Condensed interim consolidated financial statements of

PROMETIC LIFE SCIENCES INC.

For the quarter and the nine months ended September 30, 2015

(Unaudited)

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

		September 30, 2015		December 31, 2014
ASSETS				
Current assets				
Cash	**$**	**42,480**	$	27,102
Accounts receivable (note 4)		**6,944**		11,850
Income tax receivable		**-**		901
Inventories (note 5)		**8,313**		2,586
Total cash generating current assets		**57,737**		42,439
Prepaids		**2,092**		881
Total current assets		**59,829**		43,320
Restricted cash		**174**		151
Other non-current assets		**28**		25
Non-current income tax receivable		**998**		-
Capital assets		**17,458**		13,784
Intangible assets		**147,134**		146,163
Total assets	**$**	**225,621**	$	203,443
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**7,588**	$	9,102
Advance on revenues from a supply agreement (note 6)		**1,186**		3,191
Total cash disbursing current liabilities		**8,774**		12,293
Deferred revenues		**2,682**		1,041
Warrant liability (note 7)		**-**		24,676
Total current liabilities		**11,456**		38,010
Long-term portion of advance on revenues from a supply agreement (note 6)		**2,494**		-
Deferred tax liabilities		**33,241**		37,198
Long-term portion of lease inducements		**602**		560
Long-term debt (note 8)		**21,448**		23,244
Total liabilities	**$**	**69,241**	$	99,012
EQUITY				
Share capital (note 10a)		**364,430**		294,870
Contributed surplus (note 10c)		**7,358**		10,923
Warrants and future investment rights (note 10b)		**53,717**		19,803
Accumulated other comprehensive income		**172**		226
Deficit		**(301,955)**		(255,856)
Equity attributable to owners of the parent		**123,722**		69,966
Non-controlling interests (note 11)		**32,658**		34,465
Total equity		**156,380**		104,431
Total liabilities and equity	**$**	**225,621**	$	203,443

Commitments (note 15)
Subsequent event (note 16)

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

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

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Revenues (note 12)	**$ 5,661**	$ 2,315	**$ 10,468**	$ 12,464
Expenses				
Cost of goods sold	**1,205**	867	**3,342**	4,659
Research and development expenses recharged	**87**	266	**588**	2,699
Research and development expenses non-rechargeable	**11,810**	7,397	**31,731**	20,281
Administration, selling and marketing expenses	**4,129**	3,189	**11,245**	8,300
Loss (gain) on foreign exchange	**(563)**	26	**(1,712)**	10
Finance costs	**461**	774	**1,903**	1,825
Fair value variation of warrant liability (note 7)	**-**	10,420	**1,458**	12,432
Loss on extinguishment of liabilities (note 13)	**-**	-	**9,592**	-
Gain on revaluation of equity investment	**-**	-	**-**	(24,258)
Purchase gain on business combination	**-**	-	**-**	(8,065)
Net loss before income taxes	**(11,468)**	(20,624)	**(47,679)**	(5,419)
Income tax expense (recovery):				
Current	**-**	53	**2**	500
Deferred	**(904)**	-	**(3,158)**	-
	(904)	53	**(3,156)**	500
Net loss	**$ (10,564)**	$ (20,677)	**$ (44,523)**	$ (5,919)
Loss attributable to:				
Owners of the parent	**(9,227)**	(19,279)	**(40,288)**	(3,283)
Non-controlling interests (note 11)	**(1,337)**	(1,398)	**(4,235)**	(2,636)
	$ (10,564)	$ (20,677)	**$ (44,523)**	$ (5,919)
Loss per share				
Basic and diluted loss per share attributable to the owners of the parent	**$ (0.02)**	$ (0.04)	**$ (0.07)**	$ (0.01)
Weighted average number of outstanding shares (in thousands)	**580,750**	530,568	**567,386**	528,619

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

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

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Net loss	**$ (10,564)**	$ (20,677)	**$ (44,523)**	$ (5,919)
Other comprehensive income (loss)				
Items that may be subsequently reclassified to profit and loss:				
Change in unrealized foreign exchange differences on translation of financial statements of foreign subsidiaries	**(4)**	28	**(54)**	126
Total comprehensive loss	**$ (10,568)**	$ (20,649)	**$ (44,577)**	$ (5,793)
Total comprehensive loss attributable to:				
Owners of the parent	**(9,231)**	(19,251)	**(40,342)**	(3,157)
Non-controlling interests	**(1,337)**	(1,398)	**(4,235)**	(2,636)
	$ (10,568)	$ (20,649)	**$ (44,577)**	$ (5,793)

