Condensed Interim Financial Statements
(Expressed in Canadian Dollars)

MIRACULINS INC.

Three and six months ended May 31, 2012
(Unaudited)

In accordance with National Instruments 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited financial statements for the three and six months ended May 31, 2012.

MIRACULINS INC.

Condensed Interim Statements of Financial Position
(Unaudited)

	Note		May 31, 2012		November 30, 2011
Assets					
Current assets:					
Cash		$	2,026,294	$	683,169
Accounts receivable			34,841		62,707
Prepaid expenses	12		102,188		8,581
Inventory			185,432		179,829
Total current assets			2,348,755		934,286
Non-current assets:					
Property and equipment	4		20,702		38,970
Intangible assets	5		992,446		980,348
Total non-current assets			1,013,148		1,019,318
Total assets		**$**	**3,361,903**	**$**	**1,953,604**
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities		$	152,461	$	234,522
Accrued interest on long-term debt	9		16,154		16,154
Current portion of royalty obligation	7		41,000		37,000
Current portion of obligation under finance lease	6		-		9,704
Deferred collaborative research and option fees	8		17,220		10,995
Total current liabilities			226,835		308,375
Non-current liabilities					
Long-term debt	9		904,490		884,118
Royalty obligation	7		749,000		691,000
Obligation under finance lease	6		-		7,007
Total non-current liabilities			1,653,490		1,582,125
Shareholders' equity:					
Share capital	10		10,794,125		8,900,757
Contributed surplus			2,477,670		2,076,021
Warrants	10		598,846		214,131
Deficit			(12,389,063)		(11,127,805)
Total equity			1,481,578		63,104
Going concern	2				
Commitments and contingencies	11				
Subsequent event	15				
Total liabilities and equity		**$**	**3,361,903**	**$**	**1,953,604**

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

MIRACULINS INC.

Condensed Interim Statements of Net Loss and Comprehensive Loss
(Unaudited)

	Three months ended May 31, 2012	Three months ended May 31, 2011	Six months ended May 31, 2012	Six months ended May 31, 2011
Expenses				
General and administration	$ 555,910	$ 229,979	$ 930,068	$ 431,572
Research and development	128,138	142,136	261,151	267,141
Total operating expenses	684,048	372,115	1,191,219	698,713
Collaborative research and option fee income	38,640	23,214	70,215	46,427
Finance Income (Costs)				
Finance expenses	(72,052)	(29,731)	(144,330)	(61,315)
Finance income	4,509	3,102	5,980	5,146
Foreign exchange (loss) gain, net	(49)	(494)	(1,904)	(106)
Net finance costs	(67,592)	(27,123)	(140,254)	(56,275)
Net loss and comprehensive loss for the period	$ 713,000	$ 376,024	$ 1,261,258	$ 708,561
Basic and diluted loss per share	$ 0.01	$ 0.01	$ 0.02	$ 0.01

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

MIRACULINS INC.

Condensed Interim Statements of Changes in Shareholders' Equity
(Unaudited)

	Note	Share Capital	Contributed Surplus	Warrants	Deficit	Total
Balance, November 30, 2010		$ 7,482,590	$ 1,865,824	$ 394,764	$ (9,510,623)	$ 232,555
Loss and comprehensive loss for the period		-	-	-	(708,561)	(708,561)
Transactions with owners, recorded directly in equity						
Issue of common shares	10	488,210	-	-	-	488,210
Share-based payments	10	-	40,822	-	-	40,822
Warrants issued	10	-	-	214,131	-	214,131
Warrants expired	10	-	88,338	(88,338)	-	-
Warrants exercised	10	820,816	-	(229,114)	-	591,702
Total transactions with owners		1,309,026	129,160	(103,321)	-	1,334,865
Balance, May 31, 2011		$ 8,791,616	$ 1,994,984	$ 291,443	$ (10,219,184)	$ 858,859

	Note	Share Capital	Contributed Surplus	Warrants	Deficit	Total
Balance, November 30, 2011		$ 8,900,757	$ 2,076,021	$ 214,131	$ (11,127,805)	$ 63,104
Loss and comprehensive loss for the period		-	-	-	(1,261,258)	(1,261,258)
Transactions with owners, recorded directly in equity						
Issue of common shares	10	1,834,609	-	-	-	1,834,609
Share-based payments	10	-	216,277	-	-	216,277
Stock options exercised	10	58,759	(28,759)	-	-	30,000
Warrants granted	10	-	-	598,846	-	598,846
Warrants expired	10	-	214,131	(214,131)	-	-
Total transactions with owners		1,893,368	401,649	384,715	-	2,679,732
Balance, May 31, 2012		$ 10,794,125	$ 2,477,670	$ 598,846	$ (12,389,063)	$ 1,481,578

The accompanying notes are an integral part of these financial statements

MIRACULINS INC.

