SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
for the Quarterly Period Ended December 31, 2016

-OR-

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities And Exchange Act of 1934
for the transition period from _____ to _____

Commission File Number: **000-54717**

BIONIK LABORATORIES CORP.
(Exact name of Registrant in its charter)

Delaware	**27-1340346**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification Number)
483 Bay Street, N105 **Toronto, Ontario**	**M5G 2C9**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: **(416) 640-7887**

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company as defined by Rule 12b-2 of the Exchange Act):

Large accelerated filer	☐	Non-accelerated filer	☐
Accelerated filer	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date. As of February 14, 2017, 47,242,709 shares of Common Stock, par value $0.001 per share.

BIONIK LABORATORIES CORP.
FORM 10-Q

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BIONIK LABORATORIES CORP.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

December 31, 2016 and 2015

(Amounts expressed in US Dollars)
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Bionik Laboratories Corp.
Condensed Consolidated Interim Balance Sheets
(Amounts expressed in U.S. Dollars)

	As at Dec. 31, 2016 (Unaudited)	As at March 31, 2016 (Audited)
	$	$
Assets		
Current		
Cash and cash equivalents	580,952	5,381,757
Accounts receivable	253,849	-
Prepaid expenses and other receivables (Note 4)	153,010	231,733
Inventories (Note 5)	194,573	-
Due from related parties (Note 8(a))	40,913	41,445
Short term advances	-	125,153
Loan receivable	-	379,908
Total Current Assets	1,223,297	6,159,996
Equipment (Note 6)	203,745	76,750
Intangible assets and goodwill (Note 3)	27,888,979	-
Total Assets	**29,316,021**	**6,236,746**
Liabilities and Shareholders' Deficiency		
Current		
Accounts payable (Notes 8(b) and 13)	405,315	320,871
Accrued liabilities (Notes 8(b) and 7)	738,863	515,979
Current portion of lease payable (Note 6)	4,603	-
Promissory notes payable (Note 7)	231,781	-
Convertible loans (Note 7)	483,333	-
Customer deposits	114,487	-
Deferred revenue	97,165	-
Warrant derivative liability (Note 11)	2,582,040	5,135,990
	4,657,587	5,972,840
Demand notes payable (Note 7)	328,361	-
Lease payable (Note 6)	15,729	-
Total Liabilities	5,001,677	5,972,840
Shareholders' Equity		
Preferred Stock, par value $0.001; Authorized 9,999,999 (March 31, 2016 – 9,999,999) Issued and outstanding - nil (March 31, 2016 – nil)	-	-
Special Voting Preferred Stock, par value $0.001; Authorized, issued and outstanding – 1 (March 31, 2016 – 1)	-	-
Common Stock, par value $0.001; Authorized - 150,000,000 (March 31, 2016 – 150,000,000); Issued and outstanding – 46,362,541 and 50,000,000 Exchangeable Shares (March 31, 2016 – 22,591,292 and 50,000,000 Exchangeable Shares) (Note 9)	96,362	72,591
Additional paid in capital	38,232,457	11,801,146
Deficit	(14,056,624)	(11,651,980)
Accumulated other comprehensive income	42,149	42,149
Total Shareholders' Equity	24,314,344	263,906
Total Liabilities and Shareholders' Equity	**29,316,021**	**6,236,746**

Going Concern (Note 1)
Commitments and Contingencies (Note 14)

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

Bionik Laboratories Corp.
Condensed Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
For the three and nine month periods ended December 31, 2016 and 2015 (unaudited)
(Amounts expressed in U.S. Dollars)

	Three months ended Dec. 31, 2016	Nine months ended Dec. 31, 2016	Three months ended Dec. 31, 2015	Nine months ended Dec. 31 2015
	$	$	$	$
Sales	372,426	553,900	-	-
Cost of Sales	334,786	405,680	-	-
Gross Margin	37,640	148,220	-	-
Operating expenses				
Sales and marketing	377,046	646,509	-	-
Research and development	571,671	1,803,234	593,686	1,971,809
General and administrative	409,669	2,291,136	438,628	1,313,071
Share-based compensation expense (Notes 9(v) and 10)	227,540	651,630	13,291	1,337,573
Depreciation (Note 6)	24,028	57,781	20,877	53,357
Total operating expenses	1,609,954	5,450,290	1,066,482	4,675,810
Other expenses (income)				
Interest expense (Note 7)	13,808	23,839	-	-
Other income	(4,363)	(410,877)	(5,566)	(28,578)
Foreign exchange loss	-	-	184,125	184,125
Change in fair value of warrant derivative liability (Note 11)	(771,341)	(2,510,388)	(2,457,778)	(6,871,597)
Total other expenses (income)	(761,896)	(2,897,426)	(2,279,219)	(6,716,050)
Net income (loss) and comprehensive income (loss) for the period	(810,418)	(2,404,644)	1,212,737	2,040,240
Income (loss) per share – basic	$ (0.01)	$ (0.03)	$ 0.02	$ 0.03
Income (loss) per share – diluted	$ (0.01)	$ (0.03)	$ 0.02	$ 0.03
Weighted average number of shares outstanding – basic	96,362,541	90,286,864	72,412,532	67,210,266
Weighted average number of shares outstanding – diluted	93,043,498	94,320,801	72,412,532	67,210,266

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

Bionik Laboratories Corp.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)
for the nine month periods ended December 31, 2016 and 2015 (unaudited)
(Amounts expressed in US Dollars)

	Special voting preferred shares		Common Shares						
	Shares	Amount $	Shares	Amount $	Additional Paid in Capital $	Shares to be Issued $	Deficit $	Accumulated Other Comprehensive Income $	Total $
Balance, March 31, 2015	**1**		**65,839,563**	**65,840**	**10,081,394**	**-**	**(12,688,128)**	**42,149**	**(2,498,745)**
Shares issued on private placement (Notes 9(i),(ii) and (iii))	-	-	6,568,750	6,568	(6,568)	-	-	-	-
Shares to be issued for services	-	-	-	-	-	98,900	-	-	98,900
Share compensation expense	-	-	20,000	20	1,337,573	-	-	-	1,337,593
Net income for the period	-	-	-	-	-	-	2,040,240	-	2,040,240
Balance, December 31, 2015	**1**	**-**	**72,428,313**	**72,428**	**11,412,399**	**98,900**	**(10,647,888)**	**42,149**	**977,988**
Shares issued for services	-	-	117,471	117	169,583	(98,900)	-	-	70,800
Cashless exercise of warrants	-	-	45,508	46	60,920	-	-	-	60,966
Share compensation expense	-	-	-	-	158,244	-	-	-	158,244
Net income for the period	-	-	-	-	-	-	(1,004,092)	-	(1,004,092)
Balance, March 31, 2016	**1**	**-**	**72,591,292**	**72,591**	**11,801,146**	**-**	**(11,651,980)**	**42,149**	**263,906**
Shares issued on Acquisition (Note 3)	-	-	23,650,000	23,650	23,153,350	-	-	-	23,177,000
Stock compensation expense – vested options on Acquisition (Note 3)	-	-	-	-	2,582,890	-	-	-	2,582,890
Cashless exercise of warrants	-	-	51,249	51	43,511	-	-	-	43,562
Shares issued for services (Note 9(v))	-	-	70,000	70	59,430	-	-	-	59,500
Share compensation expense (Note 10)	-	-	-	-	592,130	-	-	-	592,130
Net loss for the period	-		-	-	-	-	(2,404,644)	-	(2,404,644)
Balance, December 31, 2016	**1**	**-**	**96,362,541**	**96,362**	**38,232,457**	**-**	**(14,056,624)**	**42,149**	**24,314,344**

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

Bionik Laboratories Corp.
Condensed Consolidated Interim Statements of Cash Flows
for the nine month periods ended December 31, 2016 and 2015 (unaudited)
(Amounts expressed in US dollars)

	Nine months ended Dec. 31, 2016 $	Nine months ended Dec. 31, 2015 $
Operating activities		
Net (loss) income for the period	(2,404,644)	2,040,240
Adjustment for items not affecting cash		
Depreciation	57,781	53,357
Interest expense	23,839	-
Share- based compensation expense	592,130	1,337,573
Shares issued for services	59,500	98,900
Change in fair value of warrant derivative liability	(2,510,388)	(6,871,597)
	(4,181,782)	(3,341,527)
Changes in non-cash working capital items		
Accounts receivable	(247,359)	-
Prepaid expenses and other receivables	95,562	(29,798)
Due from related parties	532	2,926
Inventories	(120,894)	(74,069)
Accounts payable	(718,270)	(275,106)
Accrued liabilities	(492,047)	-
Customer deposits	28,000	-
Lease payable	(2,303)	-
Deferred revenue	97,615	-
Net cash used in operating activities	(5,540,946)	(3,717,574)
Investing activities		
Acquisition of equipment	(9,827)	(39,811)
Provision of a loan receivable	-	(307,459)
Net cash used in investing activity	(9,827)	(347,270)
Financing activity		
Proceeds from issuance of shares, net of issue costs	-	4,556,818
Provision of convertible loans	483,333	-
Cash acquired on acquisition	266,635	-
Net cash provided by financing activity	749,968	4,556,818
Net (decrease) increase in cash and cash equivalents for the period	(4,800,805)	491,974
Cash and cash equivalents, beginning of period	5,381,757	6,125,108
Cash and cash equivalents, end of period	580,952	6,617,082

Supplemental information:		
Assets acquired and liabilities assumed:		
Current assets, including cash acquired of $266,635	$	478,843
Equipment		59,749
Intangible assets and goodwill		27,888,979
Accounts payable		(241,299)
Accrued liabilities		(361,029)
Customer deposits		(86,487)
Demand notes payable		(324,894)
Promissory notes payable		(217,808)
Bionik advance		(1,436,164)
Non-cash consideration	$	25,759,890

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

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company and its Operations

Bionik Laboratories Corp. (formerly Drywave Technologies Inc., the "Company" or "Bionik") was incorporated on January 8, 2010 in the State of Colorado as Strategic Dental Management Corp. On July 16, 2013, the Company changed its name to Drywave Technologies Inc. ("Drywave") and its state of incorporation from Colorado to Delaware. Effective February 13, 2015, the Company changed its name to Bionik Laboratories Corp. and reduced the authorized number of shares of common stock from 200,000,000 to 150,000,000. Concurrently, the Company implemented a 1-for-0.831105 reverse stock split of the common stock, which had previously been approved on September 24, 2014.

On February 26, 2015, the Company entered into a Share Exchange Agreement and related transactions whereby it acquired Bionik Laboratories Inc., a Canadian Corporation ("Bionik Canada") and Bionik Canada issued 50,000,000 Exchangeable Shares, representing a 3.14 exchange ratio, for 100% of the then outstanding common shares of Bionik Canada (the "Merger"). The Exchangeable Shares are exchangeable at the option of the holder, each into one share of the common stock of the Company. In addition the Company issued one Special Preferred Voting Share (the "Special Preferred Share") (Note 9).

