MedMira Inc.

Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2015 and April 30, 2014
(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, 2015

May 28, 2015

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) *Markus Meile*

Chief Financial Officer

Unaudited consolidated statements of financial position
As at April 30, 2015 and July 31, 2014

In Canadian dollars

	Notes	30-Apr-15	31-Jul-14
		$	$
Assets			
Current assets			
Cash		161,621	162,458
Trade and other receivables		516,433	778,345
Prepaid expenses		33,535	48,270
Current tax assets		-	193,000
Inventories	4	279,704	301,770
Total current assets		991,293	1,483,843
Non-current assets			
Property, plant and equipment		290,609	358,082
Intangible assets		2	2
Total non-current assets		290,611	358,084
Total assets		1,281,904	1,841,927
Liabilities			
Current liabilities			
Current portion of debt	7	3,784,420	2,234,870
Accounts payable and accrued liabilities		1,977,480	1,847,946
Deferred revenue		2,727	203,100
Total current liabilities		5,764,627	4,285,916
Non-current liabilities			
Provision for royalty	8	529,954	260,000
Long term portion of debt	7	2,393,378	3,986,078
Total non-current liabilities		2,923,332	4,246,078
Total liabilities		8,687,959	8,531,994
Equity			
Share capital	5	60,286,540	59,018,425
Warrant reserve	5	8,127,032	7,207,647
Stock based compensation reserve	5	1,311,597	1,283,832
Equity reserve		595,770	595,770
Accumulated deficit		(77,726,994)	(74,795,741)
Total shareholders' deficiency		(7,406,055)	(6,690,067)
Total liabilities and equity		1,281,904	1,841,927

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, 2015 and April 30, 2014

In Canadian dollars

		for the three months ended		for the nine months ended	
	Notes	**30-Apr-15**	**30-Apr-14**	**30-Apr-15**	**30-Apr-14**
		$	**$**		
Product					
Product sales	3	297,169	251,375	970,991	529,743
Royalties	3	4,140	-	753	-
Product cost of sales		(98,152)	(161,614)	(390,571)	(288,853)
Gross margin on product		203,157	89,761	581,173	240,890
Services					
Service sales	3	1,044,119	387,264	1,617,364	1,100,456
Service cost of sales		(1,016,062)	(266,536)	(1,453,813)	(787,863)
Gross margin on services		28,057	120,728	163,551	312,593
Operating expenses					
Research and development	10	(263,138)	(177,839)	(935,075)	(465,316)
Sales and marketing		(121,554)	(409,363)	(343,021)	(859,879)
Other direct costs		(186,983)	(129,436)	(463,873)	(421,274)
General and administrative		(332,537)	(496,301)	(1,361,797)	(1,552,351)
Total operating expenses		(904,212)	(1,212,939)	(3,103,766)	(3,298,820)
Operating loss		(672,998)	(1,002,450)	(2,359,042)	(2,745,337)
Non-operating income (expenses)					
Financing		(179,043)	(215,519)	(572,211)	(729,309)
Net (loss) income		(852,041)	(1,217,969)	(2,931,253)	(3,474,646)
Basic (loss) earnings per share	6	(0.001)	(0.002)	(0.005)	(0.007)
Diluted (loss) earnings per share	6	(0.001)	(0.002)	(0.005)	(0.007)

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

In Canadian dollars

	Notes	Share capital						
	Notes	Common shares	Preferred shares	Warrant reserve	Option reserve	Equity reserve	Accumulated deficit	Shareholders' deficiency
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 income		-	-	-	-	-	(3,474,646)	(3,474,646)
Issuance of common shares and warrants for cash		3,097,536	-	2,479,113	-	-	-	5,576,649
Issuances 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)**
Net and comprehensive loss		-	-	-	-	-	(360,693)	(360,693)
Issuance of common shares and warrants for cash		-	-	-	-	-	-	-
Issuance of common shares and warrants for debt		-	-	-	-	-	-	-
Share issuance costs		-	-	-	-	-	-	-
Issuance of stock options		-	-	-	184,630	-	-	184,630
Balance at July 31, 2014		**59,015,925**	**2,500**	**7,207,647**	**1,283,832**	**595,770**	**(74,795,741)**	**(6,690,067)**
Net and comprehensive loss		-	-	-	-	-	(2,931,253)	(2,931,253)
Issuance of common shares and warrants for cash		1,280,615	-	919,385	-	-	-	2,200,000
Share issuance costs		(12,500)	-	-	-	-	-	(12,500)
Issuance of stock options					27,765			27,765
Balance at April 30, 2015		**60,284,040**	**2,500**	**8,127,032**	**1,311,597**	**595,770**	**(77,726,994)**	**(7,406,055)**