Condensed Interim Statements of Cash Flows
(Unaudited)

	Note	Six months ended May 31, 2012	Six months ended May 31, 2011
Cash provided by (used in):			
Operating activities:			
Net loss and comprehensive loss for the period		$ (1,261,258)	$ (708,561)
Adjustments for:			
Loss on disposal of property and equipment		-	483
Amortization		8,416	9,791
Write-down of intellectual property	5	-	24,479
Stock-based compensation	10	216,277	40,822
Accretion of royalty obligation	7	62,000	46,496
Interest accrued		60,000	-
Interest paid		(60,000)	-
Non-cash interest expense		20,372	-
Change in the following:			
Accounts receivable		27,866	(7,218)
Prepaid expenses		(93,607)	786
Inventory		(5,603)	-
Accounts payable and accrued liabilities		(82,061)	(87,786)
Due to related party		-	(75,807)
Obligation under project funding agreement		-	(7,987)
Deferred collaborative research and option fee		6,225	(46,426)
		(1,101,373)	(810,928)
Financing activities:			
Issuance of common shares and warrants, net of share issue costs		2,433,455	1,294,043
Exercise of stock options		30,000	-
Repayment of obligation under capital lease		(16,711)	(4,565)
		2,446,744	1,289,478
Investing activities:			
Purchase of property and equipment		(9,840)	(1,849)
Proceeds on sale of property and equipment		26,575	-
Patent and trademark costs		(18,981)	(46,807)
		(2,246)	(48,656)
Increase in cash		1,343,125	429,894
Cash, beginning of the period		683,169	126,826
Cash, end of the period		$ 2,026,294	$ 556,720
Supplemental cash flow information:			
Non-cash financing activities:			
Warrants issued as share issue costs	10	$ 22,396	$ 25,246
Shares issued to settle amount payable	12	$ 64,296	$ -

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

1. Reporting entity:

Miraculins Inc. (the "Company") is a company domiciled and incorporated in Canada. The address of the Company's registered office is 6-1250 Waverley Street, Winnipeg, Manitoba, Canada. The Company's common shares are publicly traded on the TSX Venture Exchange. The Company has as its main focus the acquisition and/or development of diagnostic opportunities in areas where there are unmet clinical needs. To date, the Company has no products on commercial production or use.

2. Basis of preparation of financial statements:

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting.* The condensed interim financial statements do not include all of the information required for full annual financial statements.

In May 2012, the Company filed its condensed interim financial statements for the three months ended February 29, 2012, which represent the initial presentation of its results and financial position under IFRS. These condensed interim financial statements for the period ended May 31, 2012 should be read in conjunction with the Company's condensed interim financial statements for the period ended February 29, 2012. As the Company's interim financial statements were previously prepared in accordance with previous generally accepted accounting principles ("GAAP"), disclosure of the transition from previous GAAP to IFRS is included in note 16.

The interim financial statements were authorized for issue by the Board of Directors on July 23, 2012.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Going concern

These financial statements have been prepared using IFRSs that are applicable to a going concern, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There is substantial doubt about the Company's ability to continue as a going concern. The Company has experienced operating losses and cash outflows from operations since incorporation and has not reached successful commercialization of its products.

The Company's future operations are dependent upon its ability to generate product sales, negotiate collaboration or license agreements with upfront payments, obtain research grant funding, and secure additional funds. While the Company is striving to achieve these plans, there is no assurance that these and other strategies will be achieved or such sources of funds will be available or obtained on favourable terms or obtained at all. If the Company cannot generate product sales, negotiate collaboration or license agreements with upfront payments, obtain research grant funding, or if it cannot secure additional financing on terms that would be acceptable to it, the Company will have to consider additional strategic alternatives which may include, among other strategies, exploring the monetization of certain intangible assets as well as seeking to outlicense and/or divest assets.

2. Basis of preparation of financial statements (continued):

(c) Going concern (continued)

The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities and commitments when due is dependent on the successful completion of the actions taken or planned, some of which are described above, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

These financial statements do not reflect adjustments in the carrying values of the Company's assets and liabilities, expenses, and the statement of financial position classification used, that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

(d) Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

(e) Use of estimates and judgments

The preparation of these financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management applying the Company's accounting policies and the key sources of estimation uncertainty are expected to be the same as those to be applied in the first annual IFRS financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements and Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial years are included in the following notes to the February 29, 2012 condensed interim financial statements:

- Note 3f(i) Research and development costs
- Note 3f(ii) Acquired intellectual property
- Note 3f(iii) Patents and trademarks
- Note 3f(iv) Technology licenses
- Note 3i(ii) Share-based compensation
- Note 3h(ii) Impairment of non-financial assets

3. New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are not yet effective up to the date of issuance of the Company's financial statements are listed below. The Company is assessing the impact of these pronouncements on its results and financial position. The Company intends to adopt those standards when they become effective.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9 reflects the first phase of the IASB's work on the replacement of IAS 39 - Financial Instruments, Recognition and Measurement, and deals with the classification and measurement of financial assets and financial liabilities. This standard establishes two primary measurement categories for financial assets, amortized cost and fair value, and eliminates the existing categories or held-to-maturity, available-for-sale and loans and receivables. The new classification will depend on the entity's business model and contractual cash flow characteristics of the financial asset. In December 2011 the IASB issued an amendment to IFRS 9 to defer the mandatory effective date to annual periods on or after January 1, 2015.

