Annual consolidated financial statements of

PROMETIC LIFE SCIENCES INC.

For the years ended December 31, 2014 and 2013

INDEPENDENT AUDITORS' REPORT

To the shareholders of ProMetic Life Sciences Inc.

We have audited the accompanying consolidated financial statements of **ProMetic Life Sciences Inc.** (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of operations, comprehensive income (loss), changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **ProMetic Life Sciences Inc.** as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Montreal, Canada
March 31, 2015
[1] CPA auditor, CA public accountancy permit no. A120254

PROMETIC LIFE SCIENCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In thousands of Canadian dollars)

At December 31		**2014**		2013
ASSETS				
Current assets				
Cash (note 7)	**$**	**27,102**	$	17,396
Accounts receivable (note 8)		**11,850**		14,172
Income tax receivable		**901**		-
Inventories (note 9)		**2,586**		2,979
Total cash generating current assets		**42,439**		34,547
Prepaid expenses		**881**		863
Total current assets		**43,320**		35,410
Restricted cash (note 7)		**151**		139
Other investment		**25**		29
Capital assets (note 11)		**13,784**		9,631
Intangible assets (note 12)		**146,163**		4,663
Total assets	**$**	**203,443**	$	49,872
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**9,102**	$	7,877
Income tax payable		**-**		134
Debt provided by shareholders and other debt (note 13)		**-**		3,040
Advance on revenues from a supply agreement (note 14)		**3,191**		3,447
Total cash disbursing current liabilities		**12,293**		14,498
Deferred revenues		**1,041**		984
Warrant liability (note 15)		**24,676**		9,311
Total current liabilities		**38,010**		24,793
Deferred tax liabilities (note 25)		**37,198**		-
Long-term portion of lease inducements		**560**		224
Long-term debt (note 16)		**23,244**		6,217
Total liabilities	**$**	**99,012**	$	31,234
EQUITY				
Share capital (note 17)		**294,870**		263,320
Contributed surplus		**10,923**		6,319
Warrants and future investment rights (note 17)		**19,803**		15,429
Accumulated other comprehensive income		**226**		122
Deficit		**(255,856)**		(264,858)
Equity attributable to owners of the parent		**69,966**		20,332
Non-controlling interests (note 18)		**34,465**		(1,694)
Total equity		**104,431**		18,638
Total liabilities and equity	**$**	**203,443**	$	49,872

Contingencies and commitments (notes 30 and 31)
Subsequent events (note 34)

The accompanying notes are an integral part of the consolidated financial statements.

On behalf of the board Director Director

PROMETIC LIFE SCIENCES INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of Canadian dollars except for per share amounts)

Years ended December 31		**2014**		2013
Revenues (note 20)	**$**	**23,010**	$	$20,644
Expenses (note 21)				
Cost of goods sold (note 9)		**7,015**		6,671
Research and development expenses recharged		**3,053**		5,050
Research and development expenses non-rechargeable		**32,147**		13,728
Administration, selling and marketing expenses		**12,905**		8,332
Gain on foreign exchange		**(102)**		(638)
Gain on recognition of loan receivable (note 8)		**-**		(3,015)
Loss on extinguishment of debt (note 13)		**-**		423
Finance costs (note 21)		**2,760**		1,806
Fair value variation of warrant liability (note 15)		**15,365**		5,485
Loss in an associate (note 10)		**-**		69
Gain on revaluation of equity investment (note 10)		**(34,376)**		-
Purchase gain on business combination (note 6)		**(14,812)**		-
Gain on settlement of litigation (note 24)		**(465)**		-
Net loss before income taxes		**(480)**		(17,267)
Income taxes expense (recovery) (note 25)		**(3,056)**		131
Net profit (loss)	**$**	**2,576**	$	(17,398)
Net profit (loss) attributable to:				
Owners of the parent		**5,939**		(16,489)
Non-controlling interests (note 18)		**(3,363)**		(909)
	$	**2,576**	$	(17,398)
Earnings (loss) per share (note 26)				
Attributable to the owners of the parent				
Basic	**$**	**0.01**	$	(0.03)
Diluted	**$**	**0.01**	$	(0.03)

The accompanying notes are an integral part of the consolidated financial statements.

PROMETIC LIFE SCIENCES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands of Canadian dollars)

Years ended December 31		**2014**		2013
Net profit (loss)	**$**	**2,576**	$	(17,398)
Other comprehensive income (loss)				
Items that may be subsequently reclassified to profit and loss:				
Change in unrealized exchange differences on translation of financial statements of foreign subsidiaries		**104**		(85)
Total comprehensive income (loss)	**$**	**2,680**	$	(17,483)
Total comprehensive income (loss) attributable to:				
Owners of the parent		**6,043**		(16,574)
Non-controlling interests		**(3,363)**		(909)
	$	**2,680**	$	(17,483)

The accompanying notes are an integral part of the consolidated financial statements.

PROMETIC LIFE SCIENCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In thousands of Canadian dollars)

	Equity attributable to owners of the parent							
	Share capital	Contributed surplus	Warrants and future investment rights	Foreign currency translation reserve	Deficit	Total	Non-Controlling interests	Total equity
	$	$	$	$	$	$	$	$
Balance at January 1, 2013	234,563	3,216	15,088	207	(246,470)	6,604	(785)	5,819
Net loss	-	-	-	-	(16,489)	(16,489)	(909)	(17,398)
Foreign currency translation reserve	-	-	-	(85)	-	(85)	-	(85)
Share and warrant issue expenses (note 17)	-	-	-	-	(1,899)	(1,899)	-	(1,899)
Share-based payments (note 17)	-	3,411	-	-	-	3,411	-	3,411
Issuance in relation to debt renegotiation (note 13)	490	-	915	-	-	1,405	-	1,405
Issuance in payments of expenses (note 17)	284	-	-	-	-	284	-	284
Exercise of options (note 17)	1,294	(308)	-	-	-	986	-	986
Exercise of warrants (note 17)	2,702	-	(784)	-	-	1,918	-	1,918
Issuance of shares (note 17)	23,987	-	-	-	-	23,987	-	23,987
Issuance of warrants (note 17)	-	-	210	-	-	210	-	210
Balance at December 31, 2013	**263,320**	**6,319**	**15,429**	**122**	**(264,858)**	**20,332**	**(1,694)**	**18,638**
Net profit (loss)	**-**	**-**	**-**	**-**	**5,939**	**5,939**	**(3,363)**	**2,576**
Foreign currency translation reserve	**-**	**-**	**-**	**104**	**-**	**104**	**-**	**104**
Non-controlling interest arising from a business combination (note 6)	**-**	**-**	**-**	**-**	**-**	**-**	**49,055**	**49,055**
Effect of changes in the ownership of a subsidiary and funding arrangements on non-controlling interest (note 18)	**-**	**-**	**-**	**-**	**5,213**	**5,213**	**(9,533)**	**(4,320)**
Share and warrant issue expenses (note 17)	**-**	**-**	**-**	**-**	**(2,150)**	**(2,150)**	**-**	**(2,150)**
Share-based payments (note 17)	**-**	**5,136**	**-**	**-**	**-**	**5,136**	**-**	**5,136**
Exercise of options (note 17)	**933**	**(314)**	**-**	**-**	**-**	**619**	**-**	**619**
Shares issued pursuant to restricted share unit plan (note 17)	**218**	**(218)**	**-**	**-**	**-**	**-**	**-**	**-**
Exercise of warrants (note 17)	**1,557**	**-**	**(805)**	**-**	**-**	**752**	**-**	**752**
Issuance of shares (note 17)	**28,842**	**-**	**-**	**-**	**-**	**28,842**	**-**	**28,842**
Issuance of warrants (note 17)	**-**	**-**	**5,179**	**-**	**-**	**5,179**	**-**	**5,179**
Balance at December 31, 2014	**294,870**	**10,923**	**19,803**	**226**	**(255,856)**	**69,966**	**34,465**	**104,431**

The accompanying notes are an integral part of the consolidated financial statements.

PROMETIC LIFE SCIENCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of Canadian dollars)

Years ended December 31		2014		2013
Cash flows used in operating activities				
Net profit (loss) for the year	**$**	**2,576**	$	(17,398)
Adjustments to reconcile net profit (loss) to cash flows used in operating activities				
Expenses paid with shares		**-**		6
Net loss in an associate		**-**		69
Finance costs		**2,569**		1,716
Change in lease inducements		**336**		(2)
Carrying value of capital and intangibles assets disposed		**112**		68
Fair value variation of warrant liability		**15,365**		5,485
Gain on revaluation of equity investment (note 10)		**(34,376)**		-
Purchase gain on business combination (note 6)		**(14,812)**		-
Loss on extinguishment of debt (note 13)		**-**		423
Deferred tax liability recovery		**(3,271)**		
Share-based payments (note 17)		**5,136**		3,411
Depreciation of capital assets (note 11)		**1,205**		351
Amortization intangible assets (note 12)		**489**		518
		(24,671)		(5,353)
Change in non-cash working capital items		**(1,283)**		(11,652)
	$	**(25,954)**	$	(17,005)
Cash flows from financing activities				
Proceeds from share issuances (note 17)		**28,842**		33,894
Proceeds from debt and warrant issuances (note 17)		**20,010**		10,010
Exercise of options		**619**		986
Exercise of warrants		**752**		1,918
Debt, share and warrant issue expenses		**(2,243)**		(2,268)
Repayment of a repayable government grant and other debt		**(14)**		(796)
Repayment of debt provided by shareholders (note 13)		**(3,550)**		(900)
Repayment of bank loan and other loan		**-**		(1,636)
Interest paid		**(68)**		(153)
	$	**44,348**	$	41,055
Cash flows used in investing activities				
Additions to capital assets		**(7,964)**		(6,930)
Additions to intangible assets		**(1,059)**		(711)
Interest received		**274**		23
	$	**(8,749)**	$	(7 618)
Net change in cash during the year		**9,645**		16,432
Net effect of currency exchange rate on cash		**61**		(241)
Cash, beginning of year		**17,396**		1,205
Cash, end of the year	**$**	**27,102**	$	17,396

The accompanying notes are an integral part of the consolidated financial statements.

1. Nature of operations

ProMetic Life Sciences Inc. ("ProMetic" or the "Corporation"), incorporated under the Canada Business Corporations Act, is a long-established, publicly traded (TSX symbol: PLI) (OTCQX symbol: PFSCF), biopharmaceutical Corporation with globally recognized expertise in bioseparations, plasma-derived therapeutics and small-molecule drug development. ProMetic is focused on bringing safer, cost-effective and more convenient products to both existing and emerging markets. ProMetic offers its exclusive technology platform for large-scale drug purification of biologics, drug development, proteomics and the elimination of pathogens to a growing base of industry leaders and uses its own affinity technology that provides for efficient extraction and purification of therapeutic proteins from human plasma in order to develop therapeutics and orphan drugs. ProMetic is also active in developing its own novel small molecule therapeutic products targeting unmet medical needs in the field of fibrosis, autoimmune disease/inflammation and cancer.

The Corporation's head office is located at 440, Boul. Armand-Frappier, suite 300, Laval, Québec, Canada, H7V 4B4. ProMetic has Research and development ("R&D") facilities in the UK, the U.S. and Canada, manufacturing facilities in the Isle of Man and Canada and business development activities in the U.S., Europe and Asia.

