

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JANUARY 26, 2016.

**SECURED DEBENTURE
(this “Debenture”)**

Principal: USD \$500,000

September 25, 2015

- 1. Loan.** For value received, the undersigned, LED Medical Diagnostics Inc. (the “**Borrower**”) hereby (i) issues this Debenture to [**Name of the registered holder redacted**] as the registered holder of this Debenture on behalf of [**Name of the lender redacted**] (the “**Lender**”); and (ii) acknowledges itself indebted and promises to pay to or to the order of the Lender the principal sum of five-hundred thousand dollars (\$500,000) in lawful money of the United States of America (the “**Principal Sum**”) on or before the date which is twelve (12) months from the date hereof (or, if such date is not a Business Day, the immediately preceding Business Day) (the “**Maturity Date**”) in accordance with the terms of this Debenture. The Lender has appointed [**Name of the registered holder redacted**] to act as the registered holder of this Debenture on behalf of the Lender. Notwithstanding the foregoing sentence, for the avoidance of doubt, the Borrower acknowledges that all of the obligations and covenants of the Borrower under the Loan Documents are in favour of, and will be performed and discharged for the benefit of, the Lender.
- 2. Interest.**

 - (a) Interest is payable, both before and after demand, default and judgment, on the full Principal Sum outstanding at the rate of 10.0% per annum. Interest on the Principal Sum shall accrue daily and shall be payable quarterly in cash on each of the following days of each calendar year until the Maturity Date: September 30, December 30, March 30, and June 30.
 - (b) For purposes of the *Interest Act* (Canada):

 - i. whenever any interest or fee under this Debenture is calculated using a rate based on a year, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 360 days, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 360;
 - ii. the principle of deemed reinvestment of interest does not apply to any interest calculation under this Debenture; and
 - iii. the rates of interest stipulated in this Debenture are intended to be nominal rates and not effective rates or yields.
- 3. Payments and Prepayments.**

 - (a) The Principal Sum shall mature and be repaid on the Maturity Date.
 - (b) At any time after the date hereof (the “**Prepayment Date**”) and prior to the Maturity Date, the Borrower may prepay all amounts owing hereunder with five Business Days’ notice, subject to an early repayment fee equal to 4% of the Principal Sum to be repaid. Any such

prepayment shall be applied first as against principal due and secondly against any interest owing to the Lender pursuant to this Debenture.

- (c) In the event that prior to the Maturity Date, in any consecutive ninety (90) day period, the Borrower issues equity or other securities that are convertible to equity with aggregate gross proceeds of CAD \$3,000,000 or greater, the outstanding Principal Sum and all accrued and unpaid interest will become immediately repayable, subject to an early repayment fee equal to 4% of the Principal Sum to be repaid.
 - (d) Any prepayment under this Debenture shall not be re-borrowed and shall be made together with payment of all fees then due and payable and any and all other amounts which may then be due and payable under any other provision hereof.
 - (e) Unless otherwise expressly provided in writing by the Lender, the Borrower shall make any payment required to be made by it to the Lender without set-off, deduction, withholding, or counterclaim or cross-claim, by depositing the amount of the payment not later than 2:00 p.m. (Toronto time) on the Maturity Date (or such other date that such payment is due), to an account specified in writing by the Lender.
 - (f) The Lender shall maintain accounts and records evidencing all payments hereunder, which accounts and records shall constitute, in the absence of manifest error, *prima facie* evidence thereof.
 - (g) The Borrower shall not be obliged to pay any interest or other amounts hereunder to the extent prohibited by Applicable Law and, if necessary, interest or other amounts hereunder shall be reduced such that such amounts paid or payable shall not exceed the maximum permitted under such Applicable Law.
4. **Security.** As security for all the obligations of the Borrower to the Lender, including, without limitation, all costs and expenses (including legal fees) incurred by the Lender to preserve the Collateral (defined below), enforce its security interest and protect the Lender from liability in connection with its security interest, the Borrower, pursuant to the General Security Agreement, agrees to mortgage, charge, assign and transfer and granted to the Lender a first priority security interest, subject to Permitted Encumbrances, over all assets now or hereafter owned or acquired by or on behalf of the Borrower and any successor thereof (collectively, the “**Collateral**”).
5. **Warrant.** The Lender acknowledges receipt of the Warrant, concurrently delivered with this Debenture.
6. **Affirmative Covenants of the Borrower.** So long as any amount owing under any of the Loan Documents remains unpaid or the Lender has any obligation under any of the Loan Documents, the Borrower shall do the following:
- (a) **Payments of Principal Sum and Interest.** The Borrower shall pay the Principal Sum and all accrued interest upon same becoming due and payable in cash in accordance with the terms of this Debenture.
 - (b) **Delivery of Secured Property and Perfection.** The Borrower shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such further acts, deeds, mortgages, assignments, transfers and assurances as the Lender shall reasonably require for better assuring, charging, assigning and conferring unto the Lender the