IFRS 13 - Fair Value Measurement

In May 2011, the IASB published IFRS 13 - Fair Value Measurement, which is effective prospectively for annual periods beginning on or after January 1, 2013. IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income. IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The Company intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on December 1, 2013. The Company does not expect IFRS 13 to have a material impact on the financial statements.

4. Property and equipment:

Cost	Computer and office equipment	Equipment held for Resale	Scientific equipment	Leasehold improvements	Total
Balance December 1, 2010	$ 19,538	$ -	$ 143,568	$ 125,644	$ 288,750
Additions	2,621	-	-	-	2,621
Transfer to equipment held for resale	-	143,568	(143,568)	-	-
Disposals	(9,539)	(102,192)	-	-	(111,731)
Change due to write-downs	-	(6,210)	-	-	(6,210)
Balance November 30, 2011	12,620	35,166	-	125,644	173,430
Additions	9,840	-	-	-	9,840
Disposals	-	(26,575)	-	(125,644)	(152,219)
Balance May 31, 2012	$ 22,460	$ 8,591	$ -	$ -	$ 31,051

Accumulated Amortization	Computer and office equipment	Equipment held for Resale	Scientific equipment	Leasehold improvements	Total
Balance December 1, 2010	$ 17,053	$ -	$ 85,093	$ 124,994	$ 227,140
Amortization	819	-	17,099	650	18,568
Disposals	(9,056)	-	(102,192)	-	(111,248)
Balance November 30, 2011	8,816	-	-	125,644	134,460
Amortization	1,533	-	-	-	1,533
Disposals	-	-	-	(125,644)	(125,644)
Balance May 31, 2012	$ 10,349	$ -	$ -	$ -	$ 10,349

Carrying value	Computer and office equipment	Equipment held for Resale	Scientific equipment	Leasehold improvements	Total
At December 1, 2010	$ 2,485	$ -	$ 58,475	$ 650	$ 61,610
At November 30, 2011	$ 3,804	$ 35,166	$ -	$ -	$ 38,970
At May 31, 2012	$ 12,111	$ 8,591	$ -	$ -	$ 20,702

5. Intangible assets:

Cost		Patents		Trademarks		Technology licence		Acquired intellectual property		Total
Balance December 1, 2010	$	90,769	$	11,882	$	20,770	$	818,687	$	942,108
Additions		98,417		3,732		10,000		-		112,149
Change due to write-downs		(52,341)		-		-		-		(52,341)
Balance November 30, 2011		136,845		15,614		30,770		818,687		1,001,916
Additions		14,023		4,958		-		-		18,981
Disposals		-		-		(20,770)		-		(20,770)
Balance May 31, 2012	$	150,868	$	20,572	$	10,000	$	818,687	$	1,000,127

Accumulated amortization		Patents		Trademarks		Technology licence		Acquired intellectual property		Total
Balance December 1, 2010	$	-	$	-	$	-	$	-	$	-
Amortization		798		-		20,770		-		21,568
Balance November 30, 2011		798		-		20,770		-		21,568
Amortization		633		-		6,250		-		6,883
Disposals		-		-		(20,770)		-		(20,770)
Balance May 31, 2012	$	1,431	$	-	$	6,250	$	-	$	7,681

Carrying amounts		Patents		Trademarks		Technology licence		Acquired intellectual property		Total
At December 1, 2010	$	90,769	$	11,882	$	20,770	$	818,687	$	942,108
At November 30, 2011	$	136,047	$	15,614	$	10,000	$	818,687	$	980,348
At May 31, 2012	$	149,437	$	20,572	$	3,750	$	818,687	$	992,446

The Company has considered indicators of impairment as at November 30, 2011, and May 31, 2012. As part of its ongoing review of all intellectual property, the Company did not record an impairment write-down during the three and six months ended May 31, 2012 (2011 - $1,293 and $24,479). The impairment losses recorded to date relate to patent applications no longer being pursued which consequently have no future value associated with them.

Amortization and derecognition expenses are recognized in research and development expense.

5. Intangible assets (continued):

On October 15, 2008, the Company acquired worldwide rights to commercialize a portfolio of biomarkers for use in developing diagnostic assays for the early detection of preeclampsia from Mount Sinai Hospital ("MSH") in Toronto, Canada. The Company pays an annual license maintenance fee beginning on October 15, 2011, the third anniversary date of the agreement. The Company will also pay a royalty to MSH, subject to minimum annual royalties, of a stipulated percentage of the net sales of licensed products, if any, along with other milestone payments. If the Company sub-licenses any rights under the agreement to a third party, the Company shall pay MSH a stipulated percentage of sub-license fee and sub-license royalty fee (Note 11(c)). The royalty, sub-license, and sub-license royalty fees, if any, are to be paid either monthly or quarterly. The agreement terminates on the expiration or final determination of the invalidity of the last patent issued under the agreement. On January 8, 2010, the Company and MSH amended the royalty and fee structure of the agreement (Note 10). There were no sales of licensed products to May 31, 2012.