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

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

	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, 2014	263,320	6,319	15,429	122	(264,858)	20,332	(1,694)	18,638
Net loss	-	-	-	-	(3,283)	(3,283)	(2,636)	(5,919)
Foreign currency translation reserve	-	-	-	126	-	126	-	126
Non-controlling interest arising from a business combination	-	-	-	-	-	-	20,770	20,770
Effect of changes in the ownership of a subsidiary and funding arrangements on non-controlling interest	-	-	-	-	3,897	3,897	(3,897)	-
Share and warrant issue expenses	-	-	-	-	(110)	(110)	-	(110)
Share-based payments	-	2,599	-	-	-	2,599	-	2,599
Exercise of options	554	(189)	-	-	-	365	-	365
Shares issued pursuant to restricted share unit plan	218	(218)	-	-	-	-	-	-
Exercise of warrants	1,557	-	(805)	-	-	752	-	752
Issuance of warrants	-	-	5,179	-	-	5,179	-	5,179
Balance at September 30, 2014	265,649	8,511	19,803	248	(264,354)	29,857	12,543	42,400
Balance at January 1, 2015	**294,870**	**10,923**	**19,803**	**226**	**(255,856)**	**69,966**	**34,465**	**104,431**
Net loss	**-**	**-**	**-**	**-**	**(40,288)**	**(40,288)**	**(4,235)**	**(44,523)**
Foreign currency translation reserve	**-**	**-**	**-**	**(54)**	**-**	**(54)**	**-**	**(54)**
Effect of funding arrangements on non-controlling interest (note 11)	**-**	**-**	**-**	**-**	**(2,428)**	**(2,428)**	**2,428**	**-**
Share-based payments (note 10c)	**-**	**1,885**	**-**	**-**	**-**	**1,885**	**-**	**1,885**
Exercise of stock options (note 10c)	**766**	**(301)**	**-**	**-**	**-**	**465**	**-**	**465**
Shares issued pursuant to restricted share unit plan (note 10c)	**5,149**	**(5,149)**	**-**	**-**	**-**	**-**	**-**	**-**
Exercise of warrants (note 10b)	**2,326**	**-**	**(1,626)**	**-**	**-**	**700**	**-**	**700**
Issuance of warrants (note 10b)	**-**	**-**	**7,539**	**-**	**-**	**7,539**	**-**	**7,539**
Reclass of warrant liability to equity (note 10b)	**-**	**-**	**28,001**	**-**	**-**	**28,001**	**-**	**28,001**
Issuance of shares (note 10a)	**61,319**	**-**	**-**	**-**	**-**	**61,319**	**-**	**61,319**
Share and warrant issue expenses (note 10a)	**-**	**-**	**-**	**-**	**(3,383)**	**(3,383)**	**-**	**(3,383)**
Balance at September 30, 2015	**364,430**	**7,358**	**53,717**	**172**	**(301,955)**	**123,722**	**32,658**	**156,380**

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

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

Nine months ended September 30		**2015**		2014
Cash flows used in operating activities				
Net loss for the period	**$**	**(44,523)**	$	(5,919)
Adjustments to reconcile net loss to cash flows used in operating activities :				
Finance costs		**799**		1,800
Change in lease inducements		**42**		140
Carrying value of capital and intangible assets disposed		**26**		15
Fair value variation of warrant liability		**1,458**		12,432
Gain on revaluation of equity investment		**-**		(24,258)
Purchase gain on business combination		**-**		(8,065)
Depreciation of capital assets		**9,592**		-
Deferred tax recovery		**(3,158)**		-
Share-based payments (note 10c)		**1,885**		2,599
Depreciation of capital assets		**1,303**		837
Amortization of intangible assets		**419**		351
		(32,157)		(20,068)
Change in non-cash working capital items		**(1,292)**		2,636
	$	**(33,449)**	$	(17,432)
Cash flows from financing activities				
Proceeds from share issuances (note 10a)		**57,558**		-
Proceeds from debt and warrant issuances		**-**		20,010
Exercise of options		**465**		365
Exercise of warrants		**700**		752
Debt, share and warrant transaction costs		**(3,953)**		(338)
Repayment of other debt		**-**		(14)
Repayment of debt provided by shareholders		**-**		(3,550)
Interest paid		**-**		(48)
	$	**54,770**	$	17,177
Cash flows used in investing activities				
Additions to capital assets		**(4,732)**		(6,052)
Additions to intangible assets		**(790)**		(894)
Business combination (note 3)		**(841)**		-
Interest received		**290**		246
	$	**(6,073)**	$	(6,700)
Net change in cash during the period		**15,248**		(6,955)
Net effect of currency exchange rate on cash		**130**		(58)
Cash, beginning of period		**27,102**		17,396
Cash, end of the period	**$**	**42,480**	$	10,383

