of Directors, all of which shall be executive officers and shall be elected by the Board. Such other officers and assistant officers as may be deemed necessary may be appointed by the Board of Directors. One or more vice presidents shall be executive officers if the Board so determines by resolution. Such other officers and assistant officers, as may be deemed necessary, shall be designated administrative assistant officers and may be appointed and removed by the Board of Directors. Any two or more offices may be held by the same person. The Officers of the Company shall be natural persons of the age of eighteen (18) years or older.

5.2 APPOINTMENT AND TERM OF OFFICE. The executive officers of the Company shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of Shareholders. If the appointment of executive officers shall not be held at such meeting, such appointment shall be held as soon thereafter as reasonably possible. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each executive officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death or until he or she shall resign or shall have been removed in the manner hereinafter provided.

5.3 REMOVAL. Any officer or agent appointed by the Board of Directors may be removed with or without cause by (i) the Board of Directors, (ii) the officer who appointed such officer, or (iii) any other officer as authorized by the Board. Appointment of an officer or agent shall not of itself create contract rights.

5.4 VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

5.5 CHIEF EXECUTIVE OFFICER AND PRESIDENT. The President shall be the chief executive officer of the Company and shall in general supervise and control all of the business and affairs of the Company. The President shall have general supervision of all other officers, agents and employees of the Company, and in any case when the duties of the officers, agents or employees of the Company are not specifically prescribed by the Bylaws or by Board resolution, they shall be supervised by the President. He or she may sign, with the Secretary or any other proper officer of the Company thereunto authorized by the Board of Directors, certificates for shares of the Company, any deeds, mortgages, bonds, contracts, or other instruments, which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Company, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

The Chief Executive Officer shall also serve as the Chairman of the Board of Directors, unless otherwise determined by the Board. The Chairman shall preside at all meetings of the Shareholders and of the Board.

5.6 THE VICE PRESIDENTS. If appointed by the Board of Directors, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall, in the absence of the President or in the event of his or her death, inability or refusal to act, perform all duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the Company; and shall perform such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

5.7 THE TREASURER/CHIEF FINANCIAL OFFICER. Unless otherwise determined by the Board, the offices of Treasurer and Chief Financial Officer shall be served by the same person. The Chief Financial Officer/Treasurer shall:

(a) Have charge and custody of and be responsible for all funds and securities of the Company from any source whatsoever, and deposit all such monies in the name of the Company in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Article VI of these Bylaws; and

(b) In general perform all the duties incident to the office of Chief Financial Officer/Treasurer, including without limitation duties required of a Chief Financial Officer pursuant to applicable securities laws, and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

5.8 THE SECRETARY. The Secretary shall:

(a) Keep the Minutes of the Shareholders' and of the Board of Directors' meetings in one or more books provided for that purpose;

(b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;

(c) Be custodian of the corporate records and of the seal (if any) of the Company and see that any such seal of the Company is affixed to all certificates for shares prior to the issue thereof and to all documents, and execution of which on behalf of the Company under its seal is duly authorized in accordance with the provisions of these Bylaws;

(d) Keep, or cause to be kept, a register of the address of each Shareholder which shall be furnished by such Shareholder;

(e) Sign with the President, or a Vice President, certificates for shares of the Company, the issuance of which shall have been authorized by resolution of the Board of Directors;

(f) Have general charge of the stock transfer books of the Company; and

(g) In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the President or by the Board of Directors.

5.9 ASSISTANT OFFICERS. The Board may elect (or delegate to the Chairman or to the President the right to appoint) such other officers and agents as may be necessary or desirable for the business of the Company who shall perform such duties as shall be assigned to them by the President, the Board of Directors, or the officer to whom they are to serve as an assistant.

5.10 SALARIES. The salaries of the executive officers shall be fixed from time to time by the Board of Directors and no Officer shall be prevented from receiving such salary by reason of the fact that he or she is also a Director of the Company. The salaries of the assistant officers shall be fixed by the Chief Executive Officer.

Article VI.
Contracts, Loans, Checks and Deposits

6.1 CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

6.2 LOANS. No loans shall be contracted on behalf of the Company and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. The Board of Directors may from time to time: (a) borrow money upon the credit of the Company in such amount and upon such terms as they think proper; (b) hypothecate, pledge or mortgage the real and personal property of the Company; (c) provide security for any loan to the Company; (d) sign bills, notes, contracts and other evidences of, security for, money borrowed or to be borrowed; and (e) authorize one or more directors or officers of the Company, with or without substitution, to execute any or all documents necessary for the above purposes.

6.3 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Company, shall be signed by such officer or officers, agent or agents of the Company and in such manner as shall from time to time be determined by resolution of the Board of Directors.

6.4 DEPOSITS. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies or other depositories as the Board of Directors may select.

Article VII.
Certificates for Shares and Their Transfer

7.1 REGULATION. The Board of Directors may make such rules and regulations as it may deem appropriate concerning the issuance, transfer and registration of shares of the Company, including the appointment of transfer agents and registrars. In addition, the Board of Directors may determine that shares of the Company need not be evidenced by certificates. In such case, the Company shall, within a reasonable time after the issue or transfer of uncertificated shares, send the shareholder a written statement of the information set forth below in Section 7.2.

7.2 CERTIFICATES FOR SHARES. Certificates representing shares of the Company, if issued, shall be respectively numbered serially for each class of shares, or series thereof, as they are issued, may be impressed with the corporate seal, if any, or a facsimile thereof, and shall be signed by the Corporate officers in accordance with these Bylaws; provided that such signatures may be facsimile if the certificate is countersigned by a transfer agent, or registered by a registrar other than the Company itself or its employee. Each certificate shall state the name of the Company, the fact that the Company is a Wyoming corporation, the name of the person to whom issued, the date of issue, the class (or series of any class), and the number of shares represented thereby, including the class of shares and the designation of series, if applicable. A statement of the designations, preferences, and rights of the shares of each class shall be set forth in full or summarized on the face or back of the certificates which the Company shall issue, or in lieu thereof, the certificate may set forth that such a statement or summary will be furnished to any Shareholder upon request without charge. Each certificate shall be otherwise in such form as may be prescribed by the Act.

The Company may, but shall not be obligated to, issue scrip in lieu of any fractional shares, such scrip to have terms and conditions specified by the Board of Directors and the Act.

7.3 CANCELLATION OF CERTIFICATES. All certificates surrendered to the Company for transfer shall be cancelled and no new certificates shall be issued in lieu thereof until the former certificate for a like number of shares shall have been surrendered and cancelled, except as herein provided with respect to lost, stolen or destroyed certificates.

7.4 LOST, STOLEN OR DESTROYED CERTIFICATES. Any Shareholder claiming that his or her certificate for shares is lost, stolen or destroyed may make an affidavit or affirmation of that fact and lodge the same with the Secretary of the Company, accompanied by a written request for a new certificate. Thereupon, such Shareholder shall give a satisfactory bond of indemnity to the Company not exceeding an amount double the value of the shares as represented by such certificate (but only if such bond is expressly required by the President of the Company) and a new certificate may be issued representing the same number, class and series of shares as were represented by the certificate alleged to be lost, stolen or destroyed.

7.5 TRANSFER OF SHARES. Subject to the terms of any shareholder agreement relating to the transfer of shares, any restrictions provided by applicable law, or other transfer restrictions contained in the Articles of Incorporation or these Bylaws, shares of the Company shall be transferable on the books of the Company by the holder thereof in person or by his or her duly authorized attorney, upon the surrender and cancellation of a certificate or certificates for a like number of shares (if such shares are evidenced by a certificate). Upon presentation and surrender of a certificate for shares properly endorsed and payment of all taxes therefor, the transferee shall be entitled to a new certificate or certificates in lieu thereof. As against the Company, a transfer of shares can be made only on the books of the Company and in the manner hereinabove provided, and the Company shall be entitled to treat the holder of record of any share as the owner thereof and shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person, whether or not it shall have express or other notice thereof, save as expressly provided by the statutes of the State of Wyoming.

Article VIII.
Voting upon shares of other Corporations

Unless otherwise ordered by the Board of Directors, the President shall have full power and authority on behalf of the Company to vote either in person or by proxy at any meeting of Shareholders, and at any such meeting may possess and exercise all of the rights and powers incident to the ownership of such shares which, as the owner thereof, this Company might have possessed and exercised if present. The Board of Directors may confer like powers upon any other person and may revoke any such powers as granted at its pleasure.

Article IX.
Indemnification

The Company shall indemnify a Director as required by the mandatory indemnification provisions of the Act, to the extent applicable, and as otherwise provided in the Articles of Incorporation.

Article X.
Fiscal Year

The fiscal year of the Company shall be such twelve-month period as determined by the Board of Directors.

Article XI.
Dividends

The Board of Directors may from time to time, declare, and the Company may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Articles of Incorporation.

Article XII.
Waiver of Notice

Whenever any notice whatever is required to be given under the provisions of these Bylaws or under the provisions of the Articles of Incorporation or under the provisions of the law under which this Company is organized, waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Article XIII.
Conflict with Applicable Law or Certificate of Incorporation

These Bylaws are adopted subject to any applicable law and the Articles of Incorporation. Whenever these Bylaws may conflict with any applicable law or the Articlees of Incorporation, such conflict shall be resolved in favor of such law or the Articles of Incorporation.

Article XIV.
Amendments

To the extent permitted by the Act, these Bylaws may be altered, amended or repealed, and new Bylaws may be adopted, by a majority vote of the Board of Directors.

JUNE 2014 STOCK INCENTIVE PLAN

For:

HELIUS MEDICAL TECHNOLOGIES, INC.

Dated June 18, 2014

Helius Medical Technologies, Inc.
12 Penns Trail
Newtown, PA 18940

HELIUS MEDICAL TECHNOLOGIES, INC.

JUNE 2014 STOCK INCENTIVE PLAN

1. PURPOSE

1.1 The purpose of this June 2014 Stock Incentive Plan (the "Plan") is to advance the interests of Helius Medical Technologies, Inc. (the "Company") by encouraging Eligible Participants (as herein defined) to acquire shares of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnish them with additional incentive in their efforts on behalf of the Company in the conduct of their affairs.

1.2 This Plan is specifically designed for Eligible Participants of the Company who are residents of the United States and/or subject to taxation in the United States, although Awards (as herein defined) under this Plan may be issued to other Eligible Participants.

2. DEFINITIONS

2.1 As used herein, the following definitions shall apply:

(a) "Administrator" means the Committee or otherwise the Board;

(b) "Affiliate" and "Associate" have the meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act;

(c) "Applicable Laws" means the legal requirements relating to the administration of stock incentive plans, if any, under applicable provisions of federal securities laws, state corporate laws, state or provincial securities laws, the Code, the rules of any applicable stock exchange or national market system, and the rules of any foreign jurisdiction applicable to Awards granted to residents therein;

(d) "Award" means the grant of an Option, SAR, Restricted Stock, unrestricted Shares, Restricted Stock Unit, Deferred Stock Unit or other right or benefit under this Plan;

(e) "Award Agreement" means the written agreement evidencing the grant of an Award executed by the Company and the Grantee, including any amendments thereto;

(f) "Award Right" means each right to acquire a Share pursuant to an Award;

(g) "Board" means the Board of Directors of the Company;

(h) "Cause" means, with respect to the termination by the Company or a Related Entity of the Grantee's Continuous Service, that such termination is for "Cause"

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as such term is expressly defined in a then-effective written agreement between the Grantee and the Company or such Related Entity, or in the absence of such then-effective written agreement and definition, is based on, in the determination of the Administrator, the Grantee's:

(i) refusal or failure to act in accordance with any specific, lawful direction or order of the Company or a Related Entity;

(ii) unfitness or unavailability for service or unsatisfactory performance (other than as a result of Disability);

(iii) performance of any act or failure to perform any act in bad faith and to the detriment of the Company or a Related Entity;

(iv) dishonesty, intentional misconduct or material breach of any agreement with the Company or a Related Entity; or

(v) commission of a crime involving dishonesty, breach of trust, or physical or emotional harm to any person;

(i) "Change of Control" means, except as provided below, a change in ownership or control of the Company effected through any of the following transactions:

(i) the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than 50% of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's shareholders which a majority of the Continuing Directors who are not Affiliates or Associates of the offeror do not recommend such shareholders accept;

(ii) a change in the composition of the Board over a period of 36 months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors;

(iii) the sale or exchange by the Company (in one or a series of transactions) of all or substantially all of its assets to any other person or entity; or

(iv) approval by the shareholders of the Company of a plan to dissolve and liquidate the Company.

Notwithstanding the foregoing, the following transactions shall not constitute a "Change of Control":

(i) the closing of any public offering of the Company's securities pursuant to an effective registration statement filed under the United States *Securities Act of 1933*, as amended;

(ii) the closing of a public offering of the Company's securities through the facilities of any stock exchange; or

(iii) with respect to an Award that is subject to Section 409A of the Code, and payment or settlement of such Award is to be accelerated in connection with an event that would otherwise constitute a Change of Control, no event set forth previously in this definition shall constitute a Change of Control for purposes of this Plan or any Award Agreement unless such event also constitutes a "change in the ownership", a "change in the effective control" or a "change in the ownership of a substantial portion of the assets of the corporation" as defined under Section 409A of the Code and Treasury guidance formulated thereunder, which guidance currently provides that:

(A) a change in ownership of a corporation shall be deemed to have occurred if any one person or more than one person acting as a group acquires stock of a corporation that constitutes more than 50% of the total Fair Market Value or total voting power of the stock of the corporation. Stock acquired by any person or group of people who already owns more than 50% of such total Fair Market Value or total voting power of stock shall not trigger a change in ownership;

(B) a change in the effective control of a corporation generally shall be deemed to have occurred if within a 12-month period either:

(I) any one person or more than one person acting as a group acquires ownership of stock possessing 35% or more of the total voting power of the stock of the corporation; or

(II) a majority of the members of the corporation's board of directors is replaced by directors whose appointment or election is not endorsed by a majority of the members of the corporation's board of directors prior to the date of the appointment or election; and

(C) a change in the ownership of a substantial portion of the corporation's assets generally is deemed to occur if within a 12-month period any person, or more than one person acting as a group, acquires assets from the corporation that have a total gross fair market value at least equal to 40% of the total gross fair market value of all the corporation's assets immediately prior to such acquisition. The gross fair market value of assets is determined without regard to any liabilities;

(j) "Code" means the United States *Internal Revenue Code of 1986*, as amended;

(k) "Committee" means the Compensation Committee or any other committee appointed by the Board to administer this Plan in accordance with the provisions of this Plan; provided, however, that:

(i) where available, the Committee shall consist of two or more members of the Board;

(ii) where available, the directors appointed to serve on the Committee shall be "non-employee directors" (within the meaning of Rule 16b-3 promulgated under the Exchange Act) and "outside directors" (within the meaning of Section 162(m) of the Code) to the extent that Rule 16b-3 and, if necessary for relief from the limitation under Section 162(m) of the Code and such relief is sought by the Company, Section 162(m) of the Code, respectively, are applicable;

(iii) the mere fact that a Committee member shall fail to qualify under either of the foregoing requirements set forth in Section 2.1(k)(ii) shall not invalidate any Award made by the Committee which Award is otherwise validly made under the Plan; and

(iv) members of the Committee may be appointed from time to time by, and shall serve at the pleasure of, the Board;

(l) "Common Stock" means the Class A Common stock of the Company;

(m) "Company" means Helius Medical Technologies, Inc., a Wyoming corporation;

(n) "Consultant" means any person (other than an Employee) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity;

(o) "Continuing Directors" means members of the Board who either (i) have been Board members continuously for a period of at least 36 months, or (ii) have been Board members for less than 36 months and were appointed or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such appointment or nomination was approved by the Board;

(p) "Continuous Service" means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant that is not interrupted or terminated. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers between locations of the Company or among the Company, any Related Entity, or any successor, in

any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Award Agreement). An approved leave of absence shall include sick leave, maternity or paternity leave, military leave, or any other authorized personal leave. For purposes of Incentive Stock Options, no such leave may exceed 90 calendar days, unless reemployment upon expiration of such leave is guaranteed by statute or contract;

(q) "Corporate Transaction" means any of the following transactions:

(i) a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is organized;

(ii) the sale, transfer or other disposition of all or substantially all of the assets of the Company (including the capital stock of the Company's subsidiary corporations) in connection with the complete liquidation or dissolution of the Company; or

(iii) any reverse merger in which the Company is the surviving entity but in which securities possessing more than 50% of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger;

(r) "Covered Employee" means an Employee who is a "covered employee" under Section 162(m)(3) of the Code;

(s) "Deferred Stock Units" means Awards that are granted to Directors and are subject to the additional provisions set out in Subpart A which is attached hereto and which forms a material part hereof;

(t) "Director" means a member of the Board or the board of directors of any Related Entity;

(u) "Disability" or "Disabled" means that a Grantee is unable to carry out the responsibilities and functions of the position held by the Grantee by reason of any medically determinable physical or mental impairment. A Grantee shall not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion. Notwithstanding the above, (i) with respect to an Incentive Stock Option, Disability or Disabled shall mean permanent and total disability as defined in Section 22(e)(3) of the Code and (ii) to the extent an Option is subject to Section 409A of the Code, and payment or settlement of the Option is to be accelerated solely as a result of the Eligible Participant's Disability, Disability shall have the meaning ascribed thereto under Section 409A of the Code and the Treasury guidance promulgated thereunder;

(v) "Disinterested Shareholder Approval" means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares beneficially owned by Insiders;

(w) "Eligible Participant" means any person who is an Officer, a Director, an Employee or a Consultant, including individuals who are foreign nationals or are employed or reside outside the United States;

(x) "Employee" means any person who is a full-time or part-time employee of the Company or any Related Entity;

(y) "Exchange Act" means the United States *Securities Exchange Act of 1934*, as amended;

(z) "Fair Market Value" means, as of any date, the value of a Share determined in good faith by the Administrator. By way of illustration, but not limitation, for the purpose of this definition, good faith shall be met if the Administrator employs the following methods:

(i) Listed Stock. If the Common Stock is traded on any established stock exchange or quoted on a national market system, Fair Market Value shall be (A) the closing sales price for the Common Stock as quoted on that stock exchange or system for the date the value is to be determined (the "Value Date"), or (B) if the rules of the applicable stock exchange require, the volume-weighted average trading price for five days prior to the date the Board approves the grant of the Award. If no sales are reported as having occurred on the Value Date, Fair Market Value shall be that closing sales price for the last preceding trading day on which sales of Common Stock is reported as having occurred. If no sales are reported as having occurred during the five trading days before the Value Date, Fair Market Value shall be the closing bid for Common Stock on the Value Date. If the Common Stock is listed on multiple exchanges or systems, Fair Market Value shall be based on sales or bids on the primary exchange or system on which Common Stock is traded or quoted. If the rules of any applicable stock exchange or system require a different method of calculating Fair Market Value, then such method as is required by those rules;

(ii) Stock Quoted by Securities Dealer. If Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported on any established stock exchange or quoted on a national market system, Fair Market Value shall be the mean between the high bid and low asked prices on the Value Date. If no prices are quoted for the Value Date, Fair Market Value shall be the mean between the high bid and low asked prices on the last preceding trading day on which any bid and asked prices were quoted;

(iii) No Established Market. If Common Stock is not traded on any established stock exchange or quoted on a national market system and is not quoted by a recognized securities dealer, the Administrator will determine Fair Market Value in good faith. The Administrator will consider the following factors, and any others it considers significant, in determining Fair Market Value: (A) the price at which other securities of the Company have been issued to purchasers other than Employees, Directors, or Consultants; (B) the Company's net worth, prospective earning power, dividend-paying capacity, and non-operating assets, if any; and (C) any other relevant factors, including the economic outlook for the Company and the Company's industry, the Company's position in that industry, the Company's goodwill and other intellectual property, and the values of securities of other businesses in the same industry;

(iv) Additional Valuation. For publicly traded companies, any valuation method permitted under Section 20.2031-2 of the Estate Tax Regulations; or

(v) Non-Publicly Traded Stock. For non-publicly traded stock, the Fair Market Value of the Common Stock at the Grant Date based on an average of the Fair Market Values as of such date set forth in the opinions of completely independent and well-qualified experts (the Participant's status as a majority or minority shareholder may be taken into consideration).

Regardless of whether the Common Stock offered under the Award is publicly traded, a good faith attempt under this definition shall not be met unless the Fair Market Value of the Common Stock on the Grant Date is determined with regard to nonlapse restrictions (as defined in Section 1.83-3(h) of the Treasury Regulations) and without regard to lapse restrictions (as defined in Section 1.83-3(i) of the Treasury Regulations);

(aa) "Grantee" means an Eligible Participant who receives an Award pursuant to an Award Agreement;

(bb) "Grant Date" means the date the Administrator approves that grant of an Award. However, if the Administrator specifies that an Award's Grant Date is a future date or the date on which a condition is satisfied, the Grant Date for such Award is that future date or the date that the condition is satisfied;

(cc) "Incentive Stock Option" means an Option within the meaning of Section 422 of the Code;

(dd) "Insider" means:

(i) a Director or Senior Officer of the Company;

(ii) a Director or Senior Officer of a person that is itself an Insider or Subsidiary of the Company;

(iii) a person that has

(A) direct or indirect beneficial ownership of,

(B) control or direction over, or

(C) a combination of direct or indirect beneficial ownership of and control or direction over,

securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the person as underwriter in the course of a distribution; or

(iv) the Company itself, if it has purchased, redeemed or otherwise acquired any securities of its own issue, for so long as it continues to hold those securities;

(ee) "Named Executive Officer" means, if applicable, an Eligible Participant who, as of the date of vesting and/or payout of an Award, is one of the group of Covered Employees as defined;

(ff) "Non-Qualified Stock Option" means an Option which is not an Incentive Stock Option;

(gg) "Officer" means a person who is an officer, including a Senior Officer, of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder;

(hh) "Option" means an option to purchase Shares pursuant to an Award Agreement granted under the Plan;

(ii) "Parent" means a "parent corporation", whether now or hereafter existing, as defined in Section 424(e) of the Code;

(jj) "Performance-Based Compensation" means compensation qualifying as "performance-based compensation" under Section 162(m) of the Code;

(kk) "Plan" means this 2014 Stock Incentive Plan as amended from time to time;

(ll) "Related Entity" means any Parent or Subsidiary, and includes any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or a Subsidiary holds a greater than 50% ownership interest, directly or indirectly;

(mm) "Related Entity Disposition" means the sale, distribution or other disposition by the Company of all or substantially all of the Company's interests in any Related Entity effected by a sale, merger or consolidation or other transaction involving that Related Entity or the sale of all or substantially all of the assets of that Related Entity;

(nn) "Restricted Stock" means Shares issued under the Plan to the Grantee for such consideration, if any, and subject to such restrictions on transfer, rights of first refusal, repurchase provisions, forfeiture provisions, and other terms and conditions as, established by the Administrator and specified in the related Award Agreement;

(oo) "Restricted Stock Unit" means a notional account established pursuant to an Award granted to a Grantee, as described in this Plan, that is (i) valued solely by reference to Shares, (ii) subject to restrictions specified in the Award Agreement, and (iii) payable only in Shares;

(pp) "Restriction Period" means the period during which the transfer of Shares of Restricted Stock is limited in some way (based on the passage of time, the achievement of performance objectives, or the occurrence of other events as determined by the Administrator, in its sole discretion) or the Restricted Stock is not vested;

(qq) "SAR" means a stock appreciation right entitling the Grantee to Shares or cash compensation, as established by the Administrator, measured by appreciation in the value of Common Stock;

(rr) "SEC" means the United States Securities Exchange Commission;

(ss) "Senior Officer" means:

(i) the chair or vice chair of the Board, the president, the chief executive officer, the chief financial officer, a vice-president, the secretary, the treasurer or the general manager of the Company or a Related Entity;

(ii) any individual who performs functions for a person similar to those normally performed by an individual occupying any office specified in Section 2.1(ss)(i) above; and

(iii) the five highest paid employees of the Company or a Related Entity, including any individual referred to in Section 2.1(ss)(i) or 2.1(ss)(ii) and excluding a commissioned salesperson who does not act in a managerial capacity;

(tt) "Share" means a share of the Common Stock; and

(uu) "Subsidiary" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. STOCK SUBJECT TO THE PLAN

Number of Shares Available

3.1 (a) Subject to the provisions of Section 18, the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Stock Options) under this Plan is 12,108,016 (the "**Maximum Number**"). See Section 29 for Reservation of Shares.

(b) Shares that have been issued under the Plan pursuant to an Award shall not be returned to the Plan and shall not become available for future issuance under the Plan except that Shares (i) covered by an Award (or portion of an Award) which is forfeited or cancelled, expires or is settled in cash, or (ii) withheld to satisfy a Grantee's minimum tax withholding obligations, shall be deemed not to have been issued for purposes of determining the Maximum Number of Shares which may be issued under the Plan. Also, only the net numbers of Shares that are issued pursuant to the exercise of an Award shall be counted against the Maximum Number.

(c) However, in the event that prior to the Award's cancellation, termination, expiration, forfeiture or lapse, the holder of the Award at any time received one or more elements of beneficial ownership pursuant to such Award (as defined by the SEC, pursuant to any

rule or interpretations promulgated under Section 16 of the Exchange Act), the Shares subject to such Award shall not again be made available for regrant under the Plan.

Shares to Insiders

3.2 Subject to Section 15.1(b) and 15.1(c), no Insider of the Company is eligible to receive an Award where:

(a) the Insider is not a Director or Senior Officer of the Company;

(b) any Award, together with all of the Company's other previously established or proposed Awards under the Plan could result at any time in:

(i) the number of Shares reserved for issuance pursuant to Options granted to Insiders exceeding 50% of the outstanding issue of Common Stock; or

(ii) the issuance to Insiders pursuant to the exercise of Options, within a one year period of a number of Shares exceeding 50% of the outstanding issue of the Common Stock;

provided, however, that this restriction on the eligibility of Insiders to receive an Award shall cease to apply if it is no longer required under any Applicable Laws.

Limitations on Award

3.3 Unless and until the Administrator determines that an Award to a Grantee is not designed to qualify as Performance-Based Compensation, the following limits (the "Award Limits") shall apply to grants of Awards to Grantees subject to the Award Limits by Applicable Laws under this Plan:

(a) Options and SARs. Notwithstanding any provision in the Plan to the contrary (but subject to adjustment as provided in Section 18), the maximum number of Shares with respect to one or more Options and/or Stock Appreciation Rights that may be granted during any one calendar year under the Plan to any one Grantee shall be 2,421,500; all of which may be granted as Incentive Stock Options); and

(b) Other Awards. The maximum aggregate grant with respect to Awards of Restricted Stock, unrestricted Shares, Restricted Stock Units and Deferred Stock Units (or used to provide a basis of measurement for or to determine the value of Restricted Stock Units and Deferred Stock Units) in any one calendar year to any one Grantee (determined on the date of payment of settlement) shall be 2,421,500.

4. ADMINISTRATION

Authority of Plan Administrator

4.1 Authority to control and manage the operation and administration of this Plan shall be vested in the Administrator.

Powers of the Administrator

4.2 Subject to Applicable Laws and the provisions of the Plan or subplans hereof (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the exclusive power and authority, in its discretion:

(a) to construe and interpret this Plan and any agreements defining the rights and obligations of the Company and Grantees under this Plan;

(b) to select the Eligible Participants to whom Awards may be granted from time to time hereunder;

(c) to determine whether and to what extent Awards are granted hereunder;

(d) to determine the number of Shares or the amount of other consideration to be covered by each Award granted hereunder;

(e) to approve forms of Award Agreements for use under the Plan, which need not be identical for each Grantee;

(f) to determine the terms and conditions of any Award granted under the Plan, including, but not limited to, the exercise price, grant price or purchase price based on the Fair Market Value of the same, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of the Award, and acceleration or waivers thereof, based in each case on such considerations as the Committee in its sole discretion determines that is not inconsistent with any rule or regulation under any tax or securities laws or includes an alternative right that does not disqualify an Incentive Stock Option under applicable regulations;

(g) to amend the terms of any outstanding Award granted under the Plan, provided that any amendment that would adversely affect the Grantee's rights under an existing Award shall not be made without the Grantee's consent unless as a result of a change in Applicable Law;

(h) to suspend the right of a holder to exercise all or part of an Award for any reason that the Administrator considers in the best interest of the Company;

(i) subject to regulatory approval, amend or suspend the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan, shall, without the written consent of all Grantees, alter or impair any Award granted under the Plan unless as a result of a change in the Applicable Law;

(j) to establish additional terms, conditions, rules or procedures to accommodate the rules or laws of applicable foreign jurisdictions and to afford Grantees favorable treatment under such laws; provided, however, that no Award shall be granted under any such additional terms, conditions, rules or procedures with terms or conditions which are inconsistent with the provisions of the Plan;

(k) to further define the terms used in this Plan;

(l) to correct any defect or supply any omission or reconcile any inconsistency in this Plan or in any Award Agreement;

(m) to provide for rights of refusal and/or repurchase rights;

(n) to amend outstanding Award Agreements to provide for, among other things, any change or modification which the Administrator could have provided for upon the grant of an Award or in furtherance of the powers provided for herein that does not disqualify an Incentive Stock Option under applicable regulations unless the Grantee so consents;

(o) to prescribe, amend and rescind rules and regulations relating to the administration of this Plan; and

(p) to take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

Effect of Administrator's Decision

4.3 All decisions, determinations and interpretations of the Administrator shall be conclusive and binding on all persons. The Administrator shall not be liable for any decision, action or omission respecting this Plan, or any Awards granted or Shares sold under this Plan. In the event an Award is granted in a manner inconsistent with the provisions of this Section 4, such Award shall be presumptively valid as of its grant date to the extent permitted by the Applicable Laws.

Action by Committee

4.4 Except as otherwise provided by committee charter or other similar corporate governance documents, for purposes of administering the Plan, the following rules of procedure shall govern the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved unanimously in writing by the members of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Parent or Affiliate, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

Limitation on Liability

4.5 To the extent permitted by applicable law in effect from time to time, no member of the Administrator shall be liable for any action or omission of any other member of the Administrator nor for any act or omission on the member's own part, excepting only the member's own wilful misconduct or gross negligence, arising out of or related to this Plan. The Company shall pay expenses incurred by, and satisfy a judgment or fine rendered or levied against, a present or former member of the Administrator in any action against such person (whether or not the Company is joined as a party defendant) to impose liability or a penalty on such person for an act alleged to have been committed by such person while a member of the Administrator arising with respect to this Plan or administration thereof or out of membership on the Administrator or by the Company, or all or any combination of the preceding, provided, the member was acting in good faith, within what such member reasonably believed to have been within the scope of his or her employment or authority and for a purpose which he or she reasonably believed to be in the best interests of the Company or its stockholders. Payments authorized hereunder include amounts paid and expenses incurred in settling any such action or threatened action. The provisions of this Section 4.5 shall apply to the estate, executor, administrator, heirs, legatees or devisees of a member of the Administrator, and the term "person" as used on this Section 4.5 shall include the estate, executor, administrator, heirs, legatees, or devisees of such person.

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5. ELIGIBILITY

Except as otherwise provided, all types of Awards may be granted to Eligible Participants. An Eligible Participant who has been granted an Award may be, if he or she continues to be eligible, granted additional Awards.

6. AWARDS

Type of Awards

6.1 The Administrator is authorized to award any type of arrangement to an Eligible Participant that is not inconsistent with the provisions of the Plan and that by its terms involves or might involve the issuance of:

(a) Shares, including unrestricted Shares;

(b) Options;

(c) SARs or similar rights with a fixed or variable price related to the Fair Market Value of the Shares and with an exercise or conversion privilege related to the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions;

(d) any other security with the value derived from the value of the Shares, such as Restricted Stock and Restricted Stock Units;

(e) Deferred Stock Units;

(f) Dividend Equivalent Rights, as defined in Section 13; or

(g) any combination of the foregoing.

Designation of Award

6.2 Each type of Award shall be designated in the Award Agreement. In the case of an Option, the Option shall be designated as either an Incentive Stock Option or a Non-Qualified Stock Option. But see Section 7.3(a) regarding exceeding the Incentive Stock Option threshold.

7. GRANT OF OPTIONS; TERMS AND CONDITIONS OF GRANT

Grant of Options

7.1 (a) One or more Options may be granted to any Eligible Participant. Subject to the express provisions of this Plan, the Administrator shall determine from the Eligible Participants those individuals to whom Options under this Plan may be granted. The Shares underlying a grant of an Option may be in the form of Restricted Stock or unrestricted Stock.

(b) Further, subject to the express provisions of this Plan, the Administrator shall specify the Grant Date, the number of Shares covered by the Option, the exercise price and the terms and conditions for exercise of the Options. As soon as practicable after the Grant Date, the Company shall provide the Grantee with a written Award Agreement in the form approved by the Administrator, which sets out the Grant Date, the number of Shares covered by the Option, the exercise price and the terms and conditions for exercise of the Option.

(c) The Administrator may, in its absolute discretion, grant Options under this Plan at any time and from time to time before the expiration of this Plan.

General Terms and Conditions

7.2 Except as otherwise provided herein, the Options shall be subject to the following terms and conditions and such other terms and conditions not inconsistent with this Plan as the Administrator may impose:

(a) Exercise of Option. The Administrator may determine in its discretion whether any Option shall be subject to vesting and the terms and conditions of any such vesting. The Award Agreement shall contain any such vesting schedule;

(b) Option Term. Each Option and all rights or obligations thereunder shall expire on such date as shall be determined by the Administrator, but not later than ten years after the Grant Date (five years in the case of an Incentive Stock Option when the Optionee beneficially owns more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary (a "Ten Percent Stockholder"), as determined with reference to Rule 13d-3 of the Exchange Act), and shall be subject to earlier termination as hereinafter provided;

(c) Exercise Price. The Exercise Price of any Option shall be determined by the Administrator when the Option is granted, at such Exercise Price as may be determined by the Administrator in the Administrator's sole and absolute discretion; provided, however, that the Exercise Price may not be less than 100% of the Fair Market Value of the Shares on the Grant Date with respect to any Incentive Stock Options which are granted and, provided further, that the Exercise Price of any Incentive Stock Option granted to a Ten Percent Stockholder shall not be less than 110% of the Fair Market Value of the Shares on the Grant Date. Payment for the Shares purchased shall be made in accordance with Section 16 of this Plan. The Administrator is authorized to issue Options, whether Incentive Stock Options or Non-qualified Stock Options, at an option price lower than or in excess of the Fair Market Value on the Grant Date, to determine the terms and conditions of any Award granted under the Plan, including, but not limited to, the exercise price, grant price or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of the Award, and acceleration or waivers thereof, based in each case on such considerations as the Committee in its sole discretion determines that is not inconsistent with any rule or regulation under any tax or securities laws or includes an alternative right that does not disqualify an Incentive Stock Option under applicable regulations;

(d) Method of Exercise. Options may be exercised only by delivery to the Company of a stock option exercise agreement (the "Exercise Agreement") in a form approved by the Administrator (which need not be the same for each Grantee), stating the number of Shares being purchased, the restrictions imposed on the Shares purchased under such Exercise Agreement, if any, and such representations and agreements regarding the Grantee's investment intent and access to information and other matters, if any, as may be required or desirable by the Company to comply with applicable securities laws, together with payment in full of the exercise price for the number of Shares being purchased;

(e) Exercise After Certain Events.

(i) Termination of Continuous Services.

(A) Options.

(I) Termination of Continuous Services. If for any reason other than Disability or death, a Grantee terminates Continuous Services with the Company or a Subsidiary, vested Options held at the date of such termination may be exercised, in whole or in part, either (i) at any time within three months after the date of such termination, or (ii) during any greater or lesser period as specified in the Award Agreement or (iii) during any greater or lesser period as may be determined by the Administrator, in its sole and absolute discretion, prior the date of such termination (but in no event after the earlier of (A) the expiration date of the Option as set forth in the Award Agreement and (B) ten years from the Grant Date (five years for a Ten Percent Stockholder if the Option is an Incentive Stock Option)).

(II) Continuation of Services as Consultant/Advisor. If a Grantee granted an Incentive Stock Option terminates employment but continues as a Consultant (no termination of Continuous

Services), the Grantee need not exercise an Incentive Stock Option within either of the termination periods provided for immediately hereinabove but shall be entitled to exercise, in whole or in part, either (i) at any time within three months after the then date of termination of Continuous Services to the Company or a Subsidiary, or (ii) during any greater or lesser period as specified in the Award Agreement or (iii) during any greater or lesser period as may be determined by the Administrator, in its sole and absolute discretion, prior the date of such then termination of Continuous

Services to the Company or the Subsidiary (one year in the event of Disability or death) (but in no event after the earlier of (A) the expiration date of the Option as set forth in the Award Agreement and (B) ten years from the Grant Date (five years for a Ten Percent Stockholder if the Option is an Incentive Stock Option)). However, if the Grantee does not exercise within three months of termination of employment, pursuant to Section 422 of the Code the Option shall not qualify as an Incentive Stock Option.

(B) Disability and Death. If a Grantee becomes Disabled while rendering Continuous Services to the Company or a Subsidiary, or dies while employed by the Company or Subsidiary or within three months thereafter, vested Options then held may be exercised by the Grantee, the Grantee's personal representative, or by the person to whom the Option is transferred by the laws of descent and distribution, in whole or in part, at any time within one year after the termination because of the Disability or death or any lesser period specified in the Award Agreement (but in no event after the earlier of (i) the expiration date of the Option as set forth in the Award Agreement, and (ii) ten years from the Grant Date (five years for a Ten Percent Stockholder if the Option is an Incentive Stock Option).

Limitations on Grant of Incentive Stock Options

7.3 (f) Threshold. The aggregate Fair Market Value (determined as of the Grant Date) of the Shares for which Incentive Stock Options may first become exercisable by any Grantee during any calendar year under this Plan, together with that of Shares subject to Incentive Stock Options first exercisable by such Grantee under any other plan of the Company or any Parent or Subsidiary, shall not exceed $100,000. For purposes of this Section 7.3(a), all Options in excess of the $100,000 threshold shall be treated as Non-Qualified Stock Options notwithstanding the designation as Incentive Stock Options. For this purpose, Options shall be taken into account in the order in which they were granted, and the Fair Market Value of the Shares shall be determined as of the date the Option with respect to such Shares is granted.

(b) Compliance with Section 422 of the Code. There shall be imposed in the Award Agreement relating to Incentive Stock Options such terms and conditions as are required in order that the Option be an "incentive stock option" as that term is defined in Section 422 of the Code.

(c) Requirement of Employment. No Incentive Stock Option may be granted to any person who is not an Employee of the Company or a Parent or Subsidiary of the Company.

8. RESTRICTED STOCK AWARDS

Grant of Restricted Stock Awards

8.1 Subject to the terms and provisions of this Plan, the Administrator is authorized to make awards of Restricted Stock to any Eligible Participant in such amounts and subject to such terms and conditions as may be selected by the Administrator. The restrictions may lapse separately or in combination at such times, under such circumstances, in such instalments, time-based or upon the satisfaction of performance goals or otherwise, as the Administrator determines at the time of the grant of the Award or thereafter. (See Performance Goals, Section 14.4). All awards of Restricted Stock shall be evidenced by Award Agreements.