6. Obligation under finance lease:

The obligation under the finance lease was repayable in monthly installments of $860 including interest, calculated at an imputed rate of 5% and matured in July 2013. On April 9, 2012, a payment of $15,919 in regards to the finance lease was made and there is no further obligation under this lease. As a result, there are no longer any minimum lease payments required.

Interest expense incurred on this lease for the three and six months ended February 29, 2012 amounts to $69 and $69 respectively (2011 - $317 and $597).

The finance lease outstanding is as follows:

	May 31, 2012	November 30, 2011
Scientific equipment lease contract	$ -	$ 16,711
Current portion of obligation under finance lease	-	(9,704)
	$ -	$ 7,007

7. Royalty obligation:

On September 3, 2010, the Company completed the acquisition of all relevant assets, including intellectual property, licenses and regulatory approvals, inventories, data and marketing materials required to commercialize the PreVu Skin Cholesterol Test ("PreVu") from PreMD Inc. ("PreMD").

Miraculins is obligated to pay a 10 percent ongoing royalty on gross revenue associated with PreVu to PreMD (Note 11(c)). The Company retains the right to buy-out the royalty at anytime for a one-time payment of $1,000,000. The initial value assigned to the royalty obligation, based on an expected value approach, was estimated at $547,000. The royalty obligation is revalued each period and its value at May 31, 2012 was $790,000 (November 30, 2011 - $728,000). The accretion of the royalty obligation for the three and six months ended May 31, 2012 of $31,000 and $62,000 respectively (2011 - $23,248 and $46,496) is recorded within finance expense on the statement of net loss and comprehensive loss.

8. Deferred collaborative research and option fees:

The Company recognizes collaborative research and option fee income, if any, when underlying contractual services are performed or when milestones are achieved in accordance with the terms of the specific agreement. Up-front payments received for the use of technology where further services are to be provided or fees received on the signing of collaborative research agreements are recognized over the period of performance of the related activities. Amounts received in advance of recognition are included in deferred collaborative research and option fees. For the three and six months ended May 31, 2012, the Company recognized collaborative research and option fees in the amount of $38,640 and $70,215 respectively (2011 - $23,214 and $46,427). As at May 31, 2012, deferred collaborative research and option fees amounted to $17,220 (November 30, 2011 - $10,995).

9. Long-term debt

On October 12, 2011, the Company entered into a non-convertible secured loan agreement with a private lender (the "Lender") for $1,000,000. The Promissory note evidencing the loan was issued at a discount for a purchase price of $950,000 and in addition the Lender received 1,428,571 common shares of the Company with a fair value of $71,428, net of issue costs of $1,050.

The effective interest rate on the long-term debt is 18.15%. Interest expense for three and six months ended May 31, 2012 was $39,976 and $80,372 respectively (2011 - nil and nil). The initial value assigned to the long-term debt, based on a fair value approach, was $878,571. As at May 31, 2012, the amortized cost of the long-term debt was $904,490 (November 30, 2011 - $884,118).

The loan matures on April 12, 2014 and bears interest at 12% per annum, payable interest only on a quarterly basis, except in the case of the first interest payment, which was payable on April 12, 2012. Any overdue payments will bear additional interest at a rate of 6%, for a combined interest rate of 18% on any overdue payment. In certain circumstances, the Company has the option to satisfy its obligations with respect to any interest payable on the loan by issuing common shares at a discounted price. Interest payable at May 31, 2012 is $16,154 (November 30, 2011 - $16,154).

The loan is secured by a general security interest in favour of the Lender over all tangible and intangible assets of the Company.

10. Capital stock:

(a) Authorized:

The Company has authorized share capital of an unlimited number of common voting shares and an unlimited number of class A common voting shares.

10. Capital stock (continued):

(b) Shares issued and outstanding:

Shares issued and outstanding are as follows:

	Number of Common Shares		Amount
Balance, November 30, 2010	54,634,826	$	7,482,590
Exercise of warrants (Note 10(d))	1,436,000		182,474
Issued for cash, net of issue costs of $105,262 (1)	6,083,331		488,210
Early exercise warrants incentive program, net of issue costs of $52,275 (2)	5,540,000		638,342
Balance, May 31, 2011	67,694,157	$	8,791,616
Balance, November 30, 2011	69,422,728		8,900,757
Exercise of stock options (Note 10(c))	300,000		58,760
Issued for cash, net of issue costs of $79,607 (3)	22,293,559		1,849,920
Shares issued to settle amount payable (Note 12(b))	952,533		64,296
Balance, May 31, 2012	92,968,820	$	10,794,125

(1) On December 15, 2010, the Company closed a private placement offering (the “Q1 2011 Offering”) of 6,083,331 units (the "Units") at a price of $0.12 per Unit, for aggregate gross proceeds to the Company of $730,000. Each Unit was comprised of one common share (a "Share") and one half of one Share purchase warrant (a "Warrant"). Each whole Warrant entitled the holder to purchase one Share at a price of $0.18 at any time within twelve months from the date of issuance of the Warrant and were callable, at the option of the Company, at any time after six months following their issuance, in the event that the Shares traded at or above $0.25 per Share for any five out of 10 consecutive trading days. The fair value equal to $136,528 was assigned to the warrants upon issuance.