The accompanying notes are an integral part of the interim 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 several 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. Basis of presentation and accounting policies

a) Accounting framework

These unaudited condensed interim consolidated financial statements ("interim financial statements") for the quarter and the nine months ended September 30, 2015 have been prepared in accordance with IAS 34, *Interim financial reporting*. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These interim financial statements should therefore be read in conjunction with the audited annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with IFRS and which can be found at www.sedar.com.

These interim financial statements were approved for issue on November 10, 2015 by the Corporation's Board of Directors.

b) Change in accounting policies and new standards and interpretations not yet adopted

The accounting policies used in these interim financial statements are consistent with those applied by the Corporation in its December 31, 2014 audited annual consolidated financial statements, There have been no new standards and interpretations issued during the quarter and nine months ended September 30, 2015 but not yet effective that the Corporation reasonably expects will have an impact on the disclosures, the financial position or the results of operations of the Corporation.

c) Significant accounting judgements 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.

Assets arising from a business combination - The Corporation acquired a business in August 2015 (refer to note 3). 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 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 such as cash flow projections and replacement 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.

d) Change in accounting estimates

During the quarter ended September 30, 2015, the Corporation reviewed its methodology for estimating the number of Restricted Share Units ("RSU") that will vest following the issuance of a new grant of RSU. In view of the important number of milestones underlying the vesting of the RSU, many of which depend on research, regulatory process and business development outcomes which are difficult to predict, combined with the fact that the milestones must be achieved prior to their expiry, the Corporation developed additional guidelines for determining the most likely outcome for the different milestones. These guidelines are qualitative and quantitative in nature. For those objectives considered as probable of being achieved, the Corporation will recognize, over the expected period of accomplishment, the probability weighted expense. On this basis, if the likelihood of a milestone being met increases over time, a higher portion of the expense would be recognized, and the opposite, if the probability decreases.

This new estimation methodology has been applied to the grant of RSU made during the quarter ended September 30, 2015 and to the outstanding RSU from the 2014-2016 RSU grant. The impact of the change in estimate on the latter was a decrease in expense of $1,255.

3. Business combination

On August 10, 2015 ("date of acquisition"), the Corporation acquired the assets of a plasma collection center located in Winnipeg, Canada pursuant to an agreement entered into in May 2015 with a third-party for a cash consideration of $841. It was determined that the assets acquired constitute a business and the transaction was accounted for as a business combination using the acquisition method of accounting.

To account for the transaction, the Corporation has performed a preliminary 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 at their acquisition date fair values as follows:

Inventory	$	374
Capital assets		85
Donors list		225
License		157
Net assets acquired	$	841

The amounts recorded for the business combination may change from now until the final valuation and purchase price allocation are completed. The Corporation expects that this work will be completed by the end 2015. The assets and liabilities of the new entity created for the plasma collection activities, ProMetic Plasma Resources Inc., are included in the consolidated statement of financial position as of September 30, 2015 and the operating results are reflected in the consolidated statement of operations since the date of acquisition.

Between the acquisition date and September 30, 2015, the plasma collection center had minimal revenue and incurred a net loss of $201. A small portion of the plasma that will be collected at the center is destined for sale to a third party. The remainder of the plasma collected will be used by entities within the group as a raw material used in research activities including the production of product for clinical trials. Only the plasma collected for sale to third parties will qualify as inventory and can be recognized on the statement of financial position. The remainder of the production will be expensed in the consolidated statement of operations as research and development expenses.

