MedMira Inc.

Condensed Interim Consolidated Financial Statements
For the nine months ended April 30, 2014 and April 30, 2013
(Unaudited – Prepared by Management)

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the unaudited financial statements for the period ending April 30, 2014

June 26, 2014

Management's responsibility for financial reporting

The accompanying consolidated financial statements of MedMira Inc. (MedMira or the Company) are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements includes amounts and assumptions based on management's best estimates which have been derived with careful judgement.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to ensure that the financial records are reliable for preparation of the consolidated financial statements.

The Board of Directors of the Company is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the condensed interim consolidated financial statements and the accompanying management's discussion and analysis. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee is a subcommittee of the Board of Directors. It is responsible for oversight of the internal control and financial matters assisting the Company's management and independent auditors to ensure that the integrity of the financial reporting process is maintained.

(signed) *Hermes Chan*

Chief Executive Officer

(signed) *Jelle Kuypers*

Chief Financial Officer

Unaudited consolidated statements of financial position
As at April 30, 2014 and July 31, 2013

In Canadian dollars

	Notes	30-Apr-14	31-Jul-13
		$	$
Assets			
Current assets			
Cash		283,988	20,942
Trade and other receivables		709,785	320,253
Prepaid expenses		165,132	70,103
Current tax assets		-	205,489
Inventories	4	252,229	205,000
Total current assets		1,411,134	821,787
Non-current assets			
Property, plant and equipment		372,590	345,056
Intangible assets		2	2
Total non-current assets		372,592	345,058
Total assets		1,783,726	1,166,845
Liabilities			
Current liabilities			
Current portion of debt	7	1,703,760	2,190,635
Accounts payable and accrued liabilities		1,637,723	2,560,003
Deferred revenue		114,635	103,322
Total current liabilities		3,456,118	4,853,960
Non-current liabilities			
Provision for royalty		763,306	739,817
Long term portion of debt	7	4,078,306	4,683,668
Total non-current liabilities		4,841,612	5,423,485
Total liabilities		8,297,730	10,277,445
Equity			
Share capital	5	59,018,425	55,661,183
Warrant reserve	5	7,207,647	4,493,647
Stock based compensation reserve	5	1,099,202	1,099,202
Equity reserve		595,770	595,770
Accumulated deficit		(74,435,048)	(70,960,402)
Total shareholders' deficiency		(6,514,004)	(9,110,600)
Total liabilities and equity		1,783,726	1,166,845

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

Approved on behalf of the Board of Directors

(signed) *Hermes Chan*, Director

(signed) *Romano Robusto*, Director

Unaudited consolidated statements of operations and comprehensive (loss) income
For the three and nine months ended April 30, 2014 and April 30, 2013

In Canadian dollars

	Notes	for the three months ended		for the nine months ended	
		30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
		$	$	$	$
Product					
Product sales	3	251,375	163,036	529,743	585,149
Royalties	3	-	-	-	35,360
Product cost of sales		(161,614)	(106,361)	(288,853)	(375,970)
Gross margin on product		89,761	56,675	240,890	244,539
Services					
Service sales	3	387,264	164,221	1,100,456	784,840
Service cost of sales		(266,536)	(164,412)	(787,863)	(646,043)
Gross margin on services		120,728	(191)	312,593	138,797
Operating expenses					
Research and development	10	(177,839)	(150,303)	(465,316)	(271,599)
Sales and marketing		(409,363)	(92,484)	(859,879)	(317,117)
Other direct costs		(129,436)	(77,126)	(421,274)	(228,344)
General and administrative		(496,301)	(403,067)	(1,552,351)	(1,311,711)
Total operating expenses		(1,212,939)	(722,980)	(3,298,820)	(2,128,771)
Operating loss		(1,002,450)	(666,496)	(2,745,337)	(1,745,435)
Non-operating income (expenses)					
Financing		(215,519)	(193,183)	(729,309)	2,101,839
Net (loss) income		(1,217,969)	(859,679)	(3,474,646)	356,404
Basic (loss) earnings per share	6	(0.002)	(0.002)	(0.007)	0.001
Diluted (loss) earnings per share	6	(0.002)	(0.002)	(0.007)	0.001

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

Unaudited consolidated statements of changes in equity attributable to equity holders of the Company