As a result of the shareholders of Bionik Canada having a controlling interest in the Company subsequent to the Merger, for accounting purposes the Merger does not constitute a business combination. The transaction has been accounted for as a recapitalization of the Company with Bionik Canada being the accounting acquirer even though the legal acquirer is Bionik, accordingly, the historic financial statements of Bionik Canada are presented as the comparative balances for the period prior to the Merger.

References to the Company refer to the Company and its wholly owned subsidiaries, Bionik Acquisition Inc., Bionik, Inc. (the former IMT) and Bionik Canada. References to Drywave relate to the Company prior to the Merger.

On April 21, 2016, the Company acquired all of the outstanding shares and, accordingly, all assets and liabilities of Interactive Motion Technologies, Inc. (IMT), a Boston, Massachusetts-based global pioneer and leader in providing effective robotic products for neurorehabilitation, pursuant to an Agreement and Plan of Merger (the "Merger Agreement") dated March 1, 2016, with IMT, Hermano Igo Krebs, and Bionik Mergerco Inc., a Massachusetts corporation and our wholly owned subsidiary (Bionik Mergerco). The merger agreement provided for the merger of Bionik Mergerco with and into IMT, with IMT surviving the merger as the Company's wholly owned subsidiary. In return for acquiring IMT, IMT shareholders received an aggregate of 23,650,000 shares of the Company's common stock.

The Company is a global pioneering robotics company focused on providing rehabilitation solutions to individuals with neurological disorders, specializing in designing, developing and commercializing cost-effective physical rehabilitation technologies, prosthetics, and assisted robotic products. The Company strives to innovate and build devices that can rehabilitate and improve an individual's health, comfort, accessibility and quality of life through the use of advanced algorithms and sensing technologies that anticipate a user's every move.

The unaudited condensed consolidated interim financial statements consolidate the Company and its wholly owned subsidiaries Bionik Canada, Bionik Acquisition Inc. and Bionik, Inc. (the former IMT) since its acquisition on April 21, 2016. These unaudited condensed consolidated interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which contemplates continuation of the Company as a going concern.

The Company's principal offices are located at 483 Bay Street, N105, Toronto, Ontario, Canada M5G 2C9 and Bionik, Inc.'s address is 80 Coolidge Hill Road, Watertown, MA. USA 02472.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

Going Concern

As at December 31, 2016, the Company had a working capital deficit of $3,434,290 (working capital as at March 31, 2016, of $187,156) and an accumulated deficit of $14,056,624 (March 31, 2016 - $11,651,980) and the Company incurred a net loss and comprehensive loss of $2,404,644 for the nine-month period ended December 31, 2016 (December 31, 2015 – net income of $2,040,240).

There is no certainty that the Company will be successful in generating sufficient cash flow from operations or achieving and maintaining profitable operations in the future to enable it to meet its obligations as they come due and consequently continue as a going concern. The Company will require additional financing this year to fund its operations and it is currently working on securing this funding through corporate collaborations, public or private equity offerings or debt financings. Sales of additional equity securities by the Company would result in the dilution of the interests of existing stockholders. There can be no assurance that financing will be available when required. In the event that the necessary additional financing is not obtained, the Company would reduce its discretionary overhead costs substantially or otherwise curtail operations.

The Company expects the forgoing, or a combination thereof, to meet the Company's anticipated cash requirements for the next 12 months; however, these conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on recoverability and reclassification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

The unaudited condensed interim financial statements do not include any adjustments related to the recoverability and classification of the recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. All adjustments, consisting only of normal recurring items, considered necessary for fair presentation have been included in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Unaudited Condensed Consolidated Interim Financial Statements

These unaudited condensed consolidated interim financial statements have been prepared on the same basis as the annual audited financial statements and should be read in conjunction with those annual audited financial statements filed on Form 10-KT for the year ended March 31, 2016. In the opinion of management, these unaudited condensed consolidated interim financial statements reflect adjustments, necessary to present fairly the Company's financial position, results of operations and cash flows for the periods shown. The results of operations for such periods are not necessarily indicative of the results expected for a full year or for any future period.

Newly Adopted and Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The accounting standard is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early adoption is not permitted. The impact on the consolidated financial statements of adopting ASU 2014-09 will be assessed by management.

In August 2014, the FASB issued a new financial accounting standard on going concern, ASU No. 2014-15, "Presentation of Financial Statements – Going Concern (Sub-Topic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern." The standard provides guidance about management's responsibility to evaluate whether there is a substantial doubt about the organization's ability to continue as a going concern. The amendments in this Update apply to all companies. They become effective in the annual period ending after December 15, 2016, with early application permitted. The impact on the consolidated financial statements of adopting ASU 2014-15 will be assessed by management.

In September 2015, the FASB issued ASU No. 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments," which illustrates certain guidance governing adjustments to the provisional amounts recognized at the acquisition date with a corresponding adjustment to goodwill. Such adjustments are required when new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement amounts initially recognized or would have resulted in the recognition of additional assets and liabilities. ASU No. 2015-16 eliminates the requirement to retrospectively account for such adjustments. ASU No. 2015-16 is effective for the fiscal year commencing after December 15, 2016. The Company has adopted this ASU No. 2015-16 as at and for the three and twelve-month periods ended March 31, 2016. There was no material effect on the consolidated financial position or the consolidated results of operations and comprehensive income (loss).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In November 2015, the FASB issued ASU No. 2015-17, "Balance Sheet Classification of Deferred Taxes," which requires that deferred tax liabilities and assets be classified on our Consolidated Balance Sheets as noncurrent based on an analysis of each taxpaying component within a jurisdiction. ASU No. 2015-17 is effective for the fiscal year commencing after December 15, 2017. The Company does not anticipate that the adoption of ASU No. 2015-17 will have a material effect on the consolidated financial position or the consolidated results of operations.

In February 2016, the FASB issued ASU 2016-02, Leases. This update requires organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The new guidance will also require additional disclosure about the amount, timing and uncertainty of cash flows arising from leases. The provisions of this update are effective for annual and interim periods beginning after December 15, 2018. The Company is still assessing the impact that the adoption of ASI 2016-02 will have on the consolidated financial position and the consolidated results of operations.

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting". Several aspects of the accounting for share-based payment award transaction are simplified, including (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. The amendments are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company is still assessing the impact that the adoption of ASI 2016-09 will have on the consolidated financial position and the consolidated results of operations.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments". This ASU provides eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for the fiscal year commencing after November 1, 2018. The Company is still assessing the impact that the adoption of ASI 2016-15 will have on the consolidated statement of cash flows.

In January 2017, the FASB issued ASU 2017-01, "Business Combinations: Clarifying the definition of a Business" which amends the current definition of a business. Under ASU 2017-01, to be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributes to the ability to create outputs. ASU 2017-01 further states that when substantially all of the fair value of gross assets acquitted is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. The new guidance also narrows the definition of the term "outputs" to be consistent with how it is described in Topic 606, Revenue from Contracts with Customers. The changes to the definition of a business will likely result in more acquisitions being accounted for as asset acquisitions. ASU 2017-01 is effective for acquisitions commencing on or after June 30, 2019, with early adoption permitted. Adoption of this guidance will be applied prospectively on or after the effective date.

In January 2017, the FASB issued ASU 2017-04, "Intangibles – Goodwill and Other" ASU 2017-04 simplifies the accounting for goodwill impairment by eliminating Step 2 of the current goodwill impairment test, which required a hypothetical purchase price allocation. Goodwill impairment will now be the amount by which the reporting unit's carrying value exceeds its fair value, limited to the carrying value of the goodwill. ASU 2017-04 is effective for financial statements issued for fiscal years, and interim periods beginning after December 15, 2019.

Inventories

Inventory is stated at the lower of cost or market. Cost is recorded at standard cost, which approximates actual cost, on the first-in first-out basis. Work in progress and finished goods consist of materials, labor and allocated overhead.

Revenue Recognition

The Company recognizes revenue from product sales when persuasive evidence of an agreement with customer exists, products are shipped or title passes pursuant to the terms of the agreement, the amount due from the customer is fixed or determinable, collectability is reasonably assured, and there is no significant future performance obligation. Deposits are carried as liabilities until the requirements for revenue recognition are met.

Significant Judgments - Warrant Derivative Liability

The Company's derivative warrant instruments are measured at fair value using a simulation model which takes into account, as of the valuation date, factors including the current exercise price, the expected life of the warrant, the current price of the underlying stock, its expected volatility, holding cost and the risk- free interest rate for the term of the warrant (Note 11). The warrant derivative liability is revalued at each reporting period and changes in fair value are recognized in the condensed consolidated interim statements of operations and comprehensive loss under the caption "Change in fair value of warrant derivative liability".

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The selection of the appropriate valuation model and the inputs and assumptions that are required to determine the valuation requires significant judgment and requires management to make estimates and assumptions that affect the reported amount of the related liability and reported amounts of the change in fair value. Actual results could differ from those estimates, and changes in these estimates are recorded when known. As the derivative warrant liability is required to be measured at fair value at each reporting date it is reasonably possible that these estimates and assumptions could change in the near term.

Warranty Reserve and Deferred Warranty Revenue

The Company provides a one-year warranty as part of its normal sales offering. When products are sold, the Company provides warranty reserves, which, based on the historical experience of the Company are sufficient to cover warranty claims. Accrued warranty reserves are included in accrued liabilities on the balance sheet and amounted to $64,957 at December 31, 2016 (March 31, 2016 - $Nil). The Company also sells extended warranties for additional periods beyond the standard warranty. Extended warranty revenue is deferred and recognized as revenue over the extended warranty period. The Company recognized $15,355 and $30,732 of expenses related to the change in warranty reserves and warranty costs incurred and recorded as an expense in cost of goods sold during the three and nine-month period ended December 31, 2016 (March 31, 2016 - $Nil).

Foreign Currency Translation

On April 1, 2015, Bionik Canada and Bionik Acquisition Inc. changed its functional currency from the Canadian Dollar to the U.S. Dollar. This reflects the fact that the majority of the Company's business is influenced by an economic environment denominated in U.S. currency as well the Company anticipates revenues to be earned in U.S. dollars. The change in accounting treatment was applied prospectively. The functional currency is separately determined for the Company and each of its subsidiaries, and is used to measure the financial position and operating results. The functional currency of the Company and its wholly owned subsidiaries is the U.S. dollar. Transactions denominated in a currency other than the functional currency are recorded on initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at the end of each reporting period into the functional currency at the exchange rate at that date. Exchange differences are recognized in profit or loss. Non-monetary assets and liabilities measured at cost are translated at the exchange rate at the date of the transaction.

Fair Value of Financial Instruments

ASC Topic 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Included in the ASC Topic 820 framework is a three level valuation inputs hierarchy with Level 1 being inputs and transactions that can be effectively fully observed by market participants spanning to Level 3 where estimates are unobservable by market participants outside of the Company and must be estimated using assumptions developed by the Company. The Company discloses the lowest level input significant to each category of asset or liability valued within the scope of ASC Topic 820 and the valuation method as exchange, income or use. The Company uses inputs, which are as observable as possible, and the methods most applicable to the specific situation of each company or valued item.