4. Accounts receivable

		September 30, 2015		December 31, 2014
Trade receivables	**$**	**2,094**	$	8,448
Tax credits and government grants receivable		**4,231**		2,654
Sales taxes receivable		**444**		563
Advance to an officer		**90**		80
Interest receivable from loan to an officer		**48**		34
Other receivables		**37**		71
	$	**6,944**	$	11,850

5. Inventory

		2015		2014
Raw materials	**$**	**4,355**	$	1,129
Work in progress and finished goods		**3,958**		1,457
	$	**8,313**	$	2,586

6. Advance on revenues from a supply agreement

		September 30, 2015		December 31, 2014
Advance on revenues from a supply agreement	**$**	**3,680**	$	3,191
Less: current portion of advance on revenues from a supply agreement		**1,186**		3,191
Long-term portion of advance on revenues from a supply agreement	**$**	**2,494**	$	-

On March 27, 2015, the loan agreement was amended extending the maturity date from April 1, 2015 to April 30, 2018.

7. Warrant liability

On May 13, 2015, the shareholders approved the proposed modifications to the second warrants issued in the financing transaction with Structured Alpha LLP, entered into September 2013 (the “Second Warrants”) to replace the formula that was being used to determine the number of shares that would be issued upon exercise of the warrants for a fixed number of shares. The number of shares to be issued upon exercise was fixed at 20,276,595 for an exercise price of $15,653. The expiry date of the Second Warrants remains unchanged at September 10, 2021 and the potential trigger to shorten the expiry date, the Market Capitalization Event, was removed. Pursuant to the modification, the warrants ceased to qualify as a derivative liability and qualify as equity instruments.

Up to May 13, 2015, the Second Warrants continued to be measured at fair value. The fair value of the warrant liability on that date was estimated at $26,134 ($24,676 at December 31, 2014). This results in a loss on revaluation of the warrant liability of $1,458 for the nine months ended September 30, 2015 (a loss of $10,420 for the quarter ended September 30, 2014 and a loss of $12,432 for the nine months ended September 30, 2014).

Following the modifications to the Second Warrant, the derivative liability was derecognised and the modified warrants were recorded in equity (“reclassification of warrant liability to equity”) at their fair value on the date of the modification estimated at $28,001 (note 10b).The modification resulted in a loss of $1,867 being recognized in the financial statement (note 13).

8. Long-term debt

On March 31, 2015, the Corporation and the holder of the long-term debt amended the terms of the two Original Issue Discount ("OID") loans by; extending the maturity dates of the loans from September 10, 2018 and July 31, 2019 to July 31, 2022 without changing their face values, modifying certain terms and conditions, including affirmative and negative covenants, and including a right of prepayment of the OID loans starting from September 13, 2018. In consideration of the above modifications, ProMetic issued 7,000,000 warrants to purchase common shares of the Corporation at an exercise price of $3.00 per common share (note 10b).

The modification was accounted for as an extinguishment of the previous loans and the recognition of new loans at their fair value at the date of the transaction. The required adjustment to the OID loans of $1,752 on the consolidated statement of financial position and the cost associated with this transaction representing mainly legal fees of $263 and the fair value of the warrants issued (note 10b) have been recognised as a loss on extinguishment of debt amounting to $6,050 in the consolidated statements of operations (note 13). The fair value of the OID loans was determined using a discounted cash flow model for the debt instrument with a market interest rate of 10.6%.

The holder of the long-term debt used the set off of principal right under the loan agreements, to settle the amounts due to the Corporation following its participation in a private placement which occurred concurrently with the closing of a public offering of common shares and subsequent exercise of the over-allotment right, on May 6, 2015 and on May 28, 2015 respectively.

As a result, the face value of the $15,653 OID loan was reduced by $4,322 to $11,331. This reduction of $4,322 is equivalent to the value of the shares (1,662,526 common shares) issued at the agreed price of $2.60 concluded in connection with the private placement. This transaction was accounted for as an extinguishment of a portion of the OID loan and the difference between the adjustment to the carrying value of the loan of $2,086 and the amount recorded for the shares issued of $3,761, as explained in the following paragraph, was recorded as a loss on extinguishment of a loan of $1,675 (note 13).

The amount used to record the shares issued, the fair value of the shares, was determined using the closing price on the date of issue. The 1,445,675 shares issued on May 6, 2015 were recorded using the closing price of $2.24 and the 216,851 shares issued on May 28, 2015 were recorded using the closing price of $2.41, resulting in an overall value of the shares issued of $3,761.