Consideration

8.2 Restricted Stock may be issued in connection with:

(a) Services. Services rendered to the Company or an Affiliate (i.e. bonus); and/or

(b) Purchase Price. A purchase price, as specified in the Award Agreement related to such Restricted Stock, equal to not be less than 100% of the Fair Market Value of the Shares underlying the Restricted Stock on the date of issuance.

Voting and Dividends

8.3 Unless the Administrator in its sole and absolute discretion otherwise provides in an Award Agreement, holders of Restricted Stock shall have the right to vote such Restricted Stock and the right to receive any dividends declared or paid with respect to such Restricted Stock. The Administrator may provide that any dividends paid on Restricted Stock must be reinvested in shares of Stock, which may or may not be subject to the same vesting conditions and restrictions applicable to such Restricted Stock. All distributions, if any, received by a Grantee with respect to Restricted Stock as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Award.

Forfeiture

8.4 In the case of an event of forfeiture pursuant to the Award Agreement, including failure to satisfy the restriction period or a performance objective during the applicable restriction period, any Restricted Stock that has not vested prior to the event of forfeiture shall automatically

expire, and all of the rights, title and interest of the Grantee thereunder shall be forfeited in their entirety including but not limited to any right to vote and receive dividends with respect to the Restricted Stock. Notwithstanding the foregoing, the Administrator may provide in any Award Agreement that restrictions or forfeiture conditions relating to Restricted Stock shall be waived in whole or in part in the event of terminations resulting from specified causes,

and the Administrator may in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Stock, provided such waiver is in accordance with the Applicable Laws.

Certificates for Restricted Stock

8.5 Restricted Stock granted under this Plan may be evidenced in such manner as the Administrator shall determine, including by way of certificates. The Administrator may provide in an Award Agreement that either (i) the Secretary of the Company shall hold such certificates for the Grantee's benefit until such time as the Restricted Stock is forfeited to the Company or the restrictions lapse, (see Escrow; Pledge of Shares, Section 23) or (ii) such certificates shall be delivered to the Grantee, provided, however, that such certificates shall bear a legend or legends that comply with the applicable securities laws and regulations and make appropriate reference to the restrictions imposed under this Plan and the Award Agreement.

9. UNRESTRICTED STOCK AWARDS

The Administrator may, in its sole discretion, grant (or sell at not less than 100% of the Fair Market Value or such other higher purchase price determined by the Administrator in the Award Agreement) an Award of unrestricted Shares to any Grantee pursuant to which such Grantee may receive Shares free of any restrictions under this Plan.

10. RESTRICTED STOCK UNITS

Grant of Restricted Stock Units

10.1 Subject to the terms and provisions of this Plan, the Administrator is authorized to make awards of Restricted Stock Units to any Eligible Participant in such amounts and subject to such terms and conditions as may be selected by the Administrator. These restrictions may lapse separately or in combination at such times, under such circumstances, in such instalments, time-based or upon the satisfaction of performance goals or otherwise, as the Administrator determines at the time of the grant of the Award or thereafter. (See Performance Goals, Section 14.4). All awards of Restricted Stock Units shall be evidenced by Award Agreements.

Number of Restricted Stock Units

10.2 The Award Agreement shall specify the number of Share equivalent units granted and such other provisions as the Administrator determines.

Consideration

10.3 Restricted Stock Units may be issued in connection with:

(a) Services. Services rendered to the Company or an Affiliate (i.e. bonus); and/or

(b) Purchase Price. A purchase price as specified in the Award Agreement related to such Restricted Stock Units, equal to not be less than 100% of the Fair Market Value of the Shares underlying the Restricted Stock Units on the date of issuance.

No Voting Rights

10.4 The holders of Restricted Stock Units shall have no rights as stockholders of the Company.

Dividend Equivalency

10.5 The Administrator, in its sole and absolute discretion, may provide in an Award Agreement evidencing a grant of Restricted Stock Units that the holder shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding Shares, a cash payment for each Restricted Stock Unit. (See Section 13, Dividend Equivalent Right). Such Award Agreement may also provide that such cash payment shall be deemed reinvested in additional Restricted Stock Units at a price per unit equal to the Fair Market Value of a Share on the date that such dividend is paid.

Creditor's Rights

10.6 A holder of Restricted Stock Units shall have no rights other than those of a general creditor of the Company. Restricted Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

Settlement of Restricted Stock Units

10.7 Each Restricted Stock Unit shall be paid and settled by the issuance of Restricted Stock or unrestricted Shares in accordance with the Award Agreement and if such settlement is subject to Section 409A of the Code only upon any one or more of the following as provided for in the Award Agreement:

(a) a specific date or date determinable by a fixed schedule;

(b) upon the Eligible Participant's termination of Continuous Services to the extent the same constitutes a separation from services for purposes of Section 409A of the Code except that if an Eligible Participant is a "key employee" as defined in Section 409A of the Code for such purposes, then payment or settlement shall occur 6 months following such separation of service;

(c) as a result of the Eligible Participant's death or Disability; or

(d) in connection with or as a result of a Change of Control in compliance with Section 409A of the Code.

Forfeiture

10.8 Upon failure to satisfy any requirement for settlement as set forth in the Award Agreement, including failure to satisfy any restriction period or performance objective, any Restricted Stock Units held by the Grantee shall automatically expire, and all of the rights, title

and interest of the Grantee thereunder shall be forfeited in their entirety including but not limited to any right to receive dividends with respect to the Restricted Stock Units.

11. DIRECTOR SHARES AND DIRECTOR DEFERRED STOCK UNITS

The grant of Awards of Shares to Directors and the election by Directors to defer the receipt of the Awards of Shares (the "Deferred Stock Units") shall be governed by the provisions of Subpart A which is attached hereto. The provisions of Subpart A are attached hereto as part of this Plan and are incorporated herein by reference.

12. STOCK APPRECIATION RIGHTS

Awards of SARs

12.1 An SAR is an award to receive a number of Shares (which may consist of Restricted Stock), or cash, or Shares and cash, as determined by the Administrator in accordance with Section 12.4 below, for services rendered to the Company. A SAR may be awarded pursuant to an Award Agreement that shall be in such form (which need not be the same for each Grantee) as the Administrator shall from time to time approve, and shall comply with and be subject to the terms and conditions of this Plan. A SAR may vary from Grantee to Grantee and between groups of Grantees, and may be based upon performance objectives (See Performance Goals in Section 14.4).

Term

12.2 The term of a SAR shall be set forth in the Award Agreement as determined by the Administrator.

Exercise

12.3 A Grantee desiring to exercise a SAR shall give written notice of such exercise to the Company, which notice shall state the proportion of Shares and cash that the Grantee desires to receive pursuant to the SAR exercised, subject to the discretion of the Administrator. Upon receipt of the notice from the Grantee, subject to the Administrator's election to pay cash as provided in Section 12.4 below, the Company shall deliver to the person entitled thereto (i) a certificate or certificates for Shares and/or (ii) a cash payment, in accordance with Section 12.4 below. The date the Company receives written notice of such exercise hereunder is referred to in this Section 12 as the "exercise date".

Number of Shares or Amount of Cash

12.4 Subject to the discretion of the Administrator to substitute cash for Shares, or some portion of the Shares for cash, the amount of Shares that may be issued pursuant to the exercise of a SAR shall be determined by dividing: (i) the total number of Shares as to which the SAR is exercised, multiplied by the amount by which the Fair Market Value of the Shares on the exercise date exceeds the Fair Market Value of a Share on the date of grant of the SAR; by (ii) the Fair Market Value of a Share on the exercise date; provided, however, that fractional Shares shall not be issued and in lieu thereof, a cash adjustment shall be paid. In lieu of issuing Shares

upon the exercise of a SAR, the Administrator in its sole discretion may elect to pay the cash equivalent of the Fair Market Value of the Shares on the exercise date for any or all of the Shares that would otherwise be issuable upon exercise of the SAR.

Effect of Exercise

12.5 A partial exercise of a SAR shall not affect the right to exercise the remaining SAR from time to time in accordance with this Plan and the applicable Award Agreement with respect to the remaining shares subject to the SAR.

Forfeiture

12.6 In the case of an event of forfeiture pursuant to the Award Agreement, including failure to satisfy any restriction period or a performance objective, any SAR that has not vested prior to the date of termination shall automatically expire, and all of the rights, title and interest of the Grantee thereunder shall be forfeited in their entirety.

13. DIVIDEND EQUIVALENT RIGHT

A dividend equivalent right is an Award entitling the recipient to receive credits based on cash distributions that would have been paid on the Shares specified in the dividend equivalent right (or other Award to which it relates) if such Shares had been issued to and held by the recipient (a "Dividend Equivalent Right"). A Dividend Equivalent Right may be granted hereunder to any Grantee as a component of another Award or as a freestanding Award. The terms and conditions of Dividend Equivalent Right shall be specified in the grant. Dividend equivalents credited to the holder of a Dividend Equivalent Right may be paid currently or may be deemed to be reinvested in additional Shares, which may thereafter accrue additional equivalents. Any such reinvestment shall be at Fair Market Value on the date of reinvestment. Dividend Equivalent Rights may be settled in cash or Shares or a combination thereof, in a single instalment or instalments, all determined in the sole discretion of the Administrator. A Dividend Equivalent Right granted as a component of another Award may provide that such Dividend Equivalent Right shall be settled upon exercise, settlement, or payment of, or lapse of restrictions on, such other Award, and that such Dividend Equivalent Right shall expire or be forfeited or annulled under the same conditions as such other Award. A Dividend Equivalent Right granted as a component of another Award may also contain terms and conditions different from such other Award.

14. TERMS AND CONDITIONS OF AWARDS

In General

14.1 Subject to the terms of the Plan and Applicable Laws, the Administrator shall determine the provisions, terms, and conditions of each Award including, but not limited to, the Award vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, or other consideration) upon settlement of the Award, payment contingencies, and satisfaction of any performance criteria.

Term of Award

14.2 The term of each Award shall be the term stated in the Award Agreement.

Transferability

14.3 (a) Limits on Transfer. No right or interest of a Grantee in any unexercised or restricted Award may be pledged, encumbered or hypothecated to or in favor of any party other than to the Company or a Related Entity or Affiliate. No Award shall be sold, assigned, transferred or disposed of by a Grantee other than by the laws of descent and distribution or, in the case of an Incentive Stock Option, pursuant to a domestic relations order that would satisfy Section 414(p)(1)(A) of the Code if such Section applied to an Award under the Plan; provided, however, that the Administrator may (but need not) permit other transfers where the Administrator concludes that such transferability (i) does not result in accelerated taxation or other adverse tax consequences, (ii) does not cause any Option intended to be an Incentive Stock Option to fail to be described in Section 422(b) of the Code, and (iii) is otherwise appropriate and desirable, taking into account any factors deemed relevant, including, without limitation, state or federal tax or securities laws applicable to transferable Awards.

(b) Beneficiaries. Notwithstanding Section 14.3(a), a Grantee may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Grantee and to receive any distribution with respect to any Award upon the Grantee's death. A beneficiary, legal guardian, legal representative or other person claiming any rights under the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Grantee, except to the extent the Plan and such Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Administrator. If no beneficiary has been designated or survives the Grantee, payment shall be made to the Grantee's estate. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Grantee at any time, provided the change or revocation is filed with the Administrator.

Performance Goals

14.4 In order to preserve the deductibility of an Award under Section 162(m) of the Code, the Administrator may determine that any Award granted pursuant to this Plan to a Grantee that is or is expected to become a Covered Employee shall be determined solely on the basis of (a) the achievement by the Company or Subsidiary of a specified target return, or target growth in return, on equity or assets, (b) the Company's stock price, (c) the Company's total shareholder return (stock price appreciation plus reinvested dividends) relative to a defined comparison group or target over a specific performance period, (d) the achievement by the Company or a Parent or Subsidiary, or a business unit of any such entity, of a specified target, or target growth in, net income, earnings per share, earnings before income and taxes, and earnings before income, taxes, depreciation and amortization, or (e) any combination of the goals set forth in (a) through (d) above. If an Award is made on such basis, the Administrator shall establish

goals prior to the beginning of the period for which such performance goal relates (or such later date as may be permitted under Section 162(m) of the Code or the regulations thereunder but not later than 90 days after commencement of the period of services to which the performance goal relates), and the Administrator has the right for any reason to reduce (but not increase) the Award, notwithstanding the achievement of a specified goal. Any payment of an Award granted with performance goals shall be conditioned on the written certification of the Administrator in each case that the performance goals and any other material conditions were satisfied.

In addition, to the extent that Section 409A is applicable, (i) performance-based compensation shall also be contingent on the satisfaction of pre-established organizational or individual performance criteria relating to a performance period of at least 12 consecutive months in which the Eligible Participant performs services and (ii) performance goals shall be established not later than 90 calendar days after the beginning of any performance period to which the performance goal relates, provided that the outcome is substantially uncertain at the time the criteria are established.

Acceleration

14.5 The Administrator may, in its sole discretion (but subject to the limitations of and compliance with Section 409A of the Code and Section 14.7 in connection therewith), at any time (including, without limitation, prior to, coincident with or subsequent to a Change of Control) determine that (a) all or a portion of a Grantee's Awards shall become fully or partially exercisable, and/or (b) all or a part of the restrictions on all or a portion of the outstanding Awards shall lapse, in each case, as of such date as the Administrator may, in its sole discretion, declare. The Administrator may discriminate among Grantees and among Awards granted to a Grantee in exercising its discretion pursuant to this Section 14.5.

Compliance with Section 162(m) of the Code

14.6 Notwithstanding any provision of this Plan to the contrary, if the Administrator determines that compliance with Section 162(m) of the Code is required or desired, all Awards granted under this Plan to Named Executive Officers shall comply with the requirements of Section 162(m) of the Code. In addition, in the event that changes are made to Section 162(m) of the Code to permit greater flexibility with respect to any Award or Awards under this Plan, the Administrator may make any adjustments it deems appropriate.

Compliance with Section 409A of the Code

14.7 Notwithstanding any provision of this Plan to the contrary, if any provision of this Plan or an Award Agreement contravenes any regulations or Treasury guidance promulgated under Section 409A of the Code or could cause an Award to be subject to the interest and penalties under Section 409A of the Code, such provision of this Plan or any Award Agreement shall be modified to maintain, to the maximum extent

practicable, the original intent of the applicable provision without violating the provisions of Section 409A of the Code. In addition, in the event that changes are made to Section 409A of the Code to permit greater flexibility with respect to any Award under this Plan, the Administrator may make any adjustments it deems appropriate.

Section 280G of the Code

14.8 Notwithstanding any other provision of this Plan to the contrary, unless expressly provided otherwise in the Award Agreement, if the right to receive or benefit from an Award under this Plan, either alone or together with payments that a Grantee has a right to receive from the Company, would constitute a "parachute payment" (as defined in Section 280G of the Code), all such payments shall be reduced to the largest amount that shall result in no portion being subject to the excise tax imposed by Section 4999 of the Code.

Exercise of Award Following Termination of Continuous Service

14.9 An Award may not be exercised after the termination date of such Award set forth in the Award Agreement and may be exercised following the termination of a Grantee's Continuous Service only to the extent provided in the Award Agreement. Where the Award Agreement permits a Grantee to exercise an Award following the termination of the Grantee's Continuous Service for a specified period, the Award shall terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the Award, whichever occurs first.

Cancellation of Awards

14.10 In the event a Grantee's Continuous Services has been terminated for "Cause", he or she shall immediately forfeit all rights to any and all Awards outstanding. The determination that termination was for Cause shall be final and conclusive. In making its determination, the Board shall give the Grantee an opportunity to appear and be heard at a hearing before the full Board and present evidence on the Grantee's behalf. Should any provision to this Section 14.10. be held to be invalid or illegal, such illegality shall not invalidate the whole of this Section 14, but, rather, this Plan shall be construed as if it did not contain the illegal part or narrowed to permit its enforcement, and the rights and obligations of the parties shall be construed and enforced accordingly.

15. ADDITIONAL TERMS IF THE COMPANY BECOMES LISTED ON A STOCK EXCHANGE

15.1 In the event the Shares become listed on a stock exchange, and to the extent required by the rules of such stock exchange, then the following terms and conditions shall apply to an Award in addition to those contained herein, as applicable:

(a) the exercise price of an Award must not be lower than 100% of the Fair Market Value (without discount) of the Shares on the stock exchange at the time the Award is granted;

(b) the number of securities issuable to Insiders, at any time, under all of the Company's security based compensation arrangements (whether entered into prior to or subsequent to such listing), cannot exceed 10% of the Company's total issued and outstanding Common Stock, unless the Company obtains Disinterested Shareholder Approval; and

(c) the number of securities issued to Insiders, within any one year period, under all of the Company's security based compensation arrangements (whether entered into prior to or subsequent to such listing), cannot exceed 10% of the issued and outstanding Common Stock, unless the Company obtains Disinterested Shareholder Approval.

16. PAYMENT FOR SHARE PURCHASES

Payment

16.1 Payment for Shares purchased pursuant to this Plan may be made:

(a) Cash. By cash, cashier's check or wire transfer or, at the discretion of the Administrator expressly for the Grantee and where permitted by law as follows:

(b) Surrender of Shares. If permitted by the policies of any stock exchange on which the Company may be listed from time to time, by surrender of shares of Common Stock of the Company that have been owned by the Grantee for more than six months, or lesser period if the surrender of shares is otherwise exempt from Section 16 of the Exchange Act, (and, if such shares were purchased from the Company by use of a promissory note, such note has been fully paid with respect to such shares);

(c) Deemed Net-Stock Exercise. If permitted by the policies of any stock exchange on which the Company may be listed from time to time, by forfeiture of Shares equal to the value of the exercise price pursuant to a "deemed net-stock exercise" by requiring the Grantee to accept that number of Shares determined in accordance with the following formula, rounded down to the nearest whole integer:

$$a = b \times \left(\frac{c - d}{d} \right)$$

where:

a =	net Shares to be issued to Grantee;
b =	number of Awards being exercised;
c =	Fair Market Value of a Share; and
d =	Exercise price of the Awards;

(d) Cashless Exercise. If permitted by the policies of any stock exchange on which the Company may be listed from time to time, by a "cashless exercise", in which event the Company shall issue to the Grantee the number of Shares of Common Stock determined as follows:

$$a = b \times \left(\frac{c - d}{d} \right)$$

where:

a =	the net Shares to be issued to Grantee;
b =	the number of Awards being exercised;
c =	the average of the "Closing Sale Prices" of the Shares of Common Stock (as reported by Bloomberg Financial Markets) for at least the two trading days ending on the date immediately preceding the Exercise Date; and
d =	the Exercise price of the Award.

For purposes of such an Award, "Closing Sale Price" means, for any security as of any date, the last trade price for such security on the principal securities exchange or trading market for such security, as reported by Bloomberg Financial Markets, or, if such exchange or trading market begins to operate on an extended hours basis and does not designate the last trade price, then the last trade price of such security prior to 4:00 p.m., New York City time, as reported by Bloomberg Financial Markets, or if the foregoing do not apply, the last trade price of such security in the over-the-counter market on the electronic bulletin board for such security as reported by Bloomberg Financial Markets, or, if no last trade price is reported for such security by Bloomberg Financial Markets, the average of the bid prices, or the ask prices, respectively, of any market makers for such security as reported by the OTC Markets Group Inc.. If the Closing Sale Price cannot be calculated for a security on a particular date on any of the foregoing bases, the Closing Sale Price of such security on such date shall be the fair market value as mutually determined by the Company and the Grantee. If the Company and the Grantee are unable to agree upon the fair market value of such security, then the Company shall, within two business days submit via facsimile (a) the disputed determination of the Closing Sale Price to an independent, reputable investment bank selected by the Company and approved by the Grantee or (b) the disputed arithmetic calculation of the Shares of Common Stock to the Company's independent, outside accountant. The Company shall cause at its expense the investment bank or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Grantee of the results no later than ten business days from the time it receives the disputed determinations or calculations. Such investment bank's or accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period. For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Shares of Common Stock issued in a cashless exercise

transaction shall be deemed to have been acquired by the Grantee, and the holding period for the shares shall be deemed to have commenced, on the date the Award was originally issued (provided that the United States Securities and Exchange Commission continues to take the position that such treatment is proper at the time of such exercise); or

(e) Broker-Assisted. By delivering a properly executed exercise notice to the Company together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of sale or loan proceeds necessary to pay the exercise price and the amount of any required tax or other withholding obligations.

(f) Combination of Methods. By any combination of the foregoing methods of payment or any other consideration or method of payment as shall be permitted by applicable corporate law and the policies of any stock exchange on which the Company may be listed from time to time.

17. WITHHOLDING TAXES

Withholding Generally

17.1 Whenever Shares are to be issued in satisfaction of Awards granted under this Plan or Shares are forfeited pursuant to a deemed net-stock exercise, the Company may require the Grantee to remit to the Company an amount sufficient to satisfy the foreign, federal, state, provincial, or local income and employment tax withholding obligations, including, without limitation, on exercise of an Award. When, under applicable tax laws, a Grantee incurs tax liability in connection with the exercise or vesting of any Award, the disposition by a Grantee or other person of an Award or an Option prior to satisfaction of the holding period requirements of Section 422 of the Code, or upon the exercise of a Non-Qualified Stock Option, the Company shall have the right to require such Grantee or such other person to pay by cash, or check payable to the Company, the amount of any such withholding with respect to such transactions. Any such payment must be made promptly when the amount of such obligation becomes determinable.

Stock for Withholding

17.2 To the extent permissible under applicable tax, securities and other laws, the Administrator may, in its sole discretion and upon such terms and conditions as it may deem appropriate, permit a Grantee to satisfy his or her obligation to pay any withholding tax, in whole or in part, with Shares up to an amount not greater than the Company's minimum statutory withholding rate for federal and state tax purposes, including payroll taxes, that are applicable to such supplemental taxable income. The Administrator may exercise its discretion, by (i) directing the Company to apply Shares to which the Grantee is entitled as a result of the exercise of an Award, or (ii) delivering to the Company Shares that have been owned by the Grantee for more than six months, unless the delivery of Shares is otherwise exempt from Section 16 of the Exchange Act. A Grantee who has made an election pursuant to this Section 17.2 may satisfy his or her withholding obligation only with Shares that are not subject to any repurchase,

forfeiture, unfulfilled vesting or other similar requirements. The Shares so applied or delivered for the withholding obligation shall be valued at their Fair Market Value as of the date of measurement of the amount of income subject to withholding.

18. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

In General

18.1 Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Award, and the number of Shares which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Award, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Shares resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Shares, or (ii) any other increase or decrease in the number of issued Shares effected without receipt of consideration by the Company; provided, however that conversion of any convertible securities of the Company shall not be deemed to have been effected without receipt of consideration. The Administrator shall make the appropriate adjustments to (i) the maximum number and/or class of securities issuable under this Plan; and (ii) the number and/or class of securities and the exercise price per Share in effect under each outstanding Award in order to prevent the dilution or enlargement of benefits thereunder; provided, however, that the number of Shares subject to any Award shall always be a whole number and the Administrator shall make such adjustments as are necessary to insure Awards of whole Shares. Such adjustment shall be made by the Administrator and its determination shall be final, binding and conclusive.

Company's Right to Effect Changes in Capitalization

18.2 The existence of outstanding Awards shall not affect the Company's right to effect adjustments, recapitalizations, reorganizations or other changes in its or any other corporation's capital structure or business, any merger or consolidation, any issuance of bonds, debentures, preferred or prior preference stock ahead of or affecting the Shares, the dissolution or liquidation of the Company's or any other corporation's assets or business or any other corporate act whether similar to the events described above or otherwise.

19. CORPORATE TRANSACTIONS/CHANGES IN CONTROL/RELATED ENTITY DISPOSITIONS

Company is Not the Survivor

19.1 Subject to Section 19.3 and except as may otherwise be provided in an Award Agreement, the Administrator shall have the authority, in its absolute discretion, exercisable either in advance of any actual or anticipated Corporate Transaction, Change in Control or Related Entity Disposition in which the Company is not the surviving corporation, or at the time of an actual Corporate Transaction, Change in Control or Related Entity Disposition in which the Company is not the surviving corporation (a) to cancel each outstanding Award upon payment in cash to the Grantee of the amount by which any cash and the Fair Market Value of any other property which the Grantee would have received as consideration for the Shares covered by the

Award if the Award had been exercised before such Corporate Transaction, Change in Control or Related Entity Disposition exceeds the exercise price of the Award, or (b) to negotiate to have such Award assumed by the surviving corporation. The determination as to whether the Company is the surviving corporation is at the sole and absolute discretion of the Administrator.

In addition to the foregoing, in the event of a dissolution or liquidation of the Company, or a Corporate Transaction or Related Entity Disposition in which the Company is not the surviving corporation, the Administrator, in its absolute discretion, may accelerate the time within which each outstanding Award may be exercised. Section 19.3 shall control with respect to any acceleration in vesting in the event of Change of Control.

The Administrator shall also have the authority:

(a) to release the Awards from restrictions on transfer and repurchase or forfeiture rights of such Awards on such terms and conditions as the Administrator may specify; and

(b) to condition any such Award's vesting and exercisability or release from such limitations upon the subsequent termination of the Continuous Service of the Grantee within a specified period following the effective date of the Corporate Transaction, Change in Control or Related Entity Disposition.

Effective upon the consummation of a Corporate Transaction, Change in Control or Related Entity Disposition governed by this Section 19.1, all outstanding Awards under this Plan not exercised by the Grantee or assumed by the successor corporation shall terminate.

Company is the Survivor

19.2 In the event of a Corporate Transaction, Change in Control or Related Entity Disposition in which the Company is the surviving corporation, the Administrator shall determine the appropriate adjustment of the number and kind of securities with respect to which outstanding Awards may be exercised, and the exercise price at which outstanding Awards may be exercised. The Administrator shall determine, in its sole and absolute discretion, when the Company shall be deemed to survive for purposes of this Plan. Subject to any contrary language in an Award Agreement evidencing an Award, any restrictions applicable to such Award shall apply as well to any replacement shares received by the Grantee as a result.

Change in Control

19.3 If there is a Change of Control, all outstanding Awards shall fully vest immediately upon the Company's public announcement of such a Change of Control.

20. PRIVILEGES OF STOCK OWNERSHIP

No Grantee shall have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Grantee. After Shares are issued to the Grantee, the Grantee shall be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid

with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Grantee may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company shall be subject to the same restrictions as the Restricted Stock. The Company shall issue (or cause to be issued) such stock certificate promptly upon exercise of the Award.

21. RESTRICTION ON SHARES

At the discretion of the Administrator, the Company may reserve to itself and/or its assignee(s) in the Award Agreement that the Grantee not dispose of the Shares for a specified period of time, or that the Shares are subject to a right of first refusal or a right to repurchase by the Company at the Shares' Fair Market Value at the time of sale. The terms and conditions of any such rights or other restrictions shall be set forth in the Award Agreement evidencing the Award.

22. CERTIFICATES

All certificates for Shares or other securities delivered under this Plan shall be subject to such stock transfer orders, legends and other restrictions as the Administrator may deem necessary or advisable, including restrictions under any applicable federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted.

23. ESCROW; PLEDGE OF SHARES

To enforce any restrictions on a Grantee's Shares, the Administrator may require the Grantee to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Administrator, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Administrator may cause a legend or legends referencing such restrictions to be placed on the certificates.

24. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE

Compliance With Applicable Law

24.1 An Award shall not be effective unless such Award is in compliance with all applicable federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the Grant Date and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company shall have no obligation to issue or deliver certificates for Shares under this Plan prior to (i) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (ii) completion of any registration or other qualification of such Shares under any state or federal laws or rulings of any governmental body that the Company determines to be necessary or advisable. The Company shall be under no obligation to register the Shares with the Securities Exchange Commission or to effect compliance with the registration, qualification

or listing requirements of any state securities laws, stock exchange or automated quotation system, and the Company shall have no liability for any inability or failure to do so. Evidences of ownership of Shares acquired pursuant to an Award shall bear any legend required by, or useful for purposes of compliance with, applicable securities laws, this Plan or the Award Agreement.

During any time when the Company has a class of equity security registered under Section 12 of the Exchange Act, it is the intent of the Company that Awards pursuant to this Plan and the exercise of Awards granted hereunder shall qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of this Plan or action by the Board or the Administrator does not comply with the requirements of Rule 16b-3, it shall be deemed inoperative to the extent permitted by law and deemed advisable by the Board or the Administrator, and shall not affect the validity of this Plan. In the event that Rule 16b-3 is revised or replaced, the Administrator may exercise its discretion to modify this Plan in any respect necessary to satisfy the requirements of, or to take advantage of any features of, the revised exemption or its replacement.

Investment Representation

24.2 As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

25. NO OBLIGATION TO EMPLOY

Nothing in this Plan or any Award granted under this Plan shall confer or be deemed to confer on any Grantee any right to continue in the employ of, or to continue any other relationship with, the Company or to limit in any way the right of the Company to terminate such Grantee's employment or other relationship at any time, with or without Cause.

26. EFFECTIVE DATE AND TERM OF PLAN

This Plan shall become effective upon the earlier to occur of its adoption by the Board or its approval by the shareholders of the Company. It shall continue in effect for a term of ten years unless sooner terminated.

27. SHAREHOLDER APPROVAL

This Plan shall be subject to approval by the shareholders of the Company within 12 months from the date the Plan is adopted by the Company's Board for any and all intended Incentive Stock Options granted hereunder. Such shareholder approval shall be obtained in the degree and manner required under Applicable Laws. The Administrator may grant Awards under this Plan prior to approval by the shareholders, however, until such approval is obtained, all Option Awards granted under this Plan shall be deemed Non-Qualified Stock Options. In the event that shareholder approval is not obtained within the 12 month period provided above, all Incentive Stock Option Awards previously granted under this Plan shall be deemed Non-Qualified Stock Options.

28. AMENDMENT, SUSPENSION OR TERMINATION OF THIS PLAN OR AWARDS

The Board may amend, suspend or terminate this Plan at any time and for any reason. To the extent necessary to comply with Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required. Shareholder approval shall be required for the following types of amendments to this Plan: (i) any change to those persons who are entitled to become participants under the Plan which would have the potential of broadening or increasing Insider participation; or (ii) the addition of any form of financial assistance or amendment to a financial assistance provision which is more favourable to Grantees.

Further, the Board may, in its discretion, determine that any amendment should be effective only if approved by the shareholders even if such approval is not expressly required by this Plan or by law. No Award may be granted during any suspension of this Plan or after termination of this Plan.

Any amendment, suspension or termination of this Plan shall not affect Awards already granted, and such Awards shall remain in full force and effect as if this Plan had not been amended, suspended or terminated, unless mutually agreed otherwise between the Grantee and the Administrator, which agreement must be in writing and signed by the Grantee and the Company. At any time and from time to time, the Administrator may amend, modify, or terminate any outstanding Award or Award Agreement without approval of the Grantee; provided, however, that subject to the applicable Award Agreement, no such amendment, modification or termination shall, without the Grantee's consent, reduce or diminish the value of such Award determined as if the Award had been exercised, vested, cashed in or otherwise settled on the date of such amendment or termination.

Notwithstanding any provision herein to the contrary, the Administrator shall have broad authority to amend this Plan or any outstanding Award under this Plan without approval of the Grantee to the extent necessary or desirable: (i) to comply with, or take into account changes in, applicable tax laws, securities laws, accounting rules and other applicable laws, rules and regulations; or (ii) to ensure that an Award is not subject to interest and penalties under Section 409A of the Code or the excise tax imposed by Section 4999 of the Code.

Further, notwithstanding any provision herein to the contrary, and subject to Applicable Law, the Administrator may, in its absolute discretion, amend or modify this Plan: (i) to make amendments which are of a "housekeeping" or clerical nature; (ii) to change the vesting provisions of an Award granted hereunder, as applicable; (iii) to change the termination provision of an Award granted hereunder, as applicable, which does not entail an extension beyond the original expiry date of such Award; and (iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Maximum Number.

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29. RESERVATION OF SHARES

The Company, during the term of this Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of this Plan.

The Shares to be issued hereunder upon exercise of an Award may be either authorized but unissued; supplied to the Plan through acquisitions of Shares on the open market; Shares forfeited back to the Plan; Shares surrendered in payment of the exercise price of an Award; or Shares withheld for payment of applicable employment taxes and/or withholding obligations resulting from the exercise of an Award.

The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

30. EXCHANGE AND BUYOUT OF AWARDS

The Administrator may, at any time or from time to time, authorize the Company, with the consent of the respective Grantees, to issue new Awards in exchange for the surrender and cancellation of any or all outstanding Awards. The Administrator may at any time buy from a Grantee an Award previously granted with payment in cash, Shares (including Restricted Stock) or other consideration, based on such terms and conditions as the Administrator and the Grantee may agree.

31. APPLICABLE TRADING POLICY

The Administrator and each Eligible Participant will ensure that all actions taken and decisions made by the Administrator or an Eligible Participant, as the case may be, pursuant to this Plan comply with any Applicable Laws and policies of the Company relating to insider trading or "blackout" periods.

32. GOVERNING LAW

The Plan shall be governed by the laws of the State of Wyoming; provided, however, that any Award Agreement may provide by its terms that it shall be governed by the laws of any other jurisdiction as may be deemed appropriate by the parties thereto.

33. MISCELLANEOUS

Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Awards shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the *Employee Retirement Income Security Act of 1974*, as amended.

SUBPART A

STOCK AND DEFERRED STOCK UNITS FOR ELIGIBLE DIRECTORS

A. Stock Award. The Administrator shall pay Eligible Remuneration to each Director pursuant to an Award Agreement.

B. Election. Further, the Administrator may, in its sole discretion, permit each Eligible Director to receive all or any portion of his Eligible Remuneration during the Remuneration Period in the form of Deferred Stock Units under this Plan (an "Election"). All deferrals pursuant to such an Election shall be evidenced by an Award Agreement.

For purposes of this Subpart A, the following definitions shall apply:

"Annual Retainer" for a particular Director means the retainer (including any additional amounts payable for serving as lead Director or on any committee of the Board), payable to that Director for serving as a Director for the relevant Remuneration Period, as determined by the Board;

"Attendance Fee" means amounts payable annually to a Director as a Board meeting attendance fee or a committee meeting attendance fee, or any portion thereof;

"Canadian Director" means a Director who is a resident of Canada for the purposes of the Canadian Tax Act, and whose income from employment by the Company or Related Entity is subject to Canadian income tax, notwithstanding any provision of the Canada-United States Income Tax Convention (1980), as amended;

"Canadian Tax Act" and "Canadian Tax Regulations" means respectively the *Income Tax Act* (Canada), as amended and the Income Tax Regulation promulgated thereunder, as amended;

"Deferred Stock Unit" means a right granted by the Company to an Eligible Director to receive, on a deferred payment basis, Shares under this Plan;

"Eligible Director" is any Director of this Company or Related Entity that the Administrator determines is eligible to elect to receive Deferred Stock Units under this Plan;

"Eligible Remuneration" means all amounts payable to an Eligible Director in Shares, including all or part of amounts payable in satisfaction of the Annual Retainer, Attendance Fees or any other fees relating to service on the Board which are payable to an Eligible Director or in satisfaction of rights or property surrendered by an Eligible Director to the Company; it being understood that the amount of Eligible Remuneration payable to any Eligible Director may be calculated by the Administrator in a different manner than Eligible Remuneration payable to another Eligible Director in its sole and absolute discretion;

"Prescribed Plan or Arrangement" means a prescribed plan or arrangement as defined in s.6801(d) of the Canadian Tax Regulation;

"Remuneration Period" means, as applicable, (a) the period commencing on the Effective Date of this Plan and ending on the last day of the calendar year in which the Effective Date occurs; and (b) thereafter each subsequent calendar year, or where the context requires, any portion of such period; and

"Salary Deferral Arrangement" means a salary deferral arrangement as defined in the Canadian Tax Act.

1. Election. An Eligible Director who desires to defer receipt of all or a portion of his or her Eligible Remuneration in any calendar year shall make such election in writing to the Company specifying:

- **(a) the dollar amount or percentage of Eligible Remuneration to be deferred; and**
- **(b) the deferral period.**

Otherwise, such election must be made before the first day of the calendar year in which the Eligible Remuneration shall be payable, however a newly appointed Eligible Director shall be eligible to defer payment of future Eligible Remuneration by providing written election to the Company within 30 calendar days of his or her appointment to the Board of Directors. The elections made pursuant to this Section shall be irrevocable with respect to Eligible Remuneration to which such elections pertain and shall also apply to subsequent Eligible Remuneration payable in future calendar years unless such Eligible Director notifies the Company in writing, before the first day of the applicable calendar year, that he or she desires to change such election.

If the Eligible Director does not timely deliver an election in respect of a particular Remuneration Period, the Eligible Director will receive the Eligible Remuneration as provided for in the Award Agreement.

2. Determination Of Deferred Stock Units. The Company will maintain a separate account for each Eligible Director to which it will quarterly credit Deferred Stock Units at the end of March, June, November and December, or as otherwise determined by the Administrator, the Deferred Stock Units granted to the Eligible Director for the relevant Remuneration Period. The number of Deferred Stock Units (including fractional Deferred Stock Units, computed to three digits) to be credited to an account for an Eligible Director will be determined on the date approved by the Administrator by dividing the appropriate amount of Eligible Remuneration to be deferred into Deferred Stock Units by the Fair Market Value on that date.

3. No Voting Rights. The holders of Deferred Stock Units shall have no rights as stockholders of the Company.

4. Dividend Equivalency. The Company will, on any date on which a cash or stock dividend is paid on its outstanding Shares, credit to each Eligible Director's account that number of additional Deferred Stock Units (including fractional Deferred Stock Units, computed to three digits) calculated by (i) multiplying the amount of the dividend per Share by the number of Deferred Stock Units in the account as of the record date for payment of the dividend, and (ii)

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dividing the amount obtained in (i) by the Fair Market Value on the date on which the dividend is paid. (See Section 13 of the Plan, Dividend Equivalent Right).

5. Eligible Director's Account. A written confirmation of the balance in each Eligible Directors' Account will be sent by the Company to the Eligible Director upon request of the Eligible Director.

6. Creditor's Rights. A holder of Deferred Stock Units shall have no rights other than those of a general creditor of the Company. Deferred Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and condition of the applicable Award Agreement.

7. Settlement of Deferred Stock Units. Subject to Section 8, each Deferred Stock Unit shall be paid and settled by the issuance of Restricted or unrestricted Shares in accordance with the Award Agreement and if such settlement is subject to Section 409A of the Code only upon any one or more of the following as provided for in the Award Agreement:

(a) a specific date or date determinable by a fixed schedule;

(b) upon the Eligible Director's termination of Continuous Services to the extent the same constitutes a separation from services for the purposes of Section 409A of the Code except that if an Eligible Director is a "key employee" as defined in Section 409A of the Code for such purposes, then payment or settlement shall occur 6 months following such separation of service;

(c) as a result of the Eligible Director's death or Disability; or

(d) in connection with or as a result of a Change in Control in compliance with 409A of the Code.