2. Significant Accounting Policies

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and were authorized for issue by the Board of Directors on March 25, 2015.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for cash, restricted cash and the warrant liability which have been measured at fair value.

c) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is also the parent Corporation's functional currency.

d) Basis of consolidation

The consolidated financial statements include the accounts of ProMetic Life Sciences Inc., and those of its subsidiaries. The Group's material subsidiaries at the end of the year are as follows:

Name of subsidiary	Segment activity	Place of incorporation and operation	Proportion of ownership interest held by the group	
			2014	2013
ProMetic BioSciences Inc.	Therapeutics	Quebec, Canada	**100%**	100%
ProMetic BioProduction Inc.	Protein Technology	Quebec, Canada	**87%**	87%
ProMetic Biosciences (USA), Inc.	Protein Technology	Maryland, U.S.A	**100%**	100%
ProMetic BioSciences Ltd	Protein Technology	United Kingdom	**100%**	100%
ProMetic BioTherapeutics Inc.	Protein Technology	Delaware, U.S.A	**100%**	100%
ProMetic BioTherapeutics Ltd.	Protein Technology	United Kingdom	**100%**	100%
ProMetic Manufacturing Inc.	Protein Technology	Quebec, Canada	**100%**	100%
Pathogen Removal and Diagnostic Technologies Inc. ("PRDT")	Protein Technology	Delaware, U.S.A	**77%**	77%
NantPro BioSciences, LLC	Protein Technology	Delaware, U.S.A	**73%**	30%

The Corporation consolidates investees when, based on the evaluation of the substance of the relationship with the Corporation, it concludes that it controls the investees. The Corporation controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are prepared for the same reporting period as the parent corporation, using consistent accounting policies. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

When a subsidiary is not owned at 100% the Corporation recognizes the non-controlling interests' share of the net assets and results of operations in the subsidiary. When the proportion of the equity held by non-controlling interests' changes without resulting in a change of control, the carrying amount of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary. In these situations, the Corporation recognizes directly in equity the effect of the change in ownership of a subsidiary on the non-controlling interests. Similarly, after picking up its share of the operating losses, the non-controlling interest is adjusted for its share of the equity contribution made by ProMetic that does not modify the interest held by either party. The offset to this adjustment is recorded in the deficit. The effect of these transactions are presented in the statement of changes in equity for the year ended December 31, 2014.

e) Investment in an associate

Investments in associates are accounted for using the equity method. An associate is an entity over which the Corporation has significant influence. Under the equity method, the investment in the associate is carried on the consolidated statement of financial position at cost plus post acquisition changes in the Corporation's share of net assets of the associate.

The consolidated statement of operations reflect the Corporation's share of the results of operations of the associate. When there has been a change recognised directly in the equity of the associate, the Corporation recognises its share of any change. Profits and losses resulting from transactions between the Corporation and the associate are recognized in the Corporation's consolidated financial statements only to the extent of the unrelated investors' interests in the associate.

If the Corporation's share of cumulative losses of an associate equals or exceeds its interest in the associate, the Corporation discontinues recognising its share of further losses. After the interest in an associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the Corporation has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Corporation resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

When the level of influence over an associate changes either following a loss of significant influence over the associate or the obtaining of control over the associate, the Corporation measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate at the time of the change in influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

f) Financial instruments

Financial instruments are initially measured at fair value. They are subsequently measured in accordance to their classification as described below:

Financial assets and financial liabilities at fair value through profit and loss
Cash, restricted cash and the warrant liability are respectively classified as fair value through profit and loss. They are measured at fair value and changes in fair value are recognized in the consolidated statements of operations. Directly related transaction costs are recognized in the consolidated statements of operations.

Loans and receivables
Trade accounts receivable, loan to a Corporation, wholly-owned by an officer of the Corporation, advance to an officer and other receivables are classified as loans and receivables. They are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

Financial liabilities
Accounts payable and accrued liabilities, long-term debt provided by shareholders and other debt, advance on revenues from a supply agreement and long-term debt are classified as other financial liabilities. They are measured at amortized cost using the effective interest method.

Impairment of investments
When, in management's opinion, there has been a significant or prolonged decline in the value of an investment, the investment is written down to recognize the loss. In determining the estimated realizable value of its investment, management relies on its judgment and knowledge of each investment as well as on assumptions about general business and economic conditions that prevail or are expected to prevail.

g) Inventories

Inventories of raw materials, work in progress and finished goods are valued at the lower of cost and net realizable value. Cost is determined on a first in, first out basis.

h) Capital assets

Capital assets are recorded at cost less any government assistance, accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as described below.

Capital asset	Period
Leasehold improvements	The lower of the lease term and the useful life
Equipment and tools	5 - 15 years
Office equipment and furniture	5 - 10 years
Computer equipment	3 - 5 years

The estimated useful lives, residual values and depreciation method are reviewed annually with the effect of any changes in estimates accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of a capital asset is determined as the difference between the sales proceeds and its carrying amount and is recognized in profit or loss.

i) Government assistance

Government assistance programs, including investment tax credits on research and development expenses, are reflected as reductions to the cost of the assets or to the expenses to which they relate and are recognized when there is reasonable assurance that the assistance will be received and all attached conditions are complied with. Where government assistance is received in the form of a repayable working capital grant, it is recorded as a liability.

j) Intangible Assets

Intangible assets include acquired rights as well as licenses for product manufacturing and marketing, external patent costs and software costs. They are carried at cost less accumulated amortization. Amortization is calculated over the estimated useful lives of the intangible assets acquired using the straight-line method over a period not exceeding 30 years for licenses, 20 years for patents and 5 years for software costs and amortization commences when the intangible asset is available for use. The estimated useful lives and amortization method are reviewed annually, with the effect of any changes in estimates being accounted for on a prospective basis. The amortization expense is recognized in the consolidated statements of operations in the expense category consistent with the function of the intangible assets.

Expenditure on research activities is recognized as an expense in the period during which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

To date, the Corporation has not capitalized any development costs.

k) Impairment of tangible and intangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If impairment indicators exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. For intangible assets not yet available for use, an impairment test is performed annually at November 30 until amortization commences, whether or not there are impairment indicators. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit (CGU) which represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets, groups of assets or CGUs to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, the corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognized when the carrying amount of an asset or a CGU exceeds its recoverable amount by the amount of this excess. An impairment loss is recognized immediately in profit or loss in the period during which the loss is incurred. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount; on reversal of an impairment loss, the increased carrying amount does not exceed the carrying

amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns and other similar allowances.

The Corporation earns revenues from research and development services, license and milestone fees and sale of goods, which may include multiple elements. The individual elements of each agreement are divided into separate units of accounting, if certain criteria are met. The applicable revenue recognition method is then applied to each unit. Otherwise, the applicable revenue recognition criteria are applied to combined elements as a single unit of accounting.

Rendering of services

Revenues from research and development services are recognized using the proportional performance method. Under this method, revenues are recognized proportionally with the degree of completion of the services under the contract when it is probable that the economic benefits will flow to the Corporation and revenue and costs associated with the transaction can be measured reliably.

Licensing fees and milestone payments

Certain license fees are comprised of up-front fees and milestone payments. Up-front fees are recognized over the estimated term during which the Corporation maintains substantive obligations. Milestone payments are recognized as revenue when the milestone is achieved, customer acceptance is obtained and the customer is obligated to make performance payments. Certain license arrangements require no continuing involvement by the Corporation. Non-refundable license fees are recognized as revenue when the Corporation has no further involvement or obligation to perform under the arrangement, the fee is fixed or determinable and collection of the amount is reasonably assured.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Amounts received in advance of meeting the revenue recognition criteria are recorded as deferred revenue on the consolidated statements of financial position.

m) Foreign currency translation

The Corporation's consolidated financial statements are presented in Canadian dollars, which is also the Corporation's functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Corporation and its entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated

at the functional currency spot rate of exchange at the reporting date. All differences are taken to the consolidated statements of operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates when the initial transactions took place.

ii) Group companies

The assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and their statements of operations are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive loss. On disposal of a foreign operation, the component of other comprehensive loss relating to that particular foreign operation is recognised in the consolidated statement of operations and comprehensive loss.

n) Income taxes

The Corporation uses the liability method of accounting for income taxes. Deferred income tax assets and liabilities are recognized in the consolidated statement of financial position for the future tax consequences attributable to differences between the consolidated financial statements carrying values of existing assets and liabilities and their respective income tax bases. Deferred income tax assets and liabilities are measured using income tax rates expected to apply when the assets are realized or the liabilities are settled. The effect of a change in income tax rates is recognized in the year during which these rates change. Deferred income tax assets are recognized to the extent that it is probable that future tax profits will allow the deferred tax assets to be recovered.

o) Share-based payments

The Corporation has a stock option plan and a restricted share unit plan. The fair value of stock options granted is determined at the grant date using the Black-Scholes option pricing model, and is expensed over the vesting period of the options. Awards with graded vesting are considered to be multiple awards for fair value measurement. The fair value of restricted stock units is determined using the market value of the Corporation's shares on the grant date. In determining the expense to recognize over the vesting period, the Corporation will, in the case of restricted share units and stock options for which vesting is dependent on meeting performance targets, estimate the outcome of the performance targets and revise those estimates until the final outcome is determined. An estimate of the number of awards that are expected to be forfeited is also made at the time of grant and revised periodically if actual forfeitures differ from those estimates. The Corporation's policy is to issue new shares upon the exercise of stock options and when the shares earned under the restricted share unit plan are issued.

p) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares, which comprise warrants, stock options and restricted share units.

q) Share and warrant issue expenses

The Corporation records share and warrant issue expenses as an increase to the deficit.

r) Statement of financial position presentation

Following the issuance by the Corporation in September 2013 of a warrant liability, that entails no future cash disbursement by the Corporation and is presented as a current liability, the Corporation decided that it is relevant to the understanding of the entity's financial position to present sub-totals within current assets and current liabilities, representing the carrying value of those items that will generate or require future cash flows. Management uses these measures, amongst others, in assessing its short-term liquidity needs.

3. Significant accounting judgments and estimation uncertainty

The preparation of these consolidated financial statements requires the use of judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. The uncertainty that is often inherent in estimates and assumptions could result in material adjustments to assets or liabilities affected in future periods.

Significant judgments

Revenue recognition – The Corporation does at times enter into revenue agreements which provide, among other payments, for upfront payments in exchange for licenses and other access to intellectual property. Management applies its judgment to assess whether these payments were received in exchange for the provision of goods or services which have stand-alone value to the customer.

Determining the level of influence the Corporation has over an investment in an entity – In determining the level of influence the Corporation has over an investment in an entity, resulting either in control or significant influence over the investment, consideration is given to the composition of the entity's board of directors and the manner in which key operating and financing decisions are made. A conclusion that the Corporation controls the investment leads to the consolidation of the assets and liabilities and results of operations of the investment with those of the Corporation, along with the elimination of all inter-company transactions. A conclusion that the Corporation has significant influence over the investment will result in that investment being accounted for as an associate.

Functional currency – The functional currency of foreign subsidiaries is reviewed on an ongoing basis to assess if changes in the underlying transactions, events and conditions have resulted in a change. During the years ended December 31, 2014 and 2013 no changes were deemed necessary. This assessment is also performed for new subsidiaries. When assessing the functional currency of a foreign subsidiary, management's judgment is applied in order to determine amongst others the primary economic environment in which an entity operates, the currency in which funds the activities and the degree of autonomy of the foreign subsidiary from the reporting entity in its operations and financially. Judgment is also applied in determining whether the inter-company loans denominated in foreign currencies form part of the parent Corporation's net investment in the foreign subsidiary. Considering such loans as part of the net investment in the foreign subsidiary results in foreign currency translation gains or losses resulting from the translation of these loans being recorded in other comprehensive loss instead of the statement of operations.