The following table presents the changes in the long-term debt during the nine months ended September 30, 2015:

Balance at January 1, 2015	$	23,244
Interest accretion		2,042
Adjustments due to extinguishments of debt		(3,838)
Balance at September 30, 2015	$	21,448
Comprising of the following loans :		
OID loan having a face value of $11,331 maturing on July 31, 2022 with an effective interest rate of 10.6%	$	(5,700)
OID loan having a face value of $31,306 maturing on July 31, 2022 with an effective interest rate of 10.6%	$	(15,748)

9. Contractual obligations

The following table presents the contractual maturities of the financial liabilities, excluding operating leases as of September 30, 2015:

		Contractual Cash flows			
At September 30, 2015	**Carrying amount**	**Payable within 1 year**	**2 - 3 years**	**More than 5 years**	**Total**
Trade and other payables	$ 7,588	$ 7,588	$ -	$ -	$ 7,588
Advance on revenues from a supply agreement	3,680	1,186	2,712	-	3,898
Long-term debt	21,448	-	-	42,637	42,637
	$ 32,716	$ 8,774	$ 2,712	$ 42,637	$ 54,123

10. Share capital and other equity instruments

a) Share capital

Changes in the issued and outstanding common shares during the nine months ended September 30, 2015 and 2014 were as follows:

	September 30, 2015		September 30, 2014	
	Number	**Amount**	Number	Amount
Balance - beginning of period	**547,627,835**	**$ 294,870**	523,168,666	$ 263,320
Issued for cash	**22,137,500**	**57,558**	-	-
Issued in consideration of loan extinguishment	**1,662,526**	**3,761**	-	-
Exercise of warrants	**2,897,570**	**2,326**	4,652,587	1,557
Exercise of options	**1,389,739**	**766**	2,243,976	554
Shares issued under restricted share units plan	**5,298,439**	**5,149**	1,246,250	218
Balance - end of period	**581,013,609**	**$ 364,430**	531,311,479	$ 265,649

On May 6, 2015, the Corporation issued 19,250,000 common shares following a bought deal public offering for gross proceeds of $50,050. On May 28, 2015, the underwriters exercised their over-allotment option to acquire an additional 2,887,500 common shares for a gross proceeds of $7,508. The underwriters received a cash commission of 5% of the gross proceeds of the offering. The aggregate issuance costs related to these issuances, including the commission, in the amount of $3,383, were recorded against the deficit.

Concurrently with the bought deal public offering, the Corporation concluded a private placement with the holder of the long-term debt. Using the rights conveyed under the loan agreement, the holder of the long-term debt elected to extinguish a portion of the face value of the $15,653 OID loan as consideration for the 1,662,526 shares issued (note 8).

b) Warrants and future investment rights

The following table summarizes the changes in the number of warrants and rights outstanding during the nine months ended September 30, 2015 and 2014:

	September 30, 2015		September 30, 2014	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Balance - beginning of period	**65,412,865**	**$ 0.82**	53,341,645	$ 0.43
Issued for cash	**-**	**-**	16,723,807	1.87
Issued in relation to debt modification	**7,000,000**	**3.00**	-	-
Modification of warrants	**20,276,595**	**0.77**	-	-
Exercised	**(2,897,570)**	**0.24**	(4,652,587)	0.16
Balance - end of period	**89,791,890**	**$ 1.00**	65,412,865	$ 0.82

During the nine months ended September 30, 2015, 2,897,570 warrants were exercised resulting in cash proceeds of $700 and a transfer from warrants to share capital of $1,626.

On March 31, 2015, 7,000,000 warrants having an exercise price of $3.00 per share and expiring in July 31, 2022 were issued in connection with the debt modification discussed in note 8. The warrants have been recognized at their fair value determined using a Black-Scholes pricing model and the following assumptions: volatility 61%, interest-free rate 1.5% and a marketability discount of 20%. The fair value of the warrants of $7,539 was recognized as part of the loss on extinguishment of the debt with the offsetting credit recorded in warrants and future investment rights.

On May 13, 2015, the shareholders approved the proposed modifications to the Second Warrants issued in the financing transaction in September 2013 (note 7). Consequently, there resulted a reclassification of the warrant liability to equity. The Second Warrants were recorded in warrant and future investment rights at their estimative fair value of $28,001.

The Second Warrants post-modification, give the right to acquire 20,276,595 common shares for an exercice price of $15,653 and expire on September 10, 2021.