The carrying amounts reported in the balance sheets for cash and cash equivalents, accounts receivable, other receivables, accounts payable and accrued liabilities, due from related parties approximate fair value because of the short period of time between the origination of such instruments and their expected realization and their current market rates of interest. Per ASC Topic 820 framework these are considered Level 2 inputs where inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

As at December 31, 2016, the Company's warrant derivative liability was measured at fair value at each reporting period using a simulation model based on Level 3 inputs.

The Company's policy is to recognize transfers into and out of Level 3 as of the date of the event or change in the circumstances that caused the transfer. There were no such transfers during the period.

3. ACQUISITION

On April 21, 2016, the Company acquired 100% of the common and preferred shares of IMT, through a transaction where Bionik Mergerco merged with and into IMT, with IMT surviving the Merger as a wholly owned subsidiary of Bionik.

Subject to the indemnification and escrow arrangements described in the Merger Agreement, Bionik issued an aggregate of 23,650,000 shares of Company Common Stock in exchange for all shares of IMT Common Stock and IMT Preferred Stock outstanding immediately prior to April 21, 2016. All shares have been issued at December 31, 2016.

Bionik also assumed each of the 3,895,000 options to acquire IMT Common Stock granted under IMT's equity incentive plan or otherwise issued by IMT. These options were exchanged for purchase of an aggregate of 3,000,000 shares of Company Common Stock, of which 1,000,000 have an exercise price of $0.25. 1,000,000 have an exercise price of $0.95 and 1,000,000 have an exercise price of $1.05. Stock compensation expense on vested options of $2,582,890 was recorded on the options exchanged and this amount is included in the acquisition equation.

As a result of the acquisition of IMT, the Company acquired assets including three licensed patents, an MIT License Agreement, three FDA listed products, an FDA inspected manufacturing facility, extensive clinical and sales data, and international distributors. Due to the complexities in identifying and valuing the intangible assets acquired, the Company has not yet finalized the purchase price allocation. At this time the Company is not practicably able to estimate the fair value of each identifiable asset. The Company has retained an independent valuator to determine the purchase price allocation. At this time the Company anticipates the intangible assets to consist of clinical data, sales data, license and patents/technology acquired and any excess to result in goodwill.

The following sets forth the preliminary purchase price allocation based on management's best estimates of fair value, including a summary of major classes of consideration transferred and the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

	As at April 21, 2016 $
Fair value of 23,650,000 common shares (a)	23,177,000
Fair value of vested stock options (b)	2,582,890
	25,759,890
Allocation of purchase price:	
Cash and cash equivalents	266,635
Accounts receivable	6,490
Inventories	188,879
Prepaid expenses and other current assets	16,839
Equipment	59,749
Liabilities assumed:	
Accounts payable	(241,299)
Accrued liabilities	(361,029)
Customer deposits	(86,487)
Demand notes payable	(324,894)
Promissory notes payable	(217,808)
Bionik advance	(1,436,164)
Net assets acquired	(2,129,089)
Intangible assets and goodwill	27,888,979
	25,759,890

(a) The fair value of common shares is based on $0.98 the closing market price of the Company's common stock on April 21, 2016.

(b) The fair value of the vested stock options was determined using the Black-Scholes option pricing model with the following key assumptions: a risk free rate of 1.59%, dividend and forfeiture rates of 0% and expected volatility of 114% which is consistent with the Company's assumptions (Note 10).

3. ACQUISITION (continued)

The amount of IMT's revenue and net loss and comprehensive loss included in the Company's condensed consolidated interim statements of operations and comprehensive loss for the three and nine-month period ended December 31, 2016 are as follows:

	For the period Oct. 1 - Dec. 31, 2016	For the period April 21 - Dec. 31, 2016
Revenue	$ 372,426	$ 553,900
Net loss and comprehensive loss	$ (662,563)	$ (1,506,249)

Pro forma results of operations

The following unaudited pro forma financial information presents combined results of operations for each of the periods presented as if the Merger had been completed April 1, 2016. The pro forma data is for informational purposes only and is not necessarily indicative of the consolidated results of operations of the combined business had the Merger actually occurred on April 1, 2016 or the results of future operations of the combined business. For instance, planned or expected operational synergies following the Merger are not reflected in the pro forma information. Consequently, actual result will differ from the unaudited pro forma information presented below.

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
Revenue	$ 372,426	$ 987,494	$ 557,340	$ 1,800,437
Net (loss) income and comprehensive (loss) income	$ (810,418)	$ 833,706	$ (2,592,024)	$ 1,314,766

**There were no material or nonrecurring adjustments in the supplemental pro forma revenue or results of operations as shown above.*

4. PREPAID EXPENSES AND OTHER RECEIVABLES

	Dec. 31, 2016	March 31, 2016
	$	$
Prepaid expenses and sundry receivables	92,236	87,979
Prepaid insurance	32,716	107,259
Sales taxes receivable (i)	28,058	36,495
	153,010	231,733

(i) Sales tax receivable represents net harmonized sales taxes (HST) input tax credits receivable from the Government of Canada.

5. INVENTORIES

	Dec. 31, 2016	March 31, 2016
	$	$
Raw Materials	169,173	-
Work in Progress	25,400	-
	194,573	-

During the period ended December 31, 2016, $43,009 of inventory has been written off as it is not expected to be used as a result of the introduction of new versions of existing InMotion products as well as $129,416, which was provided for due to an interim sample count on inventory at December 31, 2016.

6. EQUIPMENT

Equipment consisted of the following as at December 31, 2016 and March 31, 2016:

	December 31, 2016			March 31, 2016		
	Cost	Accumulated Depreciation	Net	Cost	Accumulated Depreciation	Net
Computers and electronics	165,003	117,632	47,371	152,246	96,379	55,867
Capital leases of IT equipment	23,019	2,303	20,716	-	-	-
Furniture and fixtures	27,496	12,289	15,207	22,496	10,118	12,378
Demonstration equipment	144,000	30,859	113,141	-	-	-
Tools and parts	11,422	4,112	7,310	11,422	2,917	8,505
	370,940	167,195	203,745	186,164	109,414	76,750

Included in computers and electronics are assets under capital lease of $23,019 which are being amortized over the term of the lease. Current portion of the lease as at December 31, 2016, $4,603 (March 31, 2016 - $Nil) and the long-term portion as at December 31 2016, $15,729 (March 31, 2016 - $Nil). Equipment is recorded at cost less accumulated depreciation. Depreciation expense during the three and nine-month periods ended December 31, 2016 was $24,028 and $57,781 (December 31, 2015 - $20,877 and $53,357).

7. NOTES PAYABLE

Demand Notes payable

The Company has outstanding notes payable ("Notes") of $324,894, acquired from IMT on April 20, 2016. Loan amounts represented by one such Note are owed to a director of the Company for $149,688 at December 31, 2016. On March 1, 2016, the Company executed amendments to the Notes to accrue interest at a rate of prime, as reported by the Wall Street Journal, of 3.50% at the date of amendment and to defer the demand feature until the earlier of December 31, 2017 or the date when the Company raises new capital in excess of $15 million in cash.

Balance, March 31, 2016	**$ -**
Acquisition of IMT (Note 3)	324,894
Accrued interest	3,467
Balance, December 31, 2016	**$ 328,361**

Interest expense incurred on the Notes totaled $2,367 and $3,467 for the three and nine-month period ended December 31, 2016, which are included in accrued liabilities.

Promissory Notes payable

In February 2014, the Company borrowed $200,000 from an existing investor under the terms of the secured promissory note ("Promissory Note"). The Promissory Note bears interest at a simple interest rate equal to 10% per annum and interest is payable quarterly. The Promissory Note, which matured in March 2016 and then September 2016, was further extended and now matures March 2017, may be prepaid at any time, and is secured by substantially all the assets of one of the Company's subsidiaries. Interest expense incurred on the Promissory Note totaled $5,041 and $13,973 for the three and nine month periods ended December 31, 2016.

Balance, March 31, 2016	**$ -**
Acquisition of IMT (Note 3)	217,808
Accrued interest	13,973
Balance, December 31, 2016	**$ 231,781**

7. NOTES PAYABLE (continued)

Convertible Notes Payable

In December 2016, several non-related shareholders of the Company agreed to loan the Company $1,500,000, in three tranches, $500,000 upon origination of the loans and $500,000 on each of January 15 and February 15, 2017. At December 31, 2016, $483,333 of the initial $500,000 loans was received. The loans bear interest at 6% and are due for repayment on March 31, 2017. Under certain conditions these loans can be converted into Company shares. If the loans are not repaid or the shareholders decide not to convert their loans into common shares of the Company, these shareholders will take security over all assets of the Company.

8. RELATED PARTY TRANSACTIONS AND BALANCES

Due from related parties

(a) As of December 31, 2016, the Company had advances receivable from the Chief Operating Officer ("COO") and former Chief Technology Officer ("CTO") for $40,913 (March 31, 2016 - $41,445). These advances are unsecured, bear interest at a rate of 1% based on the Canada Revenue Agency's prescribed rate for such advances and are payable on demand in Canadian dollars. The Company, at December 31, 2016, has accrued interest receivable in the amount of $1,177 (March 31, 2016 - $1,148); the remaining fluctuation in the balance from the prior year is due to foreign exchange.

Accounts payable and accrued liabilities

(b) As at December 31, 2016, $28,081 (March 31, 2016 - $2,694) was owing to the CEO, $Nil (March 31, 2016 - $3,284) was owing to the former CTO, $11,815, was owing to the COO (March 31, 2016 - $8,812), $2,671 was owing to the CFO (March 31, 2016 - $116), and $5,054 was owing to our Chief Commercial Officer (March 31, 2016 - $Nil), in each case related to business expenses, all of which are included in accounts payable and accrued liabilities.

9. SHARE CAPITAL

	December 31, 2016		March 31, 2016	
	Number of shares	**$**	**Number of Shares**	**$**
Exchangeable Shares:				
Balance beginning and end of period	50,000,000	50,000	50,000,000	50,000
Common Shares				
Balance at beginning of the period	22,591,292	22,591	22,428,313	22,428
Shares issued on acquisition (Note 3)	23,650,000	23,650	-	-
Shares issued for services (v)	70,000	70	117,471	117
Cashless exercise of warrants (iv)	51,249	51	45,508	46
Balance at end of the period	46,362,541	46,362	22,591,292	22,591
TOTAL COMMON SHARES	96,362,541	96,362	72,591,292	72,591

(i) On April 21, 2015, the Company issued 3,115,000 Units for gross proceeds of $2,492,000 to accredited investors in a fourth closing (the "Fourth Closing") of its 2015 private offering. Each Unit consisted of one common share of the Company, and a warrant to purchase one common share of the Company at an exercise price of $1.40 per share exercisable for 4 years. The Company incurred share issue costs before legal and other related to the Fourth Closing of $338,960 and issued 311,500 broker warrants exercisable at $0.80 for a period of 4 years. The warrants were measured at fair value and recorded as a warrant liability on the consolidated balance sheet (Note 11). The fair value of the warrants exceeded the net proceeds received upon closing and as a result $435,682 was recorded as a loss on initial recognition of the warrants and included in the change in fair value of warrant derivative liability on the consolidated statements of operations and comprehensive loss.