Determining whether assets acquired constitute a business – In determining whether the acquisition of an additional equity interest in NantPro BioSciences, LLC ("NantPro") (see note 6) fell within the scope of IFRS 3, *Business Combination*, management evaluated whether NantPro represented an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower cost or other economic benefits directly to investors or other owners, members or participants. In making this evaluation, management considered whether NantPro had inputs, processes and other elements making it a business. Although businesses usually have outputs, outputs are not required for an integrated set to qualify as a business. The key elements taken into consideration include the fact that NantPro has licences to use ProMetic's technology and intellectual property, to develop and manufacture the intravenous immunoglobulin or IVIG, and the exclusive right to market, sell and distribute the licenced product in the United States. In addition NantPro has manufacturing and service development services contracts under which it has the ability to access qualified resources, production capacity and the ProMetic affinity resins used in the production process, and to follow documented standards and protocols. Furthermore, NantPro also has the non-exclusive right to manufacture or have manufactured by another third party should ProMetic not wish or be able to manufacture all of NantPro's commercial requirements of IVIG.

Although NantPro is a development stage entity, management concluded that it had inputs, processes and other elements making it a business and therefore accounted for the acquisition as a business combination. If management had made a different determination, it would have accounted for the transaction as an asset acquisition and consequently the transaction would have been accounted for differently such as there would not have been a purchase price gain recorded in the consolidated statement of operations and the net asset acquired would have been recorded on a cost basis instead of fair value.

Assets arising from a business combination - The Corporation acquired a business in May 2014 (refer to note 6). The cost of the acquisition must be allocated to the underlying net assets acquired based on their estimated fair values calculated in accordance with the requirements of IFRS 3, *Business Combinations*. As NantPro assets consist mainly of intangible assets in the form of rights and licenses contributed by ProMetic when the partnership was created, the assets acquired generally represent reacquired rights. Management concluded that the contracts giving rise to the reacquired rights were neither favorable nor unfavorable relative to the terms of current market transactions for the same or similar items and consequently no settlement gain or loss was recognized based on their respective estimated fair values.

As part of this allocation process, the Corporation must identify and attribute values and estimated lives to the identifiable assets acquired. These determinations involve significant estimates and assumptions regarding cash flow projections, the risk regarding the protein not being approved for sale, economic risk, weighted average cost of capital rates, expected market penetration, terminal values and manufacturing costs. These estimates and assumptions determine the amount allocated to the identifiable intangible assets and the amortization period for identifiable intangible assets with finite lives. If future events or results differ from these estimates and assumptions, the Corporation could record increased amortization or impairment charges in the future.

Determining the fair value of a business – In order to account for the business combination described in note 6, the Corporation must determine the value of the business acquired which in turn affects the values used in determining the fair value of the equity investment, an investment in an associate (at the acquisition date), the gain on revaluation of the equity investment, the purchase gain recognized on the business combination and the purchase price allocation. In determining the fair value of the business, the same significant estimates and assumptions as those involved in attributing values to the identifiable assets, discussed above are used. If different estimates and assumptions were made, the amounts recorded for intangibles assets, non-controlling interest, the purchase gain on a business combination and the gain on the revaluation of equity might have been significantly different.

Estimates and assumptions

Expense recognition of restricted stock units – The expense recognized in regards to the restricted stock units for which the performance conditions have not been met is based on an estimation of the probability of the successful achievement of a number of performance conditions, as well as the timing of their achievement. The final expense is only determinable when the outcome is known.

Accounting for loan modifications – When the terms of a loan are modified, management must evaluate whether the modification should be accounted for as a derecognition of the carrying value of the pre-modified loan and the recognition of a new loan at the then fair value or as a modification with no accounting impact. When the determination of the fair value of the new loan is required, the Corporation uses discounted cash flow techniques which includes inputs that are not based on observable market data and inputs that are derived from observable market data. When determining the appropriate discount rates to use, the Corporation seeks comparable interest rates where available. If unavailable, it uses those considered appropriate for the risk profile of a corporation in the industry.

Fair value of financial instruments – The individual fair values attributed to the different components of a financing transaction, notably warrants and debts issued concurrently, are determined using valuation techniques. The Corporation uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine 1) the values attributed to each component of a transaction at the time of their issuance, 2) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis and 3) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates also require that management make estimates and applies its judgment in determining certain assumptions. The fair value estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market. The assumptions regarding the warrant liability and the long-term debt issued during the year are disclosed in notes 15 and 16 respectively.

Valuation of deferred income tax assets – To determine the extent to which deferred income tax assets can be recognized, management estimates the amount of probable future taxable profits that will be available against which deductible temporary differences and unused tax losses can be utilized. Management exercises judgment to determine the extent to which realization of future taxable benefits is probable, considering the history of taxable profits, budgets and forecasts and availability of tax strategies.

4. Adoption of new accounting standards

On January 1, 2014, a number of new accounting standards became effective. Information on the new standard that was relevant to the Corporation is presented below:

IFRIC 21, *Levies*
IFRIC 21, *Levies* sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what an obligating event is that gives rise to pay a levy and when should a liability be recognized. This interpretation is effective for annual periods beginning on or after January 1, 2014, and is applied retroactively. The adoption of this interpretation did not have a significant impact on the Corporation's financial statements.

5. New standards and interpretations not yet adopted

Standards and interpretations issued but not yet effective up to the date of the Corporation's consolidated financial statements are listed below. This listing of standards and interpretations issued are those that the Corporation reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Corporation intends to adopt these standards when they become effective.

IFRS 15, *Revenue from contracts with customers*
In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*, a new standard that specifies the steps and timing for issuers to recognize revenue as well as requiring them to provide more informative, relevant disclosures. IFRS 15 supersedes IAS 11, *Construction Contracts*, and IAS 18, *Revenue* and related interpretations. Adoption of IFRS 15 is mandatory and will be effective for the Corporation's fiscal years beginning on January 1, 2017, with earlier adoption permitted. The Corporation is currently assessing the impact of adopting this standard on its consolidated financial statements.

IFRS 9, *Financial Instruments – Recognition and Measurement*
In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments* with a mandatory effective date of January 1, 2018. The new standard brings together the classification and measurements, impairment and hedge accounting phases of the IASB's project to replace IAS 39*, Financial Instruments: Recognition and Measurement*. In addition to the new requirements for classification and measurement of financial assets, a new general hedge accounting model and other amendments issued in previous versions of IFRS 9, the standard also introduces new impairment requirements that are based on a forward-looking expected credit loss model. Management anticipates that the standard will be adopted in the consolidated financial statements for the annual period beginning January 1, 2018. The extent of the impact of the adoption of IFRS 9 has not yet been determined.

6. Business combination

On May 8, 2014 ("date of acquisition"), the Corporation and NantPharma, LLC ("NantPharma") amended the terms of their partnership in NantPro BioSciences, LLC ("NantPro"). Prior to the transaction, the Corporation's equity position in NantPro was 24.38% (NantPharma's equity position in NantPro was 75.62%), following the payment by NantPharma of an outstanding capital contribution amounting to $857 (US$801,367) which was converted into units of NantPro at a rate of US$131,579 per 1% of ownership, as defined in the original terms of the partnership agreement for NantPro and equated to 6.09% of additional ownership for NantPharma. In accordance with the terms of the transaction, $6,607 (US$6,085,998) of accounts receivable due from NantPro to ProMetic, which normally would have been paid by NantPro with the NantPharma funding, was invested by ProMetic in order to obtain an additional 40.83% of equity units in NantPro. After consideration of the above investments by the partners, ProMetic owned 65.21% and NantPharma owned 34.79% of the equity units respectively on May 8, 2014. From the date of acquisition onwards, NantPro is entirely funded by ProMetic and as a result, ProMetic continued to acquire equity units in NantPro until it reached the maximum of 73% allowed in accordance with the agreement while NantPharma's ownership has been reduced to 27%. At December 31, 2014, the Corporation held 73% of the equity units of the partnership.

This issuance of units combined with the amendments to the terms of the partnership, including providing ProMetic with three out of five board seats, resulted in ProMetic obtaining control over NantPro, and NantPro being considered a subsidiary from the date of acquisition. ProMetic's former investment in an associate is deemed to have been disposed of for accounting purposes (refer to note 10 for the accounting impact of the revaluation of the equity investment). From May 8, 2014 onwards, the Corporation is consolidating the assets and liabilities of NantPro and its results of operations for the period subsequent to the change in control.

This transaction qualifies as a business combination and was accounted for using the acquisition method of accounting. To account for the transaction, the Corporation has performed a business valuation of NantPro at the date of acquisition and a purchase price allocation. These fair value assessments require management to make significant estimates and assumptions as well as applying judgment in selecting the appropriate valuation techniques.

The Corporation recognised all of the identifiable net assets of the partnership at their acquisition date fair values and the resulting deferred income tax liabilities, non-controlling interest in NantPro and purchase gain on a business combination as follows:

Settlement of receivables for additional equity units	$	6,607
Acquisition date fair value of the previously held equity (note 10)		34,376
Total consideration		40,983
Net identifiable assets acquired:		
Intangible assets		141,000
Deferred tax liability		(36,150)
		104,850
Non-controlling interest		(49,055)
Net assets		55,795
Purchase gain on business combination	$	(14,812)

The Corporation elected to measure the non-controlling interest in NantPro using the proportionate share of its interest in NantPro's identifiable net assets as per applicable IFRS guidelines.

The parties to this transaction applied the terms of the partnership agreement which established the amount of funding required to acquire 1% of the partnership prior to the clinical trials phase. The additional units were only earned when the cash injection was made. Under the service agreement, ProMetic is performing the requested development work and subsequently invoicing these services to NantPro. Upon acknowledgment of the invoice, NantPharma was to fund NantPro and at the same time earn the additional equity units in NantPro. In June 2013, NantPharma advised ProMetic of its interest to renegotiate the agreement, to potentially reduce or stop its funding of future development work. While discussions where ongoing, ProMetic continued to provide services to NantPro pursuant to the service agreement.

The parties finalized the negotiations in May 2014 with the result that $6,607 (US$6,085,998) of accounts receivable due from NantPro was invested by ProMetic in order to obtain an additional 40.83% of equity units in NantPro. The parties agreed that the terms of the original funding agreement should apply to ProMetic's funding since June 2013. As a result of the ongoing development work, the value of the business increased over time and the values attributed to the funding requirements to acquire 1% of the partnership for either pre-clinical or development phases is no longer representative of the value of 1% of the business. This has resulted in the recognition of a purchase gain in the consolidated statement of operations in regards to the additional 40.83% of equity acquired in NantPro.

The Corporation will be recognising NantPharma's (the "non-controlling interest") share in the net assets and results of NantPro. Service revenues and research and development rechargeable expenses that other subsidiaries of ProMetic invoice to NantPro subsequent to May 8, 2014 will be eliminated upon consolidation. Certain materials, previously presented as inventories in the consolidated statement of financial position, will no longer generate product sales or service revenues on a consolidated basis and therefore no longer qualify to be presented as inventories. These inventories held as of the date of the transaction have been expensed in the consolidated statement of operation as research and development expenses non-rechargeable while future purchase of these materials will be expensed as those materials are received, regardless of whether they have been consumed.

7. Cash and restricted cash

Cash consists of cash balances with banks. Restricted cash is composed of a guaranteed investment certificate, bearing interest at 0.35% per annum (one guaranteed investment certificate at December 31, 2013, bearing interest at 0.35%), pledged as collateral for a letter of credit to a landlord in the amount of $130 as at December 31, 2014 and 2013 which automatically renews until the end of the lease.