In Canadian dollars

		Share capital						
	Notes	Common shares	Preferred shares	Warrant reserve	Option reserve	Equity reserve	Accumulated deficit	Shareholders' deficiency
Balance at July 31, 2012		**55,658,683**	**2,500**	**4,493,647**	**1,099,202**	**595,770**	**(70,558,101)**	**(8,708,299)**
Net and comprehensive income		-	-	-	-	-	356,404	356,404
Balance at January 31, 2013		**55,658,683**	**2,500**	**4,493,647**	**1,099,202**	**595,770**	**(70,201,697)**	**(8,351,895)**
Net and comprehensive loss		-	-	-	-	-	(758,705)	(758,705)
Balance at July 31, 2013		**55,658,683**	**2,500**	**4,493,647**	**1,099,202**	**595,770**	**(70,960,402)**	**(9,110,600)**
Net and comprehensive loss		-	-	-	-	-	(3,474,646)	(3,474,646)
Issuance of common shares and warrants for cash		3,097,536	-	2,479,113	-	-	-	5,576,649
Issuance of common shares and warrants for debt		293,464	-	234,887	-	-	-	528,351
Share issuance costs		(33,758)	-	-	-	-	-	(33,758)
Balance at April 30, 2014		**59,015,925**	**2,500**	**7,207,647**	**1,099,202**	**595,770**	**(74,435,048)**	**(6,514,004)**

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

Unaudited consolidated statements of cash flows
For the nine months ended April 30, 2014 and April 30, 2013

In Canadian dollars

	Notes	30-Apr-14 $	30-Apr-13 $
Cash from operating activities			
Cash receipts from customers		1,251,980	1,362,391
Cash paid to suppliers and employees		(5,200,647)	(3,135,939)
Net cash from operating activities		(3,948,667)	(1,773,548)
Cash from investing activities			
Payment to acquire property, plant and equipment		(92,153)	(263,850)
Net cash from investing activities		(92,153)	(263,850)
Cash from financing activities			
Cash proceeds from share issuance		5,576,649	-
Share issuance costs		(33,758)	-
Cash proceeds from interest		14,176	4,915
Cash proceeds from new debt		399,547	159,213
Cash payment on existing debt		(1,425,810)	(293,726)
Cash payment of interest		(221,377)	(252,069)
Net cash from financing activities		4,309,427	(381,667)
Net increase (decrease) in cash		268,607	(2,419,065)
Cash at the beginning of the period		20,942	2,416,809
Effects of exchange on the foreign currency cash balances		(5,561)	26,400
Cash at the end of the period		283,988	24,144

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

1. Reporting entity

Nature of operations

MedMira Inc. (MedMira or the Company) is a biotechnology company headquartered in Canada. The address of the Company's registered office is 155 Chain Lake Drive, Suite 1, Halifax, Nova Scotia, B3S 1B3. OnSite Lab Holdings AG owns the majority of MedMira's shares and is the controlling shareholder. MedMira, through its subsidiaries, is engaged in the business of research, development and manufacturing of rapid diagnostics and technologies. The Company invests in research in order to maintain and expand its position in the global diagnostics market. MedMira's research is focused on specific areas of the broader diagnostics market, namely the rapid, point-of-care, and *in vitro* sectors.

2. Significant accounting policies

a. Basis of presentation

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, using the same basis of measurement and presentation and the same accounting policies as described in notes 2 and 3 to the Company's audited consolidated financial statements as at and for the year ended July 31, 2013, except as noted below. The condensed interim consolidated financial statements should be read in conjunction with those audited consolidated financial statements.

The condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries which are shown below.

	Country of incorporation	Ownership interest	
		%	%
		30-Apr-14	**31-Jul-13**
MedMira Inc.	Canada	100	100
MedMira Laboratories Inc.	Canada	100	100
Maple Biosciences Inc.	Canada	100	100
MedMira International AG	Switzerland	100	N/A

The condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. All financial information is presented in Canadian dollars unless explicitly stated.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on June 26, 2104.

b. Going-concern

The condensed interim consolidated financial statements have been prepared on a going-concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations. However, certain adverse conditions and events cast significant doubt upon the validity of this assumption.