7. The Company will issue one Share for each whole Deferred Stock Unit credited to the Eligible Director's account (net of any applicable withholding tax as provided for in this Plan). Such payment shall be made by the Company as soon as reasonably possible following the settlement date. Fractional Shares shall not be issued, and where the Eligible Director would be entitled to receive a fractional Shares in respect of any fractional Deferred Stock Unit, the Company shall pay to such Eligible Director, in lieu of such fractional Shares, cash equal to the Fair Market Value of such fractional Shares calculated as of the day before such payment is made, net of any applicable withholding tax.

8. Canadian Directors. If a Deferred Stock Unit is granted to an Eligible Director who is a Canadian Director would otherwise constitute a Salary Deferred Arrangement, the Award Agreement pertaining to that Deferred Stock Unit shall contain such other or additional terms as will cause the Deferred Stock Unit to be a Prescribed Plan or Arrangement.

9. Issuance of Stock Certificates. A stock certificate or certificates shall be registered and issued in the name of the holder of Deferred Stock Units and delivered to such holder as soon as practicable after such Deferred Stock Units have become payable or satisfied in accordance with the terms of the Plan

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10. Non-Exclusivity. Nothing in this Subpart A shall prohibit the Administrator from making discretionary Awards to Eligible Directors pursuant to the other provisions of this Plan or outside this Plan, not otherwise inconsistent with these provisions.

11. Defined Terms. Capitalized terms used in this Subpart A and not defined herein have the meaning give in the Plan.

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HOLLAND&HART LLP

July 11, 2014

Helius Medical Technologies, Inc.
12 Penns Trail
Newtown, Pennsylvania 18940

Re: Helius Medical Technologies, Inc. - Registration Statement on Form S-1

Ladies and Gentlemen:

We have acted as special legal counsel in the State of Wyoming (the "State") to Helius Medical Technologies, Inc., a Wyoming corporation (the "Company"), in connection with the Company's Registration Statement on Form S-1 (the "Registration Statement"), dated the date hereof and filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended. The Registration Statement relates to the registration of (i) 17,540,000 shares of the Company's common stock (collectively, the "Shares") that have been issued to certain of the selling shareholders named in the Registration Statement (the "Selling Shareholders"), and (ii) 7,620,000 shares of the Company's common stock (collectively, the "Warrant Shares") issuable upon the exercise by certain Selling Shareholders of outstanding common stock purchase warrants (collectively, the "Warrants") to acquire shares of the Company's common stock.

The Shares and Warrants were issued by the Company in the following unregistered offerings:

(i) 15,240,000 subscription receipts were issued at a price of CAD$0.50 per subscription receipt on May 30, 2014, whereby the 15,240,000 subscription receipts automatically converted, for no additional consideration, into 15,240,000 Shares and 7,620,000 Warrants upon the closing of the Merger Agreement (as defined below) on June 13, 2014. All 15,240,000 Shares and 7,620,000 Warrant Shares issuable upon exercise of such Warrants are being registered under the Registration Statement; and

(ii) 2,300,000 Shares were issued to one Selling Shareholder pursuant to an agreement and plan of merger (the "Merger Agreement") between the Company, HMT Mergersub, Inc., a wholly owned subsidiary of the Company, and NeuroHabilitation Corporation, which closed on June 13, 2014.

In rendering the opinions set forth below, we have examined and relied on the original, or a copy, certified or otherwise, of each of the following documents (collectively, the "Opinion Documents"):

(a) the Registration Statement;

(b) the Articles of Incorporation of the Company, as originally filed with the Secretary of State of the State on June 2, 2014, as amended (the "Articles");

(c) the Bylaws of the Company in effect as of the date hereof (the "Bylaws");

(d) the minute books of the Company that were delivered and certified to us by Philippe Deschamps, as President and Chief Executive Officer of the Company, as the true and complete minute books and records of all proceedings of the board of directors and shareholders of the Company (the "Minute Books");

(e) the Consent Resolutions of the Board of Directors of the Company, dated July 10, 2014, certified by Philippe Deschamps, as President and Chief Executive Officer of the Company, as being true, correct, complete and in full effect on the date of this opinion; and

(f) an Officer's Certificate, dated as of the date hereof, executed by Philippe Deschamps, as President and Chief Executive Officer and a director of the Company.

We have not represented the Company on a regular basis, and there may exist matters of a legal or factual nature that could have a bearing on our opinion with respect to which we have not been consulted, or of which we are otherwise unaware. We have not reviewed any documents other than the Opinion Documents, and the opinions rendered herein are limited accordingly. Our opinions expressed herein relate solely to the Opinion Documents and not to any other documents, agreements or instruments referred to in or incorporated by reference into any of the Opinion Documents.

For purposes of this opinion, we have assumed: (i) the genuineness of any signatures on all documents we have reviewed in connection with this letter, including without limitation, the Opinion Documents; (ii) the legal capacity of natural persons who have executed all documents we have reviewed in connection with this letter; (iii) the authenticity of all documents submitted to us as originals; (iv) the conformity to originals of all documents submitted as copies and the authenticity of the originals of such copies; (v) the truth, accuracy and completeness of the information, representations and warranties contained in the records, documents, instruments and certificates we have reviewed and relied upon; and (vi) the accuracy, completeness and authenticity of certificates of public officials.

Based upon the foregoing and subject to the assumptions, limitations and qualifications set forth herein, we are of the opinion that:

1. The Shares held by the Selling Shareholders are validly issued, fully paid and non-assessable shares of the Company's common stock.

2. Upon exercise of the Warrants in accordance with their respective terms (including, without limitation, the payment to the Company of the exercise price for the Warrant Shares), the Warrant Shares will be validly issued, fully paid and non-assessable shares of the Company's common stock.

The foregoing opinions are subject to the following qualifications and exceptions:

We do not express any opinion as to the effect of or compliance with any State or federal antitrust, tax, fraudulent conveyance, or securities laws, including anti-fraud law, rule or regulation relating to securities or to the sale or issuance thereof and the "blue sky" laws of the State or any other state.

The opinions expressed herein are limited solely to the laws of the State and upon facts now known to us. We expressly disavow any obligation to advise you with respect to future changes in law or in our knowledge as to any event or change of condition occurring subsequent to the date of this letter. We have made no inquiry into, and we express no opinion as to the statutes, regulations, treaties, common laws or other laws of any other state or country.

We express no opinion as to any matter other than as expressly set forth above, and no other opinion is intended to be implied or inferred from this letter. The opinions expressed herein are given as of the date of this letter and we undertake no obligation hereby and disclaim any obligation to advise you of any change in law, facts or circumstances occurring after the date hereof pertaining to any matter referred to herein.

The opinions contained in this letter are provided as a legal opinion only, effective as of the date of this letter. This letter is limited to the matters expressly set forth herein, and is provided as a legal opinion only, and not as an opinion or representation on any factual matters, or a guaranty or warranty of the matters discussed herein.

This letter is furnished only to the addressee hereof and its permitted successors and assigns, and is solely for its benefit in connection with the Registration Statement. This opinion is not to be used, circulated, quoted or otherwise relied upon by any other person or entity or, for any other purpose, without our prior written consent.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our firm's name in the section of the Registration Statement and the prospectus included therein entitled "Experts".

Very truly yours,

/s/ Holland & Hart LLP

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Amended and Restated
Patent Sub-License

OF U.S. Patent Application 12/348,301

And Provisional Patent Application 61/019,061

This Amended and Restated Patent Sub-License ("Agreement"), entered into effective as of this 10 day of May, 2013, by and between Advanced NeuroRehabilitation, LLC, a Wisconsin Limited Liability Company. ("ANR"), with offices at 510 Charmany Drive, Suite 175F, Madison, Wisconsin, 53719, and NeuroHabilitation Corporation ("NHC"), a Delaware Corporation (collectively, ANR and NHC are sometimes referred to as the "Parties").

Recitals

WHEREAS, ANR holds a license of certain Patent Rights (hereinafter defined) pursuant to a valid License Agreement (the "Master License") dated June 29, 2011 with Yuri P. Danilov, Mitchell E. Tyler, and Kurt A. Kaczmarek (the "Inventors").

WHEREAS, NHC is a company formed for the purpose of advancing the theory, application and commercialization of induced neuroplasticity devices to persons with sensory and neurological needs.

WHEREAS, NHC would like to receive, and ANR is willing to grant, an exclusive sub-license to the Patent Rights for the purpose of advancing the theory, application and commercialization of induced neuroplasticity devices.

WHEREAS, NHC and ANR entered into that certain Patent Sub-License Agreement on January 22, 2013 (the "Original Agreement") and this Amended and Restated Patent Sub-License Agreement hereby amends and restates the Original Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants hereinafter contained the parties hereto agree as follows:

ARTICLE I DEFINITIONS

1.1 PATENT RIGHTS

"Patent Rights" shall mean U.S. Patent Application 12/348301 and Provisional Patent Application 61/019,061, any corresponding patents or patent applications filed in other countries, any reissue applications, continuation application, and continuation-in-part applications Filed thereon in the United States or any foreign country and any patents issuing thereon as well as any and all interest of ANR to the copyrights for the technical specifications relating to the aforesaid patent application and provisional patent application.

1.2 DEVICES

"Devices" shall mean any apparatus sold by NHC that is covered by any of the claims of the Patent Rights.

1.3 EFFECTIVE DATE

"Effective Date" shall mean January 22, 2013.

1.4 TERM

"Term" shall mean the period from the EFFECTIVE DATE to the date that this Agreement is terminated or the expiration date of a patent granting from U.S. Patent Application No. 12/348,301 or any reissue, continuation, or continuation-in-part thereof whichever occurs first.

1.5 AFFILIATE

"Affiliate" shall mean any entity that is controlled by NHC through ownership of at least 50% of the voting stock of such entity.

1.6 IP

"IP" shall have the meaning for purposes hereof as defined in the Patent

Application.

1.7 PATENT COSTS

"Patent costs" means any costs related to filing, revising, responding to patent office actions, issuing, or maintaining US or foreign patent applications and patents, including but not limited to both legal service fees and patent office fees.

1.8 INVENTORS

"Inventors" shall mean Yuri Danilov, Mitch Tyler, Kurt Kaczmarek, the inventors of the IP.

ARTICLE II

GRANT

2.1 ANR hereby grants to NHC and its AFFILIATES a worldwide, exclusive license to make, have made, use, lease and sell DEVICES, and components and parts therefore under and utilizing the PATENT RIGHTS. It is understood that if the United States Government (through any of its agencies or otherwise) has funded research, during the course of or under which any of the inventions of the Patents Rights were conceived or made, the United States Government is entitled, as a right, under the provisions of 35

U.S.C. Section Section 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the invention of such Patents Rights for governmental purposes. Any license granted under this Sub-License to NHC or any of its sublicensees shall be subject to such right.

2.2 This Agreement shall be binding upon and shall inure to the benefit of any corporation, company or entity into which either ANR or NHC may be merged or consolidated and the rights and obligations of the Parties shall be assignable to any purchaser of that part of the assets of such party to which this Agreement relates.

2.3 The Sub-License granted hereunder, if in good standing, shall not be cancelled, limited or impaired in any way by a termination of the Master License.

2.4 *Research & Development:* NHC grants back to ANR, and the Inventors whether in association with ANR, UW-Madison, or elsewhere, a perpetual royalty-free license to the Patent Rights for *non-profit R&D* activities so long as such non-profit R&D activities do not compete with NHC's business.

2.5 *Investigational use:* NHC grants back to ANR a perpetual royalty-free license to the Patent Rights for producing and deriving revenue from devices and services in connection with *investigational* use of the PoNS device and related technology as defined in the Patent application. This provision does not extend to non-investigational use or to any customer or potential customer of NHC. Any use under FDA PMA or

510(k), or international CE Mark, is prohibited without the written consent of NHC. The

definition of allowed investigational uses will be determined by an agreement, to be developed, approved by a supermajority of the NHC Board of Directors.

2.6 If, except in accordance with Section 2.2, NHC is dissolved, files a voluntary petition in bankruptcy, has an involuntary petition in bankruptcy filed against it which is not dismissed within 180 days, or makes an assignment for the benefit of creditors under applicable State law, the Agreement will automatically Terminate.

2.7 NHC does not have the right to sub-license to any other party the granted license unless approved by the Board of Directors of NHC through a super majority (80%) vote.

2.8 ANR will be responsible for Patent Costs incurred before the EFFECTIVE DATE. NHC will be responsible for Patent Costs incurred on or after the EFFECTIVE DATE. Notwithstanding, NHC shall not be responsible for any Patent Costs which relate to, or result from, any activities permitted under Section 2.4 or 2.5 of this Agreement.

2.9 Ownership of any improvements, enhancements or derivative works of the Patent Rights which are developed by NHC shall by owned by NHC, subject to the terms of this Section 2.9. Notwithstanding, NHC shall own the improvements, enhancements or derivative works developed by ANR, provided NHC pays for such reasonable legal fees and direct out of pocket expenses for prosecution of such

improvements, enhancements or derivative works. If NHC chooses not to patent such improvements, ANR may choose to pursue patent rights independently, at its own expense, and such improvements are not added to the the definition of Patent Rights defined herein.

ARTICLE lll

CONSIDERATION

3.1 ANR and NHC acknowledge that the sub-license granted hereunder is ANR's initial contribution to the joint venture that is NHC and that the consideration received in exchange hereof is ANR's receipt of one-half of the issued and outstanding capital stock in NHC with no dilution from shares granted to the CEO upon hiring.

3.2 Release for Past Infringement

ANR hereby releases NHC for any infringement of the PATENT RIGHTS that may have arisen before the EFFECTIVE DATE of this LICENSE AGREEMENT

3.3 In consideration for this Sub-License, ANR will receive royalties equal to 4% of NHC's revenues collected from (1) the sale of Devices to end users and (2) services related to the therapy or use of the Device in therapy services.

ARTICLE IV WARRANTIES

4.1 ANR warrants that the Master License is in full force and effect and that it is authorized to enter into this Agreement.

4.2 ANR warrants that it has not heretofore granted any rights which would interfere with any rights granted to NHC under this Agreement.

4.3 NHC will be responsible for all Patent Costs related to the defense, claims or infringements thereof. This includes but is not limited to, actions by NHC against third parties allegedly infringing upon NHC's intellectual property rights, and defense against claims brought by third parties alleging that NHC, ANR, and or their owners, directors, and/or employees is/are infringing the third party's intellectual property rights.

ARTICLEV

Arbitration of Disputes

5.1 Any and all disputes arising in connection with this Agreement that cannot be settled by negotiation between the parties hereto, shall at the request of either or both parties be referred to and finally settled under the then prevailing Rules of the American Arbitration Association by one or more arbitrators appointed in accordance with said Rules. Notwithstanding any provisions of the Rules of the American Arbitration Association or any applicable state or federal law, the parties agree that the Arbitration cannot award exemplary or punitive damages. Judgment upon the award rendered may be entered in any court having jurisdiction, or application may be made to the court for judicial acceptance of the award and an order of enforcement as the case may be. All arbitration proceedings shall take place in Minneapolis, Minnesota.

ARTICLE VI

CHANGES IN STATUS OF CLAIMS

6.1 If, during the Term, any claim included in the PATENT RIGHTS is disclaimed or becomes canceled or of no force or effect by operation of law (as through an adverse interference judgment or otherwise), then such claims shall be considered as no longer included in said PATENT RIGHTS unless and until it becomes reinstated, beginning with the date of such disclaimer or cancellation or the date it becomes of no force or effect.

6.2 If, during the TERM, a claim of the PATENT RIGHTS shall be construed or held invalid by a court of competent jurisdiction from whose decision no appeal is taken, then for the purpose of this LICENSE AGREEMENT the construction placed upon such claim shall thereafter be followed and any claims so held invalid shall be ignored.

ARTICLE VII Miscellaneous

7.1 Governing Law. This Sub-License shall be construed and controlled by the laws of the State of Delaware without regard to conflicts of laws principals.

7.2 Notices. All notices and other communications required hereunder shall be in writing and shall be delivered to the other party via: personal delivery, telecopy, registered or certified mail, or by reputable overnight courier at the address set forth above or otherwise designated in writing for notices hereunder.

7.3 Authority. The signers below represent that they are authorized to execute this Agreement and that they do so as the authorized and binding act of the party on which he signs.

IN WITNESS THEREOF, the parties have caused this agreement to be executed by their respective officers thereunto duly authorized as of the dates respectively indicated.

Sub-Licensor	Sub-Licensee
Advanced NeuroRehabilitation, LLC	NeuroHabilitation Corp.
By: /s/ Yuri Danilov Yuri P. Danilov	By: /s/ Philippe Deschamps Philippe Deschamps, President
By: /s/ Mitch E. Tyler Mitchell E. Tyler	
By: /s/ Kurt Kaczmarek Kurt A. Kaczmarek	

Acknowledgement by Inventors

We, Yuri P. Danilov, Mitchell E. Tyler and Kurt A. Kaczmarek, the Inventors of the technology that is the subject of the Patent Rights, hereby affirm and acknowledge that the Sub-License between Advanced NeuroRehabilitation, LLC and NeuroHabilitation Corporation, if in good standing, shall not be cancelled, limited or impaired in any way by a termination of the license between ourselves and Advanced NeuroRehabilitation, LLC under which Advanced NeuroRehabilitation, LLC sub-licenses certain technologies and rights to NeuroHabilitation Corporation. We further acknowledge the rights and restrictions applicable to us under Sections 2.3 and 2.4 of this Sub-License Agreement.

/s/ Yuri Danilov	/s/ Mitch E. Tyler	/s/ Kurt Kaczmarek
Yuri P. Danilov	Mitchell E. Tyler	Kurt A. Kaczmarek
Dated: 05 June, 2013	Dated: 05 June, 2013	Dated: 05 June, 2013

COVER SHEET

Master Cooperative Research and Development Agreement (CRADA)

[NOTE: This Cover Sheet is for internal management purposes only. It is not part of the Agreement and neither party is bound to anything contained in it]

Title: Collaboration to advance the Portable Neuromodulation Stimulator (PoNS(TM)) device through FDA approval for assisted physical therapy in the treatment of soldiers and others with balance and gait disorder.

Effective Date:	1 February 2013	USAMRMC Control No. W81XWH-13-0145
Expiration Date:	31 December 2015	DA/TTPO Control No.

Primary NTIS Subject Code/Title:	334510 Electromedical and Electrotherapeutic Apparatus Manufacturing
Secondary NTIS Subject Code/Title:	N/A
STO Code/Title:	N/A
RAD:	USAMRMC CCCRP (RAD2)
Concurrence obtained from appropriate RAD/USSAMDA/CBMS-JPMO program managers:	YES
Laboratories:	U.S. Army Medical Materiel Agency 693 Neiman Street Fort Detrick, MD 21702-5001 U.S. Army Medical Materiel Development Activity 1430 Veterans Drive Fort Detrick, MD 21702
Lab's Technical POCs:	Mr. Michael Husband for USAMMA Phone: 301-619-4329 Email: michael.husband@amedd.army.mil LTC David Shoemaker for USAMMDA david.r.shoemaker@us.army.mil 301-619-7985
Lab's Legal Counsel:	Commander, U.S. Army Medical Research and Materiel Command ATTN: MCMR-ZA-J (Mr. Jeremiah Kelly) Fort Detrick, Frederick, MD 21701-5012 Voice Phone: (301) 619-6554 FAX Phone: (301) 619-5034
Company POC:	Mr. Philippe Deschamps NeuroHabilitation Corporation 208 Palmer Alley, Newtown PA 18940 Phone: 614-596-2597 Email: pdeschamps409@gmail.com
Other Parties:	Advanced NeuroRehabilitation, LLC and its owners: Yuri P. Danilov, Mitchell E. Tyler, and Kurt A. Kaczmarek as inventors/background patent holders

Summary: Many soldiers in the Armed Forces suffer from balance and gait disorders subsequent to brain trauma from combat or other etiologies. Neuromodulation stimulation with the PoNS(TM) has been shown to aid in speeding up or increasing response to physical therapy in the treatment of vestibular disorder. The PoNS(TM) is presently an experimental device that has been successfully used in investigatory studies of human subjects with movement disorders. Further testing and design development are required to facilitate regulatory approval by the FDA and to meet the product requirements of its eventual end users.

A COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT

Among

NeuroHabilitation Corporation (Cooperator)
Yuri P. Danilov, Mitchell E. Tyler, Kurt A. Kaczmarek (Background Patent Owners)
Advanced NeuroRehabilitation, LLC (Exclusive Licensee of Background Patent)

and

US Army Medical Materiel Agency (USAMMA)
a subordinate activity of the US Army Medical Research and Materiel Command (USAMRMC), in collaboration with the Combat Casualty Care Research Program (CCCRP)

and

Article 1 Background

1.00 This Agreement is entered into under the authority of the Federal Technology Transfer Act of 1986, 15 U.S.C. 3710a, et seq.

1.01 Laboratory, on behalf of the US Government, and Cooperator desire to cooperate in research and development of the Portable Neuromodulation Stimulator (PoNS(TM)) assisted physical therapy for the treatment of soldiers with balance and gait disorder according to the attached Statement of Work (SOW) described in Appendix A. NOW, THEREFORE, the parties agree as follows with the

understanding that the Background Patent Owners and Advanced NeuroRehabilitation, LLC, which holds an exclusive license to the background patent, are included in this Agreement only to the extent needed to fulfill responsibilities under Articles 8 and 9 and Appendix B:

Article 2 Definitions

2.00 The following terms are defined for this Agreement as follows:

2.01 "Agreement" means this Cooperative Research and Development Agreement (CRADA). The terms "Agreement" and "CRADA" are used interchangeably herein.

2.02 "Invention" and "Made" have the meanings set forth in Title 15 U.S.C. Section 3703(7) and (8).

2.03 "Proprietary Information" means information marked with a proprietary legend which embodies trade secrets developed at private expense or which is confidential business or financial information, provided that such information:

(i) is not generally known, or which becomes generally known or available during the period of this Agreement from other sources without obligations concerning their confidentiality;

(ii) has not been made available by the owners to others without obligation concerning its confidentiality; and

(iii) is not already available to the receiving party without obligation concerning its confidentiality;

(iv) is not independently developed by or on behalf of the receiving party, without reliance on the information received hereunder.

2.04 "Regulatory Application" means investigational new drug application (IND), investigational device exemption (IDE), new drug application (NDA), biologics license application (BLA), premarket approval application (PMA), or 510(k) pre-market notification filing, 510(k), or another regulatory filing submitted to the US Food and Drug Administration (FDA) related to a product or an analogous foreign filing. The related terms, "sponsor" and "applicant," are used herein consistent with the definitions and/or usage found in 21 CFR Section Section 3.2(c), 312.3, 600.3(t), 812.3(n), 812 Subpart C, and 814.20.

2.05 "Subject Data" means all recorded information first produced in the performance of this

Agreement.

2.06 "Subject Invention" means any Invention Made as a consequence of, or in relation to, the performance of work under this Agreement.

Article 3 Research Scope and Administration

3.00 Statement of Work. Research performed under this Agreement shall be performed in accordance with the SOW incorporated as a part of this Agreement at Appendix A. It is agreed that any descriptions, statements, or specifications in the SOW shall be interpreted as goals and objectives of the services to be provided under this Agreement and not requirements or warranties. Laboratory and Cooperator will endeavor to achieve the goals and objectives of such services; however, each party acknowledges that such goals and objectives, or any anticipated schedule of performance, may not be achieved.

3.01 Review of Work. Periodic conferences shall be held between the parties for the purpose of reviewing the progress of work. It is understood that the nature of this research is such that completion within the period of performance specified, or within the limits of financial support allocated, cannot be guaranteed. Accordingly, all research will be performed in good faith.

3.02 Principal Investigator. Any work required by the Laboratory under the SOW will be performed under the supervision of Michael Husband of USAMMA (michael.husband@amedd.army.mil, 301-619-4329) and LTC David Shoemaker of USAMMDA (david.r.shoemaker@us.army.mil, 301-619- 7985) or other duly appointed Army Principal Investigators (PIs) as may be designated for a given phase or task of the CRADA, who, as designated Army PIs have responsibility for the scientific and technical conduct of this project on behalf of their respective Laboratory. Any work required by the Cooperator under the SOW will be performed under the supervision of Mitchell E. Tyler, metyler1@wisc.edu, who has responsibility for the scientific and technical conduct of this project on behalf of the Cooperator.

3.03 Collaboration Changes. If at any time the co-PIs determine that the research, regulatory, or other data dictate a substantial change in the direction of the work, the parties shall make a good faith effort to agree on any necessary change to the SOW, obtain concurrences from the cognizant CCCRP Integrated Product Team (IPT) and/or working groups participating in the CRADA, and make the change by written notice to the addresses listed in section 13.05 Notices.

3.04 Final Report. The parties shall prepare a final report of the results of this project within six months after completing the SOW.

Article 4 Ownership and Use of Physical Property

4.00 Ownership of Materials or Equipment. All materials or equipment developed or acquired under this Agreement by the parties shall be the property of the party which developed or acquired the property, except that government equipment provided by Laboratory (1) which through mixed funding or mixed development must be integrated into a larger system, or (2) which through normal use at the

termination of the Agreement has a salvage value that is less than the return shipping costs, shall become the property of Cooperator.

4.01 Use of Provided Materials. Both parties agree that any materials relating to them which were provided by one party to the other party will be used for research purposes only. Except as provided by Appendix B, the materials shall not be sold, offered for sale, used for commercial purposes,

or be furnished to any other party without advance written approval from the provider's official signing this

Agreement or from another official to whom the authority has been delegated, and any use or furnishing of material shall be subject to the restrictions and obligations imposed by this Agreement.

4.02 Notwithstanding the foregoing, it is acknowledged that the PoNS(TM) is functionally complete and subject to a pending patent application on behalf of the owner thereof and that Laboratory shall not, without the prior written consent of Cooperator, modify, improve, alter the PoNS™ or integrate it into any larger system. It is the intent of the parties to this Agreement that no ownership rights to the PoNS™ accrue to Laboratory in the performance, or by virtue of, this CRADA.

Article 5 Financial Obligation

5.00 In accordance with Section III of the SOW: Cooperator will be responsible for the cost of the ongoing design and development of the PoNS™ device to ensure its commercial availability post investigation and FDA clearance; and Laboratory will utilize government funds for the cost of research, testing and submissions as described at Section III(A) of the SOW. Articles 5.01 through 5.04 only apply

in the event that the parties subsequently decide and mutually agree to use funds from Cooperator to cover some of the cost of Laboratory work under this CRADA.

5.01 Advance Payment. The performance of research by Laboratory under this Agreement may be conditioned on the advance payment by Cooperator of Laboratory's agreed upon costs for the performance of such research.

5.02 Deposit Account. In the event that funds from Cooperator are required for Laboratory performance of work under this CRADA, such funds shall be deposited in a specifically designated Department of the Army deposit account, details of which shall be provided if and when needed. The deposits shall be made by check or money order and shall be made payable to DFAS with proper information to identify this particular CRADA.

5.03 Insufficient and Excess Funds. Laboratory shall not be required to continue its research and development activities under this Agreement if the funds provided by Cooperator are insufficient to cover Laboratory's agreed upon costs for such continued activities. Funds not expended by Laboratory shall be returned to Cooperator upon Laboratory's submission of a final fiscal report to Cooperator.

5.04 Accounting Records. Laboratory shall maintain separate and distinct current accounts, records, and other evidence supporting all its expenditures under this Agreement. Laboratory shall provide Cooperator a semi-annual report accounting for the use of Cooperator's funds and a final fiscal report within four months after completing the SOW or ending its research activities under this Agreement. The accounts and records of Laboratory shall be available for reasonable inspection and copying by Cooperator and its authorized representative.

Article 6 Patent Rights

6.00 Reporting. The parties shall promptly report to each other all Subject Inventions reported to either party by its employees. All Subject Inventions Made during the performance of this Agreement

shall be listed in the Final Report required by this Agreement.

6.01 Cooperator Employee Inventions. Laboratory waives any ownership rights the US Government may have in Subject Inventions Made by Cooperator employees and agrees that Cooperator shall have the option to retain title in Subject Inventions Made by Cooperator employees. Cooperator

shall notify Laboratory promptly upon making this election and agrees to timely file patent applications on Cooperator's Subject Invention at its own expense. Cooperator agrees to grant to the US Government on Cooperator's Subject Inventions a nonexclusive, nontransferable, irrevocable, paid-up license in the patents covering a Subject Invention, to practice or have practiced, throughout the world by, or on behalf of the US Government. The nonexclusive license shall be evidenced by a confirmatory license

agreement prepared by Cooperator in a form satisfactory to Laboratory.

6.02 Laboratory Employee Inventions. Laboratory shall have the initial option to retain title to, and file patent application on, each Subject Invention Made by its employees. The Laboratory agrees to grant an exclusive license to any invention arising under this Agreement to which it has ownership to the Cooperator in accordance with Title 15 U.S. Code Section 3710a, on terms negotiated in good faith. Any invention arising under this Agreement is subject to the retention by the US Government of nonexclusive, nontransferable, irrevocable, paid-up license to practice, or have practiced, the invention throughout the world by or on behalf of the US Government.

6.03 Joint Inventions. Any Subject Invention patentable under US patent law which is Made jointly by Laboratory employees and Cooperator employees under the Scope of Work of this Agreement shall be jointly owned by the parties. The parties shall discuss together a filing strategy and filing expenses related to the filing of the patent covering the Subject Invention. If a party decides not to retain its ownership rights to a jointly owned Subject Invention, it shall offer to assign such rights to the other party, pursuant to Paragraph 6.05, below. Any invention arising under this Agreement is subject to the retention by the US Government of nonexclusive, nontransferable, irrevocable, paid-up license to practice, or have practiced, the invention throughout the world by or on behalf of the US Government.

6.04 Government Contractor Inventions. In accordance with 37 Code of Federal Regulations

401.14, if one of Laboratory's Contractors conceives an invention while performing services at Laboratory to fulfill Laboratory's obligations under this Agreement, Laboratory may require the Contractor to

negotiate a separate agreement with Cooperator regarding allocation of rights to any Subject Invention the Contractor makes, solely or jointly, under this Agreement. The separate agreement (i.e., between the Cooperator and the Contractor) shall be negotiated prior to the Contractor undertaking work under this Agreement or, with the Laboratory's permission, upon the identification of a Subject Invention. In the

absence of such a separate agreement, the Contractor agrees to grant the Cooperator an option for a

license in Contractor's inventions of the same scope and terms set forth in this Agreement for inventions

made by Laboratory employees.

6.05 Filing of Patent Applications. The party having the right to retain title to, and file patent applications on, a specific Subject Invention may elect not to file patent applications, provided it so advises the other party within 90 days from the date it reports the Subject Invention to the other party. Thereafter, the other party may elect to file patent applications on the Subject Invention and the party initially reporting the Subject Invention agrees to assign its ownership interest in the Subject Invention to the other party.

6.06 Patent Expenses. The expenses attendant to the filing of patent applications shall be borne by the party filing the patent application. Each party shall provide the other party with copies of the patent applications it files on any Subject Invention, along with the power to inspect and make copies of all documents retained in the official patent application files by the applicable patent office. The parties

agree to reasonably cooperate with each other in the preparation and filing of patent applications resulting from this Agreement.

6.07 Acknowledgement of Statement of Work. Nothing contained in this Article 6 is intended to alter or modify the provisions of Section 4.02 of this CRADA and/or the respective roles and responsibilities of the Laboratory and Cooperator as set forth in the SOW. It is acknowledged that it is not the intent or the expectation of the Parties that any Invention be Made pursuant to this Agreement.

Article 7 Exclusive License

7.00 Grant. The Laboratory agrees to grant to the Cooperator an exclusive license in each US patent application, and patents issued thereon, covering a Subject Invention, which is filed by the Laboratory subject to the reservation of a nonexclusive, nontransferable, irrevocable, paid-up license to practice and have practiced the Subject Invention on behalf of the United States.

7.01 Exclusive License Terms. The Cooperator shall elect or decline to exercise its right to acquire an exclusive license to any Subject Invention within six months of being informed by the Laboratory of the Subject Invention. The specific royalty rate and other terms of license shall be negotiated promptly in good faith and in conformance with the laws of the United States.

Article 8 Background Patent(s)

8.00 Laboratory Background Patent(s). Laboratory has filed patent application(s), or is the assignee of issued patent(s), listed below which contain(s) claims that are related to research contemplated under this Agreement. No license(s) to this/these patent applications or issue patents is/are granted under this Agreement,

and this/these application(s) and any continuations to it/them are specifically excluded from the definitions of "Subject Invention" contained in this Agreement: None.

8.01 Cooperator Background Patent(s). Background Patent Owners warrant that they retain title to the patent application listed below, which contains claims that are related to research contemplated under this Agreement, such ownership obtained in accordance with the terms of a letter agreement with the National Institutes of Health, a fully executed copy of which will be provided to Laboratory. No license(s) to this/these patent applications or issue patents is/are granted under this Agreement, and this/these application(s) and any continuations to it/them are specifically excluded from the definitions of "Subject Invention" contained in this Agreement:

"Non-invasive neuromodulation (NINM) for rehabilitation of brain function," U.S. Patent Application number 12/348,301, filed 04 Jan 2009, by co-inventors Yuri P. Danilov, Mitchell E. Tyler, and Kurt A. Kaczmarek (collectively, Background Patent Owners). This patent application is licensed by the Background Patent Owners exclusively to Advanced NeuroRehabilitation, LLC, Madison, WI, which intends to license the patent application exclusively to Cooperator.

Article 9 Subject Data and Proprietary Information

9.00 Subject Data Ownership. Subject Data shall be jointly owned by the parties. Each party, upon request to the other party, shall have the right to review and to request delivery of all Subject Data, and delivery shall be made to the requesting party within two weeks of the request, except to the extent that such Subject Data are subject to a claim of confidentiality or privilege by a third party. If this Agreement is terminated, each Party agrees to provide the other with complete copies of all Subject Data within its possession.

9.01 Proprietary Information/Confidential Information. Each party shall place a proprietary notice on all information it delivers to the other party under this Agreement that it asserts is proprietary. The parties agree that any Proprietary Information or Confidential Information furnished by one party to the other party under this Agreement, or in contemplation of this Agreement, shall be used, reproduced and disclosed by the receiving party only for the purpose of carrying out this Agreement, which expressly

includes clinical and commercial development of the PoNS™, and shall not be released by the receiving party to third parties unless consent to such release is obtained from the providing party.

9.02 Army Limited-Access Database. Notwithstanding anything to the contrary in this Article, the existence of established CRADAs specifying areas of research and their total dollar amounts may be documented on limited access, password-protected websites of the US Army Medical Research and Materiel Command (the parent organization of Laboratory), to provide the Command's leadership with a complete picture of military research efforts.

9.03 Laboratory Contractors. Cooperator acknowledges and agrees to allow Laboratory's disclosure of Cooperator's proprietary information to Laboratory's Contractors for the purposes of carrying out this Agreement. Laboratory agrees that it has or will ensure that its Contractors are under written obligation not to disclose Cooperator's proprietary information, except as required by law or court order

(in which case the Laboratory shall give sufficient notice to Cooperator of any such application for a court order in order for Cooperator to take such steps as necessary to file opposition to such application), before Contractor employees have access to Cooperator's proprietary information under this Agreement.

9.04 Release Restrictions. Laboratory shall have the right to use all Subject Data for any Governmental purpose, but shall not release Subject Data publicly except: (i) Laboratory in reporting on the results of research may publish Subject Data in technical articles and other documents to the extent it determines to be appropriate; and (ii) Laboratory may release Subject Data where release is required by law or court order. The parties agree to confer prior to the publication of Subject Data to assure that no Proprietary Information is released and that patent rights are not jeopardized. Prior to submitting a manuscript for review which contains the results of the research under this Agreement, or prior to publication if no such review is made, each party shall be offered an ample opportunity to review any proposed manuscript and to file patent applications in a timely manner.

All publications will be provided to the Laboratory for review and sent to the US Army Medical Research and Materiel Command's Public Affairs Office (PAO) for review and approval prior to use or release. Per USAMRMC regulation, such PAO review will include operational security (OPSEC) review.

9.05 Public Affairs. As this work is or may have a high visibility, it is important that the same message be delivered to all stakeholders, including the public. Therefore, the parties agree that all releases of information related to this CRADA, to include press releases, shall be reviewed and approved by the USAMRMC PAO prior to release.

9.06 FDA Regulatory Matters. This Agreement involves a product subject to regulation by the U.S. Food and Drug Administration (FDA) for which FDA clearance or approval will be sought. Accordingly, the parties agree on the provisions described in Appendix B.

Article 10 Termination

10.00 Termination by Mutual Consent. Cooperator and Laboratory may elect to terminate this

Agreement, or portions thereof, at any time by mutual consent.

10.01 Termination by Unilateral Action. Either party may unilaterally terminate this entire Agreement at any time by giving the other party written notice, not less than 30 days prior to the desired termination date.

10.02 Termination Procedures. In the event of termination, the parties shall specify the disposition of all property, patents and other results of work accomplished or in progress, arising from or performed under this Agreement by written notice. Upon receipt of a written termination notice, the parties shall not make any new commitments and shall, to the extent feasible, cancel all outstanding commitments that relate to this Agreement. Notwithstanding any other provision of this Agreement, any

exclusive license entered into by the parties relating to this Agreement shall be simultaneously terminated unless the parties agree to retain such exclusive license.

Article 11 Disputes

11.00 Settlement. Any dispute arising under this Agreement which is not disposed of by agreement of the principal investigators shall be submitted jointly to the signatories of this Agreement. A joint decision of the signatories or their designees shall be the disposition of such dispute, however; nothing in this section shall prevent any party from pursuing any and all administrative and/or judicial remedies which may be allowable.

Article 12 Liability

12.00 Property. Except for a breach of the confidentiality provisions of Article 9, neither party shall be responsible for damages to any property provided to, or acquired by, the other party pursuant to this Agreement.

12.01 Cooperator's Employees. Cooperator agrees to indemnify and hold harmless the US Government for liability of any kind involving an employee of Cooperator arising in connection with this Agreement, and for all liabilities arising out of the use by Cooperator of Laboratory's research and technical developments, or out of any use, sale or other disposition by Cooperator of products made

based on Laboratory's technical developments, except to the extent the liability is due to the negligence of

Laboratory and actionable under the provisions of the Federal Tort Claims Act. This provision shall survive termination or expiration of this Agreement.

12.02 No Warranty. The parties make no express or implied warranty as to any matter whatsoever, including the conditions of the research or any Invention or product, whether tangible or intangible, Made, or developed under this agreement, or the ownership, merchantability, or fitness for a particular purpose of the research or any Invention or product.

Article 13 Miscellaneous

13.00 Governing Law. The construction, validity, performance, and effect of this Agreement shall be governed for all purposes by the laws applicable to the United States Government.

13.01 Export Control and Biological Select Agents and Toxins. The obligations of the parties to transfer technology to one or more other parties, provide technical information and reports to one or more other parties, and otherwise perform under this Agreement are contingent upon compliance with applicable United States export control laws and regulations. The transfer of certain technical data and commodities may require a license from a cognizant agency of the United States Government or written assurances by the Parties that the Parties shall not export technical data, computer software, or certain commodities to specified foreign countries without prior approval of an appropriate agency of the United States Government. The Parties do not, alone or collectively, represent that a license shall not be required, nor that, if required, it shall be issued. In addition, where applicable, the parties agree to fully comply with all laws, regulations, and guidelines governing biological select agents and toxins.