As at September 30, 2015, the following warrants and rights, classified as equity, to acquire shares were outstanding:

Number	Expiry date	Exercise price
44,791,488	February 2017	$ 0.47
1,000,000	September 2021	0.52
20,276,595	September 2021	0.77
16,723,807	July 2022	1.87
7,000,000	July 2022	3.00
89,791,890		$ 1.00

c) Share-based payments

Stock options

Changes in the number of stock options outstanding during the nine months ended September 30, 2015 and 2014 were as follows:

	2015		2014	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
Balance - beginning of period	**11,950,799**	**$ 0.45**	12,744,400	$ 0.22
Granted	**2,840,562**	**2.41**	2,546,225	1.13
Forfeited	**(51,050)**	**0.91**	(64,500)	0.65
Exercised	**(1,389,739)**	**0.34**	(2,243,976)	0.16
Expired	**-**	**-**	(3,000)	0.13
Balance - end of period	**13,350,572**	**$ 0.87**	12,979,149	$ 0.40

During the nine months ended September 30, 2015, 1,389,739 options were exercised resulting in cash proceeds of $465 and a transfer from contributed surplus to share capital of $301. The weighted average share price on the date of exercise of the options during the nine months ended September 30, 2015 was $2.23. During the nine months ended September 30, 2014, 2,243,976 options were exercised resulting in cash proceeds of $365 and a transfer from contributed surplus to share capital of $189. The weighted average share price on the date of exercise of the options during the nine months ended September 30, 2014 was $1.30.

At September 30, 2015, 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 - $0.88	8,115,749	1.9	$ 0.24	6,434,537	$ 0.22
$0.89 - $1.91	2,392,230	3.7	1.18	1,100,047	1.14
$1.92 - $2.72	2,842,593	4.7	2.43	245,273	2.37
	13,350,572	2.8	$ 0.87	7,779,857	$ 0.42

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:

	September 30, 2015	September 30, 2014
Expected dividend rate	-	-
Expected volatility of share price	63.08%	69.45%
Risk-free interest rate	0.76%	1.54%
Expected life in years	3.7	4.6
Weighted average grant date fair value	$ 1.11	$ 0.90

A share-based payment compensation expense of $756 and $1,436 was recorded for the options for the quarter and the nine months ended September 30, 2015 respectively ($450 and $866 for the quarter and the nine months ended September 30, 2014).

Restricted share units ("RSU")

During the nine months ended September 30, 2015, 3,763,039 RSU were issued to management. Also, 5,298,439 vested RSU were released and an equivalent number of shares were issued out of treasury resulting in a transfer from contributed surplus to share capital of $5,149. During the nine months ended September 30, 2014, 6,500,000 RSU were issued to management. Also, 1,246,250 vested RSU were released and an equivalent number of shares were issued out of treasury resulting in a transfer from contributed surplus to share capital of $218.

A share-based payment compensation expense reversal of $599 and an expense of $449 was recorded during the quarter and the nine months ended September 30, 2015 respectively ($1,012 and $1,733 expensed during the quarter and nine months ended September 30, 2014). At September 30, 2015, 601,944 vested RSU and 7,782,656 unvested RSU were outstanding (3,420,000 vested RSU and 6,500,000 unvested RSU as at September 30, 2014).

Share-based payment expense

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

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Cost of goods sold	**$ 11**	$ 31	**$ 26**	$ 56
Research and development expenses recharged	**-**	-	**-**	34
Research and development expenses non-rechargeable	**(261)**	470	**716**	1,110
Administration, selling and marketing expenses	**407**	981	**1,143**	1,419
	$ 157	$ 1,482	**$ 1,885**	$ 2,619

11. Non-controlling interests

The losses allocated to the non-controlling interests in the consolidated statements of operations and the non-controlling interests balance on the consolidated statement of financial position, per subsidiary are as follows:

	September 30, 2015	December 31, 2014
Consolidated statements of financial position :		
ProMetic BioProduction Inc.	**$ (4,289)**	$ (117)
Pathogen Removal and Diagnostic Technologies Inc.	**(1,123)**	(3,488)
NantPro Biosciences, LLC	**38,070**	38,070
Total non-controlling interests	**$ 32,658**	$ 34,465

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Consolidated statements of operations :				
ProMetic BioProduction Inc.	**$ (526)**	$ (548)	**$ (1,006)**	$ (1,000)
Pathogen Removal and Diagnostic Technologies Inc.	**(110)**	(415)	**(801)**	(883)
NantPro Biosciences, LLC	**(701)**	(435)	**(2,428)**	(753)
Total non-controlling interests	**$ (1,337)**	$ (1,398)	**$ (4,235)**	$ (2,636)

The NantPro non-controlling interest's share in the funding of the subsidiary by ProMetic was $2,428 for the nine months ended September 30, 2015 ($753 for the nine months ended September 30, 2014) and has been presented in the consolidated statements of changes in equity.