Certain persons assisted the Company by introducing potential subscribers for the Offering and were paid a finder's fee of up to 10% of the total subscription proceeds received from subscribers introduced to the Company by each particular person. Additionally, these persons were issued compensation warrants ("Compensation Warrants") equal to up to 10% of the total number of Units subscribed for by subscribers introduced to the Company by each particular person. Each Compensation Warrant entitled the holder thereof to purchase one Share at a price of $0.12 per Share for a period of twelve months from the date of the Q1 2011 Offering. The Compensation Warrants expired on December 15, 2011.

Included in share issue costs of $105,262 is $25,246 of non-cash compensation recognized from warrants issued related to the Q1 2011 Offering.

(2) On March 11, 2011, the Company announced the receipt of gross proceeds equal to $554,000 from the exercise of 5,540,000 warrants through the Company's warrant exercise incentive program (the "Exercise Program"). Under the terms of the Exercise Program, each exercised warrant entitled the holder thereof (the "Warrantholder") to receive one common share of the Company (a "Common Share") and one-half of one common share purchase warrant, with each whole additional common share purchase warrant (each an "Incentive Warrant") entitling the holder to purchase a Common Share. Each Incentive Warrant will be exercisable at a price of $0.18 from the date of issue until December 15, 2011. The Company issued 5,540,000 common shares and 2,770,000 Incentive Warrants to Warrantholders in exchange for the warrants that were exercised under the Exercise Program. The fair value equal to $52,901 was assigned to Incentive Warrants upon issuance. Under the Exercise Program, warrants previously issued with a fair value of $189,518 were exercised and accordingly were transferred from warrants to capital stock (Note 11(d)).

10. Capital stock (continued):

(b) Shares issued and outstanding (continued):

(3) On March 29, 2012, the Company closed a private placement offering (the "Q2 2012 Offering") of 22,293,559 units (the "Units") at a price of $0.11 per Unit, for aggregate gross proceeds to the Company of $2,452,292. Each Unit is comprised of one common share (a "Share") and one half of one Share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to purchase one Share at a price of $0.16 at any time within twenty-four months from the date of issuance of the Warrant and are callable, at the option of the Company, at any time after four months following their issuance, in the event that the Shares traded at or above $0.25 per Share for any five out of 10 consecutive trading days. There were 11,146,780 warrants issued within the Q2 2012 Offering. The fair value equal to $602,372 was assigned to the warrants upon issuance.

Certain persons assisted the Company by introducing potential subscribers for the Offering and were paid a finder's fee of up to 10% of the total subscription proceeds received from subscribers introduced to the Company by each particular person. Additionally, these persons were issued compensation warrants ("Compensation Warrants") equal to up to 10% of the total number of Units subscribed for by subscribers introduced to the Company by each particular person. Each Compensation Warrant entitled the holder thereof to purchase one Share at a price of $0.14 per Share for a period of twelve months from the date of the Q2 2012 Offering. There were 503,047 Compensation Warrants issued.

Included in share issue costs of $79,607 is $22,396 of non-cash compensation recognized from warrants issued related to the Q2 2012 Offering.

On January 8, 2010, the Company announced that it had entered into a Collaborative Research and Option Agreement (the "Agreement") with Alere, Inc. ("Alere") (formerly "Inverness Medical Innovations") to advance and commercialize Miraculins' preeclampsia technology. In connection with the Agreement, the Company amended certain terms of its license agreement with MSH (Note 5). In consideration for the amendments, Miraculins will issue 250,000 common shares from treasury to MSH if Alere exercises its option to license under the Agreement.

(c) Options:

The Company has a stock option plan which is administered by the Board of Directors of the Company with stock options granted to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time.

Changes in the number of options outstanding during the six months ended May 31, 2012 and 2011 are as follows:

	2012		2011	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Balance, beginning of period	4,205,000	$ 0.15	4,270,000	$ 0.21
Granted	3,080,000	0.10	1,040,000	0.12
Exercised	(300,000)	0.10	-	-
Forfeited, cancelled or expired	(190,000)	0.52	(660,000)	0.41
Balance, end of period	6,795,000	0.12	4,650,000	0.16
Options exercisable, end of period	5,618,334	$ 0.12	3,625,000	$ 0.18
Weighted average fair value per unit of option granted during the period		$ 0.08		$ 0.09

10. Capital stock (continued):

(c) Options (continued):

Options outstanding at May 31, 2012 consist of the following:

Range of exercise prices	Outstanding number	Weighted average remaining contractual life	Weighted average exercise price	Exercisable number
$0.10 - $0.25	6,795,000	5.39 years	$0.12	5,618,334

For the three and six months ended May 31, 2012, compensation expense of $86,735 and $216,277 respectively (May 31, 2011 - $30,046 and $40,822) was recorded in general and administrative expenses to recognize options granted.

The compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes option pricing model with the following weighted average assumptions:

	May 31, 2012	**May 31, 2011**
Expected option life	3.4 years	3.4 years
Risk free interest rate	1.20%	2.04%
Dividend yield	nil	nil
Expected volatility	145.15%	135.18%

(d) Warrants:

Changes in the number of warrants outstanding during the six months ended May 31, 2012 and 2011 are as follows:

	2012			**2011**		
	Warrants	Amount	Weighted average exercise price	Warrants	Amount	Weighted average exercise price
Balance, beginning of period	6,248,332	$ 214,131	$ 0.10	12,486,000	$ 394,764	$ 0.10
Granted, pursuant to private placement (note 10(b))	11,649,827	576,450	-	6,248,332	214,131	0.18
Exercised	-	-	-	(6,976,000)	(229,114)	0.10
Expired	(6,248,332)	(214,131)	0.18	(3,250,000)	(88,338)	0.10
Balance, end of period	11,649,827	$ 598,846	$ 0.16	8,508,332	$ 291,443	$ 0.16
Weighted average remaining contractual life (years)			1.78 years			0.28 years

10. Capital stock (continued):

(d) Warrants (continued):

The fair value of warrants was determined at the date of measurement using the Black-Scholes option pricing model with the following weighted average assumptions:

	May 31, 2012	May 31, 2011
Expected life	2.0 years	0.9 years
Risk free interest rate	1.18%	1.79%
Dividend yield	nil	nil
Expected volatility	99.24%	119.19%

(e) Per share amounts:

The weighted average number of common shares outstanding for the periods ended May 31, 2012 and 2011 was 77,947,439 and 64,345,472, respectively. The dilution created by options and warrants has not been reflected in the per share amounts as the effect would be anti-dilutive.

11. Commitments and contingencies:

(a) Commitments:

As at May 31, 2012 and in the normal course of business, the Company has obligations to make future payments, representing contracts and other commitments that are known and committed.

Payments due by fiscal period ending November 30 are as follows:

2012 - remaining	$	73,790
2013		29,798
2014		20,000
2015		20,000
2016		20,000
2017		20,000
	$	183,588

The Company previously leased its laboratory space under an operating lease from Genesys Venture Inc. ("GVI"). On January 16, 2012, the Company and GVI mutually agreed to terminate the remainder of the laboratory lease for a one-time payment of $17,500 and there is no further obligation under this lease.

Effective January 1, 2012 the Company amended the terms of the business and administration services agreement with GVI, including the provision of Chief Financial Officer services. The Company is committed to pay $7,083 per month or $85,000 per annum for a period of one year.

11. Commitments and contingencies (continued):

(b) Guarantees:

The Company periodically enters into research and license agreements with third parties that include indemnification provisions customary in the industry. These guarantees generally require the Company to compensate the other party for certain damages and costs incurred as a result of claims arising from research and development activities undertaken on behalf of the Company. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions could be unlimited. These indemnification provisions generally survive termination of the underlying agreement. The nature of the indemnification obligations prevents the Company from making a reasonable estimate of the maximum potential amount it could be required to pay. Historically, the Company has not made any indemnification payments under such agreements and no amount has been accrued in the accompanying financial statements with respect to these indemnification obligations.

(c) Royalties:

The Company is obligated to pay royalties to PreMD based on any future commercial sales of PreVu Skin Cholesterol test equal to 10 percent of gross revenue associated with PreVu. The Company retains the right to buy-out the royalty at anytime for a one-time payment of $1,000,000. To date, no revenue had been recorded related to PreVu.

The Company is obligated to pay royalties to CIIRDF based on any future product revenues, if any, from the exploitation of the technology contemplated in the project funding agreement equal to 2.5 percent up to a maximum of the amounts funded under the agreement. To date, no royalties are due and/or payable.

The Company will also pay a royalty to MSH, subject to minimum annual royalties, of a stipulated percentage of the net sales of licensed products related to the worldwide rights to commercialize a portfolio of biomarkers for use in developing diagnostic assays for the early detection of preeclampsia, if any, along with other milestone payments. If the Company sub-licenses any rights under the agreement to a third party, the Company shall pay MSH a stipulated percentage of sub-license fee and sub-license royalty fee (Note 5).

12. Related party transactions:

(a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors and President & CEO are key management personnel.