(ii) On May 27, 2015, the Company issued 1,418,750 Units for gross proceeds of $1,135,000 to accredited investors in a fifth closing (the "Fifth Closing") of its 2015 private offering. Each Unit consisted of one common share of the Company, and a warrant to purchase one common share of the Company at an exercise price of $1.40 per share exercisable for 4 years. The Company incurred share issue costs before legal and other costs related to the Fifth Closing of $147,566 and issued 141,875 broker warrants exercisable at $0.80 for a period of 4 years. The warrants were measured at fair value and recorded as a warrant liability on the consolidated balance sheet (Note 11). The fair value of the warrants exceeded the net proceeds received upon closing and as a result $37,739 was recorded as a loss on initial recognition of the warrants and included in the change in fair value of warrant derivative liability on the consolidated statements of operations and comprehensive loss.

9. SHARE CAPITAL (Continued)

(iii) On June 30, 2015, the Company issued 2,035,000 Units for gross proceeds of $1,628,000 to accredited investors in a sixth and final closing (the "Sixth Closing") of its private offering. Each Unit consisted of one common share of the Company, and a warrant to purchase one common share of the Company at an exercise price of $1.40 per share exercisable for 4 years. The Company incurred share issue costs before legal and other costs related to the Sixth Closing of $211,656 and issued 203,500 broker warrants exercisable at $0.80 for a period of 4 years. The warrants were measured at fair value and recorded as a warrant liability on the consolidated balance sheet (Note 11). The fair value of the warrants exceeded the net proceeds received upon closing and as a result $74,625 was recorded as a loss on initial recognition of the warrants and included in the change in fair value of warrant derivative liability on the consolidated statements of operations and comprehensive loss.

(iv) During the nine-month period ended December 31, 2016, 51,249 common shares were issued as a result of a cashless exercise of 262,045 warrants with an exercise price of $0.80. Under the terms of the warrant agreement the value of the warrants on exercise is attributed to the shares on exercise and the Company has recognized a value of $43,562.

(v) The Company issued 70,000 common shares during the nine-month period ended December 31, 2016 for consulting services and recognized $59,500 of share-based compensation expense.

Special Voting Preferred Share

In connection with the Merger (Note 1), on February 26, 2015, the Company entered into a voting and exchange trust agreement (the "Trust Agreement"). Pursuant to the Trust Agreement, the Company issued one Special Voting Preferred Share to the Trustee, and the parties created a trust for the Trustee to hold the Special Voting Preferred Share for the benefit of the holders of the Exchangeable Shares (the "Beneficiaries"). Pursuant to the Trust Agreement, the Beneficiaries will have voting rights in the Company equivalent to what they would have had they received shares of common stock in the same amount as the Exchangeable Shares held by the Beneficiaries.

In connection with the Merger and the Trust Agreement, effective February 20, 2015, the Company filed a certificate of designation of the Special Voting Preferred Share (the "Special Voting Certificate of Designation") with the Delaware Secretary of State. Pursuant to the Special Voting Certificate of Designation, one share of the Company's blank check preferred stock was designated as Special Voting Preferred Share. The Special Voting Preferred Share entitles the Trustee to exercise the number of votes equal to the number of Exchangeable Shares outstanding on a one-for-one basis during the term of the Trust Agreement.

The Special Voting Preferred Share is not entitled to receive any dividends or to receive any assets of the Company upon liquidation, and is not convertible into common shares of the Company.

The voting rights of the Special Voting Preferred Share will terminate pursuant to and in accordance with the Trust Agreement. The Special Voting Preferred Share will be automatically cancelled at such time as no Exchangeable Shares are held by a Beneficiary.

10. STOCK OPTIONS

The purpose of the Company's stock option plan, is to attract, retain and motivate persons of training, experience and leadership to the Company, including their directors, officers and employees, and to advance the interests of the Company by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Company.

Options may be granted in respect of authorized and unissued shares, provided that the aggregate number of shares reserved for issuance upon the exercise of all Options granted under the Plan shall not exceed 15% of the shares of common stock and Exchangeable Shares issued and outstanding (determined as of January 1 of each year). Optioned shares in respect of which options are not exercised shall be available for subsequent options.

On April 11, 2014 and June 20, 2014 the Company issued 657,430 and 264,230 options to employees and a consultant at an exercise price of $0.165 and $0.23, respectively, with a term of seven years. The options vest one-third on grant date and two thirds equally over the subsequent two years on the anniversary date. During the nine-month period ended December 31, 2014, 125,824 of the 657,430 options were cancelled. On February 26, 2015, as a result of the Merger, the options were re-valued. The fair value, as re-measured, of the 531,606 options issued in April 2014 and the 264,230 options issued in June 2014 was $230,930 and $118,957 respectively. An additional 62,912 options were cancelled during the quarter ended June 30, 2016. Stock compensation has been fully expensed on these options and so there is no compensation expense in the three months ended December 31, 2016 however there was $3,834 was recognized in the nine months ended December 31, 2016.

On July 1, 2014, the Company issued 2,972,592 options to management of the Company, at an exercise price of $0.23 with a term of 7 years, which vested May 27, 2015. On February 26, 2015, as a result of the Merger, the options were re-valued at a fair value of $1,259,487, which vested immediately. On October 8, 2016, 990,864 of these options expired.

On February 17, 2015, the Company issued 314,560 options to a director, employees and a consultant with an exercise price of $0.23, that vest one third immediately and two thirds over the next two anniversary dates with an expiry date of seven years. The grant date fair value of the options was $136,613. During the nine months ended December 31, 2016, 110,100 options were cancelled and $7,400 of stock compensation was recognized in the quarter and $22,200 of stock compensation was recognized for the nine months ended December 31, 2016.

On November 24, 2015, the Company issued 650,000 options granted to employees that vest over three years at the anniversary date. The grant date fair value of the options was $694,384. During the year ended March 31, 2016 250,000 options were cancelled and stock compensation expense of $62,317 was recognized. During the quarter ended December 31, 2016, $35,609 of stock compensation expense was recognized and for the nine months ended December 31, 2016, $106,828 of stock compensation was recognized.

On December 14, 2015, the Company issued 2,495,000 options granted to employees, directors and consultants that vest over three years at the anniversary date. The grant date fair value of the options was $1,260,437. During the year ended March 31, 2016, 25,000 options were cancelled and for the quarter ended June 30, 2016 40,000 options were cancelled and for the three months ended December 31, 2016 stock compensation expenses of $102,300 was recognized. For the nine months ended December 31, 2016, stock compensation expense of $304,908 was recognized.

On April 21, 2016, the Company issued 3,000,000 stock options to employees of Bionik, Inc. in exchange for 3,895,000 options that existed before the Company purchased IMT, of which 1,000,000 have an exercise price of $0.25, 1,000,000 has an exercise price of $0.95 and 1,000,000 have an exercise price of $1.05. The grant fair value of vested options was $2,582,890 and has been recorded as part of the acquisition equation (Note 3). For options that have not yet vested $10,169 of compensation expense was recognized in the quarter ended December 31, 2016 and $20,177 for the nine months ended December 31, 2016.

On April 26, 2016, the Company issued 250,000 options to an employee with an exercise price of $1.00 that will vest over three years at the anniversary date. The grant fair value was $213,750. During the quarter ended December 31, 2016, $17,813 of stock compensation expense was recognized. For the nine months ended December 31 2016, $48,292 of stock compensation expense was recognized.

On August 8, 2016, the Company issued 750,000 options to an employee with an exercise price of $1.00 that will vest over three years at the anniversary date. The grant fair value was $652,068. During the quarter ended December 31, 2016, $54,339 of stock compensation expense was recognized and for the nine months ended December 31, 2016 $85,891 of stock compensation was recognized.

During the three-month period ended December 31, 2016, the Company recorded $227,630 in share-based compensation related to the vesting of stock options (December 31, 2015 - $13,311). During the nine-month period ended December 31, 2016, the Company recorded $592,130 in share-based compensation related to the vesting of stock options (December 31, 2015 - $1,337,593).

10. STOCK OPTIONS (continued)

These options at their respective grant dates were valued using the Black-Scholes option pricing model with the following key assumptions:

Grant date	Expected life in years	Risk free rate	Dividend rate	Forfeiture rate	Expected volatility	Grant date fair value
February 17, 2015	5.39	1.59%	0%	0%	114%	$ 136,613
July 1, 2014	4.75	1.59%	0%	0%	114%	$ 1,259,487
June 20, 2014	4.72	1.59%	0%	0%	114%	$ 118,957
April 11, 2014	4.50	1.59%	0%	0%	114%	$ 230,930
November 24, 2015	6.15	1.59%	0%	0%	114%	$ 694,384
December 14, 2015	6.21	1.59%	0%	0%	114%	$ 1,260,437
April 21, 2016	0.79-9.25	1.59%	0%	0%	114%	$ 2,582,890
April 26, 2016	6.57	1.59%	0%	0%	114%	$ 213,750
August 8, 2016	6.86	1.59%	0%	0%	114%	$ 652,068

	Number of Options	Weighted-Average Exercise Price ($)
Outstanding, March 31, 2016	**6,604,880**	**0.57**
Issued	4,000,000	0.81
Cancelled	(1,134,001)	0.26
Outstanding, December 31, 2016	9,470,879	0.71

10. STOCK OPTIONS (continued)

The following is a summary of stock options outstanding and exercisable as of December 31, 2016:

Exercise Price ($)	Number of Options	Expiry Date	Number of Exercisable Options
0.165	374,324	April 1, 2021	374,324
0.23	99,610	June 20, 2021	99,610
0.23	1,981,728	July 1, 2021	1,981,728
0.23	204,460	February 17, 2022	136,314
1.22	400,000	November 24, 2022	133,333
1.00	2,430,000	December 14, 2022	810,000
1.00	250,000	April 26, 2023	-
0.25	906,077	July 28, 2025	906,077
0.25	86,972	December 30, 2025	59,158
0.95	9,486	February 2, 2017	9,486
0.95	111,937	March 28, 2023	111,937
0.95	31,620	March 3, 2024	31,620
0.95	15,810	March 14, 2024	15,810
0.95	82,213	September 30, 2024	82,213
0.95	7,431	June 2, 2025	7,431
0.95	671,859	July 29, 2025	671,859
0.95	57,353	December 30, 2025	8,193
1.05	36,697	February 2, 2017	36,697
1.05	433,027	March 28, 2023	433,027
1.05	122,324	March 3, 2024	122,324
1.05	61,162	March 14, 2024	61,162
1.05	318,042	September 30, 2024	318,042
1.05	28,747	June 2, 2025	28,747
1.00	750,000	August 8, 2023	-
	9,470,879		6,439,092

The weighted-average remaining contractual term of the outstanding options is 6.20 (December 31, 2015 – 6.16) and for the options that are exercisable the weighted average is 6.19 (December 31, 2015 – 5.49).