12. Revenues

	Quarter ended September 30,		Nine months ended September 30,	
	2015	2014	**2015**	2014
Revenues from the sale of goods	**$ 5,073**	$ 1,029	**$ 9,186**	$ 7,330
Revenues from the rendering of services	**588**	735	**1,282**	4,583
Milestone and licensing revenues	**-**	551	**-**	551
	$ 5,661	$ 2,315	**$ 10,468**	$ 12,464

13. Loss on extinguishment of liabilities

The following table represent the details of loss on extinguishment of liabilities for the nine months ended September 30, 2015 ($nil for the quarter ended September 30, 2015).

	Nine months ended September 30, 2015
Loss on extinguishments of debt (note 8)	$ 7,725
Loss on reclassification of warrant liability to equity (note 7)	1,867
	$ 9,592

14. Segmented information

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

a) Revenues and expenses by operating segments

For the quarter ended September 30, 2015	**Small Molecule Therapeutics**	**Protein Technology**	**Corporate**	**Total**
Revenues	$ -	$ 5,661	$ -	$ 5,661
Cost of goods sold	-	1,205	-	1,205
Research and development expenses recharged	-	87	-	87
Research and development expenses non-rechargeable	2,057	9,753	-	11,810
Administration, selling and marketing expenses	449	1,890	1,790	4,129
Loss (gain) on foreign exchange	10	8,468	(9,041)	(563)
Finance costs	158	526	(223)	461
Net earnings (loss) before income taxes	$ (2,674)	$ (16,268)	$ 7,474	$ (11,468)

For the quarter ended september 30, 2014	Small Molecule Therapeutics	Protein Technology	Corporate	Total
Revenues	$ 4	$ 2,311	$ -	$ 2,315
Cost of goods sold	-	867	-	867
Research and development expenses recharged	-	266	-	266
Research and development expenses non-rechargeable	1,470	5,927	-	7,397
Administration, selling and marketing expenses	149	1,154	1,886	3,189
Loss (gain) on foreign exchange	(4)	348	(318)	26
Finance costs	164	387	223	774
Fair value variation of warrant liability	-	-	10,420	10,420
Net loss before income taxes	$ (1,775)	$ (6,638)	$ (12,211)	$ (20,624)

For the nine months ended september 30, 2015	Small Molecule Therapeutics	Protein Technology	Corporate	Total
Revenues	$ -	$ 10,468	$ -	$ 10,468
Costs of goods sold	-	3,342	-	3,342
Research and development expenses recharged	-	588	-	588
Research and development expenses non-rechargeable	6,197	25,534	-	31,731
Administration, selling and marketing expenses	598	3,949	6,698	11,245
Loss (gain) on foreign exchange	15	10,863	- 12,590	(1,712)
Finance costs	455	1,528	- 80	1,903
Fair value variation of warrant liability	-	-	1,458	1,458
Loss on extinguishment of liabilities	-	-	9,592	9,592
Net loss before income taxes	$ (7,265)	$ (35,336)	$ (5,078)	$ (47,679)

For the nine months ended september 30, 2014	Small Molecule Therapeutics	Protein Technology	Corporate	Total
Revenues	$ 11	$ 12,453	$ -	$ 12,464
Costs of goods sold	-	4,659	-	4,659
Research and development expenses recharged	-	2,699	-	2,699
Research and development expenses non-rechargeable	4,289	15,992	-	20,281
Administration, selling and marketing expenses	405	3,030	4,865	8,300
Loss (gain) on foreign exchange	(4)	348	(334)	10
Finance costs	370	934	521	1,825
Fair value variation of warrant liability	-	-	12,432	12,432
Gain on revaluation of equity investment	-	(24,258)	-	(24,258)
Purchase gain on business combination	-	(8,065)	-	(8,065)
Net earnings (loss) before income taxes	$ (5,049)	$ 17,114	$ (17,484)	$ (5,419)