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, 2015 and April 30, 2014
In Canadian dollars

	30-Apr-15	30-Apr-14
	$	$
Cash flow from operating activities		
Loss for the six month period	(2,931,253)	(3,474,646)
Adjustments for		
Depreciation	67,473	61,766
Provision for royalty	269,954	23,489
Stock based compensation	27,765	-
Accretion expense	365,608	375,683
	(2,200,453)	(3,013,708)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	454,914	(184,043)
(Increase)/decrease in inventories	22,066	(47,229)
(Increase)/decrease in prepaids	14,735	(95,029)
(Increase)/decrease in trade and other payables	129,532	(922,279)
(Increase)/decrease in deferred revenue	(200,373)	11,313
Net cash generated by operating activities	(1,779,579)	(4,250,975)
Cash flows from investing activities		
Payment to acquire property, plant and equipment	-	(89,301)
Net cash from investing activities	-	(89,301)
Cash flow from financing activities		
Proceeds from the issuance of common shares	2,200,000	5,576,649
Payments for share issue costs	(12,500)	(33,758)
Proceeds from borrowings	317,106	109,560
Repayment of borrowing	(725,864)	(1,049,129)
Net cash from financing activities	1,778,742	4,603,322
Net increase in cash and cash equivalents	(837)	263,046
Cash and cash equivalents at the beginning of the period	162,458	20,942
Cash at the end of the period	161,621	283,988

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 (OnSite) 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, 2014, 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	
		%	%
		January 31, 2015	**July 31, 2014**
MedMira Inc.	Canada	100	100
MedMira Laboratories Inc.	Canada	100	100
Maple Biosciences Inc.	Canada	100	100
MedMira International AG	Switzerland	100	100
MedMira (US) Inc.	United States of America	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 May 28, 2015.

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, 2015, the Company realized a net loss of approximately $2.9 (April 30, 2014 – net loss of $3.5 million), consisting of a net loss from operations of $2.4 million (April 30, 2014 – net loss $2.7 million), and other non-operating expenses of $0.6 million (April 30, 2015 – loss of $0.7 million). Negative cash flows from operations were approximately $1.8 million (April 30, 2015 – $4.1 million). As at April 30, 2015, the Company had an accumulated deficit of approximately $77.7 million (July 31, 2014 – $74.8 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 approximately $3.8 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

e. Statement of cash flows

Effective August 1, 2014, the Company changed its method of presentation of its Statement of Cash flows from the direct method to the indirect method. There were no changes to the classification of items between operating, investing and financing activities or to the classification of cash and cash equivalents. The comparative period has been restated to conform to the current period's presentation.

3. Revenue

	for the three months ended		for the nine months ended	
	30-Apr-15	30-Apr-14	30-Apr-15	30-Apr-14
	$	$	$	$
Product sales	297,169	251,375	970,991	529,743
Service revenue	1,044,119	387,264	1,617,364	1,100,456
Royalties and licence	4,140	-	753	-
Total revenue	1,345,429	638,639	2,589,108	1,630,199

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-15	30-Apr-14	30-Apr-15	30-Apr-14
	$	$	$	$
North America	1,169,015	511,215	2,139,456	1,442,117
Latin American and the Carribean	51,866	66,599	111,721	98,100
Asia Pacific	4,640	59,707	77,620	84,933
Europe	-	1,118	20,857	5,049
Middle East	-	-	791	-
West Asia	119,907	-	238,663	-
Total revenue	1,345,428	638,639	2,589,108	1,630,199

In Canadian dollars

4. Inventories

As at April 30, 2015, there were no valuation allowances against inventory (July 31, 2014 – $nil).

During the nine months ended April 30, 2015, inventory valued at $349,537 was expensed as a cost of goods sold (April 30, 2014 – $250,402).

	30-Apr-15	31-Jul-14
	$	$
Raw materials and consumables	239,271	248,584
Work in process	28,257	45,908
Finished goods	12,176	7,278
Total inventories	279,704	301,770

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, 2014	**514,364,320**	**5,000,000**	**59,015,925**	**2,500**	**59,018,425**
Issued for cash	44,000,000	-	1,280,615	-	1,280,615
Share issuance costs	-	-	(12,500)	-	(12,500)
Balance at April 30, 2015	**558,364,320**	**5,000,000**	**60,284,040**	**2,500**	**60,286,540**

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 $1.1 million equity investment with an arm's length investor from Asia in October 2014. Under the terms of the deal, the investor acquired 22,000,000 equity units at $0.05 per unit that were issued for cash. The Company also closed a CAD $1.1 million equity investment with OnSite. Under the terms of the deal, OnSite acquired 22,000,000 equity units at $0.05 per unit that were issued for cash.