13.02 Independent Contractors. The relationship of the parties to this Agreement is that of independent contractors and not as agents of each other or as joint venturers or partners.

13.03 Use of Name or Endorsements. (a) The parties shall not use the name of the other party on any product or service which is directly or indirectly related to either this Agreement or any patent license or assignment agreement which implements this Agreement without the prior approval of the other party. (b) By entering into this Agreement, Laboratory does not directly or indirectly endorse any product or service provided, or to be provided, by Cooperator, its successors, assignees, or licensees. Cooperator shall not in any way imply that this Agreement is an endorsement of any such product or service. Press releases or other public releases of information shall be coordinated between the parties prior to release, except that the Laboratory may release the name of the Cooperator and the title of the research without prior approval from the Cooperator.

13.04 Survival of Specified Provisions. The rights specified in the following sections of this

Agreement shall survive termination or expiration hereof:

- **i. 3.04**
- **ii. 5.03**
- **iii. 5.04**
- **iv. Article 6**
- **v. 7.00**
- **vi. 9.00**
- **vii. 9.03**
- **viii. 9.04**

- **ix. Article 12**
- **x. Appendix B**

13.05 Notices. All notices pertaining to or required by this Agreement shall be in writing and shall be signed by an authorized representative addressed as follows:

If to Cooperator:

Philippe Deschamps
208 Palmer Alley
Newtown, PA 18940
Phone: 614-596-2597
Email: pdeschamps409@gmail.com

If to Laboratory:

Michael Husband
Acute Care Division
Program Management Office Medical Devices USAMMA
693 Neiman Street
Fort Detrick, MD 21702

Any party may change such address by notice given to the other in the manner set forth above.

Article 14 Duration of Agreement and Effective Date

14.00 Effective Date. This Agreement shall enter into force as of the date it is signed by the last authorized representative of the parties.

14.01 Signature Execution. This Agreement may be executed in one or more counterparts by the parties by signature of a person having authority to bind the party, which may be by facsimile signature, each of which when executed and delivered, by facsimile transmission, mail, or email delivery, will be an original and all of which will constitute but one and the same Agreement.

14.02 Expiration Date. This Agreement will automatically expire on December 31, 2015 unless it is revised by written notice and mutual agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this agreement to be executed by their duly authorized representatives as follows:

For the Cooperator:

/s/ Philippe Deschamps **DATE January 22, 2013**
Philippe Deschamps
Chief Operating Officer
NeuroHabilitation Corporation

For Advanced NeuroRehabilitation, LLC and as Background Patent Owners:

/s/ Yuri Danilov **Date January 22, 2013**
Yuri P. Danilov

/s/ Mitch E. Tyler **Date January 22, 2013**
Mitchell E. Tyler

/s/ Kurt Kaczmarek **Date January 22, 2013**
Kurt A. Kaczmarek

For the US Government USAMMA:

/s/ Alejandro Lopez-Duke Date February 1, 2013

Alejandro Lopez-Duke
Colonel, Medical Service Corps
Commander, U.S. Army Medical Material Agency

For the US Government USAMMDA

/s/ Russell Coleman Date January 30, 2013
Russell E. Coleman
Colonel, Medical Service Corps
Commander, US Army Medical Material Development Activity

APPENDIX A

STATEMENT OF WORK

I. Title: Collaboration to advance the Portable Neuromodulation Stimulator (PoNS(TM)) device through FDA approval for assisted physical therapy in the treatment of soldiers and others with balance and gait disorder.

II. Background: Current treatment methods for treating balance disorders typically involve medication and various forms of vestibular rehabilitation and physical therapy. Cooperator has developed a novel approach to rehabilitating the injured or diseased human brain using cranial nerve non-invasive neuromodulation (CN-NINM). Sustained application of this stimulation, in conjunction with exercises targeted on a functional deficit, appears to effect changes in activity, and therefore function, of these targeted brain structures. CN-NINM has been tested on subjects having balance, posture and gait disorders due to vestibular, cerebellar, or brainstem trauma. When applied in conjunction with other therapeutic interventions for sensory and movement control, integrating CN-NINM has been demonstrated to create localized functional changes in brain activity levels which, along with observed improvements in balance, posture, gait and limb movement control, provides evidence of functional neurorehabilitation.

Many soldiers in the Armed Forces suffer from balance and gait disorders subsequent to brain trauma from combat or other etiologies. Neuromodulation stimulation with the PoNS™ has been shown to aid in speeding up or increasing response to physical therapy in the treatment of vestibular disorder. The

PoNS(TM) is presently an experimental device that has been successfully used in investigatory studies of human subjects with movement disorders. Further testing and design development are required to facilitate regulatory approval by the FDA and to meet the product requirements of its eventual end users.

An efficiently mass produced PoNS™ that suffers no decreased functionality or reliability could allow patients to regain normal activity in their civilian life, and for some, could allow them to return more quickly to their duty station or military mission.

The goal of this Agreement is to investigate, through the means of a blinded, well-designed study, to determine if the PoNS™ can be mass produced and deployed in a prototypical clinical setting without suffering any decreased functionality or reliability, and demonstrating safety and efficacy in a registrational clinical trial.

Related background intellectual property includes the trademark, PoNS(TM), a pending U.S. patent application as cited in Article 8.01, the current PoNS(TM) prototype design, and proprietary physical therapy protocols developed by scientists at the University of Wisconsin at Madison.

III. Collaboration:

A. Subject to the availability of government funds to cover Laboratory costs, Laboratory agrees to:

1. Serve as the Regulatory Sponsor of the PoNS(TM) for all formal and informal interactions with the FDA necessary to gain FDA clearance/approval, to include the initial 513(g) submission.

2. Supply the facilities and personnel to execute and/or oversee the execution of clinical studies of the device for FDA clearance/approval in support of an intended use of the PoNS(TM) for the treatment of soldiers suffering from balance and gait disorders.

i. Provide clinical trial monitoring ii. Provide full biostatical support

iii. Provide data management oversight iv. Provide product technical oversight

v. Provide safety pharmacovigilance and reporting to FDA

vi. Device qualification/validation;

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vii. Testing plan for release of devices;

3. Conduct assessments of manufacturing facility and assist/advise facility in meeting

FDA manufacturing requirements.

4. Aid in designing the clinical protocols to study the PoNS(TM) device as an adjunct to

specialized physical therapy in patients with balance and gait disorders.

5. Provide advice and expertise on all Army administrative protocols and approvals to execute the studies with military personnel, reservists, and/or veterans.

6. Prepare and submit the necessary regulatory filings for FDA to secure regulatory clearance or approval, after which such clearance/approval will be transferred to Cooperator.

7. Ensure Cooperator receives copies of all formal and informal communications with

FDA related to the PoNS(TM) device.

B. Subject to the availability of funds to cover Cooperator costs, Cooperator agrees to:

1. Complete the commercial design, including ergonomics (e.g. user controls, comfort), and design for improved manufacturability, reliability, and field support and regulatory testing to comply with the FDA regulations for such devices.

2. Work collaboratively with the Laboratory and other Army personnel to supply all the technical specifications, documentation and any other information required to address FDA requests on the pathway to obtaining FDA clearance/approval of the PoNS(TM) device.

3. Finalize the commercial design of the PoNS(TM) device so that the devices would be

commercially available to the Army should the results of the study be positive.

4. Identify and engage a commercial manufacturer post-FDA clearance of the device to produce the device for purchase of the Government.

5. Provide expertise and training in the design of clinical study protocols.

6. Provide expertise and training of Army and/or Veterans Affairs personnel in the physical therapy interventions required for clinical studies.

This SOW may be adjusted by the parties in accordance with Article 3.03 of the Agreement.

APPENDIX B

GOVERNMENT RIGHTS TO ENSURE PRODUCT AVAILABILITY

This Appendix B only applies in the event that Cooperator is not able or willing to commercialize the subject technology within a reasonable period of time as defined herein from the expiration or termination of the CRADA.

The terms "Regulatory Application" and "sponsor" and "applicant" are used herein as defined in 2.04 of this Agreement. The term "subject technology" is used herein to mean the PoNS(TM) technology as described U.S. Patent Application number 12/348,301 as well as any improvements or modifications developed during the term of this CRADA.

The parties to this CRADA further agree as follows:

1. USAMRMC will be the sponsor of the Regulatory Application described in this Agreement until said application is cleared or approved by the FDA, at which point USAMRMC will transfer such clearance or approval to Cooperator.

2. During USAMRMC sponsorship, Laboratory will provide Cooperator, upon request, all communication, both formal and informal, to or from the FDA regarding the subject technology being developed under this CRADA. In addition, Laboratory will ensure that Cooperator staff are permitted the opportunity to participate in any sponsor meetings, both formal and informal, in which the subject technology is discussed with the FDA.

3. After any transfer of the Regulatory Application from USAMRMC to Cooperator, and in the event that Cooperator fails to obtain any additional, required FDA approval or clearance or to satisfy any outstanding regulatory requirement due from the sponsor within two (2) years after the expiration or termination of this CRADA, or where the Cooperator fails to commercially market the regulated technology to the point where the US Government may purchase the technology within two (2) years after the expiration or termination of this CRADA, Cooperator will:

   a. transfer possession, ownership and sponsorship/holdership of any Regulatory Application, regulatory correspondence, and supporting regulatory information related to the subject technology to USAMRMC;

   b. inform FDA of the transfer of sponsorship or holdership of the Regulatory Application transferred under section 3a above; and

   c. provide the U.S. Government with a non-exclusive, paid-up, irrevocable license to any patent, copyright, data rights, proprietary information (as defined in section 2.03) or regulatory information held by the Cooperator, or obtained from the Cooperator by a third party, in order to permit the U.S. Government to pursue commercialization of the subject technology.

DESIGN AND MANUFACTURING CONSULTANT AGREEMENT
NEUROHABILITATION CORPORATION

This Business Consultant Agreement ("Agreement") is made and effective January 30, 2013

BETWEEN: **CLINVUE** (the "Consultant"), a company organized and existing under the laws of the State of Maryland with its head office located at:

4821 Butler Rd, Suite 2c, Glyndon MD 21136

AND: **NeuroHabilitation Corporation** (the "Company"), a company organized and existing under the laws of the State of Delaware], with its head office located at:

208 Palmer Alley, Newtown, Pennsylvania, 18940, United States

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties hereto agree as follows:

1. CONSULTATION SERVICES

The company hereby employs the consultant to lead the design and manufacturing program for the PoNS device. The Consultant will perform the following services in accordance with the terms and conditions set forth in this agreement in Appendix A

2. TERMS OF AGREEMENT

This agreement will begin January 30, 2013 and will renew annually automatically. Either party may cancel this agreement on thirty (30) days notice to the other party in writing, by certified mail or personal delivery.

3. TIME DEVOTED BY CONSULTANT

It is anticipated the consultant will spend approximately 4-6 days a month in fulfilling its obligations under this agreement. The particular amount of time may vary from day to day or week to week, month to month.

4. PLACE WHERE SERVICES WILL BE RENDERED

The consultant will perform most services in accordance with this contract at a location of consultant's discretion. In addition, the consultant will perform services on the telephone and at such other places as necessary to perform these services in accordance with this agreement.

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5. PAYMENT TO CONSULTANT

The consultant will be paid at the rate of $150 per hour for work performed in accordance with this agreement. The consultant will submit an itemized statement setting forth the time spent and services rendered. And the company will pay the consultant the amounts due as indicated by statements submitted by the consultant within 15 days of receipt.

It is understood that payments for consulting services will be withheld until NeuroHabilitation Corporation obtains funding for his activities. In return for this arrangement NeuroHabilitation Corporation will provide stock options program to be defined by a separate agreement. All travel and incidental expenses will be paid fully for all activities performed prior to funding. Travel arrangements will require pre-approval by a member of the NeuroHabilitation Management board.

6. INDEPENDENT CONTRACTOR

Both the company and the consultant agree that the consultant will act as an independent contractor in the performance of its duties under this contract. Accordingly the consultant shall be responsible for payment of all taxes including Federal, State and local taxes arising out of the consultant's activities in accordance with this contract, including by way of illustration but not limitation, Federal and State income tax, social security tax, unemployment insurance taxes, and any other taxes or business license fee as required.

7. CONFIDENTIAL INFORMATION

The consultant agrees that any information received by the consultant during any furtherance of the consultant's obligations in accordance with this contract, which concerns the personal, financial or other affairs of the company will be treated by the consultant in full confidence and will not be revealed to any other persons, firms or organizations.

8. EMPLOYMENT OF OTHERS

The company may from time to time request that the consultant arrange for the services of others. All costs to the consultant for those services will be paid by the company but in no event shall the consultant employ others without the prior authorization of the company.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Company	Consultant
/s/ Philippe Deschamps Authorized Signature	/s/ Paul Feanis Authorized Signature
Philippe Deschamps, CEO Print Name and Title	Paul Feanis, CEO Print Name and Title

---

your needs

NHC is seeking to progress the prototype PoNS device through to a commercial launch with both military and civilian customers

The PoNS device developed by University of Wisconsin provides dramatically effective treatment for balance and gait disorders such as those frequently associated with Traumatic Brain Inury (TBI), Multiple Sclerosis (MS) Parkinsons disease. Target markets include the US Army and Veterans Administration as well as the US civilian market and subsequent international markets.

Clinical trials to date have demonstrated the efficacy of the device and a joint venture has now been formed between ANR and MPJ who wish to develop the PoNS device through to commercial launch (Gen 4.0). At present the device and it's associated physical therapy regimen is being perfected and proven using laboratory prototypes, dubbed Gen 2.x.

The purpose of this proposal is to describe a program of work to:

1. Develop detailed and accurate Customer Requirements (Design Inputs) and a draft Product Requirements Specification which can be used to drive development of the commercial product and meet regulatory requirements

2. Provide active guidance and management of nominated 3rd party design, testing and manufacturing resources for a period of ~2 years to launch

The program will:

- Gather and prioritize stakeholder needs
- Synthesize these needs into a series of structured product concepts which can be used to gather market feedback
- Iterate a final design concept embodiment based upon market feedback
- Create and maintain the formal Customer Requirements/Design Input document
- Manage the process through stage-gates, ending with transfer of the design to an approved manufacturer

approach

We propose a 3 phase program that will implement the Gen 4.0 PoNS device into approved manufacture

Phases 0-1 will deliver a commercially manufacturable product and an initial pilot production volume run by the chosen manufacturer.

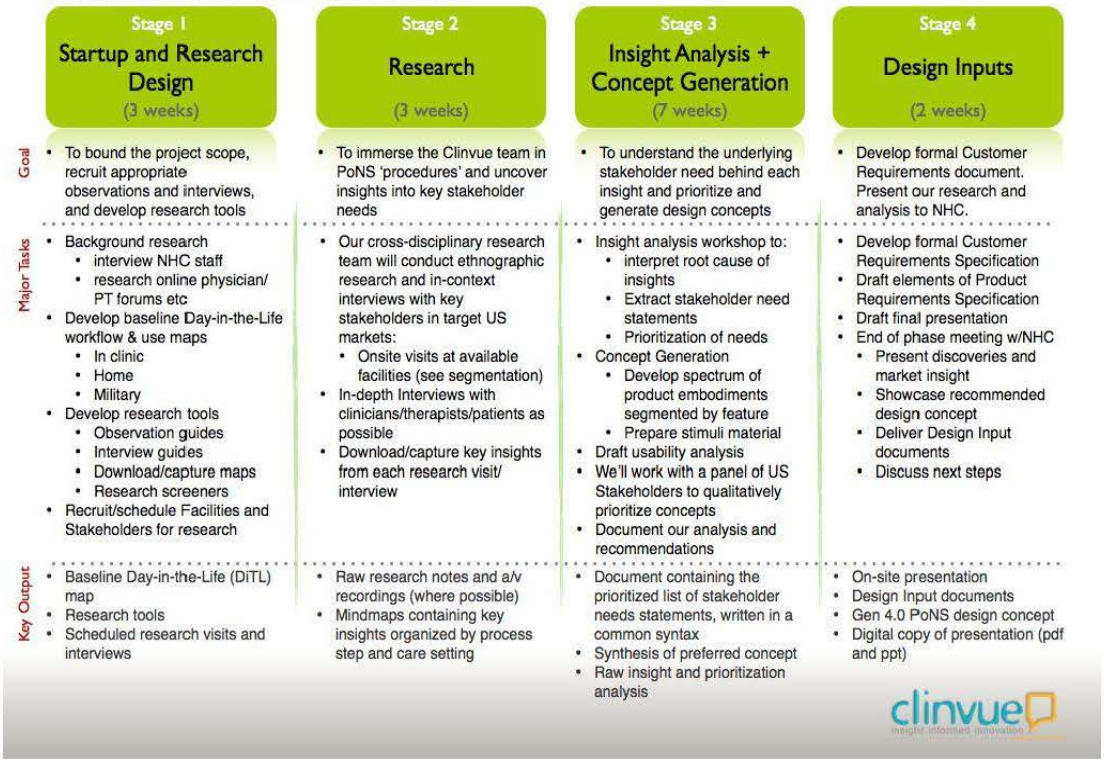
- **Phase 0** - Clinvue will gather and prioritize key stakeholder needs, synthesize a range of product concepts, test with key stakeholders and develop formal customer requirements documents (FDA Design Inputs)
- **Phase 0.5** - Clinvue will shortlist, brief and obtain Product Development quotations from 3rd party design & development companies. Vendor selection with NHC.
- **Phase 1** - Clinvue (Paul Fearis) will manage the nominated 3rd part design & development vendor on behalf of NHC

Phases 0 and 0.5 will be conducted directly by Clinvue as a consulting service to NHC

Phase 1 will be conducted by the NHC/Clinvue nominated 3rd party design and development partner under contract to NHC. Management will be provided by Paul Fearis alongside general ongoing liaison with NHC.

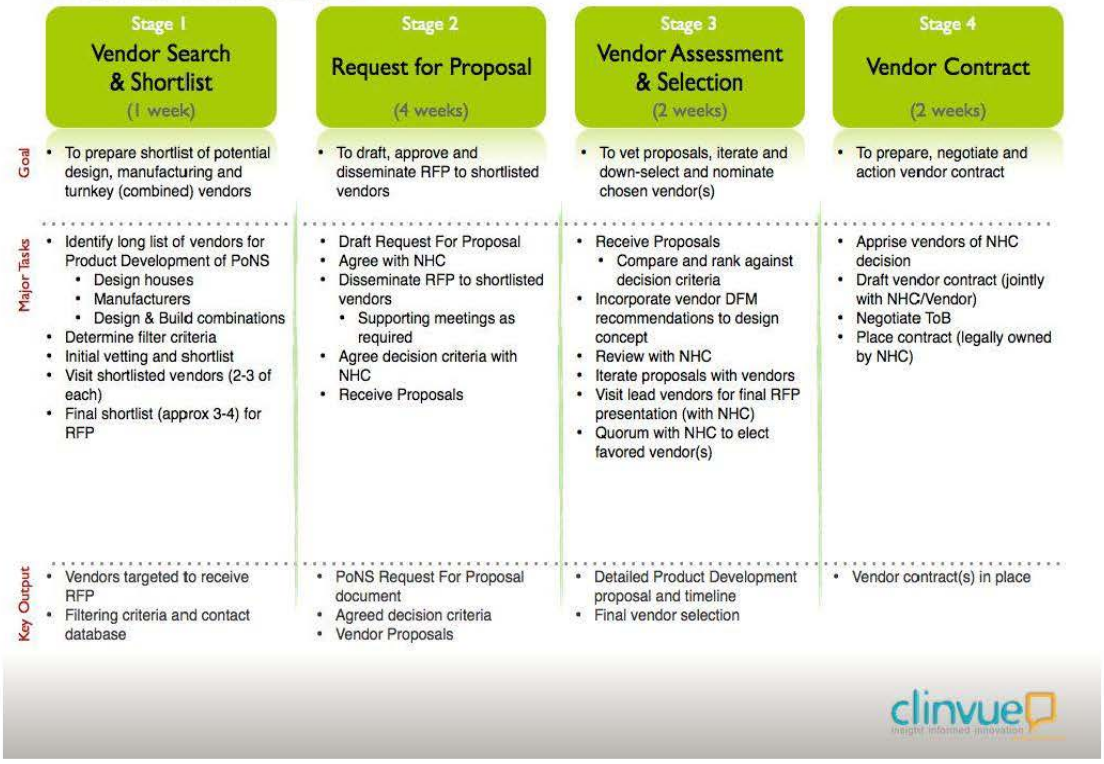
approach // Phase 0 // Stages 1-4

Phase 0: Specification Development



approach // Phase 0.5 // Stages 1-4

Phase 0.5: Vendor Selection



approach // Phase 1 // Product Development Project Management

Phase 1: Product Development Management

timescales, fees, & deliverables // stages 1-4

This proposal describes our work to instigate and support the commercial development of the Gen 4.0 PoNS device design through to commercial manufacturing start-up. Our costs (professional fees and pass-thru expenses) and timescales for this program are shown below:

Phase	Professional Fees	Duration (est.)	Expenses (est.)
Phase 0: Opportunity Definition	$145k	13 weeks	$4k includes: travel/acc (~3 US sites x2 people) $8k 2x Focus group facility+recruitment & honoraria $8k Materials, models etc.
Phase 0.5: Vendor Selection	~$41k	9 weeks (Concurrent)	$6k includes travel/acc for 6x US vendor visits
Phase 1: Product Development Management	~$114k	2 years	$20k assumed ~monthly vendor visits + quarterly NHC meetings over 2 years

In all cases, expenses are charged only as incurred and will not exceed the budgeted amount without prior NHC approval. Clinvue does not mark up expenses. We assume that these will be pass-thru to NHC.

In preparation of our proposal, we have made the following assumptions and observations:

- NHC will contract directly with chosen vendors
- NHC will procure necessary tooling and 'B' components to specification as required
- Product Development Project Management will be provided by Paul Fearis at a pro-rated 1 day per week for 48 weeks for 2 years (initiated in April 2013)
- NHC regulatory qualification testing activities and associated costs have not been included in this proposal
- NHC will adopt regulatory documentation required in support of the design
- Clinvue will be implementing the technology as developed by University of Wisconsin and do not assume responsibility or liability for its suitability for purpose, efficacy or safety
- Timescales are estimates based upon past experience, 3rd party tooling and production lead-times are beyond the control of Clinvue
- NHC will provide Clinvue with design data and materials for existing PoNS as required

NHC/Clinvue

PoNS Portable Neurostimulator device

Commercial Development-to-Supply Program

Attention
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Date
October 25, 2013

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Proposal ID: NHC102513, revision B

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Development Program

Overview

NHC is in the process of developing a system which is referred to as the PoNS device. The device has been designed to deliver low-level electrical current to stimulate the lingual projections of, at least, two cranial nerves in the tongue through the gold-plated electrodes. The device has already been through Phase 1 clinical trials and has shown performance efficacy. This device would be intended for use in the home of a patient.

CLINVUE provided a description of the product development efforts to date (ref NHC RFPv1.PDF, rec'd 07/01/13) and has visited Ximedica's Providence, Rhode Island facility. NHC/CLINVUE is intending to use a qualified partner to execute the remaining development cycle activities including design, development, verification testing and assembly. In addition, NHC/CLINVUE is intending to rely on Ximedica to maintain design control, assemble the Design History File (DHF) and plan and conduct other development activities such as packaging, labeling and other needed development-to-supply activities. Ultimately, NHC/CLINVUE is considering Ximedica to design, develop and produce a PoNS product solution

suitable for commercial use, according to the requirements by NHC, and in conformance with established FDA Quality System Regulations and design control requirements in order to obtain FDA clearance to market the product. NHC has requested a proposal for executing a fully integrated development process for this device.

Ximedica is well suited for this development-to-supply program. Ximedica has a solid history of designing and developing medical and home healthcare products such as the type requested by NHC. This work experience spans: collection of user needs, concept and feasibility work, risk assessment, detailed design and engineering, specification development, test protocol development, process validation, maintenance of design control documentation, and compilation of Design History Files and Device Master Records (DMR). These programs often include the sourcing of components and subassemblies using our Approved Vendor List (AVL) and the assembling and delivery of both clinical units and production units. Ximedica has successfully developed and manufactured a number of Class II medical devices for clients. In some cases, the manufacturing was done by Ximedica, in other cases; the client wanted to use either a known contract manufacturer or wanted to transfer the client's manufacturing line. Regardless of this choice, Ximedica has a Quality Management System that allows for this flexibility, while ensuring efficient program execution. Unlike the big-box contract manufacturing firms, Ximedica's manufacturing flexibility can provide single batch, human-

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use clinical builds ranging from a few hundred units to fifty thousand units and has also shipped between 100-10,000 units on an ongoing monthly basis for our clients. This flexibility allows our clients to get product manufactured in a controlled, documented way with disrupting their existing assembly lines with one-time builds or, if a start-up, creating an approved manufacturing facility from scratch.

Ximedica has offices in Minneapolis and Hong Kong. The Hong Kong office supports overseas supply chain activities, when appropriate.

Objective

To design, develop and produce a PoNS product solution suitable for clinical trial and commercial sale according to the requirements by NHC, in conformance with established FDA Quality System Regulations and design control requirements, and to help NHC obtain FDA clearance to market the product.

Summary of Ximedica's Experience

Ximedica's team includes deep experience in research, human factors & industrial design, over 50 engineers, design assurance, regulatory professionals, and a manufacturing and supply group focused on NPI (new product introduction). Our project managers are trained and experienced in medical device development and work collaboratively and transparently with our clients. All Ximedica employees have been formally trained in the various activities associated with their roles and fields of expertise for development and manufacture of medical products.

Every project has a core team that is consistent throughout the entire program to ensure efficient information transfer between disciplines. That core team is augmented with other product development professionals in the Ximedica resource pool as needed. Ximedica's integrated approach to design and development has been proven to result in successful product outcomes, meet regulatory compliance rigor and achieve schedule objectives. This vertical integration of the entire product development process, including manufacturing, brings efficiencies in resourcing and scheduling. From a client's perspective, this also brings unambiguous accountability for the successful completion of the program.

For this assignment, Ximedica shall draw together a project team of professionals with experience throughout the medical device and scientific products industry including Covidien/Tyco, Boston Scientific Corporation, Johnson & Johnson, Inc., Smith & Nephew, and Becton Dickinson to name a few. Ximedica believes strongly that this ability to bring diversity to the program will generate a superior product for NHC.

A particularly relevant development and manufacturing effort is the J&J VerV(TM) neurostimulation device (see photo above). This device was a single-use patch intended to be worn for a week or so. The Verv patch also used a pulsed carrier waveform to deliver neurostimulation therapy, but used hydrogel pads instead of an electrode array as the conductive element. The battery-driven electrical signal produced by the VerV(TM) patch is within the safety levels described within the IEC 60601-2-10 standard for Medical Electrical Equipment Part 2: Particular Requirements for the Safety of Nerve and Muscle Stimulators. The VerV(TM) controller was not hard-wired to the patch but communicated via wireless signal. In a similar fashion to the NHC request, Ximedica codified the design and created the DHF and DMR and developed the manufacturing line to create clinical and production units that were sold in Europe. Ximedica serves as the distribution center for J&J Operations for shipment to the EU.

We are a full service, ISO-13485, 2003 certified as both medical device developer and a manufacturer. As a contract manufacturer we are FDA registered and have significant experience in programs which require creative solutions that balance technical needs with usable, cost-effective designs. Due to the number of top medical clients Ximedica works with, and given we create hold and maintain their DHF's, our Quality Management System is successfully audited nearly every month, passing muster with the most stringent auditors.

Key Points

- **Single point of contact for program accountability; no gaps between disciplines**
- **Track record in the successful development/manufacture of medical devices (minimum Class II), either as a turn-key operation or in direct partnership with existing suppliers**

- **Proven design capabilities including electronics, firmware, mechanical, bio-design, manufacturing processes and process development, Industrial Design, testing**
- **Our in house Regulatory experts have a working relationship with FDA counterparts and can serve as a resource to determine a regulatory path or can ensure the coordinated execution of a predetermined regulatory plan.**
- **Ability to create and maintain a formal Design History File for delivery to NHC upon completion**
- **Ability to create and maintain a formal Device Master Record**
- **Ability to scale production capacity in-house to all but the highest volume manufacturing (millions/year)**
- **ISO Certifications: e.g. fully maintained ISO 13485 approved design process etc.**
- **Fully implemented FDA GMP Quality System for manufacture including IQ/OQ/PQ etc.**
- **Ximedica has a Class 8 clean room and relationships with sterilization facilities should our clients need sterile product**
- **Ximedica maintains a rigorous inventory control procedure and can serve as a warehousing and distribution center for finished goods**
- **If and when the time is right, Ximedica can make the transfer to the next manufacturing site smooth. This can include generation of needed process validation documentation.**

Program Communications

In addition to the formal review meetings required by Design Control SOP's, Ximedica recommends regular and systematic contact with key NHC and Clinvue staff throughout the program. Below is a list of communications tools and methods which Ximedica intends to use in order to keep NHC up to date. This is by no means an exhaustive list and can be modified to suit NHC preferences and policies.

- **Weekly status dashboard memo (includes meeting minutes, summary of work completed, issues being chased, decisions made, budget status, etc.)**
- **Weekly conference call (street-level task reviews with core team; review progress to date, review any new test data or reports generated, redirect efforts on an as-needed basis, etc.; WebEx may also be utilized during these meetings.)**

- **Regular face-to-face meetings (our experience has proven time and time again that getting together in person has significant and valuable benefits)**

Responsibilities

In order to properly frame the project and establish a budget, listed below are some basic assumptions regarding responsibilities. These assumptions are meant to establish a baseline understanding between Ximedica and NHC. As described in the meeting and in a follow up email, Ximedica's Program Requirements and Responsibilities form (F-1029) will be completed at the beginning of the project and will fully document responsibility for activities and DHF artifacts between NHC and Ximedica. This form also includes references to which company's SOP's or forms will be used and who has signing authority, etc.

NOTE: Ximedica is willing to take on any of the responsibilities assigned to NHC but would require an adjustment to this proposal and associated budget and schedule.

<u>NHC</u>

1. NHC shall be responsible for acquiring legal opinions to confirm that the product design does not infringe on any patents.

2. NHC shall be responsible for collection of Voice of Customer (VOC) inputs and generation of a Market Input Specification.

3. NHC shall be responsible for IRB preparation and management, as required.

4. NHC shall be responsible for arranging any clinical trials and conducting clinical Design Validation activities, as required.

5. NHC shall be responsible for specifying the function of the array and electronic signal needed to affect treatment.

6. NHC shall be responsible for the clinical effectiveness of the system as a whole.

7. NHC shall be responsible for the Regulatory plan of the system, as a whole.

8. NHC shall be responsible for the review and submission of FDA documents.

9. NHC shall be responsible for the external form factor and global architecture of the PoNS assembly as defined in the design requirements documentation.

<u>Ximedica</u>

10. Ximedica shall be responsible for planning and preparing all filings for the FDA.

11. Ximedica shall be responsible for selecting the materials of the PoNS device assembly and confirming their biocompatibility as needed.

12. Ximedica shall be responsible for generating and maintaining all design control-related documentation for the development and design verification of the PoNS device using Ximedica's design control processes and formats unless otherwise agreed to with NHC.

13. Ximedica shall be responsible for unit packaging design and specification generation.

14. Ximedica shall be responsible for designing and specifying all labeling including the instructions for use for the device.

15. Ximedica shall be responsible for Usability testing, including required documentation, recruitment and compensation of all Usability Test subjects, Facility rentals and fee, compilation of test reports, etc.

Key Assumptions

The work scope, schedule and budget for this development program are based upon the following assumptions.

1. The core circuitry and output wave form characteristics for the PoNS device are known and understood. Ximedica assumes that it is refining and re-packaging the existing internal components and assemblies in order to make the product more readily and consistently manufactured and to assure compliance with identified product requirements.

2. It is assumed that the refined design solution will contain data/treatment recording and reporting capabilities.

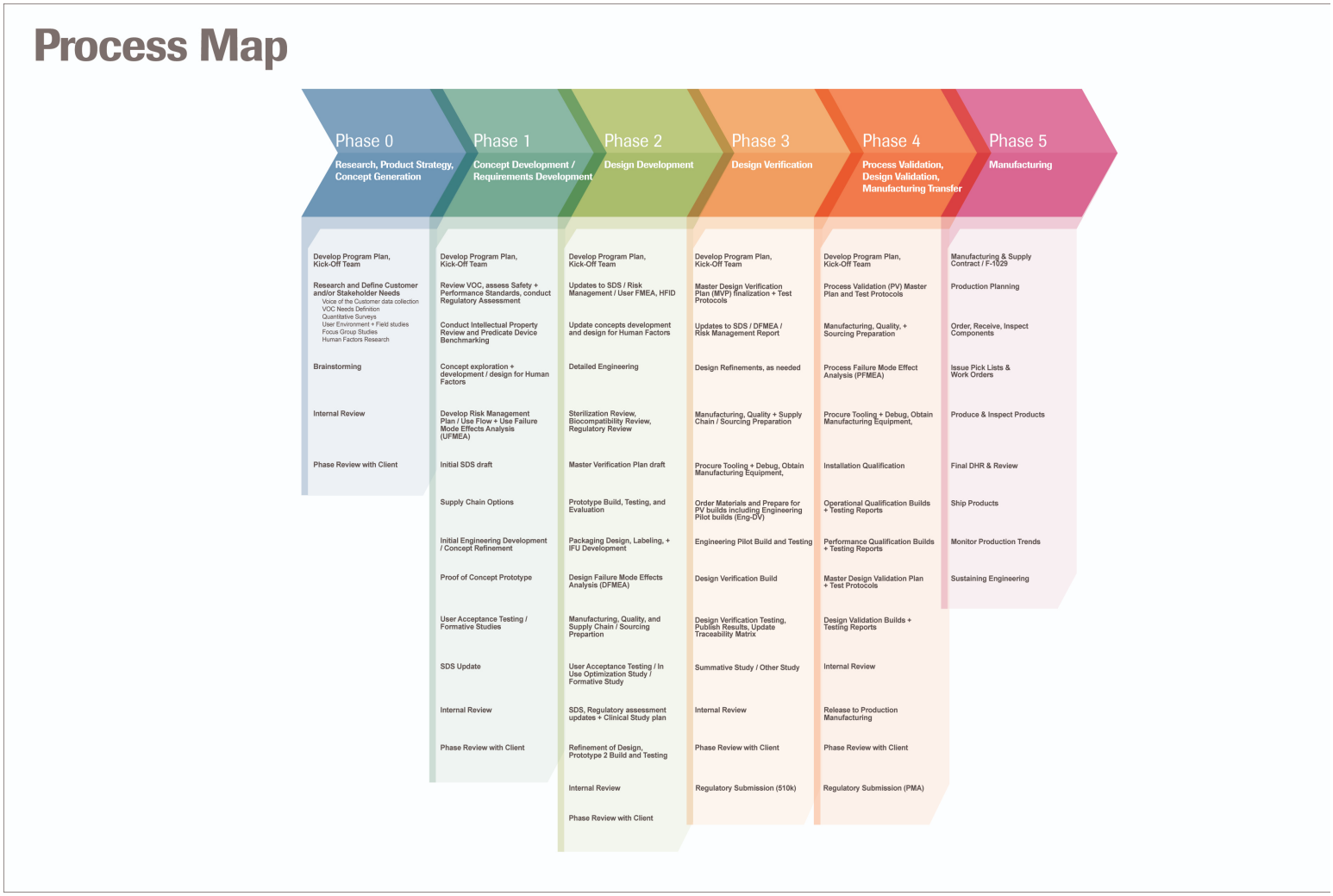
3. The PoNS system solution will consist of the following discrete "elements":

- **a. Rechargeable PoNS controller unit that generates the waveform and is the interface for the user (durable)**
- **b. PoNS headset that supports the electrode array in the user's mouth and is connected to the controller unit by a cable (durable)**
- **c. PoNS mouthpiece device (30 day reusable)**
- **d. PoNS Wall chargers for intended markets (durable OTS)**
- **e. PoNS system packaging/shipping container and labels**

- **f. PoNS replacement mouthpiece packaging/shipping container and labels**
- **g. PoNS IFU in 4 languages**
- **h. PoNS belt clip, lanyard, arm band, and kick stand accessories for the controller unit**
- **i. PC-based PoNS Data Manager Application**

Project Process Summary

Below are the development phases and their general definitions which Ximedica follows as its primary stage gates. To ensure alignment with NHC/CLINVUE, Ximedica takes a rigorous approach to declare the responsible parties for each of the Design History File artifacts required by the FDA. Once these responsibilities are defined, follow on activities required to finish the phase (and program) can be assessed and planned. Within the graphic, key activities and deliverables are shown for reference. Detailed descriptions of the process and deliverables specific for this work scope will be part of a detailed proposal.



Phase 0 - Research, Product Strategy and Concept Generation (COMPLETE)

Conduct voice of the customer (VOC) research as well as other user and market research. Identify User needs. Explore options for technical and human factors solutions to meet the stated objectives of the client, and may also include assessment of the product's market potential and the likely acceptance of the device by end users.

Phase 1 - Concept Development / Requirements Development (Partially Complete)

Ongoing user and product needs development. Conduct predicate device benchmarking. Develop product design requirements documentation. Concept development including developing product's risk analysis, human factors, industrial design, materials evaluation, initial engineering design, functional proof of principle prototypes and initial product cost estimation. Perform regulatory due diligence and formulate preliminary regulatory strategy assessment and plan.

Phase 2 - Design Development

Convert selected product design into a fully specified design suitable for ensuring consistent manufacturing and quality control processes. Construct prototypes to confirm proper function per established protocols and test criteria. Generate complete design documentation package and requisite design control evidence. Update regulatory strategy based upon design choices, intended use(s) profile and risk assessment.

Phase 3 - Design Verification

Conduct prototype builds and design verification testing suitable for regulatory submission. Work shall include reliability testing, shelf life stability testing, biocompatibility testing, if required, etc. Finalize regulatory strategy and plan and begin preparing the FDA and/or EU submission package.

Phase 4 - Process Validation, Design Validation and Manufacturing Transfer

Coordinate all activities required to get product ready for production. Work shall include generation of all manufacturing and quality procedures and processes, proper structuring of BOMs and Routers, IQ/OQ/PQ efforts and design validation. Complete and submit FDA/EU submission package and manage all communications regarding review.

Phase 1: Concept Development & Technical Inputs

Ximedica's Phase 1 is devoted to defining objectives, identifying viable design solutions, conducting feasibility bench-testing and verifying that user requirements can be met. Extended efforts are typically invested in generating ideal user experience profiles, conducting human factors and user interface assessments, evaluating and down-selecting technological options, generating a preliminary understanding of cost drivers and, ultimately, attempting to quantify all these different influencers via objective metrics.

In addition, Phase 1 includes planning a preliminary regulatory submission strategy designed to obtain marketing clearance from FDA and establishing a detailed development plan which includes hazards analysis, VOC collection and intellectual property constraints and opportunities. For this project, NHC has indicated that it has completed or will be responsible for some of these areas of development and planning. (Refer to Responsibilities Section)

Phase 1A - Concept Generation (complete)

Based on the work done to date with Clinvue, activities normally required as part of Phase 1A activities have been completed. This work effort resulted in NHC selecting a preferred industrial design, determining many of the technical requirements for the system and demonstrated function of the circuit design and software algorithms.