The Company has incurred losses and negative cash flows from operations on a cumulative basis since inception. For the nine months ended April 30, 2014, the Company realized a net loss of $3.5 million (April 30, 2013 – net income $0.4 million), consisting of a net loss from operations of $2.7 million (April 30, 2013 – net loss $1.7 million), and other non-operating expenses of $0.7 million (April 30, 2013 – gain of $2.1 million). Negative cash flows from operations were $3.9 million (April 30, 2013 – $1.8 million). As at April 30, 2014, the Company had an accumulated deficit of $74.4 million (July 31, 2013 – $71.0 million). In addition to its on-going working capital requirements, the Company must secure sufficient funding for its research and development programs for existing commitments, including its current portion of loans of $1.7 million. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going-concern.

Management is pursuing other financing alternatives to fund the Company's operations so it can continue as a going-concern. Management plans to secure the necessary financing through new equity and debt arrangements. Nevertheless, there is no assurance that this initiative will be successful.

The Company is subject to risks associated with early stage companies, including but not limited to, dependence on key individuals, competition from substitute services and larger companies, and the requirement for the continued successful development and marketing of its products and services. The Company's ability to continue as a going-concern is dependent upon its ability to generate positive cash flow from operations and secure additional financing. These financial statements do not reflect the adjustments to carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going-concern assumption not appropriate. These adjustments could be material.

c. Changes in accounting policies

The Company adopted the following new and revised International Financial Reporting Standards (IFRS) effective August 1, 2013:

- IFRS 10, Consolidated Financial Statements, defines the principles of control and establish the basis of determining when and how an entity should be included within a set of consolidated financial statements. The adoption of IFRS 10 had no impact on the Company's accounting or disclosures.
- IFRS 11, Joint Arrangements, provides guidance on the accounting for joint arrangements. The adoption of IFRS 11 had no impact on the Company's accounting or disclosures.
- IFRS 12, Disclosure of Interests in Other Entities, requires disclosures relating to a company's interests in subsidiaries, joint arrangements, associates, and unconsolidated structured entities. The adoption of IFRS 12 had no impact on the Company's disclosures.
- IFRS 13, Fair Value Measurement, defines and provides guidance for measuring fair value and requires disclosures about fair value measurements. The adoption of IFRS 13 had no impact on the Company's accounting or disclosures.

d. Future changes in accounting policies

In November 2009, IFRS 9, Financial Instruments, was issued introducing new requirements for classifying and measuring financial assets. In October 2010, IFRS 9 was reissued, incorporating guidance on accounting for financial liabilities and carrying over requirements from existing IFRS regarding derecognition of financial assets and financial liabilities. In December 2011, IFRS 9 was amended deferring the effective date to annual periods beginning on or after January 1, 2015, with early application permitted. In November 2013, IFRS 9 was further amended to delay the effective date to a future date to be determined. The amendment also provides relief from restating comparative information and required disclosures in IFRS 7, Financial Instruments.

In Canadian dollars

3. Revenue

	for the three months ended		for the nine months ended	
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	$	$	$	$
Product sales	251,375	163,036	529,743	585,149
Service revenue	387,264	164,221	1,100,456	784,840
Royalties and licence	-	-	-	35,360
Total revenue	638,639	327,257	1,630,199	1,405,349

Service revenue is generated from research work on a contract with the U.S. Army. The costs associated with research conducted to earn this revenue have been recognized as a service cost of sales.

The Company organizes and records revenue based on major geographical territories around the world. The table below provides the geographic breakdown of revenue.

	for the three months ended		for the nine months ended	
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	$	$	$	$
North America	511,215	284,767	1,442,117	1,082,014
Latin America and the Caribbean	66,599	-	98,100	73,010
Europe	1,118	5,347	5,049	8,556
Asia Pacific	59,707	34,165	84,933	238,792
Middle East	-	2,978	-	2,977
Total revenue	638,639	327,257	1,630,199	1,405,349

4. Inventories

As at April 30, 2014, there were no valuation allowances against inventory (July 31, 2013 – $nil).

During the nine months ended April 30, 2014, inventory valued at $250,402 was expensed as a cost of goods sold (April 30, 2013 – $312,949).