The Series A preferred shares had a stated capital of $2,500 at January 31, 2015 (July 31, 2014 – $2,500).

In Canadian dollars

c. Warrants

	Number of warrants	Warrant reserve $
Balance at July 31, 2014	**312,100,000**	**7,207,647**
Issued for cash	44,000,000	919,385
Expired	(20,000,000)	-
Balance at April 30, 2015	**336,100,000**	**8,127,032**

As part of the equity investment with the arm's length investor from Asia in October 2014, 22,000,000 warrants were issued in exchange for cash. As part of the equity investment with OnSite in March 2015, 22,000,000 warrants were issued in exchange for cash.

The total warrants outstanding at April 30, 2015 are shown below.

Issued	Number	Exercise price $	Expiry date
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
October 2, 2014	22,000,000	0.10	October 2, 2018
March 27, 2015	22,000,000	0.10	March 27, 2019
	336,100,000		

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 2,921,875 common shares (July 31, 2014 – 5,990,000) at an exercise price of $0.10. The options expire between March 2, 2016 and April 12, 2018. All options are outstanding at April 30, 2015.

In Canadian dollars

	Number	Weighted average exercise price	Equity Reserve
		$	$
Options Outstanding July 31, 2014	**5,990,000**	**0.10**	**1,283,832**
Options granted	1,021,875	0.10	27,765
Options expired/forfeit	(4,090,000)	0.10	-
Options outstanding April 30, 2015	2,921,875		1,311,597

The following table summarizes information about options outstanding and exercisable at April 30, 2015.

Number outstanding and exercisable	Weighted average exercise price per share	Weighted average remaining contractual life (years)
2,921,875	0.10	1.87

6. Earnings (loss) per share

	for the three months ended		for the six months ended	
	30-Apr-15	30-Apr-14	30-Apr-15	30-Apr-14
	$	$	$	$
Net income (loss) attributable to common shareholders	(852,041)	(1,217,969)	(2,931,253)	(3,474,646)
Issued common shares	558,364,320	514,364,320	558,364,320	514,364,320
Weighted average number of common shares	558,364,320	514,364,320	558,364,320	514,364,320
Basic earnings (loss) per share	(0.001)	(0.002)	(0.005)	(0.007)

Basic and diluted (loss) earnings per share are the same for the three and nine months ended April 30, 2015 and 2014 as the exercise of potentially dilutive instruments would be anti-dilutive.

In Canadian dollars

7. Loans and borrowings

	30-Apr-15		31-Jul-14	
	Carrying value	Contract value	Carrying value	Contract value
	$	$	$	$
Short term loans	362,653	362,653	605,469	605,470
Loan 1	1,054,167	1,054,167	1,054,167	1,054,167
Loan 2	1,300,000	1,300,000	1,110,034	1,300,000
Loan 3	16,125	17,000	23,660	26,000
ACOA loans	782,554	1,006,248	924,712	1,163,191
Nova Scotia Government loan 1	2,595,741	3,016,000	2,441,946	3,016,000
Nova Scotia Government loan 2	66,558	97,390	60,960	97,390
Total loan principal	**6,177,798**	**6,853,458**	**6,220,948**	**7,262,218**
Long term portion of principal	2,393,378		3,986,078	
Current portion payable of principal	3,784,420		2,234,870	

Short term loans

The Company has two short term loans with related parties and two short term loans with non-related parties.. The loans are utilised by the Company for short term working capital requirements, and are payable on demand with an interest rate of 3%-5%. The loans were not in default at April 30, 2015.

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 in default as of April 30, 2015 and thus has been classified as a current liability.

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 in default as of April 30, 2015 and thus has been classified as a current liability.

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, 2015.

In Canadian dollars

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 was renegotiated in July 2014, bearing no interest with a monthly principal payment of $24,234 in August 2014 followed by 40 monthly payment of $27,800 starting on February 1, 2015 and one monthy payment of $26,975 at the end of the loan. The loan is secured by all present and after acquired personal property, excepting consumer goods. The loan was not in default at April 30, 2015.

Nova Scotia Government loan 1

Loan established September 14, 2012, bearing 3% interest with monthly interest only payments until September 30, 2013, followed by equal monthly principal payments for five additional years ending August 31, 2018. The loan was renegotiated in July 2014 to be repaid in one monthly payment of $41,000 on September 1, 2015 and 25 monthly payment of $85,000 commencing on October 1, 2015. 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, 2015.