8. Accounts receivable

		2014		2013
Trade receivables	**$**	**8,448**	$	8,519
Loan to a Corporation, wholly-owned by an officer of the Corporation		**-**		3,015
Tax credits and government grants receivable		**2,654**		1,422
Sales taxes receivable		**563**		1,041
Advance to an officer		**80**		82
Interest receivable from loan to an officer		**34**		**-**
Other receivables		**71**		93
	$	**11,850**	$	14,172

Loan to a Corporation, wholly-owned by an officer of the Corporation

During the fourth quarter of 2013, the Corporation recognized in the consolidated statement of financial position the loan to a corporation wholly-owned by an officer of the Corporation. The loan payments, made between 2008 and 2010 in relation to a loan guarantee provided by the Corporation, had originally been expensed as "Charges related to a guarantee" since the collectability of the loan was not reasonably assured at the time. The principal of the loan in the amount of USD 2,011,000, bore interest at 10% per annum and was secured by a pledge in favor of the Corporation by Invhealth Capital Inc. (a wholly-owned subsidiary of a senior officer of the Corporation) of all of its shares in Invhealth Holding Inc. and by a pledge in favor of the Corporation by the senior officer of the Corporation of all of his shares of Invhealth Capital Inc. As a result of these pledges, the loan was ultimately secured by 9,500,000 shares of the Corporation. The loan was originally due for repayment no later than March 31, 2013 but the loan agreement was amended during 2013 and the reimbursement period was extended to March 31, 2016. Furthermore, should certain stock price thresholds be reached, the Corporation may have required the borrower to pay the outstanding balance of the loan.

The loan principal as well as the accumulated interest earned as of December 31, 2013, for an aggregate amount of $3,015, was recognized since the collectability of the loan was reasonably assured as a result of the increase in value of the assets guaranteeing the loan and an equivalent gain on recognition of loan receivable has been recorded in the consolidated statement of operations. In March 2014, the full amount of the loan was repaid to the Corporation.

9. Inventories

		2014		2013
Raw materials	**$**	**1,129**	$	1,971
Work in progress and finished goods		**1,457**		1,008
	$	**2,586**	$	2,979

As a result of the NantPro BioSciences, LLC ("NantPro") business combination and the consolidation of NantPro as a subsidiary, inventories held by certain subsidiaries to perform rechargeable research and development services to NantPro when it was an associate no longer qualify to be presented as inventories as of May 8, 2014, the date NantPro is included in the consolidation perimeter. This is because on a consolidated basis, intercompany revenues are eliminated and as such, the materials will not generate product sales nor rechargeable research and development revenues in the foreseeable future.

During the year ended December 31, 2014, total inventories in the amount of $6,341 ($6,518 for the year ended December 31, 2013) were recognized as cost of goods sold.

10. Investment in an associate

On May 8, 2014, the Corporation and the other partner in the NantPro partnership, NantPharma, amended the partnership agreement and the Corporation increased its investment in NantPro (note 6). As a result of the amendment, the Corporation obtained control over NantPro, and as of the acquisition date, its investment in NantPro represents an investment in a subsidiary. Further details regarding this transaction are provided in note 6. For accounting purposes, the investment in the associate, 24.38% of NantPro's equity units at the transaction date, is deemed to have been disposed of on the date of change of control and is revalued at fair value. Consequently, the Corporation has recognized a gain on revaluation of the equity investment of $34.4 million representing the difference between the fair value and the carrying amount ($Nil) of ProMetic's equity interest in NantPro just before the transaction.

Up to May 8, 2014, the investment in NantPro was still accounted for as an investment in an associate and consequently the Corporation recognized revenues from the rendering of services to NantPro of $3,665 for the year ended December 31, 2014 ($6,978 for the year ended December 31, 2013). No revenues have been recorded since May 8, 2014.

The Corporation's share of the associate's losses and the net loss in the associate up to May 8, 2014 with the comparative figures, are as follows:

		2014		2013
Loss and comprehensive loss of an associate	**$**	**(3,811)**	$	(6,134)
The Corporation's share of the loss and comprehensive loss of the associate		**(1,161)**		(2,574)
Dilution gain		**195**		1,305
Net loss in an associate	**$**	**(966)**	$	(1,269)
Unrecorded portion of losses		**966**		1,200
Net loss in an associate recognized in consolidated financial statements	**$**	-	$	(69)

The accumulated balance of unrecorded losses at May 8, 2014 was $2,374 ($1,482 at December 31, 2013).

11. Capital assets

	Leasehold improvements	Production and laboratory equipment	Office equipment and furniture	Computer equipment	Total
	$	$	$	$	$
Cost					
Balance at January 1, 2013	2,441	3,734	576	382	7,133
Additions	3,795	4,493	189	304	8,781
Disposals	(480)	(431)	(70)	(94)	(1,075)
Effect of foreign exchange differences	190	155	22	13	380
Balance at December 31, 2013	**5,946**	**7,951**	**717**	**605**	**15,219**
Additions [1)]	1,784	3,279	109	181	5,353
Disposals	-	(78)	(242)	(77)	(397)
Effect of foreign exchange differences	48	44	5	5	102
Balance at December 31, 2014	**7,778**	**11,196**	**589**	**714**	**20,277**
Accumulated depreciation					
Balance at January 1, 2013	2,256	2,928	509	322	6,015
Depreciation expense	72	192	35	42	341
Disposals	(480)	(409)	(70)	(92)	(1,051)
Effect of foreign exchange differences	138	120	18	7	283
Balance at December 31, 2013	**1,986**	**2,831**	**492**	**279**	**5,588**
Depreciation expense	349	697	64	95	1,205
Disposals	-	(67)	(242)	(75)	(384)
Effect of foreign exchange differences	43	35	3	3	84
Balance at December 31, 2014	**2,378**	**3,496**	**317**	**302**	**6,493**
Carrying amounts					
At December 31, 2014	**5,400**	**7,700**	**272**	**412**	**13,784**
At December 31, 2013	3,960	5,120	225	326	9,631

[1)] As at December 31, 2014, included in additions to Production and laboratory equipment is $631 ($Nil for the year ended December 31, 2013) of production equipment under construction net of government grants. The depreciation of these assets has not commenced since they are not considered to be available for use.

Certain investments in equipment are eligible for reimbursable investment tax credits or government grants (refer to note 23). The tax credits and the government grants receivable are recorded in the same period as the eligible additions and are credited against the capital asset addition. During the year ended December 31, 2014, the Corporation recognized $148 ($380 during the year ended 2013) in investment tax credits related to equipment purchases and $529 ($83 during the year ended 2013) in government grants.

12. Intangible Assets

	Licenses	Patents	Software	Total
Cost	$	$	$	$
Balance at January 1, 2013	3,850	4,123	295	8,268
Additions	-	745	77	822
Disposals	-	(51)	(93)	(144)
Effect of foreign exchange differences	40	187	5	232
Balance at December 31, 2013	**3,890**	**5,004**	**284**	**9,178**
Additions	-	678	381	1,059
Acquired in a business combination [1)]	141,000	-	-	141,000
Disposals	-	(178)	-	(178)
Effect of foreign exchange differences	11	59	1	71
Balance at December 31, 2014	**144,901**	**5,563**	**666**	**151,130**
Accumulated amortization				
Balance at January 1, 2013	2,698	1,023	285	4,006
Amortization expense	231	287	10	528
Disposals	-	(7)	(93)	(100)
Effect of foreign exchange differences	20	54	7	81
Balance at December 31, 2013	**2,949**	**1,357**	**209**	**4,515**
Amortization expense	81	367	41	489
Disposals	-	(79)	-	(79)
Effect of foreign exchange differences	26	16	-	42
Balance at December 31, 2014	**3,056**	**1,661**	**250**	**4,967**
Carrying amounts				
At December 31, 2014	**141,845**	**3,902**	**416**	**146,163**
At December 31, 2013	941	3,647	75	4,663

[1)] On May 8, 2014, the Corporation completed a business combination in which intangible assets, valued at $141 million, were acquired (note 6). These intangible assets have an estimated useful life of 30 years. The amortization of these intangibles has not commenced since they are not considered to be available for use. At November 30, 2014, the Corporation performed an impairment test on the intangible assets not available for use and concluded that no impairment was required.

13. Debt provided by shareholders and other debt

The balance of the debt provided by shareholders and other debt comprises of the following:

	2014	2013
Loans having the following principal balances as of December 31		
In the amount of $800	**$ -**	$ 682
In the amount of $375	**-**	320
In the amount of $375	**-**	320
In the amount of $2,000	**-**	1,705
Other debt	**-**	13
	$ -	$ 3,040

Loan in the amount of $800 at December 31, 2013, secured by hypothecs granted by the Corporation and a subsidiary on the universality of their movable property (*).

On February 20, 2013, the Corporation and the lender renegotiated the payment terms to extend the maturity date from July 1, 2013 to July 1, 2014 and the Corporation agreed to issue to the lender 260,869 fully paid common shares and 188,679 warrants with an exercise price of $0.53 per share, exercisable for a period of two years. As per the agreement, no cash interest was charged to the Corporation for this extension. The loan bears no stated interest (the effective interest rate, taking into account the shares and warrants issued as consideration for the renegotiation, is 37.50%).The renegotiation was accounted for as a debt extinguishment for accounting purposes in February 2013 and resulted in a loss on modification of debt of $105. The new loan was remeasured at its fair value on the date of the modification with an effective interest rate of 37.5%. The fair value of $649 of the loan was estimated using discounted future cash flows and the residual value between the principal amount of the loan and the fair value was allocated to the warrants and shares in the amounts of $229 and $123, respectively. In September 2013, the Corporation reimbursed $200 of the loan, reducing the principal balance to $800. The carrying value of the loan as at December 31, 2013 was $682. A payment of $800 was made in August 2014 in settlement of the loan.

Loan of $375 at December 31, 2013, secured by hypothecs granted by the Corporation and a subsidiary on the universality of their movable property (*).

On February 20, 2013, the Corporation and the lender renegotiated the payment terms to extend the maturity date from July 1, 2013 to July 1, 2014 and the Corporation agreed to issue to the lender 130,434 fully paid common shares and 94,340 warrants with an exercise price of $0.53 per share, exercisable for a period of two years. As per the agreement, no cash interest was charged to the Corporation for this extension. The loan bears no stated interest (the effective interest rate, taking into account the shares and warrants issued as consideration for the renegotiation, is 37.50%). The renegotiation was also accounted for as a debt extinguishment in 2013. Consequently, the loan was derecognized and a new loan recognized at fair value, resulting in a loss on extinguishment of debt of $53. The new loan was remeasured at its fair value on the date of the modification with an effective interest rate of 37.5%.The fair value of $324 was estimated using discounted future cash flows, and the difference between the fair value and the principal amount was allocated to the warrants and shares in the amounts of $115 and $61, respectively. In October 2013, the Corporation repaid $125 of the loan, reducing the principal balance to $375. The carrying value of the loan as at December 31, 2013 was $320. In March 2014 and in August 2014 the Corporation paid $50 and $325 respectively in settlement of the loan.

Loan of $375 at December 31, 2013, secured by hypothecs granted by the Corporation and a subsidiary on the universality of their movable property (*).