	30-Apr-14	31-Jul-13
	$	$
Raw materials and consumables	182,744	133,034
Work in process	53,554	65,975
Finished goods	15,931	5,991
Total inventories	252,229	205,000

In Canadian dollars

5. Capital and other components of equity

a. Authorized

The Company is authorized to issue an unlimited number of Series A preferred shares, non-voting, non-participating, redeemable at the Company's option at $0.001 per share after March 31, 2010, convertible into an equal number of common shares upon the Company meeting certain milestones. The preferred shares earn no dividends.

The Company is authorized to issue an unlimited number of voting common shares without nominal or par value.

b. Share capital issued

	Number of		Value of		
	Common shares	Preferred shares	Common shares	Preferred shares	Total share capital
			$	$	$
Balance at July 31, 2013	**392,264,320**	**5,000,000**	**55,658,683**	**2,500**	**55,661,183**
Issued for cash	111,532,973	-	3,097,536	-	3,097,536
Issued to repay debt	10,567,027	-	293,464	-	293,464
Share issuance costs	-	-	(33,758)	-	(33,758)
Balance at April 30, 2014	**514,364,320**	**5,000,000**	**59,015,925**	**2,500**	**59,018,425**

The total common shares issued and outstanding include 4,064,464 common shares held in escrow scheduled to be released when the Company obtains positive operating cash flow. The Company closed a CAD $6.105 million (CHF 5.5 million) equity investment with OnSite Lab Holding AG (controlling shareholder) in September 2013. Under the terms of the deal, OnSite Lab Holding AG acquired 122,100,000 equity units at $0.05 per unit that were issued against cash and debt.

The Series A preferred shares had a stated capital of $2,500 at April 30, 2014 (July 31, 2013 – $2,500).

c. Warrants

	Number of warrants	Warrant reserve
		$
Balance at July 31, 2013	**196,119,500**	**4,493,647**
Issued to repay debt	10,567,027	2,479,113
Issued for cash	111,532,973	234,887
Expired Warrants	(6,119,500)	-
Balance at April 30, 2014	**312,100,000**	**7,207,647**

As part of the equity investment with OnSite Lab Holding AG in September 2013, 122,100,000 warrants were issued in exchange for cash and debt. In the third quarter of 2014, 6.1 million warrants expired reducing the closing balance to a total of 312.1 million.

In Canadian dollars

The total warrants outstanding at April 30, 2014 are shown below.

Issued	Number	Exercise price	Expiry date
		$	
December 8, 2010	20,000,000	0.10	December 8, 2014
July 18, 2011	30,000,000	0.10	July 18, 2015
January 31, 2012	20,000,000	0.10	January 31, 2016
June 11, 2012	120,000,000	0.10	June 11, 2016
September 30, 2013	122,100,000	0.10	September 30, 2017
	312,100,000		

d. Stock based compensation

The Company has established a stock option plan for its employees, officers, and directors. All options vest immediately upon issue and the Company is authorized to issue a maximum of 13,000,000 options annually upon approval by shareholders. Options that have been issued and remain outstanding are exercisable into an equivalent of 3,208,125 common shares (July 31, 2013 – 4,530,000) at an exercise price of $0.10. The options expire between October 13, 2014 and March 1, 2017. During the three months ended April 30, 2014, 2,850,000 options were issued (April 30, 2013 – nil). All options outstanding at April 30, 2014 were exercisable.

	Number	Weighted average exercise price	Equity Reserve
		$	$
Options Outstanding July 31, 2013	**4,530,000**	**0.10**	**1,099,202**
Options expired/forfeit	(1,260,000)	0.10	-
Options granted	2,850,000	0.10	-
Options outstanding April 30, 2014	6,120,000		1,099,202

The following table summarizes information about options outstanding and exercisable at April 30, 2014.

Range of exercise prices	Number outstanding and exercisable	Weighted average exercise price per share	Weighted average remaining contractual life (years)
0.10	6,120,000.00	0.10	1.20

In Canadian dollars

6. Earnings (loss) per share

	for the three months ended		for the nine months ended	
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	$	$	$	$
Net income (loss) attributable to common shareholders	(1,217,969)	(859,679)	(3,474,646)	356,404
Issued common shares	514,364,320	392,264,320	514,364,320	392,264,320
Weighted average number of common shares	487,781,663	392,264,320	487,781,663	392,264,320
Basic earnings (loss) per share	(0.002)	(0.002)	(0.007)	0.001
Diluted earnings (loss) per share	(0.002)	(0.002)	(0.007)	0.001

Basic and diluted (loss) earnings per share are the same for the three and nine months ended April 30, 2014 and 2013 as the exercise of potentially dilutive instruments would be anti-dilutive.