security interest created under the General Security Agreement, or for the purpose of fully accomplishing and effecting the intention of this Debenture.

- (c) **Financial Statements and Other Information.** The Borrower shall deliver, or arrange for the delivery, to the Lender within 120 days after the end of the Borrower's fiscal years, the Borrower's annual reviewed financial statements prepared in accordance with GAAP, together with, as reasonably requested by the Lender, any supplemental information relating thereto.
- (d) **Corporate Existence, Compliance with Laws, etc.** Preserve and maintain its corporate existence. Comply in all material respects with the requirements of all Applicable Laws. Obtain and maintain in full force all material consents and authorizations necessary for the conduct of its business as currently conducted and the entering into and performance of its obligations under the Loan Documents.
- (e) **Payment of Taxes and Claims.** Pay, or cause to be paid when due, (i) all taxes, assessments and governmental charges and/or levies imposed upon it or upon its income, sales, capital or profit or any other property belonging to it other than any amounts it is reasonably contesting in good faith, and (ii) all claims, which if unpaid, might, by Applicable Law, become a lien, encumbrance, security interest or other charge upon any of its property or assets which is not a Permitted Encumbrance.
- (f) **Share Capital.** Comply in all respects with the covenants under the Warrant relating to its Common Shares, other securities and/or all other securities which may be subject to the Warrant.
- (g) **Rights of Inspection.** At any time and from time to time, upon reasonable advance notice, permit the Lender (and/or any of its representatives), at the expense of the Borrower if a Default or an Event of Default is outstanding and continuing, to examine and/or ensure that the Lender has full access to, the assets and business operations of the Borrower and make copies of its records and books of account and to discuss any of the Borrower's affairs with any of its directors, officers, employees, agents, representatives or auditors.
- (h) **Maintenance of Insurance.** Maintain insurance at all times with responsible insurance carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower operates.
- (i) **Notice.** Give notice to the Lender as soon as it becomes aware of (i) the commencement of any action, litigation, proceeding, arbitration, investigation, grievance or dispute affecting the Borrower, its business or any of its affairs in any material respect, (ii) any Default or Event of Default, or (iii) any event or circumstance or any potential event or circumstance that could have a Material Adverse Effect.
- (j) **Further Assurances.** Upon request of the Lender, acting reasonably, execute and deliver, or cause to be executed and delivered, to the Lender such further instruments and agreements and do and cause to be done such further acts as may be necessary or proper in the opinion of the Lender to carry out more effectively the provisions and purposes of the Loan Documents.

(k) **Inter-Creditor Obligations.** In the event the Borrower incurs Permitted Co-Investor Debt (defined below), the Borrower shall enter into and shall cause the lenders of such Permitted Co-Investor Debt to enter into a pari-passu priorities agreement with the Lender.

7. **Negative Covenants.** Except with the prior written consent of the Lender (acting in its sole and absolute discretion), so long as any amount owing under any of the Loan Documents remains unpaid or the Lender has any obligation under any of the Loan Documents, the Borrower shall not:

(a) **Grant Additional Security.** Except for Permitted Encumbrances, create, grant or permit any mortgages, charges, assigns or transfers as security in any of the Collateral.

(b) **Distributions.** Declare, make or pay any Distribution. For purposes of this Section, “**Distribution**” includes (i) any dividend or other distribution on issued shares, or (ii) any purchase, redemption or retirement of any issued shares, preferred shares, warrants or any other option or right to acquire any shares.