On February 20, 2013, the Corporation and the lender renegotiated the payment terms to extend the maturity date from July 1, 2013 to July 1, 2014 and the Corporation agreed to issue to the lender 130,435 fully paid common shares and 94,339 warrants with an exercise price of $0.53 per share, exercisable for a period of two years. As per the new agreement, no cash interest was charged to the Corporation for this extension. The loan bears no stated interest (the effective interest rate, taking into account the shares and warrants issued as consideration for the renegotiation, is 37.50%). The renegotiation was also accounted for as a debt extinguishment in 2013. Consequently, the loan was derecognized and a new loan recognized at fair value, resulting in a loss on extinguishment of debt of $53. The new loan was remeasured at its fair value on the date of the modification with an effective interest rate of 37.5%.The fair value of $324 was estimated using discounted future cash flows, and the difference between the fair value and the principal amount was allocated to the warrants and shares in the amounts of $115 and $61, respectively. In October 2013, the Corporation repaid $125 of the loan, reducing the principal balance to $375. The carrying value of the loan as at December 31, 2013 was $320. In March 2014 and in August 2014 the Corporation paid $50 and $325 respectively in settlement of the loan.

Loans of $2,000 at December 31, 2013, secured by hypothecs granted by the Corporation and a subsidiary on the universality of their movable property (*).

On February 20, 2013, the Corporation and the lender renegotiated the payment terms to extend the maturity date from July 1, 2013 to July 1, 2014 and the Corporation agreed to issue to the lender 521,738 fully paid common shares and 377,357 warrants with an exercise price of $0.53 per share, exercisable for a period of two years. As per the new agreement, no cash

interest was charged to the Corporation for this extension. The loan bears no stated interest (the effective interest rate, taking into account the shares and warrants issued as consideration for the renegotiation, is 37.50%). The renegotiation was also accounted for as a debt extinguishment in 2013. Consequently, the loans were derecognized and new loans were recognized at fair value, resulting in a loss on extinguishment of debt of $212. The new loan was remeasured at its fair value on the date of the modification with an effective interest rate of 37.5%.The fair values of $1,298 were estimated using discounted future cash flows, and the difference between the fair values and the principal amounts was allocated to the warrants and shares in the amounts of $457 and $245, respectively. The carrying value of the loan as at December 31, 2013 was $1,705. A payment of $2,000 was made in August 2014 in settlement of the loan.

(*) During 2013, the securities given under the above loans were modified from a first ranking hypothec on all moveable property to second ranking hypothecs on all moveable property, excluding intellectual property.

As a result of the above loans being recorded at amounts which differs from the principal amounts of the loans, an interest accretion expense was recognized over the duration of the loans in order that the carrying value of the loans at maturity equals the principal amounts due.

14. Advance on revenues from a supply agreement

In 2009, the Corporation entered into a loan agreement with a customer whereby it received an advance on revenues relating to a supply agreement between the parties amounting to $3,400 (GBP 2,000,000). The advance bears interest at a rate of 5% per annum. The advance was being repaid as products were supplied and revenues received under the supply agreement, until both parties agreed to a moratorium on repayments. In May 2014, the Corporation and the customer amended the loan agreement, extending the maturity date from September 2014 to April 1, 2015. Since then, the two parties have agreed to lift the moratorium on repayments and the Corporation has resumed making payments. On March 27, 2015, the loan agreement was amended further extending the maturity date to April 30, 2018 (note 34 subsequent events).

15. Warrant liability

The warrants issued in a financing transaction in September 2013 (note 16), namely the “Second Warrants”, give the holder the right to acquire common shares, the number of which is based on a formula, in exchange for $15,653 paid either in cash or in consideration of the lender’s cancellation of the Original Discount Issue (“OID”) loan maturing on September 10, 2018. The maximum number of shares that can be issued under the warrants is 20,276,595 and consequently the effective exercise price cannot fall below $0.77 per share. The Second Warrants expire on September 10, 2021, however the maturity period is shortened upon occurrence of a Market Capitalization Event whereby the market capitalization of the Corporation is greater than $1.5 billion for 60 consecutive days. If such an event was to occur before September 10, 2018, the Second Warrants would expire on September 10, 2018. If a Market Capitalization Event occurred after September 10, 2018, the warrants would expire within 90 days after the said event.

The Second warrants are presented in the consolidated statement of financial position as a derivative financial liability which is required to be carried at fair value at each reporting date; the variations in fair value are recorded in the consolidated statement of operations in the period they occur. There is no future cash-payment associated with the recognized liability. However, if the warrants were to be exercised, the holder would have to pay the exercise price to the Corporation.

The fair value of the Second Warrants may change significantly from period to period mainly due to the underlying change in the Corporation’s share price. If the conversion option is not exercised prior to maturity, the Second Warrants’ fair value will be zero when it expires. The fair value of these warrants is determined using in combination; i) a Monte Carlo simulation in order to take into consideration the Market Capitalization Event barrier and ii) a binomial model to compute the warrant valuation for each path obtained in the Monte Carlo simulation and arrive to an overall fair value for the warrants. This measurement is considered a Level III fair value measurement. Assessment of the significance of a particular input of the fair value measurement requires judgement and may affect the placement within the fair value hierarchy level.

The fair value of the Second Warrants is estimated at $24,676 at December 31, 2014 ($9,311 at December 31, 2013) resulting in a loss of $15,365 for the year recorded in the consolidated statement of operations ($5,485 loss during the year ended December 31, 2013).

The following assumptions were used in determining the fair value of the warrants on December 31, 2014 and 2013:

	2014	2013
Volatility	**63%**	62%
Marketability discount	**35%**	35%
Risk-free interest rate range	**1.64% - 1.96%**	2.29% - 2.90%
Potential life range in years	**3.69 - 6.69**	4.69 - 7.69
Expected dividend rate	**-**	-

The effect of a change in the marketability discount and the volatility assumptions, which are the significant unobservable inputs used in the fair value estimate, by 10% at December 31, 2014 would have the following effect on the consolidated financial statements:

	Increase (decrease) in fair value of the warrant liability resulting from	
Assumption changed	a 10% increase	a 10% decrease
Volatility	$ 534	$ (548)
Marketability discount	(520)	534

Concurrently with the July 31, 2014 debt modification described in note 16, the Corporation and the Second Warrant holder agreed to modify the terms of the Second Warrants. The objective of the modification is to replace the formula that is being used to determine the number of shares that would be issued upon exercise of the warrants with a fixed number of shares, since this formula, although it is allowing a potentially small variation in quantity, is causing the Second Warrants to be treated as a derivative liability. As a result of this treatment and the significant increase in the Corporation's share price since their issuance, a significant liability and significant losses have been recognized in the consolidated financial statements. Pursuant to the modification, the number of shares to be issued upon exercise would be fixed to 20,276,595 for an exercise price of $15,653. The expiry date of the Second Warrants would remain unchanged at September 10, 2021 and the potential trigger to shorten the expiry date, the Market Capitalization Event, would be removed.

In accordance with the TSX rules, the modification must be approved by the Shareholders' of the Corporation before they become effective. In accordance with the terms of the agreement, these amendments must be approved no later than July 1, 2015 otherwise they will become null. Consequently, the Second Warrants will continue to be accounted for as a derivative liability until the amendments are approved. If and when these amendments become effective, the Second Warrants would cease to be a derivative liability and would become an equity instrument. The warrants would be recorded in equity at the fair value of the modified Second Warrants at the effective date.

16. Long-term debt

The carrying value of the long-term debt at December 31, 2014 and 2013 consists of the following:

		2014		2013
OID loan having a face value of $15,653 maturing on September 10, 2018 with an effective interest rate of 21.8%	**$**	**7,558**	$	6,217
OID loan having a face value of $31,306 maturing on July 31, 2019 with an effective interest rate of 16.3%		**15,686**		-
	$	**23,244**	$	6,217

On July 31, 2014, the Corporation issued an Original Issue Discount loan and warrants (the "Third Warrants") for total proceeds of $20,010. The total proceeds were allocated to the debt based on its fair value at the issue date and the residual amount was attributed to the warrants that are classified as equity. Further details concerning the warrants are provided in note 17. Under

the terms of the loan, the Corporation will repay the face value of the OID loan, in the amount of $31,306 at maturity on July 31, 2019. The loan is secured by all the assets of the Corporation excluding patents and requires that certain covenants be respected including maintaining an adjusted working capital ratio. The OID loan was recorded at its fair value at the transaction date less the associated transaction costs of $117 for a net amount of $14,713. The fair value of the loan was determined using a discounted cash flow model for the debt instrument with a market interest rate of 16.11%.

Concurrently, with the above transaction, the Corporation modified certain of the terms pertaining to the loan issued in September 2013. This loan has been modified from a loan with a principal of $10,000 bearing interest at a rate of 9% per annum, compounding monthly, to be paid on maturity of the loan together with the principal on September 10, 2018, to an OID loan having a face value of $15,653 maturing on the same date. These amendments were accounted for as a debt modification with no accounting impact to recognize on the date of the revised agreement. As well, the Corporation and the holder of the OID loans who in addition holds the Second Warrants also agreed to modify the terms of the Second Warrants. Further details regarding the proposed modifications are provided in note 15 – Warrant liability.

The loans are secured by all the assets of the Corporation, excluding patents. At December 31, 2014, the Corporation was in compliance with covenants for both loans.

17. Share capital and other equity instruments

a) Share capital

Authorized and without par value:
Unlimited number of common shares, participating, carrying one vote per share, entitled to dividends.
Unlimited number of preferred shares, no par value, issuable in one or more series.

	2014			2013		
	Number		**Amount**	Number		Amount
Issued and fully paid common shares	**547,627,835**	**$**	**295,320**	523,168,666	$	263,770
Share purchase loan to an officer [1)]	**-**		**(450)**	-		(450)
Balance - end of year	**547,627,835**	**$**	**294,870**	523,168,666	$	263,320

[1)] The share purchase loan to an officer in the amount of $450, bears interest at prime plus 1%, and matures on March 31, 2016. However, if ProMetic's shares trade for a price per share equal or higher than $2.00 for 10 consecutive days, the Corporation may request a repayment of the loan.

Changes in the issued and outstanding common shares during the years ended December 31, 2014 and 2013 were as follows:

	2014			2013		
Issued and fully paid shares	**Number**		**Amount**	Number		Amount
Balance - beginning of year	**523,168,666**	**$**	**263,320**	432,531,873	$	224,742
Issued for cash	**15,180,000**		**28,842**	74,798,453		33,808
Issued in relation to debt renegotiation	**-**		**-**	1,043,476		490
Reimbursement of loans from a director	**-**		**-**	539,383		194
Exercise of warrants	**4,652,587**		**1,557**	10,900,833		2,702
Exercise of options	**3,380,332**		**933**	3,118,138		1,294
Shares issued under restricted share units plan	**1,246,250**		**218**	-		-
Payment of expenses	**-**		**-**	236,510		90
Balance - end of year	**547,627,835**	**$**	**294,870**	523,168,666	$	263,320

2014

During the year ended December 31, 2014, the Corporation issued 15,180,000 common shares following an offering by way of a prospectus for gross proceeds of $28,842. The related issuance costs in the amount of $2,039 were recorded against the deficit.