In addition to their salaries, the Company also provides non-cash benefits and participation in the Stock Option Plan (Note 10). Compensation paid to key management personnel for the three and six months ended May 31, 2012 and 2011 are as follows:

	Three Months Ended May 31, 2012	Three Months Ended May 31, 2011	Six Months Ended May 31, 2012	Six Months Ended May 31, 2011
Salaries, fees and short-term employee benefits	$ 67,889	$ 40,765	$ 108,696	$ 81,529
Share-based payments	-	-	88,065	-
	$ 67,889	$ 40,765	$ 196,761	$ 81,529

12. Related party transactions (continued):

(b) Key management personnel and shareholder and director transactions

Directors and key management personnel controlled two percent of the voting shares of the Company as at May 31, 2012.

As of November 30, 2011 $68,712 was owed to GVI, a party which was related to the Company until November 1, 2011, when a director who controlled GVI resigned from the Board of Directors, which bore interest at 12% per annum, calculated and compounded on a monthly basis until September 30, 2011. Interest was waived in the period subsequent to September 30, 2011. On January 20, 2012, the payable to GVI was settled in a shares for debt transaction with 952,533 Common Shares being issued to GVI for payment for services rendered in accordance with the terms of an agreement between the two parties. The fair value of the shares totalled $64,296. The remainder of the payable was settled in cash.

The Company has an on-going consulting agreement with a shareholder to provide services as needed from time to time. For the three and six months ended May 31, 2012, $62,500 and 65,500 respectively (2011 - $3,000 and $3,000) has been recorded in general and administration expenses relating to this consulting agreement. As at May 31, 2012, $87,500 (November 30, 2011 - nil) is recorded in prepaid expenses in relation to this contract.

13. Government assistance:

During the three and six months ended May 31, 2012, the Company recorded nil and $19,942 (2011 - nil and nil) in government assistance to support the commercialization of the PreVu technology. The funding has been recorded against the related research expenditures. As at May 31, 2012, there is not any government assistance recorded in accounts receivable (November 30, 2011 - $39,620).

14. Determination of fair values:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following models. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Intangible assets

The fair value of intangible assets is determined for impairment testing purposes based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(b) Share-based payment transactions

The fair value of the employee share options is measured using the Black-Scholes formula. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

15. Subsequent event:

On July 10, 2012, an option was exercised and the Company received an option fee of US $50,000 for maintenance of the exclusive option over certain technology.

16. Transition to IFRS:

These condensed interim financial statements for the period ending May 31, 2012 are prepared in accordance with IFRS. As such, these financial statements have been prepared in accordance with IFRS 1, as well as the accounting policies described in Note 3 of the condensed interim financial statements for the three months ended February 29, 2012.

(a) Mandatory exceptions:

Estimates

Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS.

(b) Transition elections

IFRS 2 is effective for the Company as of December 1, 2010 and is applicable to stock options and grants that are unvested at that date. The transition rules in IFRS 1 and IFRS 2 as applied by the Company result in the following:

- Share options prior to November 7, 2002 are not taken into account for IFRS 2; and
- From December 1, 2010, all share options and other share-based payments will be expensed in accordance with the policy stated in note 3i(ii).

16. Transition to IFRS (continued):

(c) Reconciliation of Equity as Previously Reported Under Canadian GAAP to IFRS (continued)

As at May 31, 2011

	Ref	CDN GAAP	IFRS/Other Adjustments	Reclasses	IFRS
Assets					
Current assets:					
Cash		$ 556,720	$ -	$ -	$ 556,720
Accounts receivable		22,092	-	-	22,092
Prepaid expenses		8,322	-	-	8,322
Inventory		178,750	-	-	178,750
Total current assets		765,884	-	-	765,884
Non-current assets					
Property and equipment		53,185	-	-	53,185
Intangible assets		964,436	-	-	964,436
Total non-current assets		1,017,621	-	-	1,017,621
Total assets		$ 1,783,505	$ -	$ -	$ 1,783,505
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities		$ 122,714	$ -	$ -	$ 122,714
Due to related party		179,318	-	-	179,318
Current portion of obligation under finance lease		9,463	-	-	9,463
Deferred collaborative research and option fees		7,738	-	-	7,738
Total current liabilities		319,233	-	-	319,233
Non-current liabilities					
Royalty obligation	1	547,000	46,496	-	593,496
Obligation under finance lease		11,917	-	-	11,917
Total non-current liabilities		558,917	46,496	-	605,413
Shareholders' equity:					
Share capital		8,791,616	-	-	8,791,616
Contributed surplus		1,994,984	-	-	1,994,984
Warrants		291,443	-	-	291,443
Deficit	1	(10,172,688)	(46,496)	-	(10,219,184)
Total equity		905,355	(46,496)	-	858,859
Total liabilities and equity		$ 1,783,505	$ -	$ -	$ 1,783,505

(1) The Company has adjusted its previously reported results under Canadian GAAP to record accretion on the royalty obligation (included in finance expense) in the amount of $23,248 and $46,496 respectively for the three and six months ended May 31, 2011. This amount was previously recorded in Canadian GAAP earnings in the fourth quarter of fiscal 2011 but was attributable to the three and six months ended May 31, 2011.