11. WARRANTS

The following is a continuity schedule of the Company's common share purchase warrants:

	Number of Warrants	Average Exercise Price ($)
Outstanding and exercisable, March 31, 2015	10,823,450	1.35
Issued	7,225,625	1.35
Outstanding and exercisable, December 31, 2015	18,049,075	1.35
Exercised	(148,787)	(0.80)
Outstanding and exercisable, March 31, 2016	17,900,288	1.35
Exercised	(262,045)	(0.80)
Outstanding and exercisable, December 31, 2016	17,638,243	1.36

In February 2016, a warrant holder exercised 148,787 warrants on a cashless basis based on the terms of the warrant agreement and was issued 45,508 common shares. During the nine-month period ended December 31, 2016, 262,045 warrants were exercised on a cashless basis based on the terms of the warrant agreement and the Company issued 51,249 common shares (Note 9 (iv)).

11. WARRANTS (continued)

Common share purchase warrants

The following is a summary of common share purchase warrants outstanding as of December 31, 2016:

Exercise Price ($)		Number of Warrants	
1.40		7,735,750	February 26, 2019
1.40		1,212,500	March 27, 2019
1.40		891,250	March 31, 2019
1.40	Note 9(i)	3,115,000	April 21, 2019
1.40	Note 9 (ii)	1,418,750	May 27, 2019
1.40	Note 9(iii)	2,035,000	June 30, 2019
0.80	Note 9 (i) to (iii)	1,229,993	February 26, 2019
		17,638,243	

The weighted-average remaining contractual term of the outstanding warrants is 2.25 (March 31, 2016 - 2.77).

Exchangeable share purchase warrants

In 2014, the Company repaid loans of $180,940 plus accrued interest of $12,138 owing to investors introduced by Pope and Co. As part of this transaction the Company was committed to issue these lenders warrants exercisable into 349,522 Exchangeable Shares at an exercise price of $0.23 per share for a period ending March 21, 2017. During the year ended March 31, 2015, the Company issued these warrants.

Warrant derivative liability

The Company's outstanding common share purchase warrants include price protection provisions that allow for a reduction in the exercise price of the warrants in the event the Company subsequently issues common stock or options, rights, warrants or securities convertible or exchangeable for shares of common stock at a price lower than the exercise price of the warrants. Simultaneously with any reduction to the exercise price, the number of shares of common stock that may be purchased upon exercise of each of these warrants shall be increased based on a pre-defined formula.

In addition, prior to the effectiveness of certain resale registration statements or if any such registration statements are no longer effective, the holder of the Company's warrants, at their option, may exercise all or any part of the warrants in a "cashless" or "net-issue" exercise.

The Company has the option to redeem the warrants for $0.001 per warrant if the daily volume weighted-average price of the common shares is 200% or more of the exercise price for twenty consecutive trading days provided there is an effective registration statement covering the common shares available throughout the thirty-day period after the redemption date. The warrant holders then have thirty days to exercise the warrants or receive the redemption amount.

The Company's derivative instruments have been measured at fair value at inception and at each reporting period using a simulation model. The Company recognizes all of its warrants with price protection on its consolidated balance sheet as a derivative liability.

11. WARRANTS (continued)

The following summarizes the changes in the value of the warrant derivative liability from inception until December 31, 2016:

	Number of Warrants	Value ($)
Balance at March 31, 2015	10,823,450	8,382,648
Warrants issued in April 21, 2015 financing	3,426,500	2,588,722
Warrants issued in May 27, 2015 financing	1,560,625	1,025,173
Warrants issued in June 30, 2015 financing	2,238,500	1,490,969
Change in fair value of warrant derivative liability	-	(7,419,643)
Balance at December 31, 2015	18,049,075	6,067,869
Fair value of warrants exercised	(148,787)	(60,966)
Change in fair value of warrant derivative liability	-	(870,913)
Balance at March 31, 2016	17,900,288	5,135,990
Change in fair value of warrant derivative liability	-	(2,510,388)
Fair value of warrants exercised	(262,045)	(43,562)
Balance at December 31, 2016	17,638,243	2,582,040

During the nine-month period ended December 31, 2016, the Company recorded a gain of $2,510,388 (December 31, 2015 - $7,419,643) on re-measurement of the warrant liability to fair value. The change is recorded as a change in fair value of warrant derivative liability within the Company's consolidated statement of operations and comprehensive (loss) income.

The key inputs and assumptions used in the simulation model at inception and at December 31, 3016 and March 31, 2016 are as follows:

Grant date	Number of Warrants	Expected life in years	Exercise Price ($)	Risk free rate	Dividend Rate	Expected Volatility	Fair value ($)
At Inception:							
February 26, 2015	7,735,750	4	1.4	0.44%	0%	51.83%	464,784
February 26, 2015	773,575	4	0.8	0.44%	0%	51.83%	85,590
March 27, 2015	1,212,500	3.92	1.4	0.43%	0%	52.37%	950,913
March 27, 2015	121,250	3.92	0.8	0.43%	0%	52.37%	85,412
March 31, 2015	891,250	3.91	1.4	0.41%	0%	52.45%	696,582
March 31, 2015	89,125	3.91	0.8	0.41%	0%	52.45%	62,708
April 21, 2015	3,115,000	3.85	1.4	0.68%	0%	51.54%	2,371,956
April 21, 2015	311,500	3.85	0.8	0.68%	0%	51.54%	216,766
May 27, 2015	1,418,750	3.76	1.4	0.46%	0%	51.74%	933,065
May 27, 2015	141,875	3.76	0.8	0.46%	0%	51.74%	92,108
June 30, 2015	2,035,000	3.66	1.4	0.37%	0%	52.94%	1,356,512
June 30, 2015	203,500	3.66	0.8	0.37%	0%	52.94%	134,457
At year end March 31, 2016:							
March 31, 2016	16,408,250	2.91	1.4	0.21%	0%	62.96%	4,585,539
March 31, 2016	1,492,038	2.91	0.8	0.21%	0%	62.96%	550,451
At Period End:							
December 31, 2016	16,408,250	2.50	1.4	0.84%	0%	69.68%	2,314,826
December 31, 2016	1,229,993	2.50	0.8	0.84%	0%	69.68%	267,214

11. WARRANTS (continued)

In addition to the forgoing, the Company also utilized a holding cost to approximate the impact of a holder of the warrant to maintain a hedging strategy in which they maintained a short position. On analysis of comparable companies and other information the Company has determined that the use of 2.25% in the simulation model is a reasonable assumption.

The warrant derivative liability is classified within Level 3 of the fair value hierarchy because on initial recognition and again at each reporting period, it was valued using these significant inputs and assumptions that are unobservable in the market. Changes in the values assumed and used in the simulation model can materially affect the estimate of fair value.

Generally, an increase in the market price of the Company's common shares, an increase in the volatility of the Company's common shares and an increase in the expected life would result in a directionally similar change in the estimated fair value of the warrant derivative liability. An increase in the risk free rate would result in a decrease in the fair value of the warrant derivative liability.

The expected life is based on the remaining contractual term of the warrants. The risk free rate was based on U.S. treasury-note yields with terms commensurate with the remaining term of the warrants. Expected volatility over the expected term of the warrants is estimated based on consideration of historical volatility and other information.

In addition to the assumptions above, the Company also took into consideration the probability of the Company's participation in another round of financing, the type of such financing and the range of the stock price for the financing at that time. At each increment of the simulation, the daily volume weighted-average price was calculated. If this amount was 200% greater than the exercise price of the warrants at the time, and this threshold was maintained for 20 consecutive days, the simulation assumed the trigger of the Company's option to redeem and the exercise of the warrants by the holder within thirty days. In the circumstance where the redemption was not triggered the warrant was valued at its discounted intrinsic value at maturity.

12. ROYALTY AGREEMENT

Prior to the acquisition of IMT in April 2012, IMT entered into a Patent License Agreement with an unrelated third party (the "Licensee"). Under the terms of the perpetual license agreement, the Company will receive royalties from the Licensee based on a licensed product sold by the Licensee. There was no royalty income during the three and nine-month periods ended December 31, 2016 and 2015 under the terms of the agreement.

13. LICENSING AGREEMENTS

The Company's subsidiary maintains a licensing agreement with the Massachusetts Institute of Technology ("MIT") for exclusive rights to utilize certain of MIT's patented technology. The licensing agreement remains in effect until the expiration or abandonment of all patent rights and patent applications filed that are included under license, the last of which patent rights expires in November 2024. The agreement provides the Company with the option to sublicense the rights under the agreement. Under the terms of the agreement, as amended, royalties are payable to MIT based on 3% of certain domestic product sales and 1.5% of certain international product sales, as defined, and 50% of all sublicense income.

The Company recognized $2,500 and $7,500 of royalty expense under this agreement during the three and nine months ended December 31, 2016. At September 30, 2016, the Company had accrued royalty and related amounts payable to MIT of $33,369 included in accounts payable on the condensed consolidated interim balance sheets and during the quarter ended December 31, 2016, the entire balance owed was paid to MIT. One of the Company's directors is an employee of MIT as well as the Company's Chief Science Officer.

The Company maintains a second licensing agreement with the same director noted above and an unrelated third party for exclusive rights to utilize certain patented technology. The Company has exclusive rights to the patents and related applications, as defined, until expiration in May 2027. The agreement provides the Company with the option to sublicense the rights under the agreement. Under the terms of the agreement royalties are payable to the patent holders based on 1% of net sales, as defined, and 50% of all sublicense income. There have been no sales under this agreement through December 31, 2016.

14. COMMITMENTS AND CONTINGENCIES

Contingencies

From time to time, the Company may be involved in a variety of claims, suits, investigations and proceedings arising in the ordinary course of our business, collection claims, breach of contract claims, labor and employment claims, tax and other matters. Although claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty, the Company believes that the resolution of current pending matters will not have a material adverse effect on its business, financial position, results of operations or cash flow. Regardless of the outcome, litigation can have an adverse impact on the Company because of legal costs, diversion of management resources and other factors.

15. RISK MANAGEMENT

The Company's cash balances are maintained in two banks in Canada and a Canadian Bank subsidiary in the US and a US Bank. Deposits held in banks in Canada are insured up to $100,000 CAD per depositor for each bank by The Canada Deposit Insurance Corporation, a federal crown corporation. Actual balances at times may exceed these limits.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Company has minimal exposure to fluctuations in the market interest rate. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities.

Liquidity Risk

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations, as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. Accounts payable and accrued liabilities are due within the current operating period.