(c) **Debt.** Incur any additional Indebtedness except: (i) Indebtedness of not more than CAD \$2,000,000 in aggregate provided that the terms and conditions of such Indebtedness are the same as the terms and conditions of this Debenture and such Indebtedness is issued in connection with the Subscription Agreement (“**Permitted Co-Investor Debt**”); (ii) Indebtedness to the Lender; (iii) Indebtedness as otherwise permitted by the Lender; (iv) Indebtedness of not more than CAD \$100,000 in aggregate at any one time; and (v) Indebtedness secured by purchase money security interests (including, for greater certainty, Capital Lease Obligations) (collectively, “**Permitted Debt**”).

(d) **Intellectual Property.** License, sell, encumber, grant or otherwise transfer any rights to or in respect of the Intellectual Property, including, for greater certainty, the granting or selling of a royalty in any of the Intellectual Property, except that the Borrower may licence its Intellectual Property to any customer on commercially reasonable terms in the ordinary course of its business.

(e) **Sale of Assets.** Sell, lease, transfer, assign or otherwise dispose of all or any assets of the Borrower, except that the Borrower may sell its inventory in the ordinary course of business and otherwise dispose of obsolete or worn out assets and except for any sale, lease, transfer, assignment or other disposal of assets for cash where the net consideration receivable (when aggregated with the net consideration receivable for any such other sale, lease, transfer, assignment or other disposal) does not exceed CAD \$500,000 (or the equivalent amount in any other currency) during the term of this Debenture.

(f) **Acquisitions.** Purchase or acquire any shares, stocks, bonds, notes, debentures or other securities of any Related Party or acquire the undertaking of, or all or substantially all the assets of, any other Related Party, other than in the event that the purchase price is nominal.

(g) **Mergers, Etc.** Enter into any reorganization, consolidation, amalgamation, arrangement, winding-up, merger or other similar transaction or convey, lease or dispose of all or substantially all of its assets except as otherwise permitted by the Lender.

(h) **Change in Business.** Make any material change in the nature of its business.

- (i) **Charter Documents.** Amend or modify its articles of incorporation or bylaws (or equivalent charter documents), except in a manner that could not prejudice the Lender.
 - (j) **Payment of Indebtedness.** Directly or indirectly, purchase, redeem, defease or pay any principal, interest, fee, commission or other amount relating to any Indebtedness (including, for certainty, Related Party Indebtedness) other than Indebtedness owing by the Borrower to the Lender or Permitted Debt.
- 8. Events of Default.** The occurrence of any of the following events that is continuing shall constitute an “**Event of Default**” under this Debenture:
- (a) **Non-Payment.** The Borrower fails to make payment of any obligation (whether for principal, interest, costs, fees, expenses or any other amount due hereunder or under any other Loan Document) when due and payable pursuant to the terms of any of the Loan Documents, and in the case of a failure that results from a technical or administrative error such failure is not remedied within three days.
 - (b) **Breach of Covenants or Misrepresentation.** The Borrower fails to perform, observe or comply with any covenant, condition or any other provision or obligation contained in any of the Loan Documents and such failure is not remedied within ten Business Days.
 - (c) **No First Priority.** The security interest is no longer effective or the Lender no longer has a perfected first priority lien on the Collateral as contemplated herein, except for Permitted Encumbrances.
 - (d) **Judgments.** Any judgment or order for the payment of money is rendered against the Borrower that has had or is expected to have a Material Adverse Effect.
 - (e) **Insolvency.** The Borrower (i) makes a general assignment for the benefit of creditors, (ii) institutes or has instituted against it any proceeding seeking (a) to adjudicate it a bankrupt or insolvent, (b) liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any laws relating to bankruptcy, insolvency, reorganization or relief of debtors, or (c) the entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or for any part of its properties and assets, or (iii) takes any corporate action to authorize any of the above actions.
 - (f) **Dissolution.** Any application is made for, or order, judgment or decree is entered against the Borrower decreeing, the winding-up, dissolution or similar process of the Borrower.
 - (g) **Loan Documents Imperilled.** Any Loan Document or any other related document or agreement is declared by a court or tribunal of competent jurisdiction to be void, invalid, illegal or unenforceable or the validity, legality or enforceability thereof is contested by the Borrower or the Borrower denies that it has any or further obligations thereunder.
 - (h) **Change of Control.** A Change of Control occurs.
 - (i) **Material Adverse Effect.** A Material Adverse Effect has occurred.
 - (j) **Cross-Default.** The Borrower fails to pay the principal of, premium, if any, interest on, or any other amount relating to, any of its Indebtedness, the principal of which Indebtedness exceeds CAD \$100,000 (or the equivalent amount in any other currency), when such amount

becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise); or any other event occurs or condition exists if its effect is to accelerate, or permit the acceleration of such Indebtedness; or any such Indebtedness shall be (or may be) declared to be due and payable prior to its original maturity; provided that such default has not been waived by the persons to whom the Indebtedness is owed, or if there is any cure period applicable to such default, such cure period lapses without the default being cured.