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 BioSciences Inc. sensor technology. The loan was not in default at April 30, 2015.

8. Royalty provision

The Company entered into a promissory note with a significant shareholder on January 10, 2011 in the amount of $260,000, which stipulated that if the debt was not repaid by January 31, 2011, that the Company would be obligated to pay a 15% royalty on all future US sales of the Hepatitis B- Anti-Core test product. During March 2015, the Company entered into a royalty agreement with OnSite. In exchange for $270,000, OnSite received a 10% royalty on all future US sales of the Reveal G4 product for a five year period commencing on the day of the first full payment of at least CAD $100,000 worth of product. Managements's best estimate of the Royalty Provision was determined using certain assumptions including: the likelihood and timing of completion fo the research and development of the product, the likelihood of obtaining regulatory approval, the demand for the product at the time of completion, the price the Company will be able to sell the product for, and the cost of manufacturing the product.

	Provision for royalty
Balance at July 31, 2014	260,000
Reveal G4 royalty agrement	269,954
Balance at April 30, 2015	529,954

In Canadian dollars

9. 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-15	31-Jul-14
	US$	US$
Cash and cash equivalents	38,765	20,840
Trade and other receivables	426,772	462,009
Prepaid expense	6,295	3,450
Accounts payable and accrued liabilities	668,814	584,333
Deferred revenue	2,269	186,807
Short term loans	109,344	-

A one cent change in the U.S. dollar exchange rate would result in approximately a $12,500 (July 31, 2014 – $2,900) 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, 2015, 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.

In Canadian dollars

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

For the nine months ended April 30, 2015

	Total	Less than 1 year	1 to 3 years
	$	$	$
Loans	6,853,458	3,784,420	3,069,038
Accounts payable and accrued liabilities	1,977,480	1,977,480	-
Total debt	**8,830,938**	**5,761,900**	**3,069,038**

For the year ended July 31, 2014

	Total	Less than 1 year	1 to 3 years
	$	$	$
Loans	7,262,218	2,234,870	5,027,348
Accounts payable and accrued liabilities	1,847,946	1,847,946	-
Total debt	**9,110,164**	**4,082,816**	**5,027,348**

The payments noted above do not include interest payments.

10. Related parties

The following transactions were recorded with related parties during the nine months ended April 30, 2015:

- Director fees totalling $11,250 were incurred (July 31, 2014 - $24,367).

The following balances with related parties were outstanding at April 30,2015:

- Accounts payable totalling $9,293 were due to directors (July 31, 2014 – $8,292).
- Accounts payable totalling $107,924 were due to officers (July 31, 2014 - $43,707).
- Two short term loans totalling $231,222 were due to two officers (July 31, 2014 – $125,622).
- Two royalty provisions were owed to OnSite Lab Holding AG of $529,954 (July 31, 2014 – $260,000).

11. 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, 2015, $1,016,062 (nine months ended $1,453,813) of the research costs incurred were recognized in service cost of sales (April 30, 2014 – three months $266,536 and nine months $787,863).

In Canadian dollars

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

	for the three months ended		for the nine months ended	
	30-Apr-15	30-Apr-14	30-Apr-15	30-Apr-14
	$	$	$	$
Research and development (R&D) expenses	1,279,200	444,375	2,388,888	1,253,179
Less: R&D allocated to cost of sales	1,016,062	266,536	1,453,813	787,863
Net research and development expense	**263,138**	**177,839**	**935,075**	**465,316**

12. Expenses by nature

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

	for the three months		for the nine months ended	
	30-Apr-15	30-Apr-14	30-Apr-15	30-Apr-14
	$	$		$
Investment income	10,867	3,659	11,100	14,176
Change in inventory	(109,535)	(86,027)	(319,763)	(142,443)
Employee benefits	(530,899)	(615,840)	(1,644,124)	(1,828,937)
Depreciation	(22,257)	(22,735)	(67,473)	(64,619)
Distribution	(24,973)	(24,674)	(87,430)	(73,759)
Facility	(101,402)	(157,116)	(314,230)	(367,373)
Professional services	(1,026,573)	(330,113)	(1,485,685)	(603,873)
Lab supplies	(27,263)	(57,526)	(113,557)	(202,078)
Other expenses	(231,911)	(403,389)	(812,814)	(1,119,661)
Exchange gains (losses)	56,485	35,986	(103,074)	57,923
Finance costs	(190,007)	(198,833)	(583,311)	(774,201)
	(2,197,469)	**(1,856,608)**	**(5,520,361)**	**(5,104,845)**