The Company has funded its operations through the issuance of capital stock, convertible debt and loans in addition to grants and investment tax credits received from the Government of Canada.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-looking Statements

This Quarterly Report on Form 10-Q contains statements reflecting assumptions, expectations, projections, intentions or beliefs about future events that are intended as "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included or incorporated by reference in this Quarterly Report on Form 10-Q, other than statements of historical fact, that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These statements appear in a number of places, including, but not limited to in this "Management's Discussion and Analysis of Financial Condition and Results of Operations." These statements represent our reasonable judgment of the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause our actual results and financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts, and use words such as "anticipate," "believe," "estimate," "expect," "forecast," "may," "will", "should," "plan," "project" and other words of similar meaning. In particular, these include, but are not limited to, statements relating to the following:

- projected operating or financial results, including anticipated cash flows used in operations;
- expectations regarding capital expenditures; and
- our beliefs and assumptions relating to our liquidity position, including our ability to obtain additional financing.

Any or all of our forward-looking statements may turn out to be wrong. They can be affected by inaccurate assumptions or by known or unknown risks, uncertainties and other factors including, among others:

- the loss of key management personnel on whom we depend;
- our ability to operate our business efficiently, manage capital expenditures and costs (including general and administrative expenses) and obtain financing when required; and
- our expectations with respect to our acquisition activity.

In addition, there may be other factors that could cause our actual results to be materially different from the results referenced in the forward-looking statements, some of which are included in this Quarterly Report on Form 10-Q, including in this "Management's Discussion and Analysis of Financial Condition and Results of Operations." Many of these factors will be important in determining our actual future results. Consequently, no forward-looking statement can be guaranteed. Our actual future results may vary materially from those expressed or implied in any forward-looking statements. All forward- looking statements contained in this Quarterly Report on Form 10-Q are qualified in their entirety by this cautionary statement. Forward-looking statements speak only as of the date they are made, and we disclaim any obligation to update any forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q, except as otherwise required by applicable law.

This discussion and analysis should be read in conjunction with the accompanying condensed consolidated interim financial statements and related notes and the Company's Annual Report on Form 10-KT, for the transition period ended March 31, 2016 as filed with the Securities and Exchange Commission.

The discussion and analysis of the financial condition and results of operations are based upon the financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis we review our estimates and assumptions. The estimates were based on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but we do not believe such differences will materially affect our financial position or results of operations. Bionik, Inc.'s (IMT) operations are included since its acquisition on April 21, 2016 to December 31, 2016.

Nature of Company

We are a global robotics company focused on providing rehabilitation solutions to individuals with neurological disorders, specializing in designing, developing and commercializing cost-effective physical rehabilitation technologies and assistive robotic products. We are committed to improving the quality of life for the millions of people with neurological impairment and mobility challenges, while reducing the growing financial burden to society. Our goal is to be the market leader in evidence based rehabilitative and assistive robotic technologies, allowing people to lead fuller and more independent lives.

Bionik Laboratories Corp. was incorporated on January 8, 2010 in the State of Colorado. At the time of our incorporation the name of our company was Strategic Dental Management Corp. On July 16, 2013, we changed our name from Strategic Dental Management Corp. to Drywave Technologies, Inc. and changed our state of incorporation from Colorado to Delaware. Effective February 13, 2015, we filed with the Secretary of State of Delaware a Certificate of Amendment to our Articles of Incorporation whereby, among other things, we changed our name to Bionik Laboratories Corp.

On April 21, 2016, we acquired all of the outstanding shares and, accordingly, all assets and liabilities of Interactive Motion Technologies, Inc. (IMT), a Boston, Massachusetts-based global pioneer and leader in providing effective robotic products for neurorehabilitation, pursuant to an Agreement and Plan of Merger, dated March 1, 2016, with IMT, Hermano Igo Krebs, and Bionik Mergerco Inc., a Massachusetts corporation and our wholly owned subsidiary. The merger agreement provided for the merger of Bionik Mergerco with and into IMT, with IMT surviving the merger as our wholly owned subsidiary. In return for acquiring IMT, IMT shareholders received or will receive up to an aggregate of 23,650,000 shares of our common stock. IMT's legal name has been changed to Bionik, Inc. subsequent to April 21, 2016.

Through the acquisition of IMT, Bionik has added a portfolio of products focused on upper and lower extremity rehabilitation of stroke patients. We now have three products on the market and four products in varying stages of development that we are currently pursuing.

The InMotion ARM, InMotion ARM/HAND, and InMotion Wrist have been characterized as Class II medical devices by the U.S. Food and Drug Administration and are listed by the FDA to market and sell in the United States. In addition to these in-market products, the InMotion Anklebot is in development, and we are also developing the InMotionHome, which is an upper extremity product that allows the patient to extend their therapy for as long as needed while rehabilitating at home and is being developed on the same design platform as the InMotion clinical products. All of these products are designed to provide intelligent, patient-adaptive therapy in a manner that has been clinically verified to maximize neuro-recovery.

Patented technology used in the InMotion Wrist is licensed to us from the Massachusetts Institute of Technology, where Dr. Hermano Igo Krebs, our Chief Science Officer, and Neville Hogan, an advisor and former director of IMT, are professors.

Our products have been tested in over 240 locations across 20 countries, generating clinical data which management believes confirms a strong foundation for commercialization success. In addition, IMT's manufacturing facility is compliant with ISO-13485 and FDA regulations.

In addition, we are developing for commercialization the ARKE lower body exoskeleton, as well as a new product candidate for gait assistance for rehabilitation based on a design being developed by Dr. Krebs, which we expect to further advance in 2017 assuming resources are available. We plan to develop other biomechatronic solutions through internal research and development and we may further augment our product portfolio through strategic and accretive acquisition opportunities in the future.

We also have two earlier stage development technologies: APOLLO, an intelligent prosthetic knee; and Chronos, a cloud-based intelligent patient queuing system, which we have put on hold as we do not have the financial capability or personnel to develop these products now that our business model has changed to include the InMotion products – both existing and in development.

We currently hold an intellectual property portfolio that includes 5 U.S. and international patents pending, 13 U.S. provisional patents, and other patents under development. The provisional patents may not be filed as full patents and new provisional patents may be filed as the technology evolves or changes. Additionally, as a result of our acquisition of IMT, we hold exclusive licenses to three additional patents.

We are focused on bringing new products to market and expanding our global footprint to drive future revenue growth, including by expecting our advanced InMotion AnkleBot™ to be commercially available in the first calendar quarter of 2018, launching the next generation upper body commercial product line planned in the second calendar quarter of 2017, and negotiating with a Tier-1 ODM to optimize manufacturing and distribute products in Asian markets. We are also evaluating multiple financing options, including strategic partnerships, that are in the best interest of the Company and its shareholders in the near and long term to continue our business operations.

The Acquisition Transaction

On February 26, 2015, we entered into an Investment Agreement with Bionik Acquisition Inc. (the "Investment Agreement"), a company existing under the laws of Canada, and our wholly owned subsidiary ("Acquireco"), and Bionik Laboratories, Inc. ("Bionik Canada"), a company incorporated on March 24, 2011 under the Canada Business Corporations Act, whereby we acquired 100 Class 1 common shares of Bionik Canada representing 100% of the outstanding Class 1 common shares of Bionik Canada, taking into account the Exchangeable Share Transaction (as defined below) (the "Acquisition Transaction"). After giving effect to the Acquisition Transaction, we commenced operations through Bionik Canada.

Immediately prior to the closing of the Acquisition Transaction and the First Closing (as defined below), we transferred all of the business, properties, assets, operations and goodwill of the Company (other than cash and cash equivalents), and liabilities as of March 6, 2013, to our then-existing wholly owned subsidiary, Strategic Dental Alliance, Inc., a Colorado corporation ("Strategic Dental Alliance"), and then transferred all of the capital stock of Strategic Dental Alliance to Brian E. Ray, a former officer and existing director (through March 20, 2015) and Jon Lundgreen, a former officer and director, pursuant to a Spin- Off Agreement (the "Spin-Off Agreement"). Also as of immediately prior to the closing of the Acquisition Transaction and the First Closing, we entered into an Assignment and Assumption Agreement with Tungsten 74 LLC, pursuant to which Tungsten 74 LLC assumed all of our remaining liabilities through the closing of the Acquisition Transaction (the "Assignment and Assumption Agreement"). Accordingly, as of the closing of the Acquisition Transaction and the First Closing, we had no assets or liabilities.

As a condition of the closing of the Acquisition Transaction, Bionik Canada created a new class of exchangeable shares (the "Exchangeable Shares"), which were issued to the existing common shareholders of Bionik Canada in exchange for all of their outstanding common shares, all of which were cancelled (the "Exchangeable Share Transaction").

Pursuant to the rights and privileges of the Exchangeable Shares, the holders of such Exchangeable Shares maintain the right to (i)

receive dividends equal to, and paid concurrently with, dividends paid by the Company to the holders of Common Stock; (ii) vote, through the Trustee's voting of the Special Voting Preferred Stock (as defined herein) on all matters that the holders of Common Stock are entitled to vote upon; and (iii) receive shares of Common Stock upon the liquidation or insolvency of the Company upon the redemption of such Exchangeable Shares by Acquireco.

As part of the Exchangeable Share Transaction, we entered into the following agreements, each dated February 26, 2015:

- Voting and Exchange Trust Agreement (the "Trust Agreement") with Bionik Canada and Computershare Trust Company of Canada (the "Trustee"); and

- Support Agreement (the "Support Agreement") with Acquireco and Bionik Canada

Pursuant to the terms of the Trust Agreement, the parties created a trust for the benefit of its beneficiaries, which are the holders of the Exchangeable Shares, enabling the Trustee to exercise the voting rights of such holders until such time as they choose to redeem their Exchangeable Shares for shares of the Common Stock of the Company, and allowing the Trustee to hold certain exchange rights in respect of the Exchangeable Shares.

As a condition of the Trust Agreement and prior to the execution thereof, we filed a Certificate of Designation with the Delaware Secretary of State, effective February 20, 2015, designating a class of our preferred shares as The Special Voting Preferred Stock (the "Special Voting Preferred Stock") and issued one share of the Special Voting Preferred Stock to the Trustee.

The Special Voting Preferred Stock entitles the Trustee to exercise the number of votes equal to the number of Exchangeable Shares outstanding on a one-for-one basis during the term of the Trust Agreement. The Trust Agreement further sets out the terms and conditions under which holders of the Exchangeable Shares are entitled to instruct the Trustee as to how to vote during any stockholder meetings of our company.

Pursuant to the terms of the Trust Agreement, we granted the Trustee the right to require our Company to purchase the Exchangeable Shares from any beneficiary upon the occurrence of certain events including in the event that we are bankrupt, insolvent or our business is wound up. The Trust Agreement continues to remain in force until the earliest of the following events: (i) no outstanding Exchangeable Shares are held by any beneficiary under the Trust Agreement; and (ii) each of Bionik Canada and us elects to terminate the Trust Agreement in writing and the termination is approved by the beneficiaries.