9. Acceleration. Upon the occurrence of an Event of Default, the Lender may, in its sole and absolute discretion, (i) immediately cancel any of its obligations or commitments under the Loan Documents, (ii) require the Borrower to immediately repay any and all amounts owing by the Borrower to the Lender under the Loan Documents, including all accrued interest, all other fees, charges, costs and other amounts payable under the Loan Documents (whereupon all such amounts shall immediately be due and payable), and/or (iii) waive for a period of time, determined in its sole and absolute discretion, the Event of Default.

10. Remedies.

(a) Upon the occurrence of an Event of Default, the Lender may commence such legal action or proceedings and exercise all its rights and remedies available to it under Applicable Law, including, the commencement of enforcement proceedings all without any additional notice, presentation, demand, protest, notice of dishonour, entering into of possession of any property or assets, or any other action or notice, all of which are hereby expressly waived by the Borrower.

(b) The rights and remedies of the Lender under the Loan Documents are cumulative and are in addition to, and not in substitution for, any other rights or remedies. No act or omission of the Lender with respect to the Borrower or the Loan Documents shall in any way prejudice or affect the rights, remedies and powers of the Lender under the Loan Documents or Applicable Law.

11. Notice. Any notice, designation, direction or other communication required or permitted to be given under this Debenture will be in writing and will be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand-delivery. Any notice or other communication, if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, will be deemed to have been received on the fourth Business Day after its post-marked date, or if sent by facsimile or other means of electronic communication, will be deemed to have been received on the Business Day following the sending, or if delivered by hand will be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at that address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by this Section 11. In the event of a general discontinuance of postal service due to strike, lockout or otherwise, notices and other communications will be delivered by hand or sent by facsimile or other means of electronic communication and will be deemed to have been received in accordance with this Section 11. Notices and other communications will be addressed as follows:

(a) if to the Borrower

LED MEDICAL DIAGNOSTICS INC.
Suite 810 – 580 Hornby Street

Vancouver, British Columbia
V6C 3B6

Attention: Dr. David Gane, Chief Executive Officer
Email: david.gane@leddental.com

(b) if to the Lender:

[Name and address of the lender redacted]

Attention: **[Name redacted]**
Facsimile Number: **[Number redacted]**
Email: **[Email address redacted]**

12. Interpretation. As used in this Debenture (including the Schedule hereto), the following terms have the following meanings:

- (a) **“Affiliate”** has the meaning ascribed to such term in the *Business Corporations Act (British Columbia)*.
- (b) **“Applicable Law”** means any international treaty, any domestic or foreign constitution or any supranational, regional, federal, provincial, territorial, state, municipal, tribal or local statute, law, ordinance, code, rule, regulation, order (including any consent decree or administrative order), applicable to, or any directive, guideline, policy having jurisdiction with respect to any specified Person, property, transaction or event or any of such Person’s affairs, and any order, judgment, award or decree of any governmental entity, or arbitrator in any proceeding or action to which the Person in question is a party or by which such Person or any of its affairs is bound.
- (c) **“Applicable Securities Legislation”** means, at any time, all securities laws and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities applicable to the Borrower or to which it is subject.
- (d) **“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario, and Vancouver, British Columbia.
- (e) **“Capital Lease”** means, with respect to a Person, a lease or other arrangement in respect of real or personal property that is required to be classified and accounted for as a capital lease or debt obligation on a balance sheet of the Person in accordance with GAAP.
- (f) **“Capital Lease Obligation”** means, with respect to a Person, the obligation of the Person to pay rent or other amounts under a Capital Lease and for the purposes of this definition, the amount of such obligation at any date shall be the capitalized amount of such obligation at such date as determined in accordance with GAAP.
- (g) **“Change of Control”** means the occurrence of any of the following event:

- i. any Person or group of Persons “acting in concert” (as interpreted in accordance with Applicable Securities Legislation) shall have acquired legal or beneficial ownership of, or the power to exercise control or direction over, any common shares of the Borrower (or securities convertible into such common shares), that together with such Person’s existing securities would constitute common shares of the Borrower representing more than 50% of the total voting power attached to all common shares of the Borrower then outstanding;
 - ii. there is consummated any amalgamation, consolidation, statutory arrangement, merger or similar transaction of the Borrower (i) in which the Borrower is not the continuing or surviving corporation or (ii) pursuant to which any common shares of the Borrower would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement, merger or similar transaction of the Borrower in which the holders of the common shares of the Borrower representing more than 80% of the total voting power attached to all such common shares immediately prior to the amalgamation, consolidation, statutory arrangement, merger or similar transaction have, directly or indirectly, more than 80% of the shares of the continuing or surviving corporation immediately after such transaction;
 - iii. the sale, lease or exchange of all or substantially all of the assets of the Borrower to another Person; or
 - iv. any Person or group of Persons acting in concert shall succeed in having a sufficient number of its nominees elected as Directors of the Borrower such that such nominees, when added, after such election, to any existing Directors who are nominees of or Affiliates or related Persons of such Person or group of Persons, will constitute a majority of the Directors of the Borrower.
- (h) **“Default”** means any Event of Default or any event which, with the giving of notice or passage of time, or the making of any determination or any combination of the foregoing, would constitute an Event of Default.
- (i) **“Director”** means a director of the Borrower for the time being and “Directors” means the board of directors of the Borrower or, whenever duly empowered, a committee of the board of directors of the Borrower, and reference to action by the Directors means action by the directors as a board or action by such a committee of the board as a committee.
- (j) **“Encumbrances”** means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets.
- (k) **“Event of Default”** has the meaning ascribed to such term in Section 8 hereof.
- (l) **“Financial Instrument Obligations”** means, with respect to any Person, obligations arising under any interest rate, commodity or currency swap agreement; forward agreement; floor,

- cap or collar agreement; future or option; or any other similar transaction; including any option to enter into any of the foregoing, or any combination of the foregoing, in each case to the extent of the net amount due or accruing due by the Person under the obligations is determined by marking the obligations to market in accordance with their terms.
- (m) “**GAAP**” means generally accepted accounting principles in Canada as in effect from time to time as set forth in the opinions and pronouncements of the relevant Canadian public and private accounting boards and institutes which are applicable to the relevant Person and the circumstances as of the date of determination consistently applied (including, without limitation, to the extent the same are adopted by the Borrower, the Accounting Standards for Private Enterprises or International Financial Reporting Standards, as applicable, adopted by the Accounting Standards Board of the Canadian Institute of Chartered Accountants).
- (n) “**General Security Agreement**” means the general security agreement dated as of the date hereof granted by the Borrower in favour of the Lender and delivered to the Lender concurrently with this Debenture.
- (o) “**Indebtedness**” of any Person means:
- i. all obligations of the Person for borrowed money, including debentures, notes or similar instruments and other financial instruments and obligations with respect to bankers’ acceptances and contingent reimbursement obligations relating to letters of credit;
 - ii. all Financial Instrument Obligations of the Person;
 - iii. all Capital Lease Obligations of the Person;
 - iv. all obligations to pay the deferred and unpaid purchase price of property or services, which purchase price is due and payable more than six months after the date of placing such property or service or taking delivery at the completion of such services;
 - v. all indebtedness of any other Person secured by a lien, encumbrance, security interest or other charge on any assets of such Person;
 - vi. all obligations to repurchase, redeem or repay any shares of such Person; and
 - vii. all contingent liabilities of the Person with respect to obligations of another Person if such obligations are of the type referred to in paragraphs (i) to (vi).
- (p) “**Intellectual Property**” means all trade or brand names, business names, trademarks, service marks, copyrights, patents, patent rights, licenses, industrial designs, know-how (including trade secrets and other unpatented or unpatentable proprietary or confidential information, systems or procedures), computer software inventions, designs and other industrial or intellectual property of any kind or nature whatsoever owned or otherwise held by the Borrower.
- (q) “**Loan Documents**” means this Debenture, the Warrant, the Subscription Agreement and the Security Agreements and all other documents to be executed and delivered to the Lender by the Borrower in connection therewith.