2013

During the year ended December 31, 2013, the Corporation issued 48,147,053 common shares pursuant to a share subscription for a private placement agreement with a strategic investor entered into on October 15, 2012, for net proceeds of $9,907 and 26,651,400 common shares following an offering by way of a prospectus, for gross proceeds of $23,986 ($22,115 net of share issuance cost of $1,871). Also, 1,043,476 common shares for a total of $490 were issued following the renegotiation with the lenders to extend the maturity dates of the loans as described in note 13.
The Corporation also issued 539,383 shares for the reimbursement of principal and interest related to loans from a director for a total $194 and a total of 236,510 shares in payment of $90 of other expenses.

b) Warrants and future investment rights ("rights")

The warrants and future investment rights issued by the Corporation provide essentially the same rights to the holders. The following table summarizes the changes in the number of warrants and rights outstanding during the years ended December 31, 2014 and 2013:

	2014		2013	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Balance - beginning of year	**53,341,645**	**$ 0.43**	62,487,763	$ 0.38
Issued for cash	**16,723,807**	**1.87**	1,000,000	0.52
Issued in relation to debt renegotiation	**-**	**-**	754,715	0.53
Exercised	**(4,652,587)**	**0.16**	(10,900,833)	0.19
Balance - end of year	**65,412,865**	**$ 0.82**	53,341,645	$ 0.43

2014

On July 31, 2014, the Corporation issued an original issue discount loan and warrants for an aggregate cash consideration of $20,010. Details regarding the loan issued are provided in note 16. As part of this financing transaction, the Corporation issued 16,723,807 Third Warrants, each giving the holder the right to acquire one common share at an exercise price of $1.87 paid either in cash or in consideration of the lender's cancellation of an equivalent amount of the face value of the OID loan maturing on July 31, 2019 (see note 16). The warrants expire on July 31, 2022. The value of the proceeds attributed to the Third Warrants was $5,179. The issuance costs related to the warrants, in the amount of $96, has been recorded against the deficit. During the year ended December 31, 2014, 4,652,587 warrants were exercised resulting in cash proceeds of $752 and a transfer from warrants to share capital of $805.

2013

During the year ended December 31, 2013, 754,715 warrants with an estimated value of $915 were issued in relation to the renegotiation of the loans and 10,900,833 warrants were exercised resulting in cash proceeds of $1,918 and a transfer from contributed surplus to share capital of $784.

On September 10, 2013, the Corporation issued a secured loan and warrants for a cash consideration of $10,010 (refer to note 16 for details of the financing transaction and the modification to the debt during 2014). The Corporation issued 1,000,000 First Warrants, each one giving the right to the holder to acquire one common share at an exercise price of $0.52. The warrants expire on September 10, 2021. The value attributed to the warrants was $210. The Corporation also issued Second Warrants which are described in note 15 and are presented as a current liability.

As at December 31, 2014, the following warrants and rights, classified as equity, to acquire shares were outstanding:

Number	Expiry date	Exercise price
2,142,855	February 2015	$ 0.14
754,715	February 2015	0.53
44,791,488	February 2017	0.47
1,000,000	September 2021	0.52
16,723,807	July 2022	1.87
65,412,865		$ 0.82

c) Share-based payments

Stock options

The Corporation has established a stock option plan for its directors, officers and employees and service providers. The plan provides that the aggregate number of shares reserved for issuance at any time under the plan may not exceed 24,336,349 common shares and the maximum number of common shares, which may be reserved for issuance to any individual, may not exceed 5% of the outstanding common shares. The new options issued under the plan may be exercised over a period not exceeding five years from the date they were granted. The vesting period of the options varies from immediate vesting to vesting over a period not exceeding 5 years. In some circumstances, the vesting of options is conditional to attaining performance conditions. The vesting conditions are established by the Board of Directors on the grant date. The exercise price is based on the weighted average share price for the five business days prior to the grant.

Changes in the number of stock options outstanding during the years ended December 31, 2014 and 2013 were as follows:

	2014		2013	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Balance - beginning of year	**12,744,400**	**$ 0.22**	12,274,538	$ 0.19
Granted	**2,742,281**	**1.20**	4,095,250	0.38
Forfeited	**(104,500)**	**1.08**	(507,250)	0.25
Exercised	**(3,380,332)**	**0.18**	(3,118,138)	0.32
Expired	**(51,050)**	**0.17**	-	-
Balance - end of year	**11,950,799**	**$ 0.45**	12,744,400	$ 0.22

During the year ended December 31, 2014, 3,380,332 options were exercised resulting in cash proceeds of $619 and a transfer from contributed surplus to share capital of $314. During the year ended December 31, 2013, 3,118,138 options were exercised resulting in cash proceeds of $986 and a transfer from contributed surplus to share capital of $308. The weighted average share price on the date of exercise of the options during the year ended December 31, 2014 was $1.44 ($0.58 for the year ended December 31, 2013).

At December 31, 2014, options issued and outstanding by range of exercise price are as follows:

Range of exercise price	**Number outstanding**	**Weighted average remaining contractual life (in years)**	**Weighted average exercise price**	**Number exercisable**	**Weighted average exercise price**
$0.12 - $0.40	9,168,974	2.5	$ 0.22	6,703,855	$ 0.21
$0.88 - $1.59	2,605,769	4.4	1.12	479,348	1.12
$2.10	176,056	4.9	2.10	25,278	2.10
	11,950,799	2.9	$ 0.45	7,208,481	$ 0.28

The Corporation uses the Black-Scholes option pricing model to calculate the fair value of options at the date of grant. The weighted average inputs into the model and the resulting grant date fair values were as follows:

	2014	2013
Expected dividend rate	-	-
Expected volatility of share price	74.35%	88.55%
Risk-free interest rate	1.49%	1.31%
Expected life in years	4.7	5.0
Weighted average grant date fair value	$ 0.76	$ 0.26

The expected volatility was mainly based on historical volatility of the common shares while the expected life was based on the historical holding patterns. The fair value of the grants is expensed over the vesting period on the assumption that between 2.8% to 5.0% (5.6% in 2013) of the unvested options will be forfeited annually over the service period as employees leave the Corporation.

A share-based payment compensation expense of $1,314 was recorded for the options for the year ended December 31, 2014 ($607 for the year ended December 31, 2013).

Restricted share units ("RSU")

The Corporation has established an equity-settled restricted share units ("RSUs") plan for executive officers of the Corporation, as part of its incentive program designed to align the interests of its executives with those of its shareholders, and in accordance with its Long Term Incentive Plan ("LTIP"). The RSUs only vest upon achievement of various important corporate and commercial objectives that would create significant shareholder value. The vesting conditions are established by the Board of Directors on the grant date and must generally be met within 3 years.

During the year ended December 31, 2014, 1,246,250 vested RSU were released and an equivalent number of shares were issued out of treasury. The Corporation granted 6,500,000 RSU to management (the "2014-2016 RSU"). The grant date fair value of a 2014-2016 RSU is $1.23. The RSU will only vest if the service and performance conditions set out are achieved. The expense is determined taking into account management's best estimate of whether or not the particular vesting conditions will be met as well as, in the case of those RSU that are expected to vest, the period it will take to meet the vesting requirements. These estimates are reviewed on an ongoing basis. A share-based payment compensation expense of $3,822 was recorded during the year ended December 31, 2014 ($2,803 for the year ended December 31, 2013). At December 31, 2014, 5,298,439 vested RSU and 4,621,561 unvested RSU were outstanding (4,666,250 vested as at December 31, 2013).

In 2011 and in 2013, the Corporation granted 3,200,000 and 3,800,000 RSUs respectively, of which 4,666,250 vested in 2013. The price of the shares on the grant dates were $0.175 and $0.83 in 2011 and 2013 respectively. All of the non-vested RSUs were cancelled in December 2013.

Share-based payment expense

The total share-based payment expense has been included in the consolidated statements of operations as indicated in the following table:

		2014		2013
Cost of goods sold	**$**	**123**	$	77
Research and development expenses recharged		**121**		162
Research and development expenses non-rechargeable		**1,216**		634
Administration and marketing expenses		**3,676**		2,538
	$	**5,136**	$	3,411

18. Non-controlling interests

The shares of three of the Corporation's subsidiaries are partially held by non-controlling interests. These are ProMetic BioProduction Inc. ("PBP"), Pathogen Removal and Diagnostic Technologies Inc. ("PRDT") and since May 8, 2014, NantPro. The Corporation holds on December 31, 2014, 87.0%, 77.0% and 73.0% (on December 31, 2013, 87.0%, 77.0% and 30.47%) of the ownership interests respectively.

Summarized financial information for PBP, PRDT and NantPro, which are considered to have a material non-controlling interest, for the years ended December 31, 2014 and 2013 is provided in the following tables. This information is based on amounts before inter-company eliminations.

2014

Summarized statements of financial position

	PBP	PRDT	NantPro
Investment tax credits and other receivables (current)	$ 1,359	$ -	$ -
Inventories and other current assets	157	4	-
Fixed and intangible assets (non-current)	9,071	676	141,000
Trade and other payables (current)	(1,285)	(320)	-
Intercompany loans (non-current)	(21,806)	(12,744)	-
Total equity	$ (12,504)	$ (12,384)	$ 141,000
Attributable to non-controlling interests	$ (117)	$ (3,488)	$ 38,070

Summarized statements of operations

	PBP	PRDT	NantPro
Revenues or services rendered to other members of the group	$ 4,092	$ 675	$ -
Research and development activities recharged	(9,736)	-	-
Research and development activities non-rechargeable	(745)	(424)	(8,836)
Adminstration and other expenses	(2,513)	(1,604)	(141)
Net loss and comprehensive loss	$ (8,902)	$ (1,353)	$ (8,977)
Attributable to non-controlling interests	$ (1,157)	$ (755)	$ (1,451)

During the year ended December 31, 2014, PBP used $9,693 and $2,408 in cash for its operating and investing activities respectively and received $12,177 from financing activities.

2013

Summarized statements of financial position

	PBP	PRDT
Investment tax credits and other receivables (current)	$ 1,221	$ -
Inventories and other current assets	680	-
Fixed and intangible assets (non-current)	7,208	579
Trade and other payables (current)	(3,240)	(370)
Intercompany loans (non-current)	(9,471)	(10,980)
Total equity	$ (3,602)	$ (10,771)
Attributable to non-controlling interests	$ 1,041	$ (2,735)

Summarized statements of operations

		PBP		PRDT
Revenues or services rendered to other members of the group	$	690	$	949
Research and development activities recharged		(281)		-
Research and development activities non-rechargeable		(2,235)		(164)
Adminstration and other expenses		(1,335)		(1,652)
Net loss and comprehensive loss	$	(3,161)	$	(867)
Attributable to non-controlling interests	$	(337)	$	(572)

During the year ended December 31, 2013, PBP used $2,037 and $7,530 in cash for its operating and investing activities respectively and received $9,564 from financing activities.

The losses allocated to the non-controlling interests and the carrying amount of the non-controlling interest on the consolidated statement of financial position, per subsidiary are as follows:

		2014		2013
In the consolidated statements of financial position				
PBP	**$**	**(117)**	$	1,041
PRDT		**(3,488)**		(2,735)
NantPro		**38,070**		-
Total non-controlling interests	**$**	**34,465**	$	(1,694)

		2014		2013
In the consolidated statements of operations				
PBP	**$**	**(1,157)**	$	(337)
PRDT		**(755)**		(572)
NantPro		**(1,451)**		-
Total non-controlling interests	**$**	**(3,363)**	$	(909)

Between the date of acquisition of NantPro and December 31, 2014, the Corporation increased by 7.79% its interest in NantPro and consequently decreased the ownership of the non-controlling interest by the same, as a result of funding NantPro's activities and obtaining additional units during this period. The Corporation currently owns 73% of the equity units thus the maximum ownership it may acquire.

19. Capital disclosures

		2014		2013
Warrant liability	**$**	**24,676**	$	9,311
Debt provided by shareholders and other debt		**-**		3,040
Long-term debt		**23,244**		6,217
Shareholders' equity		**104,431**		18,638
Cash		**(27,102)**		(17,396)
Total Capital	**$**	**125,249**	$	19,810

The Corporation's objective in managing capital is to ensure sufficient liquidity to finance its research and development activities, administration and marketing expenses, working capital and overall expenditures on capital and intangible assets. The Corporation makes every effort to manage its liquidity to minimize dilution to its shareholders, whenever possible. The Corporation is subject to one externally imposed capital requirement (refer to note 16) and the Corporation's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2013.