7. Loans and borrowings

	30-Apr-14		31-Jul-13	
	Carrying value	Contract value	Carrying value	Contract value
	$	$	$	$
Short term loans	130,786	130,786	714,191	714,191
Loan 1	923,243	1,054,167	919,380	1,150,000
Loan 2	1,146,372	1,300,000	1,223,342	1,500,000
Loan 3	27,423	28,000	33,201	39,000
Loan 4	-	-	5,758	5,136
ACOA loans	968,441	1,235,893	1,081,163	1,453,999
Nova Scotia Government loan 1	2,526,650	3,016,000	2,843,099	3,480,000
Nova Scotia Government loan 2	59,151	97,390	54,169	97,390
Total loan principal	**5,782,066**	**6,862,236**	**6,874,303**	**8,439,716**
Long term portion of principal	4,078,306		4,683,668	
Current portion payable of principal	1,703,760		2,190,635	

Short term loans

The Company had one short term loan with a related party. The loan was utilised by the Company for short term working capital requirements, and is payable on demand with an interest rate of 3%. The loan was not in default at April 30, 2014.

Loan 1

Loan established October 31, 2012, bearing 5% interest with monthly interest only payments until November 30, 2013, followed by equal monthly principal payments and accrued interest for five additional years ending November 30, 2018. The loan is secured by interest on intellectual property and on the step-up technology. The loan was not in default at April 30, 2014.

Loan 2

Loan established July 31, 2012, bearing 5% interest with monthly interest only payments until July 31, 2013, followed by equal monthly principal payments and accrued interest for five additional years ending July 31, 2018. The loan was not in default at April 30, 2014.

Loan 3

Loan established July 31, 2012, bearing 5% interest with monthly principal payments of $1,000, and accrued monthly interest ending September 30, 2016. The loan was not in default at April 30, 2014.

Loan 4

Loan established August 24, 2011, bearing no interest payable in equal monthly payments of US$5,000. The loan was repaid in the quarter ending April 30, 2014.

Atlantic Canada Opportunities Agency (ACOA) loan

Loan established October 31, 2012, bearing no interest with monthly principal repayments of $3,747 until July 31, 2013, followed by equal monthly principal payments of $24,234 for five additional years ending July 31, 2018. The loan is secured by all present and after acquired personal property, excepting consumer goods. The loan was not in default at April 30, 2014.

Nova Scotia Government loan 1

Loan established September 14, 2012, bearing 3% interest with monthly interest only payments until September 31, 2013, followed by equal monthly principal payments for five additional years ending August 31, 2018. The loan is secured by first interest on intellectual property and on the Maple BioSciences Inc. sensor technology. The loan was not in default at April 30, 2014.

Nova Scotia Government loan 2

Loan established September 14, 2012, bearing no interest with the balance due by August 31, 2018. The loan is secured by first interest on intellectual property and on the Maple Bio Science Inc. sensor technology. The loan was not in default at April 30, 2014.

In Canadian dollars

8. Financial instruments

a. Foreign currency risk

Most of the Company's sales are made in foreign currencies. The Company's U.S. dollar foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are shown in the table below.

	30-Apr-14	31-Jul-13
	US$	US$
Cash and cash equivalents	106,273	1,239
Trade and other receivables	632,304	315,347
Prepaid expense	67,849	22,257
Accounts payable and accrued liabilities	277,967	161,066
Deferred income	104,287	66,512
Debt	-	5,000

A one cent change in the U.S. dollar exchange rate would result in approximately a $4,242 (July 31, 2013 – $1,000) impact on the balance sheet and consolidated statement of income.

b. Liquidity risk

Liquidity risk represents the possibility that the Company may not be able to gather sufficient cash resources, when required and under reasonable conditions, to meet its financial obligations. As at April 30, 2014, the Company does not have sufficient cash to meet all of its continual liabilities.