Phase 1B - Concept Refinement and Design History File (DHF) documentation

Phase 1B will be focused on completing the documentation required satisfy the transition into Phase 2 Development. This effort will include establishing the formal design requirements within Ximedica's design control process, producing a use-case that will allow a Preliminary Hazards Analysis and Use Failure Modes and Effects Analysis (UFMEA). Any identified risks will then be mitigated by additional product requirements. Review of the Regulatory Strategy and freedom to operate/intellectual property will also occur. At the end of Phase 1B, requirements are finalized and the program will be ready to enter Phase 2 for expedient execution.

Phase 1B Process

1. Conduct a kickoff meeting with the NHC team. Confirm objectives, design requirements, schedule objectives, etc. NHC to deliver a representative PoNS device and its control circuitry to Ximedica offices for detailed review. Meeting is anticipated to be held at the Ximedica office or via WebEx.

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2. Review the preliminary System Design Specification (SDS) document and any other DHF documentation produced to date.

3. Review the current state of design information provided by NHC: product architecture and concept design, component layout, internal frame construction, human interface locations and overall system. Particular attention will be paid to the interfaces and connections between the controller, head piece and the disposable.

4. Conduct an interim review with NHC. Present refined concepts, layouts and evaluations accomplished to date. This meeting could be held via WebEx.

5. Identify and list areas of the design which should be prototyped and tested as assemblies or subassemblies before integration into the complete product configuration. This would include product features, functions and/or structural areas which may not be fully understood or known to meet requirements. It is anticipated that we will need to prototype the following system details:

- **a. Confirm new reduced size architecture and components still provide anticipated function**

b. Confirm refined circuit design works as intended

6. Design feasibility models for the relevant assemblies or subassemblies in order to evaluate the primary mechanics, user interfaces and device characteristics. These prototypes would be in rough form and only intended to prove critical functions.

The prototypes would include the following elements:

a. Representative materials

b. Representative mechanisms

c. Representative user interfaces for primary functions

The prototypes would <u>not</u> include the following elements:

d. Production-grade materials

e. Show-quality form and finishing

7. Conduct an interim review with NHC. Present feasibility designs and receive permission to build feasibility prototypes. This meeting could be held via WebEx.

8. Upon approval from NHC, construct feasibility models for each area identified. This shall include ordering components, inspecting all critical features or dimensions, and fitting and assembling parts.

9. Update and refine the models based on initial test results and issues discovered as a result of initial testing.

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10. Review any new information and the preferred production configuration with NHC. NHC to confirm design approach and provide input for any design modifications or enhancements.

11. Prepare and conduct several simulated use review sessions. These sessions are anticipated to focus on reviewing non-functional concept models with patients who would typically use the device. These sessions should also be structured as part of Formative Usability documentation. Work should include:

a. Protocol generation (study plan, interview scripts, interview location prep, etc)

b. Institutional Review Board (IRB) preparation and approval, if required

c. Recruitment of participants (likely 8 - 10 participants)

d. Conducting interviews, recording interviews

e. Compilation of interview findings and observations

f. Report and conclusions regarding concepts acceptance and opportunities for improvement

g. Ximedica would expect to witness this session

12. Generate a list of improvements which will be required in the Phase 2 design. Confirm that there are no high-risk concerns within this list.

13. Update and illustrate the anticipated production configuration and industrial design based on the results of feasibility testing and the list of improvements.

14. In parallel with the above activities and in compliance with design control and project planning methods, generate the following:

a. Refined System Design Specification

b. Preliminary Quality Plan

c. Initial Risk Assessment

d. [NHC Responsibility] Regulatory submission strategy and requirements

e. Master Project Schedule

15. Conduct a Phase 1 design review w/ NHC including signatures and detailed meeting minutes and action item list. This meeting is anticipated to be held at the Ximedica offices or via WebEx.

16. Based on NHC's feedback and direction, Ximedica shall update the follow-on phase processes, schedules, budget and deliverables in order to continue the development cycle.

17. After meeting details have been properly recorded and organized, populate Ximedica's Design History File (DHF).

<u>Phase 1B Deliverables:</u>

- **Initial functional evaluations**
- **Initial component searching/sourcing**
- **Listing of areas to be functionally prototyped and tested**
- **Feasibility model designs**

- **Feasibility models; one per each area identified**
- **Simulated use protocols, recruiting records and interview reports**
- **List of improvements required**
- **Updated product configuration**
- **Updated Industrial Design**
- **System design specification**
- **Hazards analysis and Use FMEA**
- **Updated Ximedica proposal, budget and schedule for next work scope**

Phase 2: Product Development

The goal of Phase 2 is to update the product design based on the feasibility solutions identified and tested during Phase 1. This phase will concentrate on completing engineering activities and fully specifying the production design solution. At the conclusion of this phase, the overall product design will have been proven to meet requirements and shall be ready to go into formal design verification testing. The primary result of this phase is a production-representative prototype and specification package.

Process:

1. Conduct phase kickoff meeting.

2. Continue to refine and develop the design based on NHC's feedback from the Phase 1 review.

3. Detail mechanical components in 3D CAD in sufficient detail to make production-representative prototypes.

4. Detail PCB specifications and other electromechanical components and assemblies.

5. Refine embedded software functions per established requirements.

6. Conduct tolerance analysis of all critical to fit and critical to function areas within the assembly. Generate a report and update any design details as required.

7. Conduct Design FMEA. Update Use FMEA as required.

8. Review design details with NHC and receive approval to construct prototypes.

9. Establish Ximedica interface with prototype component suppliers.

10. Construct an engineering prototype build and conduct testing.

- **a. Procure and/or fabricate prototype parts for the complete assembly of the system (plastic parts, machined parts, etc.)**
- **b. Assemble four (4) functioning "first pass" main unit assemblies and 10 disposable assemblies**
- **c. Generate test protocols for evaluating the prototype assemblies.**
- **d. Test prototypes for proper function versus design specifications.**

11. Conduct review with NHC to evaluate prototypes. Generate a list of improvements that are required. Review meeting shall be conducted via WebEx.

12. Refine engineering details.

13. Adjust prototype design and repeat testing as required.

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14. Conduct review with NHC to evaluate prototypes. Generate a list of improvements that are required. Review meeting shall be conducted via WebEx.

15. Design and prototype preliminary packaging, labeling and Instructions for Use (IFU's).

16. In parallel with above activities, prepare and conduct several review sessions with representative users. These sessions would focus on reviewing the prototypes and/or updated user interfaces from the above steps with typical users of the device. These sessions would also be structured as part of Exploratory (Formative) Usability documentation. Work should include:

- **a. Protocol generation (study plan, interview scripts, interview location prep, etc)**
- **b. Recruitment of participants (number of participants and site locations TBD)**
- **c. Conducting and recording interviews**
- **d. Conducting simulated use evaluations of the concept models**
- **e. Compilation of interview findings and observations**
- **f. Report and conclusions regarding concepts acceptance and opportunities for improvement**

17. Finalize engineering and 3D CAD design for all components and assemblies. Confirm that there are no high-risk concerns within this list. Generate updated engineering calculations or FEA reports as required to support decisions.

18. Finalize PCB designs, electromechanical component specs and software functions.

19. Generate and release 2D drawings for all components and assemblies. Drawings to include identification of all major and critical dimensions, material and surface finish callouts and any key inspection criteria, etc.

20. Complete product packaging specifications.

21. Generate draft of Instructions for Use.

22. Update key documents and plans:

- **a. Bill of Materials (BOM)**
- **b. Cost estimates (COGs)**
- **c. System Design Specification (SDS)**
- **d. Test Protocols**
- **e. Draft Design Verification Plan**

23. Based on NHC's feedback and direction, Ximedica shall update the follow-on phase processes, schedules, budget and deliverables in order to continue the development cycle.

24. Request and receive quotes for short-run quantity components.

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25. Conduct a Phase 2 design review w/ NHC including signatures and detailed meeting minutes and action item list.

<u>Phase 2 Deliverables:</u>

- **Presentation of developments**
- **3D CAD files**
- **PCB design files**
- **Tolerance Analysis**
- **"First Pass" Engineering prototypes, two main unit assemblies and 10 disposable assemblies**
- **Prototype test reports and data**
- **Formative Usability Testing protocol, interviews and reports**
- **Preliminary packaging and labeling design**
- **Design FMEA**
- **Updated Use FMEA**
- **Formative Usability testing reports**
- **Finalized CAD files and drawings**
- **2D drawing package**
- **PCB spec package**
- **Electromechanical component specs**
- **Embedded software programming specs**
- **Product packaging specification package**
- **Draft Instructions for Use**
- **Updated BOM**
- **Updated COGS estimates**
- **System Design Specification (SDS)**
- **Test protocols**
- **Draft Design Verification Plan**
- **Updated test protocols**
- **Updated Ximedica proposal, budget and schedule for next work scope**

- **Phase 2 design review report**

Phase 3/Phase 4: Design Verification and Manufacturing Preparation

The goal of this phase is to construct production-quality assemblies, including their packaging and labeling, and formally verify that the design generated during Phase 2 is fully capable of meeting the established design requirements.

NOTE: It is assumed that this phase overlaps with Phase 2 by one month. Prudent tooling and manufacturing fixtures must be designed and released early, with some risk, to achieve the build, Design Verification and lot release of the 200 systems for the planned September 2014 clinical trial.

Process:

1. Commission all molds and tooling (if any required) for component procurement and assembly. It is assumed that this phase will use rapid-prototyping methods and/or sources, such as Class 103 molds, for all components with lead times no longer than six weeks. It may be possible to use these short-run tools for Design Validation test units and possibly for initial distribution units.

2. Establish formal control of supply chain. Conduct vendor quality audits as required. Enter all suppliers into Approved Vendor Listing database. Enter all components and vendors into ERP system.

3. Generate manufacturing procedures and in-process inspection procedures. Establish final functional verification tests for sub-assemblies. Conduct a preliminary Process FMEA.

4. Update the master design verification plan for evaluation of all functions and features. This plan shall describe all the tests to be conducted as part of the formal Design Verification effort. Update and generate any supporting verification protocols. Tests shall include all performance testing including:

- **a. Measurement System Analyses (where appropriate)**
- **b. Functional Performance per design requirements (accuracy, repeatability, sensitivity, etc)**
- **c. Submission to environmental conditions**
- **d. Lifecycle tests**
- **e. Packaging validation**
- **f. Ship testing**
- **g. Shelf life testing**
- **h. Biocompatibility testing**
- **i. EMC / Electrical safety testing**
- **j. Software validation testing**
- **k. Other evaluations depending on design requirements and relevant standards.**

5. Order enough components to construct 500 main units and 1,000 disposable assemblies. (This quantity may change once the Master Verification test plan is drafted.) The goal is to produce the DV and clinical assemblies in one batch. Once Design Verification is achieved, the batch will be suitable for the clinical testing. This will be documented using Ximedica's Human Use Build protocol.

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6. Receive and inspect all components.

7. Build and inspect units in order to conduct design verification testing. These units would have traceable production-equivalent components and functions. All work will be maintained under proper quality and document controls.

8. Conduct design verification testing and confirm function per the published test protocols.

9. Similar to the usability review activities of Phase 2, prepare and conduct several product test sessions with representative users. These sessions would focus on testing the physical prototypes and the draft labeling and IFU's with clinical users. These sessions would also be structured as part of Full Product Validation Study documentation.

10. Compile results and generate test reports.

11. Prepare reports and documentation requested by the Regulatory Affairs team at NHC to support their FDA/EU submission package.

12. Update any specifications or processes that were found inadequate during testing. All edits shall be made via formal document control processes. Repeat testing if required.

13. Complete Instructions for Use and their specifications.

14. Finalize Bill of Materials and Cost of Goods estimate, if necessary.

15. Based on NHC's feedback and direction, Ximedica shall update the follow-on phase processes, schedules, budget and deliverables in order to continue the development cycle. Where there is divergence from the original plan and budget, this update should provide explanation.

16. Conduct a Phase 3 design review w/ NHC including signatures and detailed meeting minutes and action item list.

Phase 3 Deliverables:

- **Manufacturing Procedures**
- **Inspection documentation**
- **Process FMEA**
- **Tooling and fixtures.**
- **Final Instructions for Use**
- **Summative Usability Testing protocol, interviews and reports**
- **500 fully traceable main units**
- **1,000 fully traceable disposable assemblies**
- **Design Verification test protocols and results**
  - **Design requirements confirmation testing**
  - **Mechanical and tolerance limit testing**
  - **Environmental exposure testing**
  - **Shelf life testing**
  - **Biocompatibility testing**
- **Reports and information supporting NHC's FDA submission package**
- **Finalized Bill of Materials**
- **Updated Cost of Goods**
- **Phase 3 design review report**
- **200 main units and 400 disposable units suitable for NHC's clinical trial**

Project Schedule Summary

Below is a top-level milestones schedule. Ximedica plans to resource this program appropriately to complete all aspects ("full" version of the PoNS controller) by Phase 3, design verification. We expect that with robust staffing, and our specific prior experience designing headsets and mouth pieces/guards, we can develop a reasonable solution for NHC in the limited time requested. Should delays occur which necessitate the delivery of a "lite" version of the PoNS controller, additional software development and finalization time is expected to be needed. It is estimated that this additional activity will require an additional two months for software finalization and another 2 months to perform limited design verification activates to address added or changed functions. This schedule is intended as a reference point in order to establish context. A formalized and complete Gantt chart will be generated with NHC during project initiation.

Phase	**Approx Duration**
Phase 1B: Concept Refinement & documentation	~ 2 months
Phase 2: Product Development	~ 4 months
Phase 3/4: Design Verification and Batch Qualification*	~ 5 months
Requalification efforts if software is not completed by DV	~ 4 months
Total Duration (Phases 1 - 3)	**~ 10 months**

*** Overlaps Phase 2 by 1 month**

Project Cost Structure

As mentioned above, Ximedica plans to resource this program appropriately to finish the development ("full" version of the PoNS controller) by Phase 3, design verification. Based on our conversations, schedule is of the utmost importance and the only way to achieve the September delivery is to staff the program robustly. Despite our experience with similar devices, headsets, mouth guards and the like, work must be completed quickly and efficiently and without major delays or issues. Should delays occur which necessitate the delivery of a "lite" version of the PoNS controller, additional software development and finalization time is expected to be needed. The additional months and budget to complete the "full" version should be thought of as a contingency to the planned budget and schedule.

Ximedica bills as incurred and value delivered is reported weekly and budget used to date is reported monthly. The budget shown below should be considered a "robust" estimate and will be revised as the unknown details unfold and future risks are mitigated.

The budget estimates below represents a pragmatic estimate for the phases described based on Ximedica's current knowledge of the project's objectives and deliverables and related past experiences. Alternative budget scenarios are shown to provide a holistic consideration of possible outcomes. On the low end of the range is the "Goal" budget. This is a function of things generally going smoothly, efficient client interactions and last minute changes and requirements are inconsequential. On the other extreme, the "Conservative" budget describes what could happen if the opposite occurs. The former sets functional goals for the entire team (internal and external), while the latter provides a more buffered outlook for business and stakeholder reporting. Typically, neither extreme is likely, with the real outcome somewhere in between. Hence, the Pragmatic scenario.

**All values in thousands	Phase 1B	Phase 2	Phase 3/4	2nd Software DV Cycle
Design & Development Service Charges:	$ 492.0	$ 996.0	$ 960.0	$ 499.0
Prototype/Production Charges:	$ 5.0	$ 15.0	$ 120.0	$ 60.0
Capital Expenditures (molds, fixtures, etc):	$ -		$ 250.0	
External Labs & Testing Services:	$ -	$ 50.0	$ 55.0	$ 25.0
Miscellaneous Expenses & Travel:	$ 2.0	$ 4.0	$ 4.0	$ 2.0
Phase Subtotal:	**$ 499.0**	**$ 1,065.0**	**$ 1,389.0**	**$ 586.0**

Pragmatic Budget by Phase

**All values in thousands	Goal	Pragmatic	Conservative
Average Monthly FTE loading:	6	7	7
Duration (mo.):	10	10	14
Design & Development Service Charges:	$ 1,900.0	$ 2,448.0	$ 2,946.0
Prototype/Production Charges:	$ 100.0	$ 140.0	$ 200.0
Capital Expenditures (molds, fixtures, etc):	$ 220.0	$ 250.0	$ 250.0
External Labs & Testing Services:	$ 70.0	$ 105.0	$ 131.0
Miscellaneous Expenses & Travel:	$ 5.0	$ 10.0	$ 12.0
Program Total:	**$ 2,295.0**	**$ 2,953.0**	**$ 3,539.0**

Scenario Based Budgets for Program

Authorization of Work

Due to the accelerated nature of this effort, it is recommended that the entire planned amount be funded. To initiate work, please forward a purchase order referencing the Proposal ID# and Revision level (found on the cover page of this document) for a not-to-exceed value of the Phase 1-3 budget shown above. A project initiation deposit of $300,000 shall be invoiced immediately and shall be due upon receipt. This deposit shall be credited to the project at the end of the work scope.

Invoices shall be posted on a monthly basis based on the work accomplished. Billings in excess of the PO amount shall not be permitted without prior written authorization from the client.

Refer the attached Standard Business Terms for additional information and conditions.

Ximedica cc: C. Sullivan

XIMEDICA, LLC

By: /s/ Rick Beaulieu

Name: Rick Beaulieu

Title: VP, Product Development

Date: 3/7/2014

NeuroHabilitiation Corporation

By: /s/ Philippe Deschamps

Name: Philippe Deschamps

Title: CEO

Date: 3/7/2014

Standard Business Terms and Conditions

Agreement. A purchase order referencing the Proposal ID # and Revision level or a signed copy of the Proposal will signify acceptance of these terms and form an agreement between your company and Ximedica.

Project Cost Estimates. XIMEDICA'S estimate of project costs and schedules is based on the scope and schedule of the project as mutually agreed. Project costs and schedules outlined in a specific proposal are valid for 30 days from the date of the proposal. If CLIENT'S approval process extends beyond this period, XIMEDICA reserves the right to review the estimated costs and schedule, and make revisions to them if necessary.

Adjustments may also be necessary as a result of changes in project scope and/or delays initiated by CLIENT. XIMEDICA assumes no responsibility for the impact on cost and/or schedule resulting from these and other circumstances beyond XIMEDICA'S control. If changes in this project are made that result in an increase in XIMEDICA'S time and expenses, XIMEDICA will notify CLIENT for CLIENT'S approval.

Any additional services, travel, expenses, meetings and/or conferences requested by CLIENT which are not identified in the approved project proposal will be considered an additional expense and will be billed accordingly.

Payment for Work. Upon proposal acceptance, a prepayment equal to the estimated average amount to be billed on a monthly basis through the course of the project must be forwarded to XIMEDICA. This deposit will be applied to the final payment due for project services rendered.

Invoices are issued monthly for work in progress and will include amounts for billable time, plus out-of-pocket and other expenses incurred during that period. All out-of-pocket and other project-related expenses (except billable time) will be invoiced at cost plus 15% to cover administration and handling. Invoices may not correspond to a particular phase completion date.

Amounts do not include applicable federal, state, or local taxes. These will be applied where appropriate and will be CLIENT'S responsibility. Payment terms are net 30 days from the date of the invoice. A service fee of 1.5% per month will be added to all accounts more than 45 days past due, and CLIENT is responsible for all collection and attorneys' fees and costs required to collect unpaid amounts.

Project Cancellation CLIENT may cancel a project at any time, provided that XIMEDICA receive written notice at least 30 days prior to the intended date of cancellation. XIMEDICA will be entitled to payment for work delivered, and billable work in progress, plus expenses, through the date of cancellation. Notwithstanding termination of the project, the following provisions will survive: Payment for Work, Ownership of Work, Confidentiality, Claims, Disclaimer, and Limitation of Liability.

Ownership of Work. The results of the project for which XIMEDICA has been contracted will be delivered to and become CLIENT'S property upon payment in full of CLIENT'S outstanding balance for services and expenses. This project work includes all reports, designs, information, inventions, trade secrets, hardware, software, and other work product ("Project Work") developed for the CLIENT, and all intellectual property rights embodied in or related to

the Project Work. Unless otherwise set forth in the quotation, XIMEDICA hereby grants to CLIENT a worldwide, perpetual, royalty-free, non-exclusive license to any intellectual property owned XIMEDICA contained in any project work or other work product delivered to CLIENT in connection with the Project Work.

Client Responsibilities CLIENT is fully responsible for the accuracy, content, validation and testing of the Project Work, for ensuring that the Project Work does not infringe on the intellectual property rights of any third parties, and for securing patent protection if appropriate.

Confidentiality Both parties agree to hold in confidence any confidential information disclosed by the other party, including but not limited to, trade secrets, proprietary, technical, developmental, operating, financial, performance, cost, know-how, process, client and prospect information, and all samples, models, reports, tables, data and prototypes containing or disclosing such information, that is (a) marked or accompanied by documents clearly and conspicuously designating the information as "confidential" or the equivalent, or (b) identified by the disclosing party in writing as confidential before, during or promptly after the disclosure ("Confidential Information"). Confidential Information shall only be used by the recipient for the purposes of this proposal, and XIMEDICA will ensure that its subcontractors are directed accordingly. Both parties warrant that they have the rights to any property or confidential information disclosed to the other. Confidential Information does not include information: (a) generally available to or known to the public, (b) previously known to the recipient, (c) independently developed by the recipient outside the scope of this Agreement, (d) lawfully disclosed by a third party, or (e) disclosed pursuant to a court order.

Claims. CLIENT agrees to indemnify and hold harmless XIMEDICA and its subcontractors for any damages, costs, or losses that are suffered as a result of any claim arising directly or indirectly out of the services performed or materials provided by XIMEDICA to CLIENT in connection with this project, including but not limited to product liability and intellectual property claims by third parties, except in the case of knowing infringement or misappropriation of third party intellectual property by XIMEDICA. This obligation is conditioned on XIMEDICA providing CLIENT with (i) prompt notice of a claim, (ii) reasonable cooperation in any defense of the claim, and (iii) the right to control the defense and settlement of the claim.

Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, XIMEDICA MAKES NO WARRANTIES OR REPRESENTATIONS IN CONNECTION WITH THIS AGREEMENT AND DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, WITHOUT

LIMITATION, MERCHANTABILITY, QUALITY, FITNESS FOR PARTICULAR PURPOSE OR USE, TITLE, AND NONINFRINGEMENT, AND ANY WARRANTIES ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE. CLIENT acknowledgeS that SERVICES ARE PROVIDED ON AN "AS IS" BASIS.

Limitation of Liability. IN NO EVENT SHALL XIMEDICA BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, PUNITIVE, OR SPECIAL DAMAGES RELATED TO THIS AGREEMENT OR THE SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE NATURE OF THE CLAIM, EVEN IF XIMEDICA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL LIABILITY OF XIMEDICA FOR DAMAGES UNDER THIS AGREEMENT WILL NOT EXCEED THE TOTAL AMOUNT OF FEES PAID HEREUNDER BY CLIENT TO XIMEDICA FOR THE SERVICES RENDERED THAT GIVES RISE TO THE LIABILITY.

These terms and conditions supersede any terms and conditions appearing on CLIENT'S purchase orders or associated documents. Work will not begin on any project until this document has been read and agreed by representatives of XIMEDICA and CLIENT, and a commitment to commence the project has been made in the form of a purchase order referencing the proposal or a signed copy of the proposal. No modification to this project proposal will be binding on XIMEDICA unless in writing and signed by a duly authorized representative of XIMEDICA and the CLIENT.

NOTICE OF MODIFICATION No. 1
Of
COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENT
Between

US Army Medical Material Agency (USAMMA)
A subordinate activity of the US Army Medical Research and Material Command (USAMRMC), in collaboration with the Combat Casualty Care Research Program (CCCRP)

And

US Army Medical Material Development Activity (USAMMDA)
(USAMMA and USAMMDA collectively as Laborartory)

And

NeuroHabilitation Corporation (Cooperator)
Yuri P. Danilov, Mitchell E. Tyler, Kurt A. Kaczmarek (Background Patent Owners)
Advanced NeuroRehabilitation, LLC (Executive License of Background Patent)

The United States Army Medical Material Agency, 693 Neiman St, Fort Detrick, Maryland 21702-5012, U.S.A.; United States Army Medical Material Development Activity, 1430 Veterans Drive, Fort Detrick, Maryland 21702-5012, U.S.A. and NeuroHabilitation Corporation 208 Palmer Alley, Newtown, PA 18940, entered into a Cooperative Research and Development Agreement ("Agreement") (U.S. Army Medical Research and Material Command Control Number W81XWH-13-0145) on 1 February 2013, for research and development on "Collaboration to advance the Portable NeuromodulationStimulator (PoNS™) device through FDA approval for assisted physical therapy in the treatment of soldiers and others with balance and gait disorder."

The Parties agree that two of the tasks listed under Section III-B of the CRADA Statement of Work (SOW) were inadvertently included in the scope of this CRADA.

Now, the Parties desire to amend the Agreement as follows:

1. **Delete tasks 5 and 6 of Section III-B of the SOW.**

2. **Replace the PIs of both USAMMA and USAMMDA to now read:**

   3.02 Principal Investigator. Any work required by the Laboratory under the SOW will be performed under the supervision of Scott Colmyer of USAMMA (scott.d.colmyer.civ@mail.mil, 301-619-6982) and Dr. Robert Miller of USAMMDA (Robert.e.miller325.civ@mail.mil, 301-619-0317)...

3. **Change the contact information for notices to be sent to Laboratory to now read:**

   13.05 Notices. All notices pertaining to or required...

   If to Laboratory

   Scott Colmyer
   Medical Material Solutions
   Program Management Office Medical Devices USAMMA
   693 Neiman Street
   Fort Detrick, MD 21702

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4. **Advanced NeuroRehabilitation, LLC will share all data with USA MMA.**

5. **NeuroHabilitation Corporation will provide all data supporting clinical claims for regulatory approval.**

6. **Add to following tasks to the SOW under USAMMDA agrees to:**

   Provide regulatory support as agreed upon for unregulated Studies. The associated budgets and funding reimbursement will be reviewed and agreed upon between USAMMA and USAMMDA.

All other provisions of this Agreement, as previously amended, are unchanged.

IN WITNESS WHEREOF, the Parties have caused this modification to be executed by their duly autohrized representative as follows:

For the Cooperator:

/s/ Philippe Deschamps **Date April 26, 2014**
Philippe Deschamps
Chief Operating Officer
NeuroHabilitation Corporation

For Advanced NueroRehabilitation, LLC and as Background Patent Owners:

/s/ Yuri Danilov **Date: April 24, 2014**
Yuri P. Danilov

/s/ Mitch E. Tyler **Date: April 24, 2014**
Mitchell E. Tyler

/s/ Kurt Kaczmarek **Date: April 24, 2014**
Kurt A. Kaczmarek

For the US Government USAMMA:

/s/ Alejandro Lopez-Duke **Date: April 29, 2014**
Alejandro Lopez-Duke

Colonel, Medical Service Corps

Commander, U.S. Army Medical Material Agency

/s/ Stephen J. Dalal **Date: April 22, 2014**
Stephen J. Dalal
Colonel, Medical Service Corps
Commander, US Army Medical Material Development Activity

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

HELIUS MEDICAL TECHNOLOGIES, INC.

HMT MERGERSUB, INC.

AND

NEUROHABILITATION CORPORATION

JUNE 6, 2014

TABLE OF CONTENTS

AGREEMENT AND PLAN OF MERGER"100%"

THIS AGREEMENT AND PLAN OF MERGER is executed and entered into as of the 6th day of June, 2014, BY AND AMONG, HELIUS MEDICAL TECHNOLOGIES, INC., a corporation organized pursuant to the laws of Wyoming, and with an address at 1500-1055 West Georgia Street, Vancouver B.C. V6E 4N7 ("Helius"), AND HMT MERGERSUB, INC., a corporation organized pursuant to the laws of Delaware and a wholly-owned subsidiary of Helius, and with an address at 1500-1055 West Georgia Street, Vancouver B.C. V6E 4N7 ("Mergersub") AND NEUROHABILITATION CORPORATION, a corporation organized pursuant to the laws of Delaware, and with an address at 208 Palmer Alley, Newton PA 18940 ("NHC"). Capitalized terms used but not otherwise defined in this Agreement shall have the meaning set forth in Article I.

WHEREAS:

(A) Helius, Mergersub and NHC intend to effect a business combination transaction pursuant to which Mergersub will merge with and into NHC (the "Merger") in accordance with the terms of this Agreement and the Delaware General Corporation Law (the "DGCL"), with NHC to be the surviving corporation of the Merger;

(B) the Board of Directors of Helius has unanimously (i) adopted and approved this Agreement and the transactions contemplated hereby (including the Merger), and (ii) recommends that the Helius Shareholders approve this Agreement, the Merger and the transactions contemplated hereby;

(C) (i) the Board of Directors of Mergersub has unanimously adopted and approved this Agreement and the transactions contemplated hereby (including the Merger), and (ii) Helius, the sole shareholder of Mergersub, has adopted and approved this Agreement and the transactions contemplated hereby (including the Merger);

(D) the Board of Directors of NHC has unanimously (i) adopted and approved this Agreement and the transactions contemplated hereby (including the Merger), and (ii) recommends that the NHC Shareholders approve this Agreement, the Merger and the transactions contemplated hereby;

(E) at the Effective Time, each issued and outstanding NHC Share not owned by NHC shall be converted into the right to receive the Merger Consideration in accordance with Section 2.9 hereof; and

(F) the transactions contemplated by this Agreement are intended to qualify as a reorganization, pursuant to Code Sections 368(a)(1)(A) and 368(a)(2)(E), and this Agreement is intended to constitute a "plan of reorganization" within the meaning of Code Section 368.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement, the following terms have the meanings ascribed thereto as follows:

(a) "Affiliate" has the meaning specified in the WCBA;

(b) "Agreement" means this share purchase agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

(c) "Alternative Transaction" has the meaning given to the term in Section 6.1(1) hereof;

(d) "Ancillary Agreements" means all agreements, certificates and other instruments delivered or given pursuant to this Agreement;

(e) "Business Day" means any day, other than a Saturday, Sunday or statutory holiday in British Columbia or New York, New York;

(f) "Certificate of Merger" has the meaning given to the term in Section 2.3 hereof

(g) "Claims" means any suit, action, dispute, civil or criminal litigation, claim, arbitration or legal, administrative or other proceeding or governmental investigation, including appeals and applications for review;

(h) "Closing" means the completion of the transactions contemplated herein;

(i) "Closing Date" has the meaning given to the term in Section 9.1 hereof;

(j) "Code" means means the United States Internal Revenue Code of 1986, as amended from time to time.

(k) "Convertible Notes" means US$1,000,000 principal amount of convertible notes issued by NHC on February 19, 2014 pursuant to the terms of a Securities Purchase Agreement dated February 19, 2014;

(l) "CSE" means the Canadian Securities Exchange;

(m) "DGCL" has the meaning given to the term in Recital (A) hereof;

(n) "Dissenting Shares" has the meaning given to the term in 2.11;

(o) "Effective Time" has the meaning given to the term in Section 2.3 hereof;

(p) "Environmental Law" means any applicable federal, provincial, state, local or foreign law (including common law), statute, code, rule, regulation, ordinance, or other legal requirement, guidelines, criteria or standards relating to the protection of occupational health or safety or the environment, including natural resources and the protection thereof and other similar guidelines, criteria and standards of Governmental Entities;

(q) "Environmental Permits" means all permits, authorizations, consents and approvals required by Environmental Laws for the continued operation of the respective businesses of each Party and each of its Subsidiaries as currently conducted or as proposed to be conducted;

(r) "Escrow Agreement" means the applicable CSE prescribed escrow agreement among Helius, certain post-Merger shareholders of Helius, and an escrow agent, to be entered into in accordance with the policies of the CSE;

(s) "Exchange Agent" has the meaning given to the term in Section 2.15(a) hereof;

(t) "Finders' Warrants" means up to 914,400 share purchase warrants to be issued to finders upon conversion of the Subscription Receipts pursuant to the Private Placement, each of which will entitle the holder to acquire one Helius Share for a period of 24 months from the date of issuance at an exercise price of $1.00 per Helius Share;

(u) "Governmental Entity" means any government, parliament, legislature, regulatory authority, governmental department, agency, commission, board, tribunal, crown corporation, court or other law, rule or regulation-making entity having jurisdiction or exercising executive, legislative, judicial, regulatory or administrative powers on behalf of any federation or nation, or any province, territory, state or other subdivision thereof or any municipality, district or other subdivision thereof;

(v) "Governmental Order" means any order, writ, ruling, judgment, injunction, decree, stipulation, determination, award, directive or citation entered by or with any Governmental Entity;

(w) "Helius Assets" means the property and assets of Helius as a going concern, of every kind and description and wheresoever situated;

(x) "Helius Constating Documents" means the Articles of Continuance and By-Laws of Helius;

(y) "Helius Financial Statements" means the audited financial statements of Helius for the period from incorporation (March 13, 2014) to March 31, 2014, together with the notes thereto;

(z) "Helius Information" has the meaning given to the term in Section 6.1(c) hereof;

(aa) "Helius Shareholders" means the holders of Helius Shares;

(bb) "Helius Shares" means the Class A Common Shares in the capital of Helius;

(cc) "Indebtedness" means as to any Person, all obligations of such Person for payment of borrowed money, including obligations for payment of principal, interest and penalties;

(dd) "Infringe" has the meaning given to the term in Section 4.1(u)(iii) hereof;

(ee) "Intellectual Property" means all (i) trademarks, service marks, trade names and other indications of origin including all goodwill associated with all of the foregoing, and all applications, registrations and renewals in connection with all of the foregoing, in any jurisdiction; (ii) inventions, discoveries and ideas (whether patentable or unpatentable and whether or not reduced to practice), and all patents, applications for patents; (iii) trade secrets, know-how, confidential information, and other proprietary rights and information; (iv) copyrights and works of authorship, whether copyrightable or not, and all applications, registrations and renewals in connection therewith, in any jurisdiction; (v) Internet domain names; (vi) computer technology, equipment, devices, systems, hardware, software and databases; and (vii) other similar intellectual property or proprietary rights;

(ff) "Laws" means all statutes, codes, ordinance, regulations, statutory rules, published policies, published guidelines and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, and the term "applicable" with respect to such Laws, and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Governmental Entity having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities (all references herein to a specific statute being deemed to include all applicable rules, regulations, rulings, orders and forms made or promulgated under such statute and the published policies and published guidelines of the Governmental Entity administering such statute) and will include the published rules and policies of the CSE;

(gg) "Letter of Transmittal" has the meaning given to the term in Section 2.15(a) hereof;

(hh) "Lien" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition, which, in substance, secures payment, or performance of an obligation;

(ii) "Liquidated Amount" has the meaning given to the term in Section 10.4 hereof

(jj) "Listing Statement" means the CSE Listing Statement in the prescribed form to be prepared and filed by Helius in connection with Helius's application for listing on the CSE, including all appendices thereto, as the same may be amended from time to time;

(kk) "Material Adverse Effect" means, when used in connection with Helius or NHC, as applicable, any event, condition or change which individually or in the aggregate

constitutes, or could reasonably be expected to have, a material adverse effect on their respective business assets, liabilities, condition (financial or otherwise) or results of operations taken as a whole on a consolidated basis; provided, however, that the determination of whether a material adverse effect has occurred will be made ignoring any event, change, fact or effect resulting from: (i) any change in accounting standards or Laws or interpretation thereof; (ii) any generally applicable change or development in economic, regulatory, business or financial market conditions; and (iii) any acts of terrorism or war; and (iv) the execution or announcement of this Agreement;

(ll) "Material Contracts" means all contracts or other obligations or rights (and all amendments, modifications and supplements thereto to which any Party or any of its Subsidiaries is a party affecting the obligations of any party thereunder) to which a Party or its Subsidiaries is a party or by which any of their respective properties or assets are bound that are material to the business, properties or assets of a Party or its Subsidiaries taken as a whole;

(mm) "material fact" has the meaning ascribed thereto in the Securities Act;

(nn) "Merger" has the meaning given to the term in Recital (A) hereof;

(oo) "misrepresentation" has the meaning ascribed thereto in the Securities Act;

(pp) "NHC Assets" means the property and assets of NHC as a going concern, of every kind and description and wheresoever situated;

(qq) "NHC Certificates" has the meaning given to the term in Section 2.15(a) hereof;

(rr) "NHC Equity Plans" has the meaning given to the term in Section 2.10(a) hereof;

(ss) "NHC Financial Statements" means the audited financial statements of NHC for the years ended March 31, 2014, together with the notes thereto;

(tt) "NHC Information" has the meaning given to the term in Section 7.1(c)(i) hereof;

(uu) "NHC Shareholders" means the holders of NHC Shares;

(vv) "NHC Shares" means the shares of common stock in the capital of NHC;

(ww) "NHC Stock Options" has the meaning given to the term in Section 2.10(a) hereof;

(xx) "Party" means a party to this Agreement and "Parties" means all parties to this Agreement;

(yy) "Permits" means in respect of a party, all permits, licenses, variances, exemptions, orders and approvals of all Governmental Entities necessary for the lawful conduct of the respective businesses of the Party or any of its Subsidiaries;

(zz) "Permitted Liens" means Liens for current Taxes or other governmental charges not yet due and payable or delinquent, the amount or validity of which is being contested in good faith by appropriate proceedings or which may thereafter be paid without penalty or such imperfections of title, easements, encumbrances and mortgages or other Liens, if any, as are not material (alone or in the aggregate) in character, amount or extent and do not materially detract from the value, or materially interfere with the present use, of any property subject thereto or affected thereby;

(aaa) "Person" means and includes an individual, firm, sole proprietorship, partnership, joint venture, venture capital or hedge fund, association, unincorporated association, unincorporated syndicate, unincorporated organization, estate, group, trust, body corporate (including a limited liability company and an unlimited liability company), a trustee, executor, administrator or other legal representative, Governmental Entity, syndicate or other entity, whether or not having legal status;

(bbb) "Private Placement" means the private placement of Subscription Receipts completed by Helius on May 30, 2014 pursuant to which Helius issued 15,240,000 Subscription Receipts at a price of $0.50 per Subscription Receipt for gross proceeds of $7,620,000 (Canadian);

(ccc) "Regulatory Approvals" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that permits a transaction to be implemented if a prescribed time lapses following the giving of notice without an objection being made) of any applicable Governmental Entity;

(ddd) "Securities Act" means the *Securities Act* (British Columbia) and all blanket rulings, policy statements, orders, rules and notices of the British Columbia Securities Commission;

(eee) "Securities Authorities" means the CSE and any applicable securities commissions or similar regulatory authorities in Canada and each of the provinces and territories thereof and in the United States and each of the states thereof;

(fff) "Subsidiary" means, with respect to a specified body corporate, a body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the directors thereof, whether or not shares of any other class or classes will or might be entitled to vote upon the happening of any event or contingency, are at the time owned, directly or indirectly, by such specified body corporate, and includes a body corporate in like relation to a subsidiary;

(ggg) "Subscription Receipts" means the 15,240,000 subscription receipts issued by Helius pursuant to the Private Placement, each of which, upon satisfaction of all conditions precedent to the Merger, shall be deemed exercised for one unit of Helius consisting of one Helius Share and one half of one Helius Share purchase warrant, with each full share purchase warrant entitling the holder to acquire one Helius Share for a period of 24 months from the date of issuance at an exercise price of $1.00 per Helius Share;

(hhh) "Surviving Corporation" has the meaning given to the term in Section 2.1 hereof;

(iii) "Tax Returns" means all returns, declarations, reports, information returns and statements filed or required to be filed with any taxing authority relating to Taxes;

(jjj) "Taxes" means all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Entity in the nature of a tax, including any interest, additions to tax and penalties applicable thereto;

(kkk) "WBCA" means the *Wyoming Business Corporations Act*; and

(lll) "Willful Breach" means, with respect to a breach of this Agreement by a party, that such breach is intentional and a consequence of an act or failure to act by the breaching party with the actual knowledge that the taking of such act or failure to take such act would cause a breach of this Agreement.