20. Revenues

		2014		2013
Revenues from the sale of goods	**$**	**10,815**	$	9,531
Revenues from the rendering of services		**4,788**		8,538
Milestone and licensing revenues		**7,407**		2,575
	$	**23,010**	$	20,644

21. Information included in the consolidated statements of operations

		2014		2013
a) Government assistance included in research and development				
Gross research and development expenses	**$**	**36,635**	$	19,738
Research and development tax credits		**(1,435)**		(960)
	$	**35,200**	$	18,778
b) Finance costs				
Interest on long-term debt	**$**	**3,011**	$	1,683
Other interest expense, transaction and bank fees		**59**		165
Interest income		**(310)**		(42)
	$	**2,760**	$	1,806
c) Wages and salaries				
Wages and salaries	**$**	**16,339**	$	11,537
Employer's benefits		**3,698**		1,522
Share-based payments		**5,136**		3,411
Total employee benefit expense	**$**	**25,173**	$	16,470

22. Pension plan

The Corporation contributes to a defined contribution pension plan for all of its permanent employees. The Corporation matches most employees' contributions up to 5% (5% in 2013) of their annual salary. The Corporation's contributions for the year ended December 31, 2014 amounted to $956 ($461 in 2013).

23. Government assistance

The Corporation has received government grants from the Isle of Man Government relating to operating and capital expenditures to be incurred by the Corporation and are disbursed to the Corporation when such expenditures are made.

The Isle of Man Government reserves the right to reclaim in part or all of the grants received should the Corporation leave the Isle of Man according to the following schedule – 100% repayment within five years of receipt, then a sliding scale after that for the next 5 years – 6 years 80%, 7 years 60%, 8 years 40%, 9 years 20%, 10 years 0%.

If the Corporation were to cease operations in the Isle of Man as December 31, 2014, it would be required to repay $403 in relation to past grants amounting to $598. No provision has been made in these consolidated financial statements for any future repayment relating to the above agreement.

24. Gain on settlement of litigation

As a result of a settlement of the litigation with a third party supplier, ProMetic Biosciences Limited recovered during 2014, $375 related to lost profits in 2012 when a supplier incorrectly labelled raw materials which resulted in lost sales to a third party. In addition to this, the Corporation also received compensation for other expenses incurred in the amount of $90 resulting in the recognition of a gain on settlement of litigation totaling $465.

25. Income taxes

The income tax expense (recovery) reported in the consolidated statement of operations for the years ended December 31, 2014 and 2013 are as follows:

		2014		2013
Current income taxes	**$**	**215**	$	131
Deferred income taxes		**(3,271)**		-
	$	**(3,056)**	$	131

The following table provides a reconciliation of the income tax expense (recovery) calculated at the combined statutory income tax rate to the income tax expense (recovery).

		2014		2013
Net loss before income taxes	**$**	**(480)**	**$**	(17,267)
Combined Canadian statutory income tax rate		**26.9%**		26.9%
Income tax at combined income tax rate		**(129)**		(4,645)
Decrease (increase) in income taxes resulting from:				
Unrecorded potential tax benefit arising from current-period losses and other deductible temporary differences		**6,385**		1,414
Effect of tax rate differences in foreign subsidiaries		**(1,124)**		(24)
Non-deductible or taxable items		**5,046**		3,398
Gain on investment in an associate		**(9,247)**		-
Gain on acquisition of additional interest in NantPro		**(3,984)**		-
Other		**(3)**		(12)
	$	**(3,056)**	**$**	131

The following table presents the nature of the deferred tax assets and liabilities that make up the deferred tax liability balance at December 31, 2014 and 2013.

	Intangible assets	**Capital assets**	**Losses**	**Other**	**Total**
As at January 1, 2013	$ -	$ 119	$ (208)	$ 89	$ -
Charged (credited) to profit or loss	-	49	(239)	190	-
As at December 31, 2013	$ -	$ 168	$ (447)	$ 279	$ -
Charged (credited) to profit or loss	-	1,110	(5,380)	999	(3,270)
Acquired in business combination	36,150	-	-	-	36,150
Recognized in equity	4,319	-	-	-	4,319
As at December 31, 2014	$ 40,469	$ 1,278	$ (5,827)	$ 1,278	$ 37,199

Available temporary differences not recognized at the reporting date are as follows:

		2014		2013
Tax losses (non capital)	$	**131,327**	$	111,624
Tax losses (capital)		**37,546**		37,203
Unused research and development expenses		**29,109**		28,128
Undeducted financing expenses		**3,385**		2,229
Interest expenses carried forward		**6,009**		5,391
Capital assets		**1,490**		292
Intangible assets		**2,310**		1,852
Start-up expense		**6,191**		6,128
Other		**696**		143
	$	**218,063**	$	192,990

At December 31, 2014, the Corporation has non-capital losses of $146,758 of which $131,327 are available to reduce future taxable income for which the benefits have not been recognized. These losses expire at various dates from 2015 to 2034. The Corporation also has capital losses of $37,546 and unused research and development expenses of $29,109 that are available to reduce future taxable income for which the benefits have not been recognized. These tax attributes can be carried forward indefinitely.

If the Corporation were to recognize all deferred tax assets, profit would increase by $62,181.

At December 31, 2014, the Corporation also had unused federal tax credits available to reduce future income tax in the amount of $7,455 expiring between 2020 and 2034. Those tax credits have not been recorded and no deferred income tax assets have been recorded in respect to those tax credits.

The unused non-capital losses expire as indicated in the table below:

	Canada		Foreign
At December 31, 2014	Federal	Provincial	Countries
Losses carried forward expiring in:			
2015	832	-	-
2022	-	-	1,682
2023	-	-	2,734
2024	-	-	3,676
2025	-	-	2,873
2026	5,642	5,008	2,762
2027	5,914	4,772	9,564
2028	8,245	6,918	9,911
2029	3,151	2,099	3,866
2030	3,681	2,511	9,213
2031	4,463	4,393	8,737
2032	3,923	3,102	1,645
2033	8,065	7,454	451
2034	18,458	18,302	10,913
$	62,374	$ 54,559	$ 68,030

At December 31, 2014, the Corporation also has tax losses which arose in the United Kingdom of $16,354 that are available to reduce future taxable income for which benefits have not been recognized. These tax attributes can be carried forward indefinitely.

26. Diluted earnings (loss) per share

The diluted earnings (loss) per share calculation assumes the conversion of the warrant liability, warrants and rights, stock options and RSU only when their individual effect is dilutive. In the periods where the Corporation incurred net losses, these instruments are anti-dilutive.

The denominators used to calculate diluted earnings (loss) per share for the years presented were calculated as follows:

	2014	2013
Denominator		
Weighted average number of shares outstanding - basic	**530,422,168**	485,102,588
Adjusted for the assumed exercise of:		
Warrants and rights	**34,566,304**	-
Stock options	**9,564,174**	-
Restricted stock units	**3,542,918**	-
Weighted average number of shares outstanding - diluted	**578,095,564**	485,102,588

No adjustments were required to the numerators.

27. Segmented information

The Corporation has two operating segments which are Therapeutics and Protein Technology.

Therapeutics: This operating segment is a small molecule drug discovery business. It has lead compounds, namely PBI-4050 which target unmet medical needs such as the treatment of fibrosis in patients with chronic kidney diseases and certain cancers, and the side effects associated with chemotherapy.

Protein Technology: This operating segment contains the financial information of the following activities:

BioTherapeutics: The developer of a unique, validated, state-of-the-art solution for plasma fractionation, the Plasma Protein Purification System (PPPS™).

Bioseparation: Develops and markets bioseparation products based on applications of its patented Mimetic Ligand™ technology.

Prion Capture/Pathogen Removal: Provides a technology platform that improves the safety profile of blood products and blood-derived therapeutics.

Corporate: The Corporate results include the activities and the related expenses pertaining to public entity reporting obligations, investor relations, financing and other corporate office activities.

The accounting policies for the segments are the same as those outlined in note 2. During the quarter ended September 30, 2014, ProMetic modified the presentation of the segmented information by reflecting in the segments the allocation of administrative support expenses from Corporate to the Therapeutics and Protein Technology segments. This change has been applied retrospectively for all the periods presented.

The operating expenses for NantPro are included in the Protein Technology segment since May 8, 2014. When it was accounted for as an associate, the net loss in an associate was presented under Corporate.

a) Revenues and expenses by operating segments

For the year ended December 31, 2014	Therapeutics	Protein Technology	Corporate	Total
Revenues	$ 13	$ 22,997	$ -	$ 23,010
Cost of goods sold	-	7,015	-	7,015
Research and development expenses recharged	-	3,053	-	3,053
Research and development expenses non-rechargeable	6,325	25,822	-	32,147
Administration, selling and marketing expenses	1,880	5,693	5,332	12,905
Loss (gain) on foreign exchange	(3)	2,518	(2,617)	(102)
Finance costs	15	175	2,570	2,760
Fair value variation of warrant liability	-	-	15,365	15,365
Gain on revaluation of equity investment	-	(34,376)	-	(34,376)
Purchase gain on business combination	-	(14,812)	-	(14,812)
Gain on settlement of litigation	-	(465)	-	(465)
Net profit (loss) before income taxes	$ (8,204)	$ 28,374	$ (20,650)	$ (480)

For the year ended December 31, 2013	Therapeutics	Protein Technology	Corporate	Total
Revenues	$ 14	$ 20,630	$ -	$ 20,644
Costs of goods sold	-	6,671	-	6,671
Research and development expenses recharged	-	5,050	-	5,050
Research and development expenses non-rechargeable	4,748	8,980	-	13,728
Administration, selling and marketing expenses	2,289	3,690	2,353	8,332
Loss on foreign exchange	-	-	(638)	(638)
Gain on recognition of loan receivable	-	-	(3,015)	(3,015)
Loss on extinguishment of debt	-	-	423	423
Finance costs	-	233	1,573	1,806
Fair value variation of warrant liability	-	-	5,485	5,485
Loss in an associate	-	-	69	69
Net loss before income taxes	$ (7,023)	$ (3,994)	$ (6,250)	$ (17,267)

Segmented information by operating segment

b) Total assets by operating segment

	2014	2013
Therapeutics	**$ 3,351**	$ 3,157
Protein Technology	**172,965**	28,757
Corporate	**27,127**	17,958
	$ 203,443	$ 49,872

c) Capital and intangible assets by operating segment

	2014	2013
Therapeutics	**$ 2,492**	$ 2,160
Protein Technology	**156,986**	11,941
Corporate	**469**	193
	$ 159,947	$ 14,294

d) Acquisition of capital and intangible assets by operating segment

		2014		2013
Therapeutics	**$**	**600**	$	549
Protein Technology [1)]		**146,470**		8,870
Corporate		**342**		184
	$	**147,412**	$	9,603

[1)] On May 8, 2014, the Corporation completed a business combination in which intangible assets, valued at $141 million were acquired (note 6).

e) Total liabilities by operating segment

		2014		2013
Therapeutics	**$**	**1,849**	$	597
Protein Technology		**47,372**		10,551
Corporate		**49,791**		20,086
	$	**99,012**	$	31,234

Information by geographic area

f) Total assets by geographic area

		2014		2013
Canada	**$**	**41,419**	$	30,491
United States		**151,479**		8,829
United Kingdom		**10,545**		10,552
	$	**203,443**	$	49,872

g) Capital and intangible assets by geographic area

		2014		2013
Canada	**$**	**12,198**	$	9,652
United States		**144,283**		2,312
United Kingdom		**3,466**		2,330
	$	**159,947**	$	14,294

h) Acquisition of capital and intangible assets by geographic area

		2014		2013
Canada	**$**	**3,510**	$	7,943
United States		**142,321**		944
United Kingdom		**1,581**		716
	$	**147,412**	$	9,603

i) Revenues by location

		2014		2013
Russia	**$**	**6,856**	$	-
Austria		**5,465**		7,663
United States		**5,126**		8,594
Switzerland		**3,795**		1,013
Netherlands		**981**		142
Taiwan		**551**		2,575
United Kingdom		**71**		490
Other countries		**165**		167
	$	**23,010**	$	20,644

Revenues are attributed to countries based on the location of customers or the licensees.