Pursuant to the terms of the Support Agreement, we agreed to certain covenants while the Exchangeable Shares were outstanding, including: (i) not to declare or pay any dividends on our common stock unless simultaneously declaring the equivalent dividend for the holders of the Exchangeable Shares, (ii) advising Bionik Canada in advance of any dividend declaration by our company, (iii) ensure that the record date for any dividend or other distribution declared on the shares of the Company is not less than seven days after the declaration date of such dividend or other distribution; (iv) taking all actions reasonably necessary to enable Bionik Canada to pay and otherwise perform its obligations with respect to the issued and outstanding Exchangeable Shares, (iv) to ensure that shares of the Company are delivered to holders of Exchangeable Shares upon exercise of certain redemption rights set out in the agreement and in the rights and restrictions of the Exchangeable Shares, and (v) reserving for issuance and keeping available from our authorized common stock such number of shares as may be equal to: (A) the number of Exchangeable Shares issued and outstanding from time to time; and (B) the number of Exchangeable Shares issuable upon the exercise of all rights to acquire Exchangeable Shares from time to time.

The Support Agreement also outlines certain restrictions on our ability to issue any dividends, rights, options or warrants to all or substantially all of our stockholders during the term of the agreement unless the economic equivalent is provided to the holders of Exchangeable Shares. The Support Agreement is governed by the laws of the Province of Ontario.

Concurrently with the closing of the Acquisition Transaction and in contemplation of the Acquisition Transaction, we sold 7,735,750 units (the "Units") for gross proceeds of $6,188,600 (including $500,000 of outstanding bridge loans converted into Units at the offering price) at a purchase price of $0.80 per Unit (the "Purchase Price") in a private placement offering (the "Offering"). Each Unit consists of one share of common stock, par value $0.001 per share (the "Common Stock") and a four-year warrant (the "Warrant") to purchase one share of Common Stock at an initial exercise price of $1.40 per share (the "Warrant Shares"). We incurred share issued costs related to this transaction of $848,822.

The Offering was being offered with a minimum offering amount of $6,000,000 (the "Minimum Offering Amount") and up to a maximum offering amount of $12,800,000 (subject to a $2,600,000 overallotment option). Once the Minimum Offering amount was reached and held in escrow and other conditions to closing were satisfied (including the simultaneous closing of the Acquisition Transaction), the Company and the placement agent were able to conduct a first closing (the "First Closing"). As a result of the Offering, after payment of placement agent fees and expenses but before the payment of other offering expenses such as legal and accounting expenses, we received net proceeds of approximately $5,339,778 at the First Closing, including the $500,000 in bridge loans we previously received that were taken into account as part of the Minimum Offering Amount. In addition, the placement agent was granted 10% warrant coverage for all Units sold in the Offering, which are exercisable at $0.80 per share for a period of 4 years.

As of the Acquisition Transaction and the First Closing, an aggregate of 90,575,126 shares of our Common Stock were deemed cancelled, of which 90,207,241 were held by the former Chief Executive Officer of Drywave.

Immediately following the Acquisition Transaction, the Exchangeable Share Transaction and the First Closing, there were 63,735,813 shares of our common stock and equivalents issued and outstanding of which 6,000,063 were held by existing stockholders, 7,735,750 were held by the investors in the Offering and Bionik Canada shareholders held an equivalent of 50,000,000 shares of our common stock through their ownership of 100% of the Exchangeable Shares.

From April 21, to June 30, 2015, we sold to accredited investors 6,568,750 Units for gross proceeds of $5,255,000. After payment of placement agent fees and expenses but before payment of offering expenses such as legal and accounting we received net proceeds of $4,556,818. Through the final closing of the Offering on June 30, 2015, we raised in the Offering aggregate gross proceeds of $13,126,600.

Significant Accounting Policies and Estimates

The discussion and analysis of the financial condition and results of operations are based upon the condensed consolidated interim financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of any contingent liabilities at the financial statement date and reported amounts of revenue and expenses during the reporting period. On an on-going basis we review our estimates and assumptions. The estimates were based on historical experience and other assumptions that we believe to be reasonable under the circumstances. Actual results are likely to differ from those estimates under different assumptions or conditions, but we do not believe such differences will materially affect our financial position or results of operations.

Results of Operations

From the inception of Bionik Canada on March 24, 2011 through to December 31, 2016, we have generated a deficit of $14,056,624.

The Company expects to incur additional operating losses during the fiscal year ending March 31, 2017 and beyond, principally as a result of our continuing research and development, sales and marketing expenses and general and administrative costs associated with being a public company.

Our results of operations are presented for the three and nine months ended December 31, 2016 with comparatives for the three and nine months ended December 31, 2015. The Company changed its fiscal year to March 31, effective after the Company's previous fiscal year ended December 31, 2015 and accordingly this report relates to the second quarter of the fiscal year ending March 31, 2017.

Three and Nine Months Ended December 31, 2016 Compared to the Three and Nine Months ended December 31, 2015.

Sales and Cost of Sales

The Company recorded revenues of $372,426 and $553,900 for the three and nine months ended December 31, 2016 compared to $Nil and $Nil for the three and nine months ended December 31, 2015. The 2015 revenues of IMT were not consolidated in to the prior year's results as this was prior to the IMT acquisition. IMT unaudited revenues were $987,494 and $1,800,437 for the three and full nine months ended December 31, 2015.

In 2015, the acquired company was under-funded and had no commercial sales team, which significantly impacted 2016 revenues. The Company hired a Chief Commercialization Officer in August 2016 to build out the sales and marketing team, and has seen positive initial results of these efforts, which we expect to accelerate as the Company continues to invest in commercialization efforts. Based on the strong clinical data, new sales and marketing efforts, an expanded product range as well as expanding the Company's sales efforts geographically, the Company expects revenues to grow significantly from 2016 levels in 2017 and beyond.

Cost of sales was $334,786 and $405,680 for the three and nine months ended December 31, 2016 ($Nil and $Nil for the three and nine months ended December 31, 2015). The gross margin of 10% in the quarter and 27% for the nine months has been impacted by a write off in the quarter of $43,009 of inventories not expected to be used due to the introduction of a new version of the InMotion equipment expected in 2017 and $129,416 resulting from an internal sample count of inventories at December 31, 2016. If the provision recorded for inventory was excluded, then the gross margins would be 56% for the three month period ended December 31, 2016 and 58% for the nine month period ended December 31, 2016.

Gross margin of 10% and 27% for the three and nine months ended December 31, 2016 ($Nil and $Nil) and for the three and nine months ended December 31, 2015 reflect the additional write-off noted above during the three months ended December 31, 2016. Cost of goods also includes related employee allocated costs. We expect that margins will improve with higher sales in 2017 and beyond.

Operating Expenses

Total operating expenses for the three and nine months ended December 31, 2016 were $1,609,954 and $5,450,290 compared to $1,066,482 and $4,675,810 for the three and nine months ended December 31, 2015 as further detailed below.

Sales and marketing expenses were $377,046 and $646,509 for the three and nine month periods ended December 31, 2016 ($Nil and $Nil for the three and nine month periods ended December 31, 2015). Sales and marketing expenses are related to the InMotion product acquired in the IMT acquisition. For the period ended December 31, 2015, the Company had no products in the market. The acquisition of IMT improved market products, resulting in sales and marketing expenses. In addition, since August 2016, the sales and marketing team has been expanded to focus on existing products and increasing revenues.

Research and development expenses were $571,671 and $1,803,234 for the three and nine months ended December 31, 2016, compared to expenses of $593,686 and $1,971,809 for the three and nine months ended December 31, 2015. The decrease for the nine months relates primarily to less prototyping of products nearing completion of engineering and a decrease due to a senior executive who left the Company, being partially offset by higher expenses resulting from the IMT becoming part of the Company.

For the three and nine months ended December 31, 2016, the Company incurred general and administrative expenses of $409,669 and $2,291,136 compared to general and administrative expenses of $438,628 and $1,313,071 for the three and nine months ended December 31, 2015. These expenses realized a slight decrease in the three month period; however, the increase in these expenses over the nine-month period is primarily due to increased legal and accounting costs, the costs of being a public company, the added costs of the

IMT acquisition and additional administration costs resulting from IMT becoming a part of the Company.

For the three and nine months ended December 31, 2016, the Company recorded $227,540 and $651,630 in share-based compensation expense compared to $13,291 and $1,337,573 in the three and nine months ended December 31, 2015. The decrease in stock compensation expense relates to fewer stock options granted by the Company in this period over the corresponding prior nine-month period and fewer shares issued to consultants for services provided. Options previously granted by IMT prior to the Acquisition Transaction were revalued on its completion of the transaction and new options granted and options vesting during the quarter and the year to date resulted in the current expense.

Other Expenses

For the three and nine months ended December 31, 2016, the Company incurred interest expense of $13,808 and $23,839 compared to interest expense of $Nil and $Nil for the three months and nine months ended December 31, 2015. The changes in interest expenses relates to the Company having more interest bearing debt during the period as a result of the IMT acquisition.

During the three and nine month periods ended December 31, 2016, the Company recorded a gain of $771,341 and $2,510,388 on re-measurement to fair value at period end December 31, 2016 (gain of $2,457,778 and $6,871,597 for the three and nine months ended December 31, 2015) which was recorded within the Company's consolidated statements of operations and comprehensive loss and represents a non-cash item. Simultaneously with any reduction to the exercise price, the number of shares of common stock that may be purchased upon exercise of each of these warrants shall be increased based on a pre-defined formula.

The Company's outstanding warrants include price protection provisions that allow for a reduction in the exercise price of the warrants in the event the Company subsequently issues certain common stock or options, rights, warrants or securities convertible or exchangeable for shares of common stock at a price lower than the exercise price of the warrants

Other Income

For the three and nine months ended December 31, 2016, the Company had other income of $(4,363) and $(410,877) compared to other income of $(5,566) and $(28,578) for the three and nine months ended December 31, 2015. The increase is other income in the nine months ended December 31, 2016 was due to the receipt of the Company's final scientific research credit from the Canadian government which related to a claim when the Company was a private company as well as the sale of redundant equipment and interest income. In 2015, other income was from interest income only.

Gain and losses included in other comprehensive income

Effective April 1, 2015, the Company changed the functional currency of its wholly owned subsidiaries, Bionik Acquisition Inc. and Bionik Canada from the Canadian dollar to the U.S. dollar. This reflects the fact that an economic environment influences the majority of the Company's business denominated in U.S. currency, and the Company sells its product and service revenues in U.S. dollars.

Comprehensive Loss

Comprehensive loss for the three months ended December 31, 2016 amounted to $(810,418) or $(0.01) per share and the comprehensive loss for the nine months ended December 31, 2016 was $(2,404,644) resulting in a loss per share of $(0.03) compared to comprehensive income of $1,212,737 for the three months ended December 31, 2015, resulting in income per share of $0.02, and for the nine months ended December 31, 2015 income of $2,040,240 which resulted in income per share of $0.03.

The comprehensive loss for the three months ended December 31, 2016 compared to the three months ended December 31, 2015 is impacted by change in fair value of warrant derivative liability resulting in a non-cash gain of $771,341 in the three-month period ended December 31, 2016 (December 31, 2015 - $2,457,778).