Interpretation

1.2 For the purposes of this Agreement, except as otherwise expressly provided:

(a) a reference to an Article is to an Article of this Agreement, and the symbol Section followed by a number or some combination of numbers and letters refers to the section, subsection, paragraph, subparagraph, clause or subclause of this Agreement so designated;

(b) the captions, Section numbers and Article numbers appearing in this Agreement are inserted for convenience of reference only and will in no way define, limit, construe or describe the scope or intent of this Agreement nor in any way affect this Agreement;

(c) the word "including", when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope;

(d) in the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day;

(e) a reference to a statute includes all regulations made thereunder, all amendments to the statute or regulation in force from time to time, and every statute or regulation that supplements or supersedes such statute or regulation;

(f) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, a word importing a corporate entity includes an individual, and vice versa;

(g) all dollars amounts, unless otherwise specified, are in Canadian; and

(h) where any matter is stated to be "to the knowledge" or "to the best of the knowledge" of NHC or words to like effect in this Agreement, such will mean the actual knowledge of any of the officers or directors of NHC after due inquiry. Where any matter is stated to be "to the knowledge" or "to the best of the knowledge" of Helius or words to like effect in this Agreement, such will mean the actual knowledge of any of the officers or directors of Helius after due inquiry.

ARTICLE 2

MERGER

Merger

2.1 Subject to the terms and conditions of this Agreement and in accordance with the provisions of the DGCL, at the Effective Time (as defined below), Mergersub will merge with and into NHC, and NHC will be the surviving corporation (referred to in the period following the Effective Time as the "Surviving Corporation") and the corporate existence of NHC and Mergersub shall continue in the Surviving Corporation.

2.2 The business of the Surviving Corporation shall be that of a Delaware corporation.

Merger Effective Time

2.3 At the Closing, NHC shall file a certificate of merger in substantially the form attached hereto as Schedule 2.3 (the "Certificate of Merger") with the Office of the Secretary of State of the State of Delaware in such form as is required by, and executed in accordance with, the DGCL. The Merger shall become effective at such time as the Certificate of Merger is duly filed with the Office of the Secretary of State of the State of Delaware or at such subsequent time as Helius, NHC and Mergersub shall agree and specify in the Certificate of Merger (the time and date that the Merger becomes effective is referred to as the "Effective Time").

Effects of Merger

2.4 The Merger shall have the effects set forth in this Agreement and in the relevant provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all the property, rights, privileges, powers and franchises of NHC and Mergersub shall vest in the Surviving Corporation, and all debts, liabilities and duties of NHC and Mergersub shall become the debts, liabilities and duties of the Surviving Corporation.

Certificate of Incorporation; Bylaws

2.5 At the Effective Time, the Certificate of Incorporation of Mergersub in effect immediately prior to the Effective Time shall be amended and restated in its entirety as set forth in the Certificate of Merger to change all references to the name of Mergersub to "Neurohabilitiation Corporation", and, as so amended and restated, shall be the Certificate of Incorporation of the Surviving Corporation until thereafter amended as provided by the DGCL and such Certificate of Incorporation.

2.6 At the Effective Time, the Bylaws of Mergersub immediately prior to the Effective Time shall be amended to change all references to the name of Mergersub to "Neurohabilitiation Corporation", and, as so amended, shall be the Bylaws of the Surviving Corporation until thereafter amended as provided by the DGCL, the Certificate of Incorporation of the Surviving Corporation and such Bylaws.

Directors and Officers of Surviving Corporation

2.7 The directors of Helius effective immediately following the Effective Time shall be the initial directors of the Surviving Corporation, each to hold office in accordance with the Certificate of Incorporation and Bylaws of the Surviving Corporation. The officers of Helius effective immediately following the Effective Time shall be the initial officers of the Surviving Corporation, until the earlier of their resignation or removal or their respective successors are duly elected and qualified, as the case may be.

Tax Consequences

2.8 It is intended by the parties hereto that the Merger shall constitute a "reorganization" within the meaning of Section 368(a) of the Code. The parties hereto adopt this Agreement as a "plan of reorganization" within the meaning of Section 1.368-2(g) of the Code.

Effect on the Capital Stock of the Constituent Corporations; Exchange of Certificates

2.9 Conversion of Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of NHC, Helius, Mergersub or the holders of any shares of capital stock of NHC, Helius or Mergersub:

(a) Each NHC Share issued and outstanding immediately prior to the Effective Time (other than (i) NHC Shares to be cancelled in accordance with Section 2.9(b) and (ii) any Dissenting Shares) shall thereupon be cancelled and extinguished and converted automatically into and shall thereafter represent the right to receive 16.0350261 (the "Exchange Ratio") fully paid and nonassessable Helius Shares (the "Merger Consideration"). No fractional interests in Helius Shares, and no certificates representing such fractional interests, shall be issued in connection with the Merger. In the event that a holder of NHC Shares would otherwise be entitled to a fractional Helius Share hereunder, the number of Helius Shares issued to such holder of NHC Shares shall be rounded down to the next lesser whole number of Helius Shares;

(b) Each NHC Share held in the treasury of NHC or owned, directly or indirectly, by Helius or Mergersub immediately prior to the Effective Time shall automatically be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(c) Each share of common stock, par value $0.0001 per share, of Mergersub issued and outstanding immediately prior to the Effective Time shall be converted into and become one (1) validly issued, fully paid and non-assessable share of common stock, par value $0.0001 per share, of the Surviving Corporation. Such shares shall thereafter constitute all of the issued and outstanding Surviving Corporation capital stock.

(d) If at any time during the period between the date of this Agreement and the Effective Time, any change in the outstanding shares of capital stock of Helius, or securities convertible into or exchangeable into or exercisable for shares of such capital stock, shall occur as a result of any reclassification, recapitalization, stock split (including a reverse stock split) or subdivision or combination, exchange or readjustment of shares, or any stock dividend or stock distribution with a record date

during such period (excluding, in each case, normal quarterly cash dividends), merger or other similar transaction, the Exchange Ratio shall be equitably adjusted, without duplication, to reflect such change.

2.10 Treatment of Options and Other Equity-Based Awards

(a) At the Effective Time, each option or similar right (each, a "NHC Stock Option") to purchase NHC Shares granted under any employee or director stock option, stock purchase or equity compensation plan, arrangement or agreement of NHC (the "NHC Equity Plans"), whether vested or unvested, that is outstanding immediately prior to the Effective Time shall be automatically terminated.

(b) NHC shall terminate, effective as of the Effective Time, the NHC Equity Plans, as amended through the date of this Agreement. Prior to the Effective Time, NHC and the Board of Directors of NHC shall (to the extent necessary) adopt resolutions and take all such other actions reasonably required to implement the provisions of Section 2.10(a), and following the Effective Time no holder of any NHC Stock Options shall have any right thereunder to acquire any capital stock of NHC, the Surviving Corporation or any Affiliate thereof.

2.11 Dissenting Shares

(a) Notwithstanding anything in this Agreement to the contrary, NHC Shares issued and outstanding immediately prior to the Effective Time that are held by any holder who has not voted in favor of the Merger and who is entitled to demand and properly demands appraisal of such NHC Shares pursuant to Section 262 of the DGCL ("Dissenting Shares") shall not be converted into the right to receive the Merger Consideration, unless and until such holder shall have failed to perfect, or shall have effectively withdrawn or lost, such holder's right to appraisal under the DGCL. Dissenting Shares shall be treated in accordance with Section 262 of the DGCL. If any such holder fails to perfect or

withdraws or loses any such right to appraisal, each such NHC Share of such holder shall thereupon be converted into and become exchangeable only for the right to receive, as of the later of the Effective Time and the time that such right to appraisal has been irrevocably lost, withdrawn or expired, the Merger Consideration in accordance with Section 2.9(a). NHC shall serve prompt notice to Helius of any demands for appraisal of any NHC Shares, attempted withdrawals of such notices or demands and any other instruments received by the Company relating to rights to appraisal, and Helius shall have the right to participate in all negotiations and proceedings with respect to such demands. NHC shall not, without the prior written consent of Helius, make any payment with respect to, or settle or offer to settle, any such demands. [

2.12 Withholding Rights

(a) Each of Helius, Mergersub and the Surviving Corporation shall be entitled to deduct and withhold, or cause to be withheld, from any amounts otherwise payable pursuant to this Agreement such amount as it determines it is required to deduct and withhold with respect to the making of such payment under the Code or any other Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for purposes of this Agreement as having been paid to such holder of NHC Shares in respect of whose NHC Shares such deduction and withholding was made.

2.13 Lost Certificates

(a) If any certificate or other instrument that, immediately prior to the Effective Time, represented NHC Shares shall have been lost, stolen or destroyed, then, upon the making of an affidavit of that fact by the Person claiming such certificate or instrument to be lost, stolen or destroyed and, if required by Helius, the posting by such person of a bond in such reasonable amount as Helius may reasonably direct as indemnity against any claim that may be made against it with respect to such NHC Shares, Helius shall deliver in exchange for such lost, stolen or destroyed certificate or instrument the applicable portion of the Merger Consideration with respect to the NHC Shares formerly represented thereby.

2.14 Stock Transfer Books

(a) The stock transfer books of NHC shall be closed immediately upon the Effective Time, and there shall be no further registration of transfers of NHC Shares thereafter on the records of the Company. At or after the Effective Time, any certificates formerly representing NHC Shares presented to Helius or the Surviving Corporation for any reason shall be converted into the right to receive the applicable portion of the Merger Consideration with respect to the NHC Shares formerly represented thereby.

2.15 Exchange Procedures

(a) From and after the Effective Time, Helius shall act as exchange agent (the "Exchange Agent") in effecting the exchange of the applicable number of Helius Shares for certificates which immediately prior to the Effective Time represented outstanding NHC Shares (the "NHC Certificates") and which were converted into the right to

receive the applicable number of Helius Shares set forth in Section 2.9(a). As promptly as practicable after the date of this Agreement, NHC shall provide to each record holder of outstanding NHC Shares a letter of transmittal (the "Letter of Transmittal") in a form reasonably acceptable to the parties and instructions for use in surrendering such NHC Certificates and receiving the applicable number of Helius Shares pursuant to Section 2.9(a). As of the Effective Time, Helius shall, in its capacity as Exchange Agent, hold in trust the applicable number of Helius Shares set forth in Section 2.9(a).

(b) After the Effective Time, upon the surrender of each NHC Certificate for cancellation to the Exchange Agent, together with a properly completed Letter of Transmittal and such other documents as may reasonably be required by Surviving Corporation: (i) Surviving Corporation shall cause to be issued to the holder of such NHC Certificate in exchange therefor a separate stock certificate representing the Helius Shares to which such holder is entitled pursuant to Section 2.9(a), without interest; and (ii) the NHC Certificates so surrendered shall forthwith be cancelled.

(c) Subject to dissenter rights under the DGCL and Section 2.11, all NHC Shares converted in accordance with Section 2.9(a) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and as of the Effective Time each holder of a certificate representing any such NHC Shares shall cease to have any rights with respect thereto, except the right to receive the Helius Shares under Section 2.9(a), without interest.

2.16 Securities Laws Issues

(a) Helius intends to issue the Helius Shares as provided in this Agreement pursuant to a "private placement" exemption or exemptions from registration under Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), and/or Regulation D promulgated under the Securities Act and an exemption from qualification under any other applicable state and foreign securities laws. Helius shall comply with all applicable provisions of, and rules under, the Securities Act and any other applicable state and foreign securities laws in connection with the offering and issuance of Helius Shares pursuant to this Agreement. The Helius Shares to be issued pursuant to this Article 2 shall not have been registered and shall be characterized as "restricted securities" under the federal securities laws and any other applicable state and foreign securities laws, and under such laws such shares may be resold without registration under the Securities Act only in certain limited circumstances.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF HELIUS

Representations and Warranties of Helius

3.1 Helius represents and warrants to NHC as follows and acknowledges that NHC is relying on such representations and warranties in connection with the transactions contemplated hereby:

Incorporation, Organization and Authority of Helius

(a) Helius is a corporation duly organized and validly subsisting and in good standing under the laws of Wyoming, and has all the requisite corporate capacity and authority to enter into this Agreement and to perform its obligations hereunder and to carry on its business and to own, lease and operate the Helius Assets. Helius has made available to NHC prior to the execution of this Agreement complete and correct copies of the Articles of Continuation of Helius, as amended and currently in effect, and the Bylaws of Helius, as amended and currently in effect. Marco Babini is the sole director and sole officer of Helius.

Necessary Proceedings

(b) All necessary and required corporate measures, proceedings and actions of the directors and shareholders of Helius have been taken or duly initiated to authorize and enable Helius to enter into and deliver this Agreement and the Ancillary Agreements to which Helius is a party.

Valid and Binding Obligation

(c) This Agreement and each of the Ancillary Agreements to which Helius is a party have been duly executed and delivered by Helius and constitute, or when duly executed and delivered will constitute, a legal, valid and binding obligations of Helius, enforceable against it in accordance with their respective terms subject only to:

(i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to or affecting the enforcement of creditors' rights generally; and

(ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

Share Capital of Helius

(d) The authorized capital of Helius consists of an unlimited number of Class A Common Shares without par value, an unlimited number of Class B Common Shares without par value and an unlimited number of Class A Preferred Shares without par value, of which 10,000,000 Class A Common Shares and no Class B Common Shares or Class A Preferred Shares are duly and validly issued and outstanding as fully paid and non-assessable as of the date hereof. Other than the Helius Shares issuable to the NHC Shareholders pursuant Section 2.9(a) hereof, the Helius Shares and Helius Share purchase warrants issuable upon automatic conversion of the Subscription Receipts, and the Finders' Warrants issuable upon automatic conversion of the Subscription Receipts, (i) there is no other agreement, obligation (contractual or otherwise), warrant, right or option existing or pending pursuant to which Helius is or might be required to issue any shares or other securities of its capital, (ii) there is no outstanding warrant, right, option, conversion privilege, stock purchase plan, put, call or other contractual obligation relating to the offer, sale, issuance, purchase or redemption, exchange, conversion, voting or

transfer of any shares of the capital stock of Helius or other securities convertible into or exchangeable for capital stock of Helius or that provides for any stock appreciation, phantom stock or similar right, (iii) there are no outstanding contractual obligations of Helius to repurchase, redeem or otherwise acquire any shares of its capital stock or other securities convertible into or exchangeable for capital stock of Helius or that provide for any stock appreciation, phantom stock, or similar right. The Helius Shares described in this Section 3.1(d) constitute all of the issued and outstanding capital stock of Helius.

Title to Helius Assets

(e) Other than Permitted Liens or other than as disclosed in writing to NHC, Helius has good and marketable title to the Helius Assets free and clear of any actual, pending or, to the knowledge or belief of Helius, threatened claims, Liens or set-offs whatsoever, including without limitation any action, proceeding or investigation affecting title to Helius Assets, at law or in equity, before any court, administrative agency or Governmental Entity, to all of Helius Assets and to any properties, except those sold in the ordinary course of business during such period, save and except in any case which would not have a Material Adverse Effect. Helius has not granted or entered into any agreement, option, understanding or commitment or any encumbrance of or disposal of the Helius Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to the Helius Assets and will not do so prior to the Closing Date, save and except in any case which would not have a Material Adverse Effect.

Pre-emptive Rights

(f) No Persons, other than pursuant to the terms hereof, have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription or issuance of any Helius Shares or other securities of Helius or securities convertible into, exchangeable for, or which carry the right to purchase Helius Shares or other securities of Helius.

Reporting Issuer

(g) Helius is a reporting issuer under the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) and Helius's name does not appear on a list of defaulting reporting issuers maintained by the British Columbia or Alberta securities commissions. Helius is in compliance and up to date with all filings under applicable corporate and securities laws, rules and regulations.

Cease Trading

(h) No order ceasing trading in securities of Helius or prohibiting the sale of securities by Helius is currently in effect and to Helius's knowledge, no proceedings for this purpose have been instituted, are pending, contemplated or threatened.

Financial Statements

(i) The Helius Financial Statements have been prepared in accordance with United States Generally Accepted Accounting Principles and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of Helius as of the respective dates thereof and the consolidated sales, income and results of operations of Helius for the respective financial periods covered thereby.

Auditors

(j) The auditors of Helius who audited the Helius Financial Statements and delivered the audit report with respect to those statements are independent public accountants.

Material Change

(k) There are no material facts or material information, which exist, and there has been no material change in the capital, business, Helius Assets, liabilities, obligations (absolute, accrued, contingent or otherwise), operations, condition (financial or otherwise), results of operations, financial position, capital or long-term debt, affairs or prospects of Helius since the date of the Helius Financial Statements, which have not been disclosed in writing to NHC and in the manner required by applicable Laws, and all public filings made by, or on behalf of, Helius do not contain any untrue statement of a material fact or omit to state a material fact that was required to be stated.

Business of Helius

(l) Helius has conducted and is conducting its business in all material respects in full compliance with all applicable Laws, rules and regulations of each jurisdiction in which its business is carried on and holds all necessary licenses, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as it is currently conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, save and except in any case which would not have a Material Adverse Effect.

Liabilities of Helius

(m) There are no known liabilities (whether accrued, absolute, contingent or otherwise) of Helius of any kind whatsoever, and, to the best of the knowledge of Helius, there is no basis for assertion against Helius of any liabilities of any kind, other than:

(i) liabilities disclosed or reflected in or provided for in the Helius Financial Statements; or

(ii) liabilities incurred since the date of the Helius Financial Statements which were incurred in the ordinary course of Helius's business and, in the aggregate, are not materially adverse to its business.

Indebtedness

(n) Helius has no Indebtedness and is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes or other Indebtedness, other than Indebtedness incurred in the ordinary course of business in an amount not exceeding $750,000 (Canadian) and the payment of finders' fees in connection with the Private Placement in an amount not to exceed $500,000 (Canadian).

Guarantees

(o) Helius is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

Tax Matters

(p) Helius is not in arrears or in default in respect of the filing of any required federal, provincial or municipal tax or other tax return; and (i) all taxes, filing fees and other assessments due and payable or collectible from Helius will have been paid or collected prior to the Closing Date, (ii) no claim for additional taxes, filing fees or other amounts and assessments due and payable or collectible from Helius has been made which has not been collected, and (iii) to the best of the knowledge of Helius, no such return contains any misstatement or conceals any statement that should have been included therein.

Absence of Other Agreements

(q) Other than as disclosed to NHC in writing, Helius:

(i) is not a party to any Material Contract;

(ii) is not a party to, nor operates any bonus, pension, profit sharing, deferred compensation, retirement, hospitalization insurance, medical insurance or similar plan or practice, formal and informal, in effect with respect to any employees of Helius;

(iii) is not bound by any agreement, whether written or oral, with any employee of Helius providing for a specified period of notice of termination nor providing for any fixed term of employment;

(iv) is not bound by any outstanding contract or commitment which requires prior approval of any change of control of Helius; and

(v) is not bound by any outstanding contract or commitment except those entered into in the ordinary course of business and is not in default under any material contract by which it is bound or under which it is entitled to the benefits of and advantages thereof, save and except in any case which would not have a Material Adverse Effect.

Good Standing of Agreements

(r) Schedule 3.1(r) contains a list of all contracts material to Helius. Helius is not in default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or by which it is bound save and except in any case which would not have a Material Adverse Effect and there exists no state of facts which, to the best of the knowledge of Helius, after notice or lapse of time or both, would constitute such a default or breach. All such contracts, agreements, commitments, indentures and other instruments have been duly authorized, executed and delivered and are now in good standing and in full force and effect without amendment thereto, Helius is entitled to all benefits thereunder and, to the best of the knowledge of Helius, the other parties to such contracts, agreements, commitments, indentures and other instruments are not in default or breach of any of their obligations thereunder save and except in any case which would not have a Material Adverse Effect.

Helius Corporate Records

(s) The corporate records and minute books of Helius contain substantially complete and accurate minutes of all meetings of the directors and shareholders of Helius held since its incorporation, and signed copies of all resolutions and Articles duly passed or confirmed by the directors or shareholders of Helius other than at a meeting, all such meetings having been duly called and held. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of Helius are complete and accurate.

No Breach Caused by this Agreement

(t) The execution, delivery and performance by Helius of its obligations under this Agreement and the Ancillary Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (i) contravene, conflict with or result in a violation or breach of any provision of any applicable Laws or any license, approval, consent or authorization held by Helius, (ii) require any notice or consent or other action by any Person under, contravene, conflict with, violate, breach or constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which Helius is entitled under, or give rise to any rights of first refusal or trigger any change in control provisions or any restriction under, any provision of any Material Contract or other instrument binding upon Helius or affecting any of its assets, or (iii) result in the creation or imposition of any Lien on any asset of Helius, with such exceptions, in the case of each of clauses (ii) and (iii), as do not have or would not have, or be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Litigation

(u) There are no claims, demands, disputes, actions, suits, proceedings or investigations pending or, to the best of the knowledge of Helius, threatened against or, directly or indirectly, affecting Helius (including without limitation, restraining or preventing Helius from issuing Helius Shares in accordance with this Agreement), at law or in equity or before or by any federal, provincial, municipal or other local court or Governmental Entity, domestic or foreign, nor is Helius subject to any presently effective adverse order, writ, injunction or decree of any such body.

No Brokers

(v) Other than the payment of finders' fees in connection with the Private Placement in an amount not to exceed $500,000 (Canadian), Helius has not entered into any agreement which would entitle any Person to any valid claim against Helius, any NHC Shareholders or NHC or their Subsidiaries for a broker's commission, finder's fee or any like payment in respect of any matters contemplated by this Agreement.

Dividends

(w) Helius has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.

Approvals

(x) No approval of, registration, declaration or filing by Helius with any federal, provincial, municipal or local court or Governmental Entity is necessary to authorize the execution and delivery of this Agreement, or any and all of the documents and instruments to be delivered under this Agreement by Helius or the consummation by Helius of the transactions contemplated herein, other than compliance with any applicable Laws and the approval of the CSE.

Compliance with Laws

(y) Helius is not in violation of any federal, provincial, municipal or other law, regulation or order of any Government Entity, domestic or foreign, save and except in any case which would not have a Material Adverse Effect on Helius.

Knowledge of Helius

(z) Helius does not have any information or knowledge of any material facts relating to the business of Helius that, if known to NHC or any of the NHC Shareholders, might reasonably be expected to deter NHC or any of the NHC Shareholders from completing the purchase and sale contemplated herein, or the consummation by NHC or by the NHC Shareholders of the other transactions contemplated herein.

Shareholders' Agreements, etc.

(aa) There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting or transfer of any of Helius Shares. Other than in connection with the Helius Shares and warrants issued in the Private Placement, there are no agreements to register any securities of Helius or sales or resales thereof under the federal, state or foreign securities laws.

No Bankruptcy

(bb) No proceedings have been taken, are pending or authorized by Helius or by any other person in respect of the bankruptcy, insolvency, liquidation or winding up of Helius.

Share Issuance

(cc) On the Closing Date, the Helius Shares to be issued by Helius to NHC Shareholders pursuant to this Agreement will be duly authorized and validly allotted and issued as fully paid and non-assessable Helius Shares to NHC Shareholders.

Reliance

3.2 The representations and warranties in Section 3.1 are made with the knowledge and expectation that NHC and the NHC Shareholders are placing complete reliance thereon. Such reliance will not be affected by any investigation or examination conducted by NHC or the NHC Shareholders or their representatives before or after the date of this Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES IN RESPECT OF NHC

Representations and Warranties in Respect of NHC

4.1 NHC represents and warrants to Helius as follows and acknowledges that Helius is relying on such representations and warranties in connection with the transactions contemplated hereby, except as set forth on the Disclosure Schedule attached as Schedule 4 to this Agreement (the "NHC Disclosure Schedule"), which exceptions shall be deemed to be part of the representations and warranties made hereunder. The NHC Disclosure Schedule shall be arranged in sections corresponding to the numbered and lettered sections and subsections contained in this Article 4, and the disclosures in any section or subsection of the NHC Disclosure Schedule shall qualify other sections and subsections in this Article 4 only to the extent it is readily apparent from a reading of the disclosure that such disclosure is applicable to such other sections and subsections:

Incorporation, Organization and Authority of NHC

(a) NHC is a corporation duly incorporated, organized and validly subsisting and in good standing under the laws of Delaware, and has all the requisite corporate capacity and authority to enter into this Agreement and to perform its obligations hereunder and to carry on its business and to own, lease and operate NHC Assets. NHC is a corporation duly organized and validly subsisting and in good standing under the laws of Delaware, and has all the requisite corporate capacity and authority to enter into this Agreement and to perform its obligations hereunder and to carry on its business and to own, lease and operate the NHC Assets. NHC has made available to Helius prior to the execution of this Agreement complete and correct copies of the Certificate of Incorporation of NHC, as amended and currently in effect, and the Bylaws of NHC, as amended and currently in effect. Section 4.1(a) of the NHC Disclosure Schedule lists the directors and officers of NHC as of the date hereof.

Necessary Proceedings

(b) All necessary or required corporate measures, proceedings and actions of the directors and shareholders of NHC have been taken to authorize and enable NHC to enter into and deliver this Agreement and the Ancillary Agreements to which NHC is a party.

Valid and Binding Obligation

(c) This Agreement and each of the Ancillary Agreements to which NHC is a party have been duly executed and delivered by NHC and constitute, or when duly executed and delivered will constitute, a legal, valid and binding obligation of NHC, enforceable against it in accordance with their respective terms subject only to:

(i) any limitation under applicable Laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to or affecting the enforcement of creditors' rights generally; and

(ii) the fact that equitable remedies, including the remedies of specific performance and injunction, may only be granted in the discretion of a court.

Share Capital of NHC

(d) The authorized capital of NHC consists of 3,000,000 NHC Shares, of which 2,201,436 NHC Shares are duly and validly issued and outstanding as fully paid and non-assessable shares as at the date hereof. Other than the Convertible Notes, (i) there is no other agreement, obligation (contractual or otherwise), warrant, right or option existing or pending pursuant to which NHC is or might be required to issue any shares or other securities of its capital, (ii) there is no outstanding warrant, right, option, conversion privilege, stock purchase plan, put, call or other contractual obligation relating to the offer, sale, issuance, purchase or redemption, exchange, conversion, voting or transfer of any shares of the capital stock of NHC or other securities convertible into or exchangeable for capital stock of NHC or that provides for any stock appreciation, phantom stock or similar right, (iii) there are no outstanding contractual obligations of

NHC to repurchase, redeem or otherwise acquire any shares of its capital stock or other securities convertible into or exchangeable for capital stock of NHC or that provide for any stock appreciation, phantom stock, or similar right. Following Closing, pursuant to their terms the Convertible Notes will be automatically exchanged for Helius Shares. The shares of capital stock in NHC described in this Section 4.1(d) constitute all of the issued and outstanding capital stock of NHC.

Title to NHC Assets

(e) Other than the Permitted Liens or other than as disclosed in writing to Helius, NHC has good and marketable title to the NHC Assets free and clear of any actual, pending or, to the knowledge or belief of NHC, threatened claims, Liens or set-offs whatsoever, including without limitation any action, proceeding or investigation affecting title to NHC Assets, at law or in equity, before any court, administrative agency or Governmental Entity, to all of NHC Assets and to any properties, except those sold in the ordinary course of business during such period, save and except in any case which would not have a Material Adverse Effect. Other than as disclosed to Helius in writing, NHC has not granted or entered into any agreement, option, understanding or commitment or any encumbrance of or disposal of the NHC Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to the NHC Assets and will not do so prior to the Closing Date, save and except in any case which would not have a Material Adverse Effect.

Pre-emptive Rights

(f) No Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option for the purchase, subscription or issuance from treasury of any shares or other securities of NHC or securities convertible into, exchangeable for, or which carry the right to purchase common shares or other securities of NHC.

Financial Statements

(g) The NHC Financial Statements have been prepared in accordance with and present fairly the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of NHC as of the respective dates thereof and the consolidated sales, income and results of operations of NHC for the respective financial periods covered thereby.

Auditors

(h) The auditors of NHC who audited the NHC Financial Statements and delivered the audit report with respect to those statements are independent public accountants.

Material Change

(i) There are no material facts or material information, which exist, and there has been no material change in the capital, business, NHC Assets, liabilities, obligations

(absolute, accrued, contingent or otherwise), operations, condition (financial or otherwise), results of operations, financial position, capital or long-term debt, affairs or prospects of NHC since the date of the NHC Financial Statements, which have not been disclosed in writing to Helius.

Business of NHC

(j) Other than as disclosed in writing to Helius, NHC has conducted and is conducting its business in all material respects in full compliance with all applicable Laws, rules and regulations of each jurisdiction in which its business is carried on and holds all necessary licenses, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as it is currently conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, save and except in any case which would not have a Material Adverse Effect.

Liabilities of NHC

(k) There are no known liabilities (whether accrued, absolute, contingent or otherwise) of NHC of any kind whatsoever, and, to the best of the knowledge of NHC, there is no basis for assertion against NHC of any liabilities of any kind, other than:

(i) liabilities disclosed or reflected in or provided for in the NHC Financial Statements; or

(ii) liabilities incurred since the date of the NHC Financial Statements which were incurred in the ordinary course of the routine daily affairs of NHC's business or, in the aggregate, are not materially adverse to their businesses.

Indebtedness

(l) Other than Indebtedness of NHC to Helius and Indebtedness incurred in the ordinary course of business in amount not to exceed $250,000 (Canadian) and the Convertible Notes, NHC has no Indebtedness and is not under any obligation to create or issue any bonds, debentures, mortgages, promissory notes or other Indebtedness. NHC acknowledges that pursuant to a loan agreement and promissory note dated May 30, 2014 it is indebted to Helius for a loan in the principal amount of US$150,000, and that in the event of any termination of this Agreement such loan shall become due and payable in full upon notice of Helius to NHC.

Guarantees

(m) NHC is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

Tax Matters

(n) Other than as disclosed to Helius in writing, NHC is not in arrears or in default in respect of the filing of any required federal, provincial or municipal tax or other tax return; and (i) all taxes, filing fees and other assessments due and payable or collectible from NHC will have been paid or collected prior to the Closing Date, (ii) no claim for additional taxes, filing fees or other amounts and assessments due and payable or collectible from NHC has been made or threatened which has not been collected, and (iii) to the best of the knowledge of NHC, no such return contains any misstatement or conceals any statement that should have been included therein.

Absence of Other Agreements

(o) Other than as disclosed to Helius in writing, NHC:

(i) is not a party to any Material Contract;

(ii) is not a party to, nor operates any bonus, pension, profit sharing, deferred compensation, retirement, hospitalization insurance, medical insurance or similar plan or practice, formal and informal, in effect with respect to any employees of NHC;

(iii) is not bound by any agreement whether written or oral with any employee of NHC providing for a specified period of notice of termination nor providing for any fixed term of employment, and has now and as of the Closing Date will have no employees who cannot be dismissed upon such notice as applicable Law may permit;

(iv) is not bound by any outstanding contract or commitment which requires prior approval of any change of control of NHC; and

(v) is not bound by any outstanding contract or commitment except those entered into in the ordinary course of business and is not in default under any material contract by which it is bound or under which it is entitled to the benefits of and advantages thereof, save and except in any case which would not have a Material Adverse Effect.

Good Standing of Agreements

(p) Section 4.1(p) of the NHC Disclosure Letter contains a list of all contracts material to NHC. Other than as disclosed to Helius in writing, NHC is not in default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or by which it is bound save and except in any case which would not have a Material Adverse Effect and there exists no state of facts which, to the best of the knowledge of NHC, after notice or lapse of time or both, would constitute such a default or breach. All such contracts, agreements, commitments, indentures and other instruments have been duly authorized, executed and delivered and are now in good standing and in full force and effect without

amendment thereto, NHC is entitled to all benefits thereunder and, to the best of the knowledge of NHC, the other parties to such contracts, agreements, commitments, indentures and other instruments are not in default or breach of any of their obligations thereunder save and except in any case which would not have a Material Adverse Effect.

NHC Corporate Records

(q) The corporate records and minute books of NHC contain substantially complete and accurate minutes of all meetings of the directors and shareholders of NHC held since its incorporation, and signed copies of all resolutions and by-laws duly passed or confirmed by the directors or shareholders of NHC other than at a meeting, all such meetings having been duly called and held. The share certificate books, register of security holders, register of transfers and register of directors and any similar corporate records of NHC are complete and accurate.

No Breach Caused by this Agreement

(r) The execution, delivery and performance by NHC of its obligations under this Agreement and the Ancillary Documents and the consummation of the transactions contemplated hereby do not and will not (i) contravene, conflict with or result in a violation or breach of any provision of any applicable Laws or any license, approval, consent or authorization held by NHC, (ii) require any notice or consent or other action by any Person under, contravene, conflict with, violate, breach or constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default, under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which NHC is entitled under, or give rise to any rights of first refusal or trigger any change in control provisions or any restriction under, any provision of any Material Contract or other instrument binding upon NHC or affecting any of its assets, or (iii) result in the creation or imposition of any Lien on any asset of NHC, with such exceptions, in the case of each of clauses (ii) and (iii), as do not have or would not have, or be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

Litigation

(s) There are no claims, demands, disputes, actions, suits, proceedings or investigations pending or, to the best of the knowledge of NHC, threatened against or directly or indirectly affecting NHC, at law or in equity or before or by any federal, provincial, municipal or other governmental court, department or Governmental Entity, domestic or foreign, nor is NHC subject to any presently effective adverse order, writ, injunction or decree of any such body.

No Brokers

(t) Except as set forth on Section 4.1(t) of the NHC Disclosure Schedule, NHC has not entered into any agreement which would entitle any Person to any valid claim against Helius or NHC for a broker's commission, finder's fee or any like payment in respect of any matters contemplated by this Agreement.

Intellectual Property

(u)

(i) Schedule 4.1(u), to the knowledge of NHC, contains a complete and accurate list and description of all of the Intellectual Property of NHC, together with all licences and agreements relating to the Intellectual Property of NHC.

(ii) NHC owns or has the valid rights to use all of the Intellectual Property that is material to the conduct of the business of NHC as currently conducted or as currently proposed to be conducted (and had all rights necessary to carry out its former activities at such time such activities were being conducted). NHC has a valid and enforceable right to use all third party Intellectual Property used or held for use in the business of NHC.

(iii) NHC has used commercially reasonable efforts to identify and, where commercially practicable, secure registrations, applications and filings necessary to secure and preserve the rights of NHC's Intellectual Property, and with respect to Intellectual Property for which it has determined it is not commercially practicable to secure registrations, applications or filings, NHC has protected same as its confidential information. To the knowledge of the NHC, all registered Intellectual Property of NHC or applications therefore disclosed on Schedule 4.1(u) are in good standing.

(iv) To NHC's knowledge, the conduct of NHC's business as currently conducted does not infringe or otherwise impair or conflict with (collectively, "Infringe") any Intellectual Property rights of any third party or any confidentiality obligation owed to a third party, and the Intellectual Property of NHC which is material to the conduct of the business of NHC as currently conducted is not, to NHC's knowledge, being Infringed by any third party.

(v) To NHC's knowledge, there are no pending or, threatened, claims, actions, demands, lawsuits or other proceedings contesting the validity, ownership or right to use, sell, licence or dispose of any of the Intellectual Property of NHC necessary or required or otherwise used for or in connection with the conduct of the operations of the business of NHC, nor is there any basis for such claim.

(vi) Except as set forth on Schedule 4.1(u), there are no royalties, honoraria, fees or other payments payable by NHC to any person by reason of the ownership, use, licence, sale or disposition of any of the Intellectual Property of NHC.

(vii) To the knowledge of NHC, each person that has been involved in the development of the Intellectual Property of NHC has waived their moral rights in the Intellectual Property, and to the knowledge of NHC, no such person has any valid claim to any rights related to the Intellectual Property of NHC.

(viii) All persons having access to or knowledge of the Intellectual Property of NHC that is necessary or required or otherwise used for or in connection with the

conduct or operation or proposed conduct or operation of the business of NHC have entered into appropriate non-disclosure agreements with NHC.

Environmental Matters

(v) NHC carries on its business and operates and maintains the properties and assets used in its business in compliance in all material respects with all applicable Environmental Law.

Permits

(w) There are no permits, licences, registrations, consents, authorizations, approvals, privileges, waivers, exemptions, orders, certificates, rulings, agreements and other concessions from, of or with Governmental Entities required to carry on the business of NHC as now being carried on by it, and to hold, operate and use the NHC Assets as now being held, operated and used, by NHC.

Dividends

(x) NHC has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.

Approvals

(y) No approval of, registration, declaration or filing by NHC with any federal, provincial or local court or Governmental Entity is necessary to authorize the execution and delivery of this Agreement, or any and all of the documents and instruments to be delivered under this Agreement by NHC or the consummation by NHC of the transactions contemplated herein, other than compliance with any applicable Laws.

Compliance with Laws

(z) NHC is not in violation of any federal, provincial, municipal or other law, regulation or order of any Government Entity, domestic or foreign, save and except in any case which would not have a Material Adverse Effect on NHC.

Knowledge of NHC

(aa) NHC does not have any information or knowledge of any material facts relating to the business of NHC that, if known to Helius, might reasonably be expected to deter Helius from completing the purchase and sale contemplated herein, or the consummation by Helius of the other transactions contemplated herein.

Shareholders' Agreements, etc.

(bb) Other than as disclosed on Schedule 4.1(bb), there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares of NHC.

No Bankruptcy

(cc) No proceedings have been taken, are pending or authorized by NHC or by any other person in respect of the bankruptcy, insolvency, liquidation or winding up of NHC.

Reliance

4.2 The representations and warranties in Section 4.1 are made with the knowledge and expectation that Helius is placing complete reliance thereon. Such reliance will not be affected by any investigation or examination conducted by Helius, or its representatives before or after the date of this Agreement.

ARTICLE 5

Non-SURVIVAL OF REPRESENTATIONS AND WARRANTIES

Non-Survival of Representations and Warranties

5.1 The representations, warranties and agreements in this Agreement shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Article 10, as the case may be. Each party agrees that, except for the representations and warranties contained in this Agreement, no party hereto has made any other representations and warranties, and each party hereby disclaims any other representations and warranties made by itself or any of its officers, directors, employees, agents, financial and legal advisors or other representatives with respect to the execution and delivery of this Agreement or the Merger contemplated herein, notwithstanding the delivery or disclosure to any other party or any party's representatives of any documentation or other information with respect to any one or more of the foregoing.