- (r) **“Material Adverse Effect”** means a material adverse effect (or a series of adverse effects, none of which is material in and of itself but which cumulatively result in a material adverse effect) on: (i) the business, operations, results of operations, assets, performance, liabilities or the condition (financial or otherwise) of the Borrower; or (ii) the ability of the Borrower to perform its payment obligations to the Lender under any of the Loan Documents.
- (s) **“Permitted Encumbrances”** means, in respect of the Borrower:
- i. liens for taxes, assessments or governmental charges or levies and liens arising by operation of law for amounts not at the time due or delinquent or which are being contested in good faith by appropriate proceedings;
 - ii. security granted to the Lender;
 - iii. security granted to a Person to secure the Permitted Co-Investor Debt;
 - iv. security granted to a Person in respect of Indebtedness constituting Indebtedness secured by purchase money security interests (including, for certainty, Capital Lease Obligations) permitted under this Debenture;
 - v. security granted to any Person, provided that such security is subordinated by way of a subordination and postponement agreement satisfactory to the Lender; and
 - vi. any other encumbrances consented to in writing by the Lender in its sole and absolute discretion.
- (t) **“Person”** means a natural person, partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or governmental entity.
- (u) **“Related Party”** means, with respect to any Person, (i) such Person’s Affiliates and the directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates, and (ii) any other Person which alone or in combination with others beneficially owns, and/or exercises control or direction over, directly or indirectly, voting securities of such Person carrying more than 10% of the voting rights attaching to all voting securities for the time being outstanding.
- (v) **“Related Party Indebtedness”** means the Indebtedness of the Borrower to a Related Party.
- (w) **“Security Agreements”** means, collectively, the General Security Agreement and all other agreements and other instruments delivered to the Lender by the Borrower (whether now existing or presently arising) for the purpose of establishing, perfecting, preserving or protecting any security held by the Lender in respect of any Indebtedness.
- (x) **“Subscription Agreement”** means the subscription agreement dated on or around the date hereof between the Borrower and the Lender and delivered to the Lender concurrently with this Debenture.
- (y) **“Warrant”** means the warrant certificate dated as of the date hereof granted by the Borrower in favour of the Lender and delivered to the Lender concurrently with this Debenture.

13. General.

- (a) The Borrower hereby waives the benefits of division and discussion, demand and presentment for payment, notice of non-payment, notice of protest and any other notice required to be given to the Borrower under this Debenture or under Applicable Law.
- (b) The Borrower agrees to pay all commercially reasonable costs and expenses (including reasonable legal fees) related to the preparation of the Loan Documents, and any related amendment, waiver or consent, including, but not limited to the expenses incurred by the Lender to put in place and confirm the priority of any security interest in the Loan Documents. The Borrower shall indemnify the Lender for any amounts required to compensate the Lender for, any cost, expense, claim or loss suffered by, imposed on, or asserted against, the Lender as a result of, connected with or arising out of (i) the enforcement of any of the Loan Documents, (ii) a default (whether or not constituting a Default or an Event of Default) by the Borrower, and (iii) any proceedings brought by or against the Lender due to the Lender's entering into or being a party to any of the Loan Documents.
- (c) All amounts under this Debenture are expressed in Canadian dollars.
- (d) This Debenture is binding on the Borrower and its successors and permitted assigns, and enures to the benefit of the Lender and its successors and permitted assigns. This Debenture may not be assigned or transferred by the Borrower without the prior written consent of the Lender (which may be unreasonably withheld) and any such assignee shall consent in writing to be bound by the terms and conditions of this Debenture.
- (e) The Borrower agrees, upon request of the Lender, to execute and deliver, or cause to be executed and delivered, to the Lender such further instruments and do and cause to be done such further acts as may be necessary or proper in the opinion of the Lender, acting reasonably, to carry out more effectively the provisions and purposes of the Loan Documents.
- (f) This Debenture shall be governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by the Borrower and the Lender or their successors or permitted assigns.

[Signature page follows.]

IN WITNESS WHEREOF the undersigned has executed this Debenture as of the date first above written.

LED MEDICAL DIAGNOSTICS INC.

By: “David Selley”

Name: David Selley

Title: Corporate Secretary