16. Transition to IFRS (continued):

(d) Reconciliation of Net Loss and Comprehensive Loss as Previously Reported Under Canadian GAAP to IFRS

For the three months ended May 31, 2011

	Ref	CDN GAAP	IFRS/Other Adjustments	Reclasses	IFRS
Expenses:					
General and administration	1, 2, 5, 6	$ 206,677	$ -	$ 23,302	$ 229,979
Research and development	3, 4	136,410	-	5,726	142,136
Amortization	2, 3	4,666	-	(4,666)	-
Write-down of patents and trademarks	4	1,293	-	(1,293)	-
Stock-based compensation					
General and administration	1	30,046	-	(30,046)	-
Loss from operations		(379,092)	-	6,977	(372,115)
Collaborative research and option fee income		23,214	-	-	23,214
Finance income (costs):					
Finance income		3,102	-	-	3,102
Finance expense	5, 7	-	(23,248)	(6,483)	(29,731)
Foreign exchange loss, net	6	-	-	(494)	(494)
Net finance costs		3,102	(23,248)	(6,977)	(27,123)
Net loss and comprehensive loss for the period		$ (352,776)	$ (23,248)	$ -	$ (376,024)
Basic and diluted loss per share for the period		$ (0.01)	$ -	$ -	$ (0.01)

Under Canadian GAAP, the statement of net loss and comprehensive loss was presented using a combination of function and nature of expenses. The Company has elected to present expenses in the statements of net loss and comprehensive loss by function under IFRS.

For the three month period ended May 31, 2011, the following reclassifications were made:

(1) $30,046 of stock-based compensation was reclassified from stock-based compensation - general and administration to general and administration.

(2) $233 of amortization relating to property and equipment was reclassified from amortization to general and administration.

(3) $4,433 of amortization relating to property and equipment was reclassified from amortization to research and development.

16. Transition to IFRS (continued):

(d) Reconciliation of Net Loss and Comprehensive Loss as Previously Reported Under Canadian GAAP to IFRS (continued)

(4) $1,293 of write-downs of intangible assets was reclassified from write-down of patents and trademarks to research and development.

(5) $6,483 of interest on the payable to GVI, interest on the finance lease and bank charges were reclassified from general and administrative to finance expense.

(6) $494 of foreign exchange losses were reclassified from general and administrative to foreign exchange loss.

(7) The Company has adjusted its previously reported results under Canadian GAAP to record accretion on the royalty obligation (included in finance expense) in the amount of $23,248 for the three months ended May 31, 2011. This amount was previously recorded in Canadian GAAP earnings in the fourth quarter of fiscal 2011 but was attributable to the second quarter of fiscal 2011.

For the six months ended May 31, 2011

	Ref	CDN GAAP	IFRS/Other Adjustments	Reclasses	IFRS
Expenses:					
General and administration	1, 3, 6, 7	$ 405,431	$ -	$ 26,141	$ 431,572
Research and development	2, 4, 5	233,115	-	34,026	267,141
Amortization	3, 4	9,791	-	(9,791)	-
Write-down of patents and trademarks	5	24,479	-	(24,479)	-
Stock-based compensation					
General and administration	1	40,632	-	(40,632)	-
Research and development	2	190	-	(190)	-
Loss from operations		(713,638)	-	14,925	(698,713)
Collaborative research and option fee income		46,427	-	-	46,427
Finance income (costs):					
Finance income		5,146	-	-	5,146
Finance expense	6, 8	-	(46,496)	(14,819)	(61,315)
Foreign exchange loss, net	7	-	-	(106)	(106)
Net finance costs		5,146	(46,496)	(14,925)	(56,275)
Net loss and comprehensive loss for the year		$ (662,065)	$ (46,496)	$ -	$ (708,561)
Basic and diluted loss per share for the year		$ (0.01)	$ (0.00)	$ -	$ (0.01)

For the six months ended May 31, 2011, the following reclassifications were made:

(1) $40,632 of stock-based compensation was reclassified from stock-based compensation - general and administration to general and administration.

(2) $190 of stock-based compensation was reclassified from stock-based compensation - research and development to research and development.

16. Transition to IFRS (continued):

(d) Reconciliation of Net Loss and Comprehensive Loss as Previously Reported Under Canadian GAAP to IFRS (continued)

(3) $434 of amortization relating to property and equipment was reclassified from amortization to general and administration.

(4) $9,357 of amortization relating to property and equipment was reclassified from amortization to research and development.

(5) $24,479 of write-downs of intangible assets was reclassified from write-down of patents and trademarks to research and development.

(6) $14,819 of interest on the payable to GVI, interest on the finance lease and bank charges were reclassified from general and administrative to finance expense.

(7) $106 of foreign exchange losses was reclassified from general and administrative to foreign exchange loss.

(8) The Company has adjusted its previously reported results under Canadian GAAP to record accretion on the royalty obligation (included in finance expense) in the amount of $46,496 for the six months ended May 31, 2011. This amount was previously recorded in Canadian GAAP earnings in the fourth quarter of fiscal 2011 but was attributable to the six months ended May 31, 2011.