The Corporation derives significant revenues from certain customers. During the year ended December 31, 2014, there were three customers (one of them being NantPro) who accounted for 69% (16%, 23% and 30% respectively) of total revenues in the Protein Technologies segment. For the year ended December 31, 2013, there were three customers (one of them being NantPro) who accounted for 83% (12%, 34 and 37% respectively) of total revenues, also in the Protein Technologies segment.

28. Related party transactions

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Corporation and other related parties are disclosed below, and in other notes accordingly to the nature of the transactions.

Following a consulting agreement entered into with a director of the Corporation in 2012, success fees of 5% of the relevant proceeds received by the Corporation, for a total of $600, were payable to the director. As at December 31, 2014, $Nil remained unpaid ($250 at December 31, 2013).

During the year ended December 31, 2014, interest revenues in the amount of $19 ($16 for the year ended December 31, 2013) were recorded on the share purchase loan to an officer and included in the advance to an officer.

29. Compensation of key management personnel

The Corporation's key management personnel comprises the external directors and the majority of the management team. The remuneration of the key management personnel during the years ended December 31, 2014 and 2013 was as follows:

		2014		2013
Short-term employee benefits [(1)]	**$**	**3,292**	$	2,650
Pension costs		**115**		95
Share-based payments		**4,455**		2,822
	$	**7,862**	$	5,567

[(1)] Short-term employee benefits include all fees paid to directors and to certain senior management employees such as salaries, bonuses and the cost of other employee benefits.

30. Contingencies

During the year ended December 31, 2012, the Corporation was served with a lawsuit in the Federal Court of Canada (Court) relating to a claim for infringement of two Canadian issued patents (numbers CA 2,394,369 and CA 2,392,811) held by a third party plaintiff, GE Healthcare Biosciences AB. The Corporation instructed outside legal counsel to prepare, serve and file a statement of defence on the infringement claims, in addition to a counterclaim requesting that the Court declare both patents invalid and unenforceable. The statement of defence was filed in August 2012. The Corporation received a reply and defence to its counterclaim from the plaintiff in November 2012. The proceedings are following their normal course and a court hearing is scheduled for November 2016. Since the plaintiff has claimed unspecified damages and none of the allegations in the claim provide any information as to the basis upon which the plaintiff would be claiming monetary compensation and on the basis that the Corporation does not believe that this claim will be successful, the Corporation has not taken a provision in the consolidated financial statements.

31. Commitments

a) The Corporation has total commitments in the amount of $25,818 under various operating leases for the rental of offices, production plant, and laboratory space and office equipment. The payments for the coming years and thereafter are as follows:

2015	$	2,917
2016		2,985
2017		2,943
2018		2,690
2019 and thereafter		14,283
	$	25,818

The total rental expenses for the year ended December 31, 2014 amounted to $2,398 ($1,590 for the year ended December 31, 2013).

b) In April 2006, the Corporation paid the American Red Cross an amount of US$1,000,000 for an exclusive license for access to and use of intellectual property rights for the Plasma Protein Purification System (“PPPS”). ProMetic will collect revenues derived from any licensing activities, such as royalties on net sales, lump sum amounts and/or milestone payments. ProMetic will pay a royalty to the American Red Cross of 12% of all revenues derived from sales of products to third parties. Also, every year, an annual minimum royalty of US$30,000 is payable.

c) An officer of the Corporation is entitled to receive royalties based on the sales of certain products made available to ProMetic before joining the Corporation. These royalties are 0.5% of net sales or 3% of revenues received by the Corporation. This employee also has the exclusive right to commercialize these products should ProMetic decide to stop developing and/or commercializing them, subject to mutually acceptable terms and conditions. To date, no royalties have been accrued or paid.

d) In the normal course of business, the Corporation enters into license agreements for the market launching or commercialization of products. Under these licenses, including those mentioned above, the Corporation has committed to pay royalties ranging generally between 0.5% and 15.5% of net sales from products it commercializes.

32. Financial instruments and financial risk management

a) Fair value

The fair values of financial assets and financial liabilities for which fair value disclosure is required, together with the carrying amounts included in the statement of financial position, are as follows:

	2014		2013	
	Carrying amount	**Fair value**	Carrying amount	Fair value
Financial assets				
Cash	**$ 27,102**	**$ 27,102**	$ 17,396	$ 17,396
Restricted cash	**151**	**151**	139	139
Financial liabilities				
Warrant liability	**24,676**	**24,676**	9,311	9,311
Long-term debt	**23,244**	**24,633**	6,217	6,829

The warrant liability is carried at fair value and the methodology used is discussed in note 15. The fair value of the long-term debt at December 31, 2014 is $15,992 for the OID loan maturing on July 31, 2019 and $8,641 for the OID loan maturing on September 10, 2018 was calculated using the same methodology as disclosed in note 16 and a market interest rate of 15.58% and 14.31%. This amount differs from the carrying value of the long-term debt of $23,244 which is carried at amortized cost.

Fair value hierarchy

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – valuation techniques with significant unobservable market inputs.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. Cash and restricted cash are considered to be level 1 fair value measurements, the long-term debt a level 2 measurement whereas the warrant liability is considered a level 3 measurement.

b) Financial risk management

The Corporation has exposure to credit risk, liquidity risk and market risk.

The Corporation's Board of Directors has the overall responsibility for the oversight of these risks and reviews the Corporation's policies on an ongoing basis to ensure that these risks are appropriately managed.

i) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer, partner or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's cash, investments, receivables and share purchase loan to an officer. The carrying amount of the financial assets represents the maximum credit exposure.

The Corporation reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

The Corporation evaluates accounts receivable balances based on the age of the receivable, credit history of the customers and past collection experience. As at December 31, 2013, there were doubtful amounts related to past due accounts as indicated in the following table:

		2014		2013
Trade receivables				
Current and not impaired	**$**	**8,121**	$	3,410
Past due in the following periods:				
31 to 60 days		**167**		293
61 to 90 days		**11**		2,177
Over 90 days		**149**		2,899
Allowance for doubtful accounts - over 90 days		**-**		(260)
	$	**8,448**	$	8,519

Trade receivables included amounts from two customers which represent approximately 93% (11% and 82% respectively) of the Corporation's total trade accounts receivable as at December 31, 2014 and three customers which represent approximately 93% (16%, 31%, 46%, respectively) of total trade receivables as at December 31, 2013.

ii) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation manages its liquidity risk by continuously monitoring forecasts and actual cash flows.

The following table presents the contractual maturities of the financial liabilities as of December 31, 2014.

			Contractual Cash flows		
At December 31, 2014	**Carrying amount**	**Payable within 1 year**	**4 -5 years**		**Total**
Trade and other payables	$ 9,102	$ 9,102	$ -	$	9,102
Advance on revenues					-
from a supply agreement	3,191	3,246	-		3,246
Long-term debt *	23,244	-	46,959		46,959
	$ 35,537	$ 12,348	$ 46,959	$	59,307

* Under the terms of the long-term debt, the holder of Second and Third Warrants (see notes 15 and 16) may decide to cancel a portion of the face values of the OID loans as payment on the exercise of these warrants. The maximum repayment due on these loans has been included in the above table.

This table only covers liabilities and obligations, and does not anticipate any of the income associated with assets or rights.

iii) Market risk:

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Corporation's income or the value of its financial instruments.

a) Interest risk

The majority of the Corporation's debt is at a fixed rate, therefore there is limited exposure to changes in interest payments as a result of interest rate risk.

b) Foreign exchange risk:

The Corporation is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Corporation operates in the United Kingdom and in the United States and a portion of its expenses incurred are in U.S dollars and in Great British Pounds ("GBP"). The majority of the Corporation's revenues are in U.S. dollars and in GBP which serve to mitigate a portion of

the foreign exchange risk relating to the expenditures. Financial instruments potentially exposing the Corporation to foreign exchange risk consist principally of cash, receivables, trade and other payables, and advance on revenues from a supply agreement. The Corporation manages foreign exchange risk by holding foreign currencies to support forecasted cash outflows in foreign currencies.

As at December 31, 2014 and 2013, the Corporation was exposed to currency risk through the following assets and liabilities denominated respectively in U.S. dollars and GBP:

	2014		2013	
Exposure in US dollars	**Amount due in US dollar**	**Equivalent in full CDN dollar**	amount due in US dollar	Equivalent in full CDN dollar
Cash	**605,507**	**702,449**	54,198	57,644
Accounts receivable	**6,798,339**	**7,886,753**	8,222,171	8,745,102
Trade and other payables	**(2,443,195)**	**(2,834,350)**	(1,622,841)	(1,726,054)
Net exposure	**4,960,651**	**5,754,852**	6,653,528	7,076,692

	2014		2013	
Exposure in GBP	**Amount due in GBP**	**Equivalent in full CDN dollar**	Amount due in GBP	Equivalent in full CDN dollar
Cash	**138,845**	**250,907**	450,725	794,492
Accounts receivable	**1,358,577**	**2,455,084**	1,082,650	1,908,388
Trade and other payables	**(913,105)**	**(1,650,072)**	(806,450)	(1,421,530)
Advance on revenues from a supply agreement	**(1,766,372)**	**(3,192,010)**	(1,955,527)	(3,447,007)
Net exposure	**(1,182,055)**	**(2,136,091)**	**(1,228,602)**	**(2,165,657)**

Based on the above net exposures as at December 31, 2014, and assuming that all other variables remain constant, a 10 % depreciation or appreciation of the Canadian dollar against the U.S. dollar would result in a decrease or an increase of the consolidated net profit of approximately $575.

A 10 % depreciation or appreciation of the Canadian dollar against the GBP would result in a decrease or an increase of the accumulated other comprehensive income of approximately $213. The Corporation has not hedged its exposure to currency fluctuations.

33. Comparative information

Certain of the December 31, 2013 figures have been reclassified to conform to the current year's presentation.

34. Subsequent events

On March 27, 2015, the Corporation and the customer who is party to the advance on revenues from a supply agreement disclosed in note 14, amended the loan agreement further extending the maturity date of the unpaid balance of the advance, if any, to April 30, 2018.

On March 31, 2015, the Corporation and the holder of the long-term debt disclosed in note 16 amended the terms of the two OID loans by extending the maturity dates of the loans to July 31, 2022 without changing the face values of the loans, modifying certain terms and conditions including affirmative and negative covenants, and including a right of repayment of the OID loans commencing on September 13, 2018. In consideration of the above modifications, the Corporation has issued seven million warrants to purchase common shares of the Corporation. The exercise price for a warrant shall be the greater of (i) $3,00 per common share and (ii) the volume weighted average trading price of the common shares on the TSX for the five trading day-period following the date of release of the annual financial statements of the Corporation for the period ended December 31, 2014. The warrants expire on July 31, 2022. The Corporation also granted a pre-emptive right to the debt holder to participate in any future public offering or private placement of ProMetic's common shares or securities convertible or exchangeable into common shares. The Corporation is currently assessing the accounting treatment for these modifications.