ARTICLE 6

COVENANTS IN RESPECT OF NHC

Covenants in Respect of NHC

6.1 NHC hereby covenants and agrees with Helius as follows:

Investigations and Availability of Records

(a) Helius and its directors, officers, auditors, counsel and other authorized representatives will be permitted to make such commercially reasonable investigations of the properties, the NHC Assets and businesses of NHC and of its financial and legal

conditions as Helius reasonably deems necessary or desirable, provided always that such investigations will not unduly interfere with the operations of NHC. If reasonably requested, NHC will provide copies of the corporate records of NHC, including its minute books, share ledgers and the records maintained in connection with the businesses of NHC. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties will continue in full force and effect for the benefit of Helius.

Necessary Consents

(b) NHC will use its commercially reasonable efforts to obtain from NHC's directors, shareholders and all appropriate Governmental Entities such approvals or consents as are required (if any) to complete the transactions contemplated herein.

Confidentiality

(c) (i) NHC will keep confidential any confidential information, trade secrets or confidential financial or business documents (collectively the "**Helius Information**") received by it from Helius concerning Helius or its business and will not disclose such Helius Information to any third party; provided that any of such Helius Information may be disclosed to NHC's directors, officers, employees, representatives and professional advisors who need to know such Helius Information in connection with the transactions contemplated hereby (provided NHC will use all reasonable efforts to ensure that such directors, officers, employees, representatives and professional advisors keep confidential such Helius Information) and provided further that NHC will not be liable for disclosure of Helius Information upon occurrence of one or more of the following events:

(A) Helius Information becoming generally known to the public other than through a breach of this Agreement;

(B) Helius Information being lawfully obtained by NHC from a third party or parties without breach of this Agreement by NHC, as shown by documentation sufficient to establish the third party as a source of Helius Information;

(C) Helius Information being known to NHC prior to disclosure by Helius or its Affiliates, as shown by documentation sufficient to establish such knowledge; or

(D) Helius having provided their prior written approval for such disclosure by NHC.

(ii) In the event this Agreement is terminated in accordance with the provisions hereof, NHC will:

(A) use all reasonable efforts to ensure that all documents prepared or obtained in the course of its investigations of Helius or its business and all copies thereof (except for copies that are maintained for archival purposes) are either destroyed or returned to Helius so as to insure that, so far as possible, any Helius Information obtained during and as a result of such investigations by the directors, officers, employees, representatives and professional advisors of NHC is not disseminated beyond those individuals concerned with such investigations; and

(B) not directly or indirectly, use for its own purposes, any Helius Information, discovered or acquired by the directors, officers, employees representatives and professional advisors of NHC as a result of Helius making available to them those documents and assets relating to the business of Helius.

Status and Filings

(d) NHC will maintain its corporate status and comply with all applicable corporate and securities requirements (including any applicable filing requirements) prior to Closing.

Material Change

(e) NHC agrees to provide prompt and full disclosure to Helius of any material information, change or event in the business, operations, financial condition or other affairs of NHC prior to Closing.

Listing Statement

(f) NHC will use its commercially reasonable efforts to provide information to Helius about the business and affairs of NHC in order to assist Helius in its preparation of the Listing Statement. In this connection, NHC will:

(i) ensure that all information provided by it or on its behalf that is contained in the Listing Statement does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in the Listing Statement and necessary to make any statement that it contains not misleading in light of the circumstances in which it is made; and

(ii) promptly notify Helius if, at any time before the Closing Date, it becomes aware that the Listing Statement, or any other public document contains a misrepresentation, an untrue statement of material fact, omits to state a material fact required to be stated in those documents that is necessary to make any statement it contains not misleading in light of the circumstances in which it is made or that otherwise requires an amendment or a supplement to those documents.

NHC Securities

(g) NHC will not issue any NHC Shares or any other securities of NHC except with the prior written consent of Helius.

Indebtedness to Related Parties

(h) Prior to Closing, NHC will satisfy or cancel all Indebtedness of NHC owed to related parties, including all Indebtedness of NHC owed to the NHC Shareholders and Affiliates of NHC.

No Acquisitions

(i) NHC will not, and will not permit any Affiliate of NHC to, acquire or agree to acquire by amalgamation, arrangement, merger or consolidation with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association of other business organization or division thereof or otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to the business of NHC.

No Dispositions

(j) Except in the ordinary course of business consistent with past practice, NHC will not, and will not permit any Affiliate of NHC to, sell, lease, transfer, mortgage, encumber or otherwise dispose of any of their assets or cancel, release or assign any indebtedness or claim.

Normal Course

(k) During the period from the date of this Agreement to the earlier of the completion of the Merger or termination of this Agreement, NHC will operate its business in the usual and ordinary course and will not declare any dividend on, or make other distributions in respect of its outstanding shares, make any distribution, payment or repayment to any non-arm's length party, enter into any non-arm's length contracts, issue any securities (other than on the exercise of convertible securities that are currently outstanding), or make any bonus payments to or increase the compensation or benefits of any directors, officer or employee, other than in the usual and ordinary course of business consistent with past practice or pursuant to existing contractual agreements.

Exclusive Dealing

(l) During the period from the date of this Agreement to the earlier of the completion of the Merger or termination of this Agreement, neither NHC nor any of its representatives, associates or Affiliates will, unless in any such case specifically authorized in writing by Helius, directly or indirectly, solicit, initiate or encourage any expression of interest, proposal or offers from or negotiations with, provide information to or facilitate or engage in any discussions or negotiations with, enter into any agreement, commitment or understanding with, or otherwise act jointly or in concert

with, any person other than Helius in order to propose or effect any transaction involving NHC which is similar to the Merger, including, without limitation (i) the acquisition or disposition of all or any substantial part of the issued or unissued shares of NHC or any of its Affiliates, or (ii) any arrangement, amalgamation, merger, sale of assets, take-over bid, reorganization, recapitalization, liquidation or winding-up of, or other business combination or similar transaction involving NHC or any of its Affiliates and any other party (other than Helius) (each an "Alternative Transaction"). NHC will immediately notify Helius, in writing, upon receipt of any expression of interest, proposal or offer from any Person relating to an Alternative Transaction and will forthwith disclose to Helius all relevant details thereof.

Compliance with Laws

(m) NHC will not do any act or take any steps that would be in violation or contrary to any applicable Laws in any material respect.

All Other Actions

(n) NHC will use all reasonable efforts to satisfy each of the conditions precedent set out in this Agreement to be satisfied by it as soon as practical and in any event before the Closing Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Merger in accordance with the terms and conditions of this Agreement and applicable Laws.

Escrow and Other Agreements

(o) NHC will use commercially reasonable efforts to obtain the agreement and consent of the NHC Shareholders to enter into any escrow, pooling or similar arrangements with respect to their Helius Shares as may be required in accordance with the policies of the CSE and NHC acknowledges that the Helius Shares issued to NHC Shareholders pursuant to the Merger will be subject to resale restrictions under applicable securities laws.

ARTICLE 7

COVENANTS OF HELIUS

Covenants of Helius

7.1 Helius hereby covenants and agrees with NHC as follows:

Investigations and Availability of Records

(a) NHC and its directors, officers, auditors, counsel and other authorized representatives will be permitted to make such commercially reasonable investigations of the property, assets and business of Helius and of its financial and legal condition as

NHC reasonably deems necessary or desirable, provided that such investigations will not unduly interfere with the operations of Helius. If reasonably requested, Helius will provide copies of Helius's corporate records, including its minute books, share ledgers and the records maintained in connection with the business of Helius. Such investigations will not, however, affect or mitigate in any way the representations and warranties contained in this Agreement, which representations and warranties will continue in full force and effect for the benefit of NHC.

Necessary Consents

(b) Helius will use commercially reasonable efforts to obtain from Helius's directors, shareholders and all appropriate Governmental Entities such approvals or consents as are required (if any) to complete the transactions contemplated herein.

Confidentiality

(c) (i) Helius will keep confidential any confidential information, trade secrets or confidential financial or business documents (collectively the "**NHC Information**") received by it from NHC concerning NHC or its business and will not disclose such Information to any third party; provided that any of such NHC Information may be disclosed to Helius's directors, officers, employees, representatives and professional advisors who need to know such NHC Information in connection with the transactions contemplated hereby (provided Helius will use all reasonable efforts to ensure that such directors, officers, employees, representatives and professional advisors keep confidential such NHC Information) and provided further that Helius will not be liable for disclosure of NHC Information upon the occurrence of one or more of the following events:

(A) NHC Information becoming generally known to the public other than through a breach of this Agreement;

(B) NHC Information being lawfully obtained by Helius from a third party or parties without breach of this Agreement by Helius, as shown by documentation sufficient to establish the third party as a source of NHC Information;

(C) NHC Information being known to Helius prior to disclosure by NHC, or its Affiliates, as shown by documentation sufficient to establish such knowledge; or

(D) NHC having provided its prior written approval for such disclosure by Helius.

(ii) In the event this Agreement is terminated in accordance with the provisions hereof, Helius will:

(A) use all reasonable efforts to ensure that all documents prepared or obtained in the course of its investigations of NHC or its business and all

copies thereof (except for copies that are maintained for archival purposes) are either destroyed or returned to NHC so as to insure that, so far as possible, any NHC Information obtained during and as a result of such investigations by the directors, officers, employees, representatives and professional advisors of Helius is not disseminated beyond those individuals concerned with such investigations; and

(B) not directly or indirectly, use for its own purposes, any NHC Information, discovered or acquired by the directors, officers, employees, representatives and professional advisors of Helius as a result of NHC making available to them those documents and assets relating to the business of NHC.

Approval of Merger

(d) Helius will use commercially reasonable efforts to obtain the approval of the Securities Authorities for the Merger.

Status and Filings

(e) Helius will maintain its corporate status and comply with all applicable corporate and securities requirements (including any applicable filing requirements) prior to Closing.

Material Change

(f) Helius agrees to conduct its business in the ordinary course prior to closing and to provide prompt and full disclosure to NHC of any material information, change or event in the business, operations, financial condition or other affairs of Helius prior to Closing.

Listing Statement

(g) Helius will, subject to the prior review and written approval of NHC (such approval not to be unreasonably withheld or delayed), in accordance with applicable Laws and the policies of the CSE, prepare the Listing Statement (including supplements or amendments thereto) and cause the Listing Statement (including supplements or amendments thereto) to be filed. Helius will:

(i) ensure that all information provided by it or on its behalf that is contained in the Listing Statement does not contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in the Listing Statement and necessary to make any statement that it contains not misleading in light of the circumstances in which it is made; and

(ii) promptly notify NHC if, at any time before the Closing Date, it becomes aware that the Listing Statement or any other public document contains a misrepresentation, an untrue statement of material fact, omits to state a material fact required to be stated in those documents that is necessary to make any

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statement it contains not misleading in light of the circumstances in which it is made or that otherwise requires an amendment or a supplement to those documents.

Directors

(h) (i) Subject to their acceptance by the CSE, Helius will take all required action to elect or appoint new directors of Helius as of the Closing Date, so that the board of directors will consist of five directors, consisting of Phil Deschamps, Savio Chiu, Yuri Danilov, Mitch Tyler and Amanda Tseng and these directors will hold office until the next meeting of the Helius Shareholders or until their successors are elected or appointed in accordance with the provisions of the WBCA and/or the Helius Constating Documents.

(ii) Nothing herein will prevent Helius or its directors or shareholders from adding additional persons to the board of directors in accordance with the provisions of the WBCA following completion of the Merger.

Management

(i) Helius will take all required action to appoint new management of Helius as of the Closing Date, which will include Phil Deschamps as the Chief Executive Officer, and Amanda Tseng as Chief Financial Officer.

Helius Securities

(j) Helius will not issue any Helius Shares or any other securities of Helius except on the exercise of previously issued securities, as provided for herein (including pursuant to the Private Placement) or with the prior written consent of NHC.

Compliance with Laws

(k) Helius will not do any act or take any steps that would be in violation or contrary to the Securities Act or any other applicable Laws in any material respect.

Indebtedness to Related Parties

(l) Prior to Closing, Helius will satisfy or cancel all Indebtedness of Helius owed to related parties, including all Indebtedness of Helius owed to the Helius Shareholders and Affiliates of Helius.

No Acquisitions

(m) Helius will not, and will not permit any Affiliate of Helius to, acquire or agree to acquire by amalgamation, arrangement, merger or consolidation with, or by purchasing a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association of other business organization or division thereof or

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otherwise acquire or agree to acquire any assets which are material, individually or in the aggregate, to the business of Helius.

No Dispositions

(n) Except in the ordinary course of business consistent with past practice, Helius will not, and will not permit any Affiliate of Helius to, sell, lease, transfer, mortgage, encumber or otherwise dispose of any of their assets or cancel, release or assign any indebtedness or claim.

Normal Course

(o) During the period from the date of this Agreement to the earlier of the completion of the Merger or termination of this Agreement, Helius will operate its business in the usual and ordinary course and will not declare any dividend on, or make other distributions in respect of its outstanding shares, make any distribution, payment or repayment to any non-arm's length party, enter into any non-arm's length contracts, issue any securities (other than on the exercise of convertible securities that are currently outstanding), or make any bonus payments to or increase the compensation or benefits of any directors, officer or employee, other than in the usual and ordinary course of business consistent with past practice or pursuant to existing contractual agreements.

Exclusive Dealing

During the period from the date of this Agreement to the earlier of the completion of the Merger or termination of this Agreement, neither Helius nor any of its representatives, associates or Affiliates will, unless in any such case specifically authorized in writing by NHC, directly or indirectly, solicit, initiate or encourage any expression of interest, proposal or offers from or negotiations with, provide information to or facilitate or engage in any discussions or negotiations with, enter into any agreement, commitment or understanding with, or otherwise act jointly or in concert with, any person other than NHC in order to propose or effect any transaction involving Helius which is similar to the Merger, including, without limitation (i) the acquisition or disposition of all or any substantial part of the issued or unissued shares of Helius or any of its Affiliates, or (ii) any Alternative Transaction involving Helius or any of its Affiliates and any other party (other than NHC). Helius will immediately notify NHC, in writing, upon receipt of any expression of interest, proposal or offer from any Person relating to an Alternative Transaction and will forthwith disclose to NHC all relevant details thereof.

All Other Actions

(p) Helius will use commercially reasonable efforts to satisfy each of the conditions precedent set out in this Agreement to be satisfied by it as soon as practical and in any event before the Closing Date, and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable that are commercially reasonable to permit the completion of the Merger in accordance with the terms and conditions of this Agreement and applicable Laws.

ARTICLE 8

CONDITIONS PRECEDENT

Mutual Conditions Precedent

8.1 The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the mutual benefit of both Helius and NHC, and may be waived by Helius and NHC, in writing:

(a) all required approvals, consents and authorizations of third parties in respect of the transactions contemplated herein, including without limitation all necessary shareholder and Regulatory Approvals, will have been obtained on terms acceptable to Helius and the NHC Shareholders acting reasonably;

(b) the Helius Shares will have been conditionally approved for listing on the CSE;

(c) Helius will have received the affirmative vote of the holders of a majority of the Helius Shares in favor of this Agreement and the Merger;

(d) NHC will have received the affirmative vote of the holders of a majority of the NHC Shares in favor of this Agreement and the Merger;

(e) Helius will have entered into an employment contract with Phil Deschamps on terms acceptable to each of Helius and NHC, acting reasonably;

(f) Helius will have entered into an advisory agreement with Baron Global Financial Canada Ltd. on terms acceptable to each of Helius and NHC, acting reasonably;

(g) there will not be in force any injunction, order or decree which constitutes or if this Merger was consummated would constitute a Material Adverse Effect; and

(h) there will not exist any prohibition or law against the completion of the Merger and there will not be enacted, promulgated or applied any Governmental Order to enjoin, prohibit or impose any material limitations or conditions on the Merger.

Conditions for the Benefit of Helius

8.2 The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of Helius and may be waived, in whole or in part, by Helius in its sole discretion:

(a) the representations and warranties of NHC contained in this Agreement or in any Ancillary Agreement will have been true and correct as of the date of this Agreement and will be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of the Closing Date, save and except in any case which would not have a Material Adverse Effect;

(b) NHC will have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by NHC at or prior to the Closing Date;

(c) Helius will have received a certificate of NHC addressed to Helius and dated the Closing Date, signed on behalf of NHC by a senior executive officer of NHC, confirming that the conditions in Section 8.2(a) and (b) have been satisfied;

(d) the Convertible Notes will have been amended to provide that the holder agrees to convert the Convertible Notes into Helius Shares following Closing, on terms acceptable to Helius, acting reasonably;

(e) other than the NHC Shares currently issued and outstanding, no other securities are issued and outstanding, including options, warrants or any other entitlements to acquire securities of NHC;

(f) other than Indebtedness of NHC to Helius and Indebtedness incurred in the normal and ordinary course of business, NHC will not have incurred or guaranteed any Indebtedness without Helius's prior written consent, which consent will not be unreasonably withheld;

(g) other than in the normal and ordinary course of business, NHC will not have entered into any material agreements with any third party other than Helius without Helius's prior written consent, which consent will not be unreasonably withheld;

(h) no action or proceeding will be pending or threatened by any Person (other than Helius) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or the right of NHC to conduct its business after the Closing Date on substantially the same basis as operated immediately prior to the date hereof and no action, suit or legal proceeding will have been taken before or by any Governmental Entity or by any Person that would, if successful, have a Material Adverse Effect on NHC; and

(i) since the date of this Agreement, there will have been no Material Adverse Effect with respect to NHC, or any event, occurrence or development, including the commencement of any action, suit or other legal proceeding which would reasonably be expected to have a Material Adverse Effect on NHC.

Conditions for the Benefit of NHC

8.3 The transactions contemplated herein are subject to the following conditions to be fulfilled or performed on or prior to the Closing Date, which conditions are for the exclusive benefit of the NHC and may be waived, in whole or in part, by the NHC in its sole discretion:

(a) the representations and warranties of Helius contained in this Agreement or in any Ancillary Agreement will have been true and correct as of the date of this Agreement and will be true and correct as of the Closing Date with the same force and effect as if such

representations and warranties had been made on and as of such Closing Date, save and except in any case which would not have a Material Adverse Effect on Helius;

(b) Helius will have performed, fulfilled or complied with, in all material respects, all of its obligations, covenants and agreements contained in this Agreement and in any Ancillary Agreement to be fulfilled or complied with by Helius at or prior to the Closing Date;

(c) NHC will have received a certificate of Helius addressed to NHC and dated the Closing Date, signed on behalf of Helius by a senior executive officer of Helius, confirming that the conditions in Section 8.3(a) and (b) have been satisfied;

(d) other than the securities to be issued in connection with the Merger, the Private Placement and the Helius Shares currently issued and outstanding, no other securities are issued and outstanding, including options, warrants or any other entitlements to acquire securities of Helius;

(e) other than Indebtedness of Helius to NHC and Indebtedness incurred in the normal and ordinary course of business, Helius will not have incurred or guaranteed any Indebtedness without NHC's prior written consent, which consent will not be unreasonably withheld;

(f) other than in the normal and ordinary course of business, Helius will not have entered into any material agreements with any third party other than NHC without NHC's prior written consent, which consent will not be unreasonably withheld;

(g) no action or proceeding will be pending or threatened by any Person (other than NHC) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement or the right of Helius to conduct its business after the Closing Date on substantially the same basis as operated immediately prior to the date hereof and no action, suit or legal proceeding will have been taken before or by any Governmental Entity or by any Person that would, if successful, have a Material Adverse Effect on Helius; and

(h) since the date of this Agreement, there will have been no Material Adverse Effect with respect to Helius, or any event, occurrence or development, including the commencement of any action, suit or other legal proceeding which would reasonably be expected to have a Material Adverse Effect on Helius.

ARTICLE 9

CLOSING

Time of Closing

9.1 The Closing of the transactions contemplated herein will be completed remotely via the exchange of documents at the offices of McMillan LLP, Suite 1500, 1055 West Georgia

Street Vancouver, British Columbia, V6E 4N7, at 10:00 a.m. (Vancouver time) on the second Business Day after the satisfaction or waiver of all of the conditions set forth in Article 10, other than conditions that, by their nature, will be satisfied at the Closing, or such other location, time and date as Helius and NHC shall agree in writing (the actual date of the Closing is referred to as the "Closing Date").

ARTICLE 10

TERMINATION

Termination by Helius

10.1 If any of the conditions set forth in Section 8.1 or Section 8.2 have not been fulfilled or waived at or prior to the Closing Date or any obligation or covenant of NHC be performed at or prior to the Closing Date has not been observed or performed by such time, Helius may terminate this Agreement by notice in writing to NHC (which will constitute notice in writing to the NHC Shareholders), and in such event Helius will be released from all obligations hereunder save and except for their obligations under Section 7.1(c) and Section 11.1, which will survive. If Helius waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation, or covenant in whole or in part.

Termination by NHC

10.2 If any of the conditions set forth in Section 8.1 or Section 8.3 have not been fulfilled or waived at or prior to Closing Date or any obligation or covenant of Helius to be performed at or prior to the Closing Date has not been observed or performed by such time, NHC may terminate this Agreement by notice in writing to Helius, and in such event NHC will be released from all obligations hereunder save and except for their obligations under and Section 6.1(c) and Section 11.1, which will survive. If NHC waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of their rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

Other Termination Rights

10.3 This Agreement may, by notice in writing given prior to or on the Closing Date, be terminated:

(a) by mutual consent of Helius and NHC; and

(b) by either Helius or NHC if the Merger is not consummated by July 31, 2014 or such other date as may be agreed to by Helius and NHC; and, in such event, each Party will be released from all obligations under this Agreement, save and except for its obligations, if any, under Section 6.1(c), Section 7.1(c) and Section 11.1, which will survive.

Effect of Termination

10.4 In the event of termination of this Agreement by NHC or Helius pursuant to this Article 10 there shall be no liability on the part of either NHC or Helius or their respective officers or directors hereunder; provided, however, that in the event of the termination of this Agreement following a Willful Breach by NHC or Helius of any of its representations, warranties, covenants or agreements set forth in this Agreement, the breaching party shall be liable to the non-breaching party for liquidated damages in the amount of $500,000 (the "Liquidated Amount"). The parties hereto expressly acknowledge and agree that, in light of the difficulty of accurately determining actual damages with respect to the foregoing upon any termination of this Agreement in circumstances where the Liquidated Amount is payable in accordance with this Section 10.4, the rights to payment of the Liquidated Amount: (i) constitute a reasonable estimate of the damages that will be suffered by reason of any such Willful Breach and (ii) shall be in full and complete satisfaction of any and all damages arising as a result of the foregoing. If the Liquidation Amount becomes payable, the breaching party shall make payment by wire transfer of immediately available funds to an account designated in writing by the non-breaching party upon termination of this Agreement. If the breaching party shall fail to pay the Liquidated Amount when due, the Liquidated Amount shall be deemed to include the out-of-pocket costs and expenses incurred by the breaching party (including reasonable fees

and expenses of counsel) in connection with the collection under and enforcement of this Section 10.4, together with interest on such unpaid Liquidated Amount, commencing on the date that the Liquidated Amount became due, at a rate equal to the rate of interest publicly announced by the Wall Street Journal from time to time as such bank's prime rate plus 2%.

ARTICLE 11

EXPENSES

Responsibility for Own Costs

11.1 Each Party will be responsible for its own legal and audit fees and other charges incurred in connection with the preparation of this Agreement, all negotiations between the Parties and the consummation of the transactions contemplated hereby.

ARTICLE 12

GENERAL

Public Announcement

12.1 No party to this Agreement will make any press release, public announcement or public statement about the transactions contemplated herein which has not been previously approved by the other, except that either party may make a press release or filing with a regulatory authority if counsel for such party advises that such press release or filing is necessary, in which case such party will first make a reasonable effort to obtain the approval of the other. Notwithstanding the foregoing, immediately after the execution of this Agreement,

Helius will issue a public announcement announcing the entering into of this Agreement, which announcement will address all matters required by applicable Laws.

Independent Legal Advice

12.2 Each of the Parties acknowledges that it has read, understands and agrees with all of the provisions of this Agreement and acknowledges that he has had the opportunity to obtain independent legal advice with respect thereto.

Entire Agreement

12.3 This Agreement, the Ancillary Agreements and the schedules referred to herein constitute the entire agreement among the Parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. None of the Parties hereto will be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the schedules, documents and instruments to be delivered on the Closing Date pursuant to this Agreement. The Parties hereto further acknowledge and agree that, in entering into this Agreement and in delivering the schedules, documents and instruments to be delivered on the Closing Date, they have not in any way relied, and will not in any way rely, upon any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings, express or implied, not specifically set forth in this Agreement or in such schedules, documents or instruments.

Further Assurances

12.4 Each of the Parties hereto will from time to time after the Closing Date at the other's request and expense and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment and take such further action as the other may reasonably require to give effect to any matter provided for herein.

Severability

12.5 In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision will be severed to the extent that it is so declared and the other provisions of this Agreement will continue in full force and effect.

Applicable Law

12.6 This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

Attornment

12.7 The Parties hereby irrevocably and unconditionally consent to and submit to the exclusive jurisdiction of the courts of the Province of British Columbia for any actions, suits or

proceedings arising out of or relating to this Agreement or the matters contemplated hereby. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such applicable courts, as the case may be, that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

Successors and Assigns

12.8 This Agreement will accrue to the benefit of and be binding upon each of the Parties hereto and their respective heirs, executors, administrators and assigns, provided that this Agreement will not be assigned by any one of the Parties without the prior written consent of the other Party.

Time of Essence

12.9 Time will be of the essence hereof.

Notices

12.10 Any notice required or permitted to be given hereunder will be in writing and will be effectively given if (i) delivered personally, (ii) sent prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission, e-mail or other similar means of electronic communication (confirmed on the same or following day by prepaid mail) addressed as follows:

(a) in the case of notice to Helius:

Helius Medical Technologies, Inc.
1980 - 1075 West Georgia Street,
Vancouver, British Columbia, V6E 3C9

Attention: Chief Executive Officer

Fax: 604-684-4601
Email: marco.babini@gmail.com

with copy to:

McMillan LLP
1055 West Georgia Street
Suite 1500, PO Box 11117
Vancouver, British Columbia V6E 4N7

Attention: Desmond Balakrishnan

Fax: 604-685-7084
Email: desmond.balakrishnan@mcmillan.ca

(b) in the case of notice to NHC or the NHC Shareholders:

NeuroHabilitation Corporation
12 Penns Trail,
Newtown, PA 18940

Attention: Chief Executive Officer
Email: pdeschamps409@gmail.com

with copy to:

Foley & Lardner LLP
5000-150 East Gilman Street
Madison, Wisconsin
53703-1482

Attention: Paul Wrycha

Fax: 608-258-4258
Email PWrycha@foley.com

Any notice, designation, communication, request, demand or other document given or sent or delivered as aforesaid will: (i) if delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery; (ii) if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received (but not actually received) on the fourth Business Day following the date of mailing, unless at any time between the date of mailing and the fourth Business Day thereafter there is a discontinuance or interruption of regular postal service, whether due to strike or lockout or work slowdown, affecting postal service at the point of dispatch or delivery or any intermediate point, in which case the same will be deemed to have been given, sent, delivered and received in the ordinary course of the mail, allowing for such discontinuance or interruption of regular postal service; and (iii) if sent by facsimile machine, be deemed to have been given, sent, delivered and received on the date the sender receives the facsimile machine answer back confirming receipt by the recipient.

Waiver

12.11 Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, unless otherwise provided, waive any term or condition hereof at any time on or prior to the Closing Date, provided however that such waiver will be evidenced by written instrument duly executed on behalf of such Party.

Amendments

12.12 No amendment, modification or supplement to this Agreement will be effective unless provided in writing and signed by all the Parties hereto and approved by all necessary governmental regulatory authorities.

Remedies Cumulative

12.13 The rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

Counterparts

12.14 This Agreement may be executed in several counterparts (by original or facsimile signature), each of which when so executed will be deemed to be an original and each of such counterparts, if executed by each of the Parties, will constitute a valid and enforceable agreement among the Parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF this agreement has been executed by the Parties hereto as of the date first above written.

HELIUS MEDICAL TECHNOLOGIES, INC.

Per: /s/ Marco Babini
Authorized Signatory

NEUROHABILITATION CORPORATION

Per: /s/ Phil Deschamps
Authorized Signatory

HMT MERGERSUB, INC.

Per: /s/ Phil Deschamps
Authorized Signatory

SCHEDULE 2.3

CERTIFICATE OF MERGER

CERTIFICATE OF MERGER

of

HMT MERGERSUB, INC.

(a Delaware corporation)

with and into

NEUROHABILITATION CORPORATION
(a Delaware corporation)

In accordance with Section 251 of the General Corporation Law of the State of Delaware, the undersigned corporation,

DOES HEREBY CERTIFY:

FIRST: That the name and state of incorporation of each of the constituent corporations of the merger are as follows:

Name:	State of Incorporation:
HMT Mergersub, Inc.	Delaware
Neurohabilitation Corporation	Delaware

SECOND: That the Agreement and Plan of Merger, dated as of June 6, 2014 (the "Merger Agreement"), by and among Helius Medical Technologies, Inc., a Wyoming corporation, HMT Mergersub, Inc., a Delaware corporation and wholly owned subsidiary of Helius Medical Technologies, Inc., and Neurohabilitation Corporation, has been approved, adopted, executed and acknowledged by each of the constituent corporations in accordance with Section 251 of the General Corporation Law of the State of Delaware.

THIRD: That HMT Mergersub, Inc. shall merge with and into Neurohabilitation Corporation and Neurohabilitation Corporation shall be the surviving corporation.

FOURTH: That the Certificate of Incorporation of the surviving corporation as in effect immediately prior to the merger shall be amended and restated in its entirety as set forth in Exhibit A and, as so amended and restated, shall be the certificate of incorporation of surviving corporation upon the effectiveness of the merger until duly altered, amended or repealed in accordance with the provisions thereof and applicable law.

FIFTH: That the merger is to become effective at 12:01 A.M. on June __, 2014.

FIFTH: That an executed copy of the Merger Agreement is on file at the office of the surviving corporation, the address of which 12 Penns Trail, Newtown, PA 18940.

SIXTH: That a copy of the Merger Agreement will be furnished by the surviving corporation, on request and without cost, to any stockholder of either constituent corporation.

IN WITNESS WHEREOF, the undersigned has caused this Certificate of Merger to be executed by a duly authorized officer as of June __, 2014.

NEUROHABILIATION CORPORATION

By:_____
Phil Deschamps
President and CEO

EXHIBIT A

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION of NEUROHABILITATION CORPORATION

ARTICLE I

The name of the Corporation is Neurohabilitiation Corporation (the "Corporation").

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 615 South DuPont Highway, in the City of Dover, County of Kent, Delaware 19901 or such other office as the Board of Directors may designate from time to time in the manner provided by law. The name of its registered agent at such address is National Corporate Research, Ltd.

ARTICLE III

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware (the "General Corporation Law"). The Corporation may engage in any and all activities necessary, desirable, or incidental to the accomplishment of the foregoing.

ARTICLE IV

The total number of shares of capital stock that the Corporation shall have the authority to issue is 1,000 shares of Common Stock, par value $0.001 per share.

ARTICLE V

In furtherance and not limitation of the powers conferred by the laws of the State of Delaware, the Board of Directors is expressly authorized to alter, amend or repeal the bylaws of the Corporation or to adopt new bylaws.

ARTICLE VI

The number of directors of the Corporation shall be as from time to time fixed by, or in the manner provided in the Bylaws of the Corporation. Election of directors need not be by written ballot unless the Bylaws so provide.

ARTICLE VII

To the fullest extent permitted by applicable law, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for the breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involved intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL, or (iv) for any transactions from which the director derived an improper personal benefit. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article VII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article VII by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

ARTICLE VIII

A. Right of Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director of the Corporation or is or was a director of the Corporation and is or was serving at the request of the Corporation as a director or officer of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer (as provided above) or in any other capacity while serving as a director or officer (as provided above), shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including, without limitation, attorneys' fees, judgments, fines, excise taxes or penalties and amounts paid or to be paid in settlement) incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue with respect to an indemnitee who has ceased to be a director or officer (as provided above) and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in paragraph (B) hereof with respect to any proceeding to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding initiated by such indemnitee only if such proceeding was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Article VIII shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the Delaware

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General Corporation Law requires, an advancement of expenses incurred by an indemnitee shall be made only upon delivery to the Corporation of an undertaking (an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article or otherwise.

B. Right of Indemnitee to Bring Suit. If a claim under paragraph (A) of this Article is not paid in full by the Corporation within sixty days after a written claim has been received by the Corporation (except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty days), the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, the indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its Board of Directors independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor any actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled under this Article or otherwise to be indemnified, or to such advancement of expenses, shall be on the Corporation.

C. Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses conferred in this Article VIII shall not be exclusive of any other right which any person may have or hereafter acquire under this Certificate of Incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

D. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any indemnitee against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

E. Indemnity of Employees and Agents of the Corporation. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article VIII or as otherwise permitted under the Delaware

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General Corporation Law with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

ARTICLE IX

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation. Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

[Remainder of Page Intentionally Left Blank]

SCHEDULE 4.1(a)

DIRECTORS AND OFFICERS OF NHC

Directors:

Montel Williams

Phil Deschamps

Jonathan Sackier

Mitch Tyler

Yuri Danilov

Kurt Kaczmarek

Officers:

President, Chief Executive Officer,
Treasurer and Secretary Phil Deschamps

SCHEDULE 4.1(p)

LIST OF MATERIAL CONTRACTS OF NHC

1. **Collaborative Research and Development Agreement (CRADA) between the US Armed Forces, and NHC signed on 1/22/13 and amended on 4/26/2014**
2. **Design and manufacturing Development Contract with Ximedica of providence RI.**
3. **Employment Agreement with Philippe Deschamps, President and CEO, NeuroHabilitation Corporation**
4. **Letter of agreement with Proskauer LLP for IP development for NHC.**
5. **Contract with Clinvue for the management of the design and manufacturing development project.**
6. **Letter of agreement with Foley Lardner LLP as our corporate general counsel.**
7. **Securities Purchase Agreement, dated February 28, 2014, as amended by that certain First Amendment dated April 24, 2014, as amended by that certain Second Amendment dated June 4, 2014.**

SCHEDULE 4.1(t)

NO BROKERS

None.

SCHEDULE 4.1(u)

INTELLECTUAL PROPERTY OF NHC

1. **Second Amended and Restated Patent Sub License, dated June 6, 2014, between NHC and Advanced NeuroRehabilitation, LLC ("ANR").**

SCHEDULE 4.1(bb)

SHAREHOLDER AGREEMENTS

1. **Stock Purchase Agreement, dated as of January 22, 2013, between NHC and MPJ Healthcare, LLC pursuant to which MPJ subscribed to purchase 1,000,000 shares of Common Stock of NHC.**
2. **Stock Purchase Agreement, dated as of January 22, 2013, between NHC and ANR pursuant to which ANR subscribed to purchase 1,000,000 shares of Common Stock of NHC.**
3. **Voting Agreement, dated as of January 22, 2013.**
4. **Stockholders Agreement dated as of January 22, 2013.**

Second Amended and Restated
Patent Sub-License

OF U.S. Patent Application 12/348,301

And Provisional Patent Application 61/019,061

This Second Amended and Restated Patent Sub-License ("Agreement"), entered into effective as of this 6th day of June, 2014, by and between Advanced NeuroRehabilitation, LLC, a Wisconsin Limited Liability Company. ("ANR"), with offices at 510 Charmany Drive, Suite 175F, Madison, Wisconsin, 53719, and NeuroHabilitation Corporation ("NHC"), a Delaware Corporation (collectively, ANR and NHC are sometimes referred to as the "Parties").

Recitals

WHEREAS, ANR holds a license of certain Patent Rights (hereinafter defined) pursuant to a valid License Agreement (the "Master License") dated June 29, 2011 with Yuri P. Danilov, Mitchell E. Tyler, and Kurt A. Kaczmarek (the "Inventors").

WHEREAS, NHC is a company formed for the purpose of advancing the theory, application and commercialization of induced neuroplasticity devices to persons with sensory and neurological needs.

WHEREAS, NHC would like to receive, and ANR is willing to grant, an exclusive sub-license to the Patent Rights for the purpose of advancing the theory, application and commercialization of induced neuroplasticity devices.

WHEREAS, NHC and ANR entered into that certain Patent Sub-License Agreement on January 22, 2013 and the Amended and Restated Patent Sub-License Agreement on May 10, 2013 (collectively, the "Original Agreement") and this Second Amended and Restated Sub-License Agreement hereby amends and restates the Original Agreement.

WHEREAS, concurrently with the execution of this Agreement, NHC, Helius Medical Technologies, Inc. ("Helius"), and HMT Mergersub, Inc., a wholly-owned subsidiary of Helius ("Mergersub"), are entering into an Agreement and Plan of Merger pursuant to which NHC will be merged with and into Mergersub and Helius will be the surviving entity as a wholly-owned subsidiary of Helius.

NOW, THEREFORE, in consideration of the promises and mutual covenants hereinafter contained the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 PATENT RIGHTS

"Patent Rights" shall mean U.S. Patent Application 12/348301 and Provisional Patent Application 61/019,061, any corresponding patents or patent applications filed in other countries, any reissue applications, continuation application, and continuation-in-part applications Filed thereon in the United States or any foreign country and any patents issuing thereon as well as any and all interest of ANR to the copyrights for the technical specifications relating to the aforesaid patent application and provisional patent application.

1.2 DEVICES

"Devices" shall mean any apparatus sold by NHC that is covered by any of the claims of the Patent Rights.

1.3 EFFECTIVE DATE

"Effective Date" shall mean January 22, 2013.

1.4 TERM

"Term" shall mean the period from the EFFECTIVE DATE to the date that this Agreement is terminated or the expiration date of a patent granting from U.S. Patent Application No. 12/348,301 or any reissue, continuation, or continuation-in-part thereof whichever occurs first.

1.5 AFFILIATE

"Affiliate" shall mean any entity that is controlled by NHC through ownership of at least 50% of the voting stock of such entity.

1.6 IP

"IP" shall have the meaning for purposes hereof as defined in the Patent Application.

1.7 PATENT COSTS

"Patent costs" means any costs related to filing, revising, responding to patent office actions, issuing, or maintaining US or foreign patent applications and patents, including but not limited to both legal service fees and patent office fees.

1.8 INVENTORS

"Inventors" shall mean Yuri Danilov, Mitch Tyler, Kurt Kaczmarek, the inventors of the IP.

ARTICLE II

GRANT

2.1 ANR hereby grants to NHC and its AFFILIATES a worldwide, exclusive license to make, have made, use, lease and sell DEVICES, and components and parts therefore under and utilizing the PATENT RIGHTS. It is understood that if the United States Government (through any of its agencies or otherwise) has funded research, during the course of or under which any of the inventions of the Patents Rights were conceived or made, the United States Government is entitled, as a right, under the provisions of 35 U.S.C. Section Section 200-212 and applicable regulations of Chapter 37 of the Code of Federal Regulations, to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the invention of such Patents Rights for governmental purposes. Any license granted under this Sub-License to NHC or any of its sublicensees shall be subject to such right.