Segmented information by operating segment

b) Total assets by operating segment

	September 30, 2015	December 31, 2014
Small Molecule Therapeutics	**$ 4,257**	$ 3,351
Protein Technology	**178,318**	172,965
Corporate	**43,046**	27,127
	$ 225,621	$ 203,443

c) Total liabilities by operating segment

		September 30, 2015		December 31, 2014
Small Molecule Therapeutics	**$**	**996**	$	1,849
Protein Technology		**45,520**		47,372
Corporate		**22,725**		49,791
	$	**69,241**	$	99,012

d) Revenues by location

	Quarter ended September 30,			Nine months ended September 30,		
		2015	2014		**2015**	2014
Switzerland	**$**	**4,805**	$ 1,025	**$**	**7,536**	$ 2,587
United States		**383**	431		**1,499**	4,897
Russia		**233**	-		**533**	-
Austria		**1**	38		**30**	3,581
United Kingdom		**9**	40		**80**	60
Netherlands		**20**	189		**248**	668
Taiwan		**1**	551		**1**	551
Other countries		**209**	41		**541**	120
	$	**5,661**	$ 2,315	**$**	**10,468**	$ 12,464

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

The Corporation derives significant revenues from certain customers. During the nine months ended September 30, 2015, there was one customer who accounted for 68% of total revenues in the protein technologies segment. During the nine months ended September 30, 2014, there were two customers (one of them being NantPro) who accounted for 78% (29% and 49% respectively) of total revenues in the protein technologies segment.

15. Commitments

Leases

In May 2015, the Corporation signed a long-term manufacturing contract with a third party which provides the Corporation with additional manufacturing capacity (“the CMO contract”). Under the contract, the Corporation has the right of access to the facility and production equipment as well as access to the production and support staff. The payments under the contract cover the use of the production facility, a specified number of direct and indirect labour hours and the related overhead expense during a minimum of 20 weeks per year, over a 15 year term. The term of the agreement will be automatically extended after the initial term for successive terms of five years, unless a notification of termination is produced by one of the parties. The annual minimum payments under the agreement are subject to escalation annually calculated as the greatest of 3% or the Industrial Product Price / Pharmaceutical and Medicine Manufacturing index under the North American Industry Classification System. The annual payments are also subject to an adjustment calculated as 50% of the exchange rate between the U.S. dollar and the Canadian dollar at December 31st of each year.

The following table represent the future minimum operating lease payment as of September 30, 2015:

	within 1 year	2 - 5 years	Later than 5 years	Total
Future minimum operating lease payment	$ 3,295	$ 13,984	$ 40,904	$ 58,183

The above payments include non-lease elements pertaining to the arrangement as it was impracticable to separate the operating expenses from the lease payment. The operating lease expense recognised in the statement of operation for the CMO contract was $1,393 for the quarter and the nine month ended September 30, 2015.

Other commitments

In connection with the CMO contract, the Corporation has committed to a minimum spending between $3,019 and $9,000 each year from 2015 to 2030 (the end of the initial term) for a total of approximately $116 million. As of September 30, 2015, the remaining payment commitment under the CMO contract was $114 million or $56 million after deduction of the minimum lease payments under the CMO contract disclosed above.

In April 2006, the Corporation entered into an agreement with the American Red Cross for an exclusive license to use intellectual property rights relating to the Plasma Protein Purification System ("PPPS"). As per the agreement, ProMetic could pay a royalty to the American Red Cross of 12% on sublicensing revenues for PPPS in addition to an annual minimum royalty of US$30,000 to maintain the license.

A company owned by an officer of the Corporation is entitled to receive a royalty of 0.5% on net sales and 3% of license revenues in regards to certain small-molecule therapeutics commercialized by the Corporation. The officer 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.

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.

16. Subsequent event

On November 9, 2015, the Corporation entered into a license agreement whereby it obtained rights to intellectual property for the purpose of developing and commercializing plasminogen targeting multiple indications for wound healing. Under the license agreement, the Corporation has agreed to make a small upfront payment subsequent milestone payments and eventual payments of single-digit royalties on net sales of plasminogen for wound healing indications. ProMetic may also receive single-digit royalties on net sales of plasminogen for the other party's field of use.