The Company also continues to have an ongoing need for substantial capital resources to research and develop, commercialize and manufacture its products and technologies. The Company is not yet generating a sufficient ongoing revenue stream, nor can it be certain that it will receive significant revenue before additional cash is required. As a result, there can be no guarantee that the Company will have sufficient capital to fund its ongoing operations, develop or commercialize its products without future financing.

The Company's contractual maturities for its financial liabilities are outlined in the table below.

In Canadian dollars

For the period ended April 30, 2014

	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
	$	$	$	$	$
Loans	6,862,236	1,703,760	3,049,616	1,516,808	592,052
Total debt	**6,862,236**	**1,703,760**	**3,049,616**	**1,516,808**	**592,052**

For the year ended July 31, 2013

	Total	Less than 1 year	1 to 3 years	4 to 5 years	After 5 years
	$	$	$	$	$
Loans	8,439,716	2,190,635	3,057,616	3,133,966	57,499
Total debt	**8,439,716**	**2,190,635**	**3,057,616**	**3,133,966**	**57,499**

The payments noted above do not include interest payments.

9. Related parties

The following transactions were recorded with related parties during the three months ended April 30, 2014:

- Director fees totalling $6,532 were incurred (July 31, 2013 - $16,250).

The following balances with related parties were outstanding at April 30, 2014:

- Accounts payable totalling $18,769 was due to directors (July 31, 2013 – $37,244).
- Short term loans totalling $130,786 was due to a director (July 31, 2013 – $107,778).
- A royalty provision was owed to OnSite Lab Holding AG of $763,306 (July 31, 2013 – $739,817).

10. Research and development

The Company receives government grants to offset the cost of developing certain products. These grants are recognized as a credit against the research expense in the period the expense is incurred. There are no unfulfilled conditions regarding the grants.

In addition to grants, the Company receives revenue related to a contract with the U.S. Army. Research expenses related to the U.S. Army contract are recognized in service cost of sales when the revenue is earned. During the three months ended April 30, 2014, $266,536 (nine month ended $787,863) of the research costs incurred were recognized in service cost of sales (April 30, 2013 – $169,503).

The following table provides a summary of aggregate research costs and reimbursements.

In Canadian dollars

	for the three months ended		for the nine months ended	
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	$	$	$	$
Research and development (R&D) expenses	444,375	289,884	1,253,179	941,653
Less: R&D allocated to cost of sales	266,536	169,503	787,863	651,135
Less: reimbursed R&D expenses	-	-	-	18,919
Net research and development expense	**177,839**	**120,381**	**465,316**	**271,599**

11. Expenses by nature

The following table provides the Company's expenses listed by the nature of the expense.

	for the three months ended		for the nine months ended	
	30-Apr-14	30-Apr-13	30-Apr-14	30-Apr-13
	$	$	$	$
Investment income	3,659	(4,647)	14,176	-
Change in inventory	(86,027)	(168,638)	(142,443)	(305,805)
Employee benefits	(615,840)	(415,765)	(1,828,937)	(1,338,080)
Depreciation	(22,735)	(13,173)	(64,619)	(21,034)
Distribution	(24,674)	(4,399)	(73,759)	(47,272)
Facility	(157,116)	(306,513)	(367,373)	(308,757)
Professional services	(330,113)	(461,308)	(603,873)	(479,425)
Lab supplies	(57,526)	107,739	(202,078)	(373,893)
Other expenses	(403,389)	(163,190)	(1,119,661)	(236,561)
Exchange gains (losses)	35,986	468,842	57,923	39,609
Finance costs	(194,703)	2,208,289	(734,435)	2,022,273
(Gain)/Loss on settlement of debt	-	(715,689)	-	-
(Gain)/Loss on fair value of debt	(4,130)	(1,718,484)	(39,766)	-
(Gain)/Loss on fair value of royalty	-	-	-	-
	(1,856,608)	**(1,186,936)**	**(5,104,845)**	**(1,048,945)**

12. Subsequent events

On June 20, 2014, the Company obtained a short term loan of $484,026 (CHF 400,000) from its controlling shareholder: Onsite Lab Holding AG. The loan bears an interest rate of 5% per annum and is repayable six months from the date of the loan.