2.2 This Agreement shall be binding upon and shall inure to the benefit of any corporation, company or entity into which either ANR or NHC may be merged or consolidated and the rights and obligations of the Parties shall be assignable to any purchaser of that part of the assets of such party to which this Agreement relates.

2.3 The Sub-License granted hereunder , if in good standing, shall not be cancelled, limited or impaired in any way by a termination of the Master License.

2.4 *Research & Development*: NHC grants back to ANR, and the Inventors whether in association with ANR, UW-Madison, or elsewhere, a perpetual royalty-free license to the Patent Rights for *non-profit R&D* activities so long as such non-profit R&D activities do not compete with NHC's business.

2.5 *Investigational use*: NHC grants back to ANR a perpetual royalty-free license to the Patent Rights for producing and deriving revenue from devices and services in connection with *investigational* use of the PoNS device and related technology as defined in the Patent application. This provision does not extend to non-investigational use or to any customer or potential customer of NHC. Any use under FDA PMA or 510(k), or international CE Mark, is prohibited without the

written consent of NHC. The definition of allowed investigational uses will be determined by an agreement, to be developed, approved by a supermajority of the NHC Board of Directors.

2.6 If, except in accordance with Section 2.2, NHC, Helius or any of their AFFILIATES is dissolved, files a voluntary petition in bankruptcy, has an involuntary petition in bankruptcy filed against it which is not dismissed within 180 days, or makes an assignment for the benefit of creditors under applicable State law, the Agreement will automatically Terminate.

2.7 Neither Helius, NHC nor their AFFILIATES shall have the right to sub-license to any other party the granted license unless approved by the Board of Directors of Helius through a super majority (80%) vote.

2.8 ANR will be responsible for Patent Costs incurred before the EFFECTIVE DATE. NHC will be responsible for Patent Costs incurred on or after the EFFECTIVE DATE. Notwithstanding, NHC shall not be responsible for any Patent Costs which relate to, or result from, any activities permitted under Section 2.4 or 2.5 of this Agreement.

2.9 Ownership of any improvements, enhancements or derivative works of the Patent Rights which are developed by NHC shall be owned by NHC, subject to the terms of this Section 2.9. Notwithstanding, NHC shall own the improvements, enhancements or derivative works developed by ANR, provided NHC pays for such reasonable legal fees and direct out of pocket expenses for prosecution of such improvements, enhancements or derivative works. If NHC chooses not to patent such improvements, ANR may choose to pursue patent rights independently, at its own expense, and such improvements are not added to the definition of Patent Rights defined herein.

ARTICLE III

CONSIDERATION

3.1 ANR and NHC acknowledge that the sub-license granted hereunder is ANR's initial contribution to the joint venture that is NHC and that the consideration received in exchange hereof is ANR's receipt of one-half of the issued and outstanding capital stock in NHC with no dilution from shares granted to the CEO upon hiring.

3.2 Release for Past Infringement

ANR hereby releases NHC for any infringement of the PATENT RIGHTS that may have arisen before the EFFECTIVE DATE of this LICENSE AGREEMENT

3.3 In consideration for this Sub-License, ANR will receive royalties equal to 4% of NHC's revenues collected from (1) the sale of Devices to end users and (2) services related to the therapy or use of the Device in therapy services.

ARTICLE IV

WARRANTIES

4.1 ANR warrants that the Master License is in full force and effect and that it is authorized to enter into this Agreement.

4.2 ANR warrants that it has not heretofore granted any rights which would interfere with any rights granted to NHC under this Agreement.

4.3 NHC will be responsible for all Patent Costs related to the defense, claims or infringements thereof. This includes but is not limited to, actions by NHC against third parties allegedly infringing upon NHC's intellectual property rights, and defense against claims brought by third parties alleging that NHC, ANR, and or their owners, directors, and/or employees is/are infringing the third party's intellectual property rights.

ARTICLE V

Arbitration of Disputes

5.1 Any and all disputes arising in connection with this Agreement that cannot be settled by negotiation between the parties hereto, shall at the request of either or both parties be referred to and finally settled under the then prevailing Rules of the American Arbitration Association by one or more arbitrators appointed in accordance with said Rules. Notwithstanding any provisions of the Rules of the American Arbitration Association or any applicable state or federal law, the parties agree that the Arbitration cannot award exemplary or punitive damages. Judgment upon the award rendered may be entered in any court having jurisdiction, or application may be made to the court for judicial acceptance of the award and an order of enforcement as the case may be. All arbitration proceedings shall take place in Minneapolis, Minnesota.

ARTICLE VI

CHANGES IN STATUS OF CLAIMS

6.1 If, during the Term, any claim included in the PATENT RIGHTS is disclaimed or becomes canceled or of no force or effect by operation of law (as through an adverse interference judgment or otherwise), then such claims shall be considered as no longer included in said PATENT RIGHTS unless and until it becomes reinstated, beginning with the date of such disclaimer or cancellation or the date it becomes of no force or effect.

6.2 If, during the TERM, a claim of the PATENT RIGHTS shall be construed or held invalid by a court of competent jurisdiction from whose decision no appeal is taken, then for the purpose of this LICENSE AGREEMENT the construction placed upon such claim shall thereafter be followed and any claims so held invalid shall be ignored.

ARTICLE VII

Miscellaneous

7.1 Governing Law. This Sub-License shall be construed and controlled by the laws of the State of Delaware without regard to conflicts of laws principals.

7.2 Notices. All notices and other communications required hereunder shall be in writing and shall be delivered to the other party via: personal delivery, telecopy, registered or certified mail, or by reputable overnight courier at the address set forth above or otherwise designated in writing for notices hereunder.

7.3 Authority. The signers below represent that they are authorized to execute this Agreement and that they do so as the authorized and binding act of the party on which he signs.

IN WITNESS THEREOF, the parties have caused this agreement to be executed by their respective officers thereunto duly authorized as of the dates respectively indicated.

Sub-Licensor	**Sub-Licensee**
Advanced NeuroRehabilitation, LLC	NeuroHabilitation Corp.
By: /s/ Yuri Danilov Yuri P. Danilov	By: /s/ Philippe Deschamps Philippe Deschamps, President
By: /s/ Mitch E. Tyler Mitchell E. Tyler	

By: _/s/ Kurt Kaczmarek____
Kurt A. Kaczmarek

Acknowledgement by Inventors

We, Yuri P. Danilov, Mitchell E. Tyler and Kurt A. Kaczmarek, the Inventors of the technology that is the subject of the Patent Rights, hereby affirm and acknowledge that the Sub-License between Advanced NeuroRehabilitation, LLC and NeuroHabilitation Corporation, if in good standing, shall not be cancelled, limited or impaired in any way by a termination of the license between ourselves and Advanced NeuroRehabilitation, LLC under which Advanced NeuroRehabilitation, LLC sub-licenses certain technologies and rights to NeuroHabilitation Corporation. We further acknowledge the rights and restrictions applicable to us under Sections 2.3 and 2.4 of this Sub-License Agreement.

/s/ Yuri Danilov	/s/ Mitch E. Tyler	/s/ Kurt Kaczmarek
Yuri P. Danilov	Mitchell E. Tyler	Kurt A. Kaczmarek
Dated: June 6, 2014	Dated: June 6, 2014	Dated: June 6, 2014

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in the Registration Statement on Form S-1 dated the date hereof (the "Registration Statement") of Helius Medical Technologies, Inc. (the "Company") of our report dated June 16, 2014 relating to the financial statements of the Company for the period from inception on March 13, 2014 to March 31, 2014 and our report dated June 16, 2014 relating to the financial statements of NeuroHabilitation Corporation for the fiscal year ended March 31, 2014, the period from January 22, 2013 (inception) to March 31, 2013 and the period from January 22, 2013 (inception) to March 31, 2014. In addition, we consent to the reference to our firm included under the heading "Experts" in such Registration Statement.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Accountants

July 11, 2014

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement"), dated effective as of June 13 , 2014 (the "Effective Date"), by and between Helius Medical Technologies Inc, a Wyoming registered corporation (the "Company"), and Philippe Deschamps (the "Executive").

W I T N E S S E T H:

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. EFFECTIVENESS OF AGREEMENT

This Agreement shall become effective as of the Effective Date.

2. EMPLOYMENT AND DUTIES

2.1. General. The Company hereby employs the Executive, and the Executive agrees to serve, as the Chief Executive Officer of the Company, upon the terms and conditions contained herein. The Executive shall have all of the responsibilities and powers normally associated with such office in a company of the size and nature as the Company. The Executive shall perform such other duties and services for the Company commensurate with the Executive's position as may be designated from time to time by the Board of Directors of the Company (the "Board"). The Executive agrees to serve the Company faithfully and to the best of the Executive's ability under the direction of the Board.

2.2. Term of Employment. The Company and Executive hereby acknowledge that Executive's employment by the Company shall be at-will (as defined under applicable law), and may be terminated at any time, with or without Cause (as defined below), at the option of either the Company or Executive, subject in some cases to the prior notice period required under Section 5 of this Agreement. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards or compensation other than as specifically provided in Section 5 of this Agreement. No provision of this Agreement shall be construed as conferring upon Executive a right to continue as an employee of the Company. On the date on which Executive's employment with the Company terminates, for whatever reason, unless specifically otherwise agreed in writing between Executive and the Company, Executive shall cease to hold any position (whether as an officer, director, manager, employee, trustee, fiduciary, or otherwise) with the Company and any of its affiliates. The period of Executive's employment under this Agreement is referred to herein as the "Employment Term."

2.3. Reimbursement of Expenses. The Company shall reimburse the Executive for reasonable travel and other business expenses incurred by the Executive in the fulfillment of the

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Executive's duties hereunder upon presentation by the Executive of an itemized account of such expenditures, in accordance with practices of the Company applied during the Employment Term.

2.4. Place of Employment. During the Employment Term the Executive shall principally work out of his Home office (with some expected travel to the Company's behalf) *provided, however*, that the Company may require the Executive to travel from time to time in order to effect the Company's business consistent with the Executive's position.

3. COMPENSATION

3.1. Base Salary. The Executive shall receive a base salary ("Base Salary") at an annualized rate of $250,000 until qualified investments in the Company reach a level of $5 million U.S. (a "Financing Threshold"). After the Financing Threshold has been achieved, the Executive's Base Salary will increase to $300,000 for the period commencing on the date that the Financing Threshold has been achieved and continuing until the end of the Employment Term. The Base Salary shall be payable in arrears in equal installments not less frequently than semi-monthly in accordance with the payroll practices of the Company, less such appropriate deductions as shall be required to be withheld by applicable law and regulations, or by written election of the Executive if agreed to by the Company.

3.2. Annual Review. The Executive's Base Salary shall be reviewed by the Board of Directors, based upon the Executive's performance, not less often than annually, and the Executive's Base Salary may thereafter be increased as may be approved by the Board in its sole discretion. In addition to any increases affected as a result of such reviews as contemplated by the first sentence of this Section 3.2, the Board may, upon the recommendation of the chairperson of the Board, at any time and in its sole discretion, increase the Executive's Base Salary. The term "Base Salary" as used herein shall mean and refer to the then current base salary, as increased and adjusted from time to time in accordance with this Section 3.2 hereof.

3.3. Annual Bonus. In addition to Base Salary, the Executive shall be eligible to receive an annual bonus ("Annual Bonus"), for each of the calendar years ending during the Employment Term. The Executive shall have the opportunity to receive a target annual bonus of thirty (30%) of Base Salary ("Target Bonus"), conditioned upon, and subject to upward or downward adjustment based upon, achievement of the Company and individual goals to be established in good faith by the Board and the Executive, with any such bonus being payable within thirty (30) days following the Company's receipt of its audited financial statements pertaining to such year, usually occurring at or about April 1 of the following year. The Executive must be employed as of the date the Annual Bonus is distributed to receive the Annual Bonus.

4. EMPLOYEE BENEFITS

4.1. The Executive shall, during the Employment Term, be included to the extent eligible thereunder in an employee benefit plans, (including, without limitation, any plans, programs or arrangements providing health, or vacation and paid holidays) which shall be established by the Company for, or made generally available to, senior executives of the Company whose positions are commensurate to that of the Executive.

4.2. The Executive shall, during the Employment Term, be allowed to take up to five (5) weeks of vacation and sick leave each year or such other amount as shall be established by the Company for senior executives of the Company whose positions are commensurate to that of the Executive.

5. TERMINATION OF EMPLOYMENT

5.1. Termination Without Cause or For Good Reason

5.1.1. General. The employment of the Executive may be terminated by the Company at any time without Cause (as defined in Section 5.3) or by the Executive for Good Reason (as defined in Section 5.4) by written notice to the other party, as applicable. Subject to the provisions of Sections 5.1.2, 5.1.3 and 5.1.4 and notwithstanding the pendency of the Employment Term, if the Executive's employment is terminated by the Company without Cause or by the Executive for Good Reason, the Company shall pay the Executive an aggregate amount equal to the sum of the Executive's Base Salary and the earned portion Annual Bonus paid for the year preceding the year of the Executive's termination of with such amount to be paid in equal monthly installments during the twelve (12) month period following such termination of employment ("Severance Period"). The Executive shall have no further right to receive any other compensation or benefits after such termination of employment except as determined in accordance with the terms of the employee benefit plans or programs of the Company.

5.1.2. Release. The receipt of severance pay and benefits, in any amount, is conditioned upon and subject to the Executive's execution of a release and waiver in a form reasonably satisfactory to the Company. Such release shall be executed and delivered (and no longer subject to revocation, if applicable) within sixty (60) days following termination. The Executive will not receive severance pay and benefits, in any amount or under any circumstances, if the Company's release and waiver is not executed and in full effect.

5.1.3. Conditions Applicable to the Severance Period. If, during the Severance Period, the Executive materially breaches his obligations under Section 7 of this Agreement, the Company may, upon written notice to the Executive, terminate the Severance Period and cease to make any further payments or provide any benefits described in Section 5.1.1.

5.1.4. Death During Severance Period. In the event of the Executive's death during the Severance Period, payments of Base Salary under this Section 5 shall continue to be made during the remainder of the Severance Period to the beneficiary designated in writing for this purpose by the Executive or, if no such beneficiary is specifically designated, to the Executive's estate.

5.1.5. Date of Termination. The date of termination of employment without

Cause shall be the date specified in a written notice of termination to the Executive.

5.2. Other Termination.

5.2.1. General. If prior to the expiration of the Employment Term, the Executive's employment is terminated by the Company for Cause or the Executive resigns other than for Good Reason, the Executive shall be entitled only to (i) payment of the Executive's

Base Salary as then in effect through and including the date of termination or resignation, and (ii) accrued but unused vacation and personal days, floating holidays as well as Company reimbursable expenses. The Executive shall have no further right to receive any other compensation or benefits after such termination or resignation of employment, except as determined in accordance with the terms of the employee benefit plans or programs of the Company or as required by law (e.g., COBRA).

5.2.2. Date of Termination. Subject to the provision in Section 5.3, the date of termination for Cause shall be the date specified in a written notice of termination to the Executive and the date of resignation by the Executive shall be the date specified in the Executive's written resignation to the Company.

5.3. Cause. Termination for "Cause" shall mean termination of the Executive's

employment, in the sole judgment of the Company, because of one or more of the following:

(i) any act or omission that constitutes negligence, misconduct, or a material breach by the Executive of any of the Executive's obligations under this Agreement;

(ii) the refusal and continued failure of the Executive to substantially perform the duties reasonably required of the Executive (except termination due to death or Permanent Disability (as hereinafter defined) as addressed below);

(iii) conviction of a crime (including conviction on a nolo contendre plea) involving fraud, dishonesty or moral turpitude;

(iv) any other misconduct by the Executive which is injurious to the financial condition or business reputation of, or is otherwise injurious to, the Company or any of its subsidiaries or affiliates;

(v) a material breach of this Agreement that is not cured within ten (10) days of notice from the Company.

5.4. Good Reason. Termination for "Good Reason" shall mean termination of the Executive's employment, in the sole judgment of the Executive, because of one or more of the following: (i) any material adverse change in the nature or scope of the Executive's authority, duties or responsibilities; or (ii) any reduction in the Executive's Base Salary (other than a proportional reduction as part of a generalized reduction in the base salaries of senior management of the Company or due to an administrative mistake which is timely resolved); provided, however, that Executive may not resign his employment for Good Reason unless: (x) Executive provided the Company with at least thirty (30) days prior written notice of his intent to resign for Good Reason (which notice must be provided within sixty (60) days following the occurrence of the event(s) purported to constitute Good Reason); and (y) the Company has not reasonably remedied the alleged violation(s) within the thirty (30) day period.

6. DEATH OR DISABILITY

In the event of termination of employment by reason of death or Permanent Disability, the Company shall continue to make payment of the Base Salary to the Executive's

legal representatives (in the case of Executive's death) or to Executive (in the case of Executive's disability) in accordance with the Company's general policies and practices then in effect, and the Executive or the Executive's estate shall be entitled to Base Salary and benefits determined under Sections 3 and 4 hereof for a period of (i) six (6) months beginning on the date of death or (ii) in the case of Permanent Disability, for twelve (12) months beginning on the date of Permanent Disability. Other benefits shall be determined in accordance with the benefit plans maintained by the Company, and the Company shall have no further obligation hereunder. For purposes of this Agreement, "Permanent Disability" means the Executive shall have been absent from or unable to perform the Executive's duties with the Company, as a result of the Executive's incapacity due to physical or mental illness for a continuous period of one hundred eighty (180) days and that within thirty (30) days after receiving a notice of termination from the Company the Executive shall not have returned to the full time performance of the Executive's duties. The notice of termination shall set forth in reasonable detail the facts claimed to provide the basis for the Company determination that a Permanent Disability exists.

7. NONSOLICITATION; NONDISPARAGEMENT; CONFIDENTIALITY; NONCOMPETITION; INVENTIONS AND PATENTS

7.1. Nonsolicitation. For so long as the Executive is employed by the Company and continuing for twelve (12) months thereafter, the Executive shall not, without the prior written consent of the Company, directly or indirectly, as a sole proprietor, member of a partnership, stockholder or investor, officer or director of a corporation, or as an employee, associate, consultant or agent of any person, partnership, corporation or other business organization or entity other than the Company: (x) (i) solicit or endeavor to entice away from the Company, or any of its subsidiaries or affiliates, any person or entity who is employed by, or serves as an agent or key consultant of, the Company, or any of its subsidiaries or affiliates, or (ii) solicit any person or entity who during the then most recent twelve-month period, was employed by or served as an agent or key consultant of the Company or any of its subsidiaries or affiliates, or (y) endeavor to entice away from, the Company, or any of its subsidiaries or affiliates or solicit with respect to services then being rendered or planned, proposed or contemplated to be rendered by the Company or any such subsidiary or affiliate, any person or entity who is, or was within the then most recent twelve month period, a customer (or reasonably anticipated) (to the general knowledge of the Executive or the public) to become a customer or client of the Company, or any of its subsidiaries or, affiliates ("Customers"). For the purposes of this Section 7.1, ownership of securities having no more than one percent of the outstanding voting power of any entity which is listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed in violation of this Section 7.1 so long as the Executive has no other connection or relationship with such entity.

7.2. Non-Disparagement. The Executive hereby covenants and agrees that the Executive shall not, directly or indirectly, make or solicit or encourage others to make or solicit any disparaging remarks concerning the Company or its affiliates, or any of its products, services, businesses or activities; provided that the foregoing restriction shall not prevent truthful testimony compelled by valid legal process.

7.3. Confidentiality. The Executive covenants and agrees with the Company that the Executive will not at any time, except in performance of the Executive's obligations to the Company hereunder or with the prior written consent of the Company, directly or indirectly, disclose

any secret or confidential information that the Executive may learn or has learned by reason of the Executive's association with the Company, or any of its subsidiaries or affiliates. The term "confidential information" includes information not previously disclosed to the public or to the trade by the Company's management or otherwise in the public domain, with respect to the Company's or any of its affiliates' or subsidiaries', products, facilities, applications and methods, trade secrets and other intellectual property, systems, procedures, manuals, confidential reports, product price lists, customer lists, technical information, financial information (including the revenues, costs or

profits associated with any of the Company's products), business plans, prospects or opportunities, but shall exclude any information which (i) is or becomes available to the public or is generally known in the industry or industries in which the Company operates other than as a result of disclosure by any employee of the Company, including, but not limited to, the Executive, in violation of any agreement with the Company including, but not limited to, the Executive's agreement under this Section 7.3 or (ii) the Executive is required to disclose under any applicable laws, regulations or directives of any government agency, tribunal or authority having jurisdiction in the matter or under subpoena or other process of law, or (iii) which Executive demonstrates was already known to the Executive prior to the Executive's employment with the Company.

7.4. No Competing Employment. For so long as the Executive is employed by the Company and continuing for twelve (12) months thereafter, the Executive shall not, directly or indirectly, as a sole proprietor, member of a partnership, stockholder, investor, officer or director of a corporation, or as an employee, associate, consultant or agent of any person, partnership, corporation or other business organization or entity other than the Company or any of its subsidiaries or affiliates render any service to or in any way be affiliated with a competitor (become a competitor) of the Company or any of its subsidiaries or affiliates. For purposes of this Section 7.4, as it relates to the twelve (12) month period following the termination of Executive's employment with the Company, an entity which neither sells nor markets, directly or indirectly, products or services substantially similar to those of the Company, its subsidiaries or affiliates or those being actively developed by the Company, its subsidiaries or affiliates to at least one of the existing customers of the Company or its subsidiaries or affiliates or the customers being actively developed or solicited by the Company or its subsidiaries or affiliates nor proposes to develop products or services for sale, directly or indirectly, to any such customer, shall not be deemed to be a competitor of the Company. For the purposes of this Section 7.4, ownership of securities having no more than five percent of the outstanding voting power of any competitor which his listed on any national securities exchange or traded actively in the national over-the-counter market shall not be deemed in violation of this Section 7.4 so long as the Executive has no other connection or relationship with such competitor.

7.5. Exclusive Property. The Executive confirms that all confidential information is and shall remain the exclusive property of the Company. All business records, papers and documents kept or made by the Executive relating to the business of the Company shall be and remain the property of the Company.

7.6. Inventions and Patents. The Executive acknowledges that all discoveries, concepts, ideas, inventions, innovations, improvements, developments, methods, processes, design, analyses, drawings, specifications, plans, sketches, reports, materials, programs, systems, software, models, know-how, devices, data, databases, technology, trade secrets, works of authorship, copyrightable works, and all patents, registrations or applications related thereto, all other

intellectual property or proprietary information and all similar or related information (whether or not patentable and copyrightable and whether or not reduced to tangible form or practice) which relate to the business, research and development or existing or future products or services of the Company and or its subsidiaries or affiliates and which are conceived, developed or made by him during the Executive's employment with the Company ("Work Product") shall be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C.A. Section 101 et seq., as amended) and owned exclusively by the Company. To the extent that any Work Product is not deemed to be "work made for hire" under applicable law, and all right, title and interest in and to such Work Product have not automatically vested in the Company, the Executive hereby (a) irrevocably assigns, transfers and conveys, and shall assign transfer and convey, to the full extent permitted by applicable law, all right, title and interest in and to the Work Product on a worldwide basis to the Company (or such other person or entity as the Company shall designate) without further consideration, and (b) waives all moral rights in or to all Work Product, and to the extent such rights may not be waived, agrees not to assert such rights against the Company or its respective licensees, successors or assigns. The Executive shall promptly disclose such Work Product to the Company and execute all documents and perform all actions reasonably requested by the Company (whether during or after the Executive's employment with the Company) to establish, confirm, evidence, effectuate, maintain, protect, enforce, perfect, record, patent or register any of the Company's rights hereunder (including, without limitation, assignments, consents, powers of attorney and other instruments). Notwithstanding the above, Executive shall immediately advise the Company of all Work Product and request specific permission, in writing, to be exempt from this paragraph for that Work Product only. Executive shall only be exempt if the Executive receives specific permission, in writing, from the Board.

7.7. Injunctive Relief. Without intending to limit the remedies available to the Company, the Executive acknowledges that a breach of any of the covenants contained in this Section 7 may result in material and irreparable injury to the Company or its affiliates or subsidiaries for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of such a breach or threat thereof, the Company shall be entitled to seek a temporary restraining order and/or preliminary or permanent injunction restraining the Executive from engaging in activities prohibited by this Section 7 or such other relief as may be required specifically to enforce any of the covenants in this Agreement. If for any reason it is held that the restrictions under this Section 7 are not reasonable or that consideration therefore is inadequate, such restrictions shall be interpreted or modified to include as much of the duration and scope identified in this Section 7 as will render such restrictions valid and enforceable.

8. ARBITRATION

Any dispute arising under or in connection with this Agreement or Executive's employment or termination thereof, other than Section 7 that cannot be mutually resolved by the parties hereto shall be settled exclusively by arbitration in Philadelphia, Pennsylvania in accordance with the rules of the American Arbitration Association then in effect, before one arbitrator of exemplary qualifications and stature, who shall be selected jointly by the Company and the Executive, or, if the Company and the Executive cannot agree on the selection of the arbitrator selected by the American Arbitration Association (provided that any arbitrator selected by the American Arbitration Association shall not, without the consent of the parties hereto, be affiliated with the Company or the Executive or any of their respective affiliates). Judgment may

be entered on the arbitrator's award in any court having jurisdiction. The parties hereby agree that the arbitrator shall be empowered to enter an equitable decree mandating specific enforcement of the terms of this Agreement. The parties understand and agree, however, that disputes arising under Section 7 of this Agreement may be brought in a court of law or equity without submission to arbitration. The Executive further agrees to accept service of process by first class or certified United States mail and consents to the jurisdiction of the Philadelphia, Pennsylvania courts.

9. SECTION 409A COMPLIANCE

To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A of the internal Revenue Code of 1986, as amended ("Section 409A"), and Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof ("409A Guidance"). Notwithstanding any provision of the Agreement to the contrary, (i) if, at the time of the Executive's termination of employment with the Company, the Executive is a "specified employee" as defined in 409A Guidance and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under 409A Guidance, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Executive) until the date that is six months following the Executive's termination of employment with the Company (or the earliest date as is permitted under Section 409A), (ii) if any other payments of money or other benefits due to the Executive hereunder could cause the application of an accelerated or additional tax under Section 409A, the Company may (a) adopt such amendments to the Agreement, including amendments with retroactive effect, that the Company determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Agreement and/or (b) take such other actions as the Company determines necessary or appropriate to comply with the requirements of 409A Guidance; provided, however, that the Company shall consult with the Executive in good faith regarding the implementation of this Section 9, and in no event shall the benefits to which Executive is entitled be reduced and the period of deferment shall not exceed 6 months, and (iii) to the extent that the payment of any amount under Section 5.1.1 constitutes "nonqualified deferred compensation" for purposes of Section 409A, any such payment scheduled to occur during the first sixty (60) days following the termination of employment shall not be paid until the first regularly scheduled pay period following the sixtieth (60th) day following such termination and shall include the payment of any amount that was otherwise scheduled to be paid prior thereto.

10. MISCELLANEOUS

10.1. Notices. All notices or communications hereunder shall be in writing, addressed as follows:

To the Company: Helius Medical Technologies Inc.
12 Penns Trail, Newton PA 18940

To the Executive:

Philippe Deschamps
208 Palmer Alley
Newtown PA 18940
Phone:
Email:

All such notices shall be conclusively deemed to be received and shall be effective (i) if sent by hand delivery, upon receipt, (ii) if sent by telecopy or facsimile transmission, upon confirmation of receipt by the sender of such transmission or (iii) if sent by registered or certified mail, on the fifth day after the day on which such notice is mailed. Notice given by telecopy or facsimile must also be given simultaneously by one of the other 2 methods.

10.2. Severability. Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

10.3. Assignment. The Company's rights and obligations under this Agreement shall not be assignable by the Company, except that the Company may assign this Agreement in connection with the sale of all or substantially all of its assets. Neither this Agreement nor any rights hereunder shall be assignable or otherwise subject to hypothecation by the Executive. Notwithstanding this provision, in the event that this Agreement is assigned in connection with a sale of the Company and the Executive terminates the Executive's employment with the Company following the six (6) month anniversary of the completion of the Company's sale transaction, the Executive shall be entitled to receive severance pursuant to Section 5.1.1 of this Agreement.

10.4. Entire Agreement. This Agreement represents the entire agreement of the parties and shall supersede any and all previous contracts, arrangements or understandings between the Company and the Executive. This Agreement may be amended at any time by mutual written agreement and any statement contained in any employment manual memo or rule of general applicability of the Company, this Agreement shall control.

10.5. Withholding. The payment of any amount pursuant to this Agreement shall be subject to applicable withholding and payroll taxes and such other deductions as may be required under the Company's employee benefit plans, if any.

10.6. Governing Law. This Agreement shall be construed, interpreted and governed in accordance with the laws of Pennsylvania without reference to rules relating to conflict of law.

10.7. Survival. Except as otherwise specifically provided in this Agreement, all representations, warranties, covenants, agreements and conditions contained in or made pursuant to this Agreement shall survive until termination of this Agreement, except that Sections 7, 8, 9, and 10 of this Agreement shall survive the termination of this Agreement.

10.8. Submission to Jurisdiction. Any action which may be brought in a court of law with respect to this Agreement may be brought in the courts of the State of New Jersey or of the United States of America for the District of New Jersey, and the Executive accepts for himself and with respect to the Executive's property, generally and unconditionally, the jurisdiction of these courts. The Executive irrevocably waives any objection, including, but not limited to, any objection of the laying of venue or based on the grounds of forum non conveniens, which the Executive may now or hereafter have to the bringing of any action in those jurisdictions.

10.9. Waiver of Jury Trial. The Executive waives any right to a trial by jury in any action to enforce or defend any right under this Agreement or any amendment, instrument, document or agreement delivered or to be delivered in connection with this Agreement or arising from any employment relationship existing in connection with this Agreement, and agrees that any action shall be tried before an arbitrator, as outlined in Section 8, and not before a jury.

10.10. Attorney' s Fees . In the event the Company brings an action to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, expert witness fees and costs in addition to any other relief afforded by law.

[Signatures continued on next page]

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed and the Executive has hereunto set the Executive's hand, effective as of the day and year first above written.

THE COMPANY:

Helius Medical Technologies, Inc.

By: /s/ Savio Chiu
Director

EXECUTIVE:

By: /s/ Philippe Deschamps
Philippe Deschamps

Baron Global Financial Canada Ltd.
Suite 1980, 1075 W. Georgia Street,
Vancouver, BC
V6E 3C9

June 13, 2014

Helius Medical Technologies, Inc.
12 Penns Trail
Newtown PA 18940

Attention: Philippe Deschamps

Dear Sir:

Re: Engagement of Baron Global Financial Canada Ltd. ("Baron" or the "Advisor")

Further to our conversations and meetings, we wish to express our interest to be engaged as corporate advisor to Helius Medical Technologies, Inc. (the "Company"), in connection with corporate advisory services. We understand that the Company wishes to engage Baron to assist in the management, filings and compliance of the Company.

All references to dollar amounts in this agreement (the "Engagement Agreement") are expressed in Canadian Dollars, unless otherwise specified.

CORPORATE ADVISORY SERVICES

The Company shall retain the Advisor on a 12-month term to be the exclusive corporate advisor of the Company beginning July 1, 2014. The Company will be responsible for the direction and actual management of the Company. The Advisor shall provide the following corporate advisory services (the "Advisory Services") to the Company:

(a) Advising of corporate governance principles and policies.

(b) Advising of issues in compliance with the standards and policies of applicable stock exchange and regulators.

(c) Advising of continuous disclosure requirements including:

- **i. Interim and annual financial disclosure;**
- **ii. SEDAR filings;**
- **iii. Dissemination of News releases;**
- **iv. Monthly progress reports;**
- **v. Quarterly listing statement; and**
- **vi. Annual updated listing statement.**

(d) Compilation of financial statements including:

- **i. Compilation of interim and annual financial statements;**
- **ii. Drafting of Management Discussion & Analysis;**

(e) Liaison and coordination with the Company's legal counsel and auditor including:

- **i. Interfacing with transfer agent, counsel and auditor on year-end filings and Annual General Meetings;**
- **ii. Interfacing with counsel on the compliance and continuous disclosure issues; and**
- **iii. Interfacing with auditor to complete the quarter-end review and year-end audit.**

(f) Assisting in and advising of corporate finance related matters, such as:

- **i. Maintaining an options/warrants continuity schedule of the Company;**
- **ii. Processing option/warrant exercises and liaising with legal counsel and transfer agent;**
- **iii. Non-brokered private placement; and**
- **iv. Drafting and reviewing of corporate documents.**

(g) Baron will make available to the Company the services of its employee, Amanda Tseng ("Tseng") or such other individual as may be acceptable to the Company acting reasonably, to serve the Company as its Chief Financial Officer.

COMPENSATION

For the Advisory Services to be provided to the Company by the Advisor, the Company shall pay to the Advisor a monthly cash advisory fee of $12,500 (the "Cash Fee") plus applicable tax, payable upon receiving invoice from the Advisor.

The Advisor and the Company mutually acknowledge that, upon further discussion between the Advisor and the Company, the Company may grant stock options (the "Advisor Options") to the Advisor in compliance with its stock option plan. The Company may also consider granting stock options to the Advisor's employees, associated or affiliated parties, who will perform the duties as the Company's CFO and/or directors, and such additional stock options are not considered part of the Advisor's Options as herein defined.

EXPENSES

The Company shall be responsible for all reasonable out-of-pocket expenses related to the Advisory Services, whether or not this Engagement is completed and therefore this obligation shall survive the termination of this Engagement Agreement, including all fees and disbursements of the Advisor's legal counsel, printing costs, filing fees, and the Advisor's out-of-pocket expenses. The Company shall also pay any applicable taxes on the foregoing amounts.

The Advisor shall, from time to time, send an invoice to the Company representing any fees and expenses incurred, including those of the Advisor's legal counsel. The Advisor shall seek approval from the Company prior to incurring any one expense item that exceeds $1,000.

REPRESENTATIONS, ETC. OF THE COMPANY

The Company represents, warrants and covenants as follows:

1. It is duly incorporated, validly exists, is in good standing under the laws of Wyoming, United States, has the necessary corporate power, authority and capacity to own its property and assets and to carry on its business as presently conducted and is duly licensed to carry on business in all jurisdictions in which it presently carries on

business.

2. It has duly obtained all corporate authorizations for the execution of this Engagement Agreement and for the performance of this Engagement Agreement by it, and the consummation of the transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of its articles or constating documents or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound.

3. This Engagement Agreement has been duly executed and delivered by it and constitutes a valid, binding and enforceable agreement against it.

4. No proceedings are pending for, and it is unaware of any basis for the institution of any proceedings leading to, its dissolution or winding up or the placing of it in bankruptcy or subject to any other laws governing the affairs of insolvent corporations.

5. There is not now pending against the Company nor to the knowledge of the Company is there threatened against it, any litigation or proceedings by or in any Court, tribunal or governmental agency, the outcome of which if adversely determined would materially adversely affect the business or continued operations of the Company.

REPRESENTATIONS, ETC. OF THE ADVISOR

The Advisor represents, warrants and covenants as follows:

1. It is duly incorporated, validly exists, is in good standing under the laws of British Columbia, Canada, has the necessary corporate power, authority and capacity to own its property and assets and to carry on its business as presently conducted and is duly licensed to carry on business in all jurisdictions in which it presently carries on business.

2. It has duly obtained all corporate authorizations for the execution of this Engagement Agreement and for the performance of this Engagement Agreement by it, and the consummation of the transactions herein contemplated will not conflict with or result in any breach of any covenants or agreements contained in, or constitute a default under, or result in the creation of any encumbrance under the provisions of its articles or constating documents or any shareholders' or directors' resolution, indenture, agreement or other instrument whatsoever to which it is a party or by which it is bound.

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3. This Engagement Agreement has been duly executed and delivered by it and constitutes a valid, binding and enforceable agreement against it.

4. No proceedings are pending for, and it is unaware of any basis for the institution of any proceedings leading to, its dissolution or winding up or the placing of it in bankruptcy or subject to any other laws governing the affairs of insolvent corporations.

5. There is not now pending against the Advisor nor to the knowledge of the Advisor is there threatened against it, any litigation or proceedings by or in any Court, tribunal or governmental agency, the outcome of which if adversely determined would materially adversely affect the business or continued operations of the Advisor.

TERMINATION

The Advisor may terminate this Engagement Agreement without any reason by providing sixty (60) days written notice to the Company of the termination hereof.

The Company may terminate this Engagement Agreement without any reason by providing sixty (60) days written notice to the Advisor of the termination hereof.

If this Engagement Agreement is terminated for any reason, the Advisor shall be entitled to receive, and the Company shall pay all fees and reimbursable expenses up to the date of termination.

OTHERS

The Company recognizes and confirms that the Advisor in acting pursuant to this Engagement Agreement will be using information, reports and other information provided by others, including, without limitation, information provided by or on behalf of the Company, and that the Advisor does not assume responsibility for and may rely, without independent verification, on the accuracy and completeness of any such reports and information. The Company hereby warrants that any information relating to the Company that is furnished to the Advisor by or on behalf of the Company will be fair, accurate and complete and will not contain any material omissions or misstatements of fact.

The Company will, on a timely basis, make available or cause to be made available to the Advisor or provide the Advisor with access to all such information, data, documents, advice and opinions respecting the Company as the Advisor may reasonably deem necessary for it to perform its engagement hereunder, and will provide or cause to be provided access to management, auditors and such other professional advisors of the Company as the Advisor considers necessary or desirable, acting reasonably in order to perform its engagement hereunder and certificates as to matters of a factual nature as may be required by the Advisor from time to time. The Advisor shall not distribute to the public or file with any regulator any information or documents that has not first being approved by the Company.

This Engagement Agreement:

(a) shall be governed by and construed solely in accordance with the laws of the province of British Columbia and the laws of Canada applicable therein;

(b) incorporates the entire understanding of the parties with respect to the subject matter hereof and supersedes all previous agreements should they exist with respect thereto;

(c) may not be amended or modified except in writing executed by the Company and the Advisor;

(d) shall be binding upon and inure to the benefit of the Company, the Advisor and their respective successors and assigns; and

(e) may not be assigned by either party without the prior written approval of the other party.

The parties agree to execute and deliver any other documents as may be considered necessary or desirable in order to give effect to the foregoing. This Engagement Agreement may be executed in one or more counterparts, each of which so signed, whether in original or facsimile form, shall be deemed to be an original and bear the dates as set out above and all of which together will constitute one and the same instrument.

We would like to thank you for giving us an opportunity to present you herewith a financial advisory proposal and look forward to working with you on this project.

Yours truly,

BARON GLOBAL FINANCIAL CANADA LTD.

/s/ Herrick Lau_____
Name: Herrick Lau
Title: Managing Director

The foregoing accurately reflects the terms of the transaction which we hereby agree to enter into and the undersigned agrees to be legally bound hereby.

Acknowledged and agreed on the date first above mentioned.

HELIUS MEDICAL TECHNOLOGIES, INC.

/s/ Philippe Deschamps____
Name: Philippe Deschamps
Title: Chief Executive Officer