Liquidity and Capital Resources

IMT generated approximately $2,000,000 of revenue in 2015, however since its acquisition on April 21, 2016, we have reported revenue of $553,900 for the period of April 21, 2016 to December 31, 2016. The capital budget approval process for InMotion products has a 12 to 18 months sale cycle. Underinvestment in the IMT sales and marketing resources in 2015 negatively impacted our 2016 revenues. In August 2016, we began rebuilding the sales and marketing infrastructure, which we expect to significantly increase revenues over the course of 2017 and future years. We can give no assurance that we will generate similar or greater revenues for the year ending March 31, 2017, when compared to 2015.

We have funded operations through the issuance of capital stock, loans, grants and investment tax credits received from the Government of Canada. We raised in our 2015 private offering aggregate gross proceeds of $13,126,600, which resulted in net proceeds after costs of $11,341,397. At December 31, 2016, we had cash and cash equivalents of $580,952.

Additionally, as a result of the acquisition of IMT, the Company indirectly assumed an aggregate of approximately $1.26 million of debts and other liabilities of IMT, based on the internal, unaudited financial information of IMT, of which approximately 50% - mostly trade payables - have been repaid at December 31, 2016. The remaining debt assumed is due at March 1, 2017 and December 31, 2017. The Company hopes to renegotiate the $200,000 promissory note payable and interest before March 1, 2017.

In late December 31, 2016, certain of the Company's shareholders agreed to loan the company $1,500,000, $500,000 in December, $500,000 in January 2017 and $500,000 in February 2017, of which $483,333 of the initial $500,000 loan was received on December 31, 2016. These loans are convertible under certain circumstances and bear interest at 6%. These loans are due to be converted or repaid by March 31, 2017.

The Company has signed with one finance company to assist with the capital sales process, which we hope will accelerate cash payments from sales in the future.

There is however no certainty that we will be successful in generating sufficient cash flow from operations or achieving and maintaining profitable operations in the future to enable us to meet our obligations as they come due and consequently continue as a going concern.

The Company will require additional funds to further develop our expanded business plan, including the anticipated commercialization of the ARKE, the marketing of our newly acquired InMotion products and the development of our development product pipeline.

The Company will require additional financing this year to fund our operations and we are currently working on securing this funding through corporate collaborations, public or private equity offerings or debt financings. Sales of additional equity securities would result in the dilution of the interests of existing stockholders. There can be no assurance that financing will be available when required. In the event that the necessary additional financing is not obtained, we would reduce our discretionary overhead costs substantially, or otherwise curtail operations.

These conditions raise substantial doubt about our ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on recoverability and reclassification of assets or the amounts and classification of liabilities that may result from the outcome of this uncertainty.

The Company also need additional funds to respond to business opportunities including potential acquisitions of complementary technologies or business, protect our intellectual property, develop new lines of business and enhance our operating infrastructure. While we may need to seek additional funding for any such purposes, we may not be able to obtain financing on acceptable terms, or at all. In addition, the terms of our financings may be dilutive to, or otherwise adversely affect, holders of our common stock. We may seek additional funds through arrangements with collaborators or other third parties. We may not be able to negotiate any such arrangements on acceptable terms, if at all. If we are unable to obtain additional funding on a timely basis, we may be required to curtail or terminate some or all of our product lines.

As we proceed with the ARKE product development, the marketing of the three commercial products of IMT and the development of other development-stage products, we have devoted and expect to continue to devote significant resources in the areas of capital expenditures and research and development costs and operations, marketing, clinical trials and sales expenditures, all subject to available cash.

Net Cash Used in Operating Activities

During the nine months ended December 31, 2016, the Company used cash in operating activities of $5,540,946 compared to $3,717,574 for the nine months ended December 31, 2015. The increased use of cash is mainly attributable to the larger loss in the nine months ended December 31, 2016 than the nine months ended December 31, 2015, due to higher general and administrative costs and the costs of becoming a public company and $2,510,388 of change in the fair value of the warrant derivative liability compared to $6,871,597 in the nine months ended December 31, 2015. The change in fair value of warrant derivative liability is a non-cash item.

Net Cash Used in Investing Activities

During the nine months ended December 31, 2016, net cash used in investing activities was $9,827 and for the nine months ended December 31, 2015, net cash used in investing activities of $347,270. The decrease in investing activities in 2016 is a result of there being no loans made as there was in 2015 and minimal cash additions to equipment.

Net Cash Provided by Financing Activities

Net cash provided by financing activities was $749,968 for the nine months ended December 31, 2016 compared to cash provided by financing activities of $4,556,818 for the nine months ended December 31, 2015. The decrease is due to the Company completing an Offering in 2015, and having raised no capital during 2016. However, the balance in 2016 reflects the cash remaining from a $900,000 advance sent to IMT immediately before the acquisition close of which $266,635 remained on hand on April 21, 2016, as well as convertible loans received from shareholders and the convertible loans received from shareholders in December 2016.

Recent Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers (Topic 606)”. The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The accounting standard is effective for annual reporting periods (including interim reporting periods within those periods) beginning after December 15, 2017. Early adoption is not permitted. The impact on the consolidated financial statements of adopting ASU 2014-09 will be assessed by management.

In August 2014, the FASB issued a new financial accounting standard on going concern, ASU No. 2014-15, “Presentation of Financial Statements – Going Concern (Sub-Topic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern.” The standard provides guidance about management’s responsibility to evaluate whether there is a substantial doubt about the organization’s ability to continue as a going concern. The amendments in this Update apply to all companies. They become effective in the annual period ending after December 15, 2016, with early application permitted. The impact on the consolidated financial statements of adopting ASU 2014-15 will be assessed by management.

In September 2015, the FASB issued ASU No. 2015-16, “Simplifying the Accounting for Measurement-Period Adjustments,” which illustrates certain guidance governing adjustments to the provisional amounts recognized at the acquisition date with a corresponding adjustment to goodwill. Such adjustments are required when new information is obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the measurement amounts initially recognized or would have resulted in the recognition of additional assets and liabilities. ASU No. 2015-16 eliminates the requirement to retrospectively account for such adjustments. ASU No. 2015-16 is effective for the fiscal year commencing on January 1, 2016. The Company has adopted this ASU No. 2015-16 as at and for the three and twelve month periods ended March 31, 2016. There was no material effect on the consolidated financial position or the consolidated results of operations and comprehensive loss.

In November 2015, the FASB issued ASU No. 2015-17, “Balance Sheet Classification of Deferred Taxes,” which requires that deferred tax liabilities and assets be classified on our Consolidated Balance Sheets as noncurrent based on an analysis of each taxpaying component within a jurisdiction. ASU No. 2015-17 is effective for the fiscal year commencing on January 1, 2017. The Company does not anticipate that the adoption of ASU No. 2015-17 will have a material effect on the consolidated financial position or the consolidated results of operations.

In February 2016, the FASB issued ASU 2016-02, Leases. This update requires organizations that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. The new guidance will also require additional disclosure about the amount, timing and uncertainty of cash flows arising from leases. The provisions of this update are effective for annual and interim periods beginning after December 15, 2018. The Company is still assessing the impact that the adoption of ASI 2016-02 will have on the consolidated financial position and the consolidated results of operations.

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation: Improvements to Employee Share-Based Payment Accounting". Several aspects of the accounting for share-based payment award transaction are simplified, including (a) income tax consequences; (b) classification of awards as either equity or liabilities; and (c) classification on the statement of cash flows. The amendments are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company is still assessing the impact that the adoption of ASI 2016-09 will have on the consolidated financial position and the consolidated results of operations.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments”. This ASU provides eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. ASU 2016-15 is effective for the fiscal year commencing after November 1, 2018. The Company is still assessing the impact that the adoption of ASI 2016-15 will have on the consolidated statement of cash flows.

In January 2017, the FASB issued ASU 2017-01, “Business Combinations: Clarifying the definition of a Business” which amends the current definition of a business. Under ASU 2017-01, to be considered a business, an acquisition would have to include an input and a substantive process that together significantly contributes to the ability to create outputs. ASU 2017-01 further states that when substantially all of the fair value of gross assets acquitted is concentrated in a single asset (or a group of similar assets), the assets acquired would not represent a business. The new guidance also narrows the definition of the term “outputs” to be consistent with how it is described in Topic 606, Revenue from Contracts with Customers. The changes to the definition of a business will likely result in more acquisitions being accounted for as asset acquisitions. ASU 2017-01 is effective for acquisitions commencing on or after June 30, 2019, with early adoption permitted. Adoption of this guidance will be applied prospectively on or after the effective date.

In January 2017, the FASB issued ASU 2017-04, “Intangibles – Goodwill and Other” ASU 2017-04 simplifies the accounting for goodwill impairment by eliminating Step 2 of the current goodwill impairment test, which required a hypothetical purchase price allocation. Goodwill impairment will now be the amount by which the reporting unit’s carrying value exceeds its fair value, limited to the carrying value of the goodwill. ASU 2017-04 is effective for financial statements issued for fiscal years, and interim periods beginning after December 15, 2019.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying condensed consolidated interim financial statements.

Off Balance Sheet Arrangements

We have no off-balance sheet transactions.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable for smaller reporting companies.

Item 4. Controls and Procedures

During the three and nine months ended December 31, 2016, there were no changes in our internal controls over financial reporting (as defined in Rule 13a- 15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures" as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this Quarterly Report, we carried out an evaluation, under the supervision and with the participation of our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rules 13a-15(b) and 15d-15(b). Based upon this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures as of the end of the period covered by this Quarterly Report were ineffective due to a lack of segregation of duties as well as lack of administrative and financial personnel and related resources.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 1A. Risk Factors

Not applicable for smaller reporting companies

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities.

None

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

None

Item 6. Exhibits

Exhibit 31.1 - Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2 - Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1 - Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2 - Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Exhibit 101.INS - XBRL Instance Document
Exhibit 101.SCH - XBRL Taxonomy Extension Schema Document
Exhibit 101.CAL - XBRL Taxonomy Extension Calculation Linkbase Document
Exhibit 101.DEF - XBRL Taxonomy Extension Definition Linkbase Document
Exhibit 101.LAB - XBRL Taxonomy Extension Label Linkbase Document
Exhibit 101.PRE - XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: February 14, 2017

BIONIK LABORATORIES CORP.

By: /s/ Peter Bloch
Name: Peter Bloch
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Leslie Markow
Name: Leslie Markow
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF

THE SARBANES-OXLEY ACT OF 2002

I, Peter Bloch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bionik Laboratories Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report, our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 14, 2017

/s/ Peter Bloch
Peter Bloch
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF

THE SARBANES-OXLEY ACT OF 2002

I, Leslie Markow, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Bionik Laboratories Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report, our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: February 14, 2017

/s/ Leslie Markow
Leslie Markow
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bionik Laboratories Corp. (the "Company") on Form 10-Q for the quarter ended December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Peter Bloch, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 14, 2017

/s/ Peter Bloch
Peter Bloch
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Bionik Laboratories Corp. (the "Company") on Form 10-Q for the quarter ended December 31, 2016 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leslie Markow, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: February 14, 2017

/s/ Leslie Markow
Leslie Markow
Chief Financial Officer
(Principal Financial and Accounting Officer)