Condensed Interim Financial Statements
(Expressed in Canadian Dollars)

MIRACULINS INC.

Three months ended February 28, 2013
(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 months ended February 28, 2013.

MIRACULINS INC.

Condensed Interim Statements of Financial Position
(Unaudited)

	Note	February 28, 2013	November 30, 2012
Assets			
Current assets:			
Cash		$ 368,996	$ 911,808
Accounts receivable	12	76,233	87,555
Prepaid expenses		17,046	37,278
Inventory	4	203,839	217,645
Total current assets		666,114	1,254,286
Non-current assets:			
Property and equipment		29,775	22,641
Intangible assets	5	996,856	1,041,785
Total non-current assets		1,026,631	1,064,426
Total assets		**$ 1,692,745**	**$ 2,318,712**
Liabilities and Shareholders' (Deficiency) Equity			
Current liabilities:			
Accounts payable and accrued liabilities		$ 313,954	$ 373,430
Accrued interest on long-term debt	8	16,154	16,154
Deferred collaborative research and option fees	7	-	11,655
Total current liabilities		330,108	401,239
Non-current liabilities			
Long-term debt	8	939,074	927,072
Royalty obligation	6	865,000	830,000
Total non-current liabilities		1,804,074	1,757,072
Shareholders' (deficiency) equity:			
Share capital	9	10,997,891	10,965,391
Contributed surplus		2,619,157	2,592,963
Warrants	9	427,580	427,580
Deficit		(14,486,065)	(13,825,533)
Total (deficiency) equity		(441,437)	160,401
Going concern	2(c)		
Commitments and contingencies	10		
Subsequent events	9		
Total liabilities and equity		**$ 1,692,745**	**$ 2,318,712**

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)

	Note	Three months ended February 28, 2013	Three months ended February 29, 2012
Revenues			
Product Sales		$ 31,520	$ -
License Fees		24,990	-
Collaborative research and option fee income	7	11,655	31,575
		68,165	31,575
Expenses			
Cost of goods sold	4	13,806	-
Selling, general and administration		555,162	374,158
Research and development		75,015	133,013
		643,983	507,171
Finance income (costs)			
Finance income		1,858	1,471
Finance expense	6 & 8	(85,834)	(72,278)
Foreign exchange (loss) gain, net		(738)	(1,855)
Net finance costs		(84,714)	(72,662)
Net loss and comprehensive loss for the period		$ (660,532)	$ (548,258)
Basic and diluted loss per share	9	$ (0.01)	$ (0.01)

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

MIRACULINS INC.

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

	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		-	-	-	(548,258)	(548,258)
Transactions with owners, recorded directly in equity						
Issue of common shares	9	64,296	-	-	-	64,296
Share-based payments	9	-	129,542	-	-	129,542
Warrants expired	9	-	214,131	(214,131)	-	-
Total transactions with owners		64,296	343,673	(214,131)	-	193,838
Balance, February 29, 2012		$ 8,965,053	$ 2,419,694	$ -	$ (11,676,063)	$ (291,316)

	Note	Share Capital	Contributed Surplus	Warrants	Deficit	Total
Balance, November 30, 2012		10,965,391	$ 2,592,963	$ 427,580	$ (13,825,533)	$ 160,401
Loss and comprehensive loss for the period		-	-	-	(660,532)	(660,532)
Transactions with owners, recorded directly in equity						
Issue of common shares	9	32,500	-	-	-	32,500
Share-based payments	9	-	26,194	-	-	26,194
Total transactions with owners		32,500	26,194	-	-	58,694
Balance, February 28, 2013		$ 10,997,891	$ 2,619,157	$ 427,580	$ (14,486,065)	$ (441,437)

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

MIRACULINS INC.

Condensed Interim Statements of Cash Flows
(Unaudited)

	Note	Three months ended February 28, 2013	Three months ended February 29, 2012
Cash provided by (used in):			
Operating activities:			
Net loss for the period		$ (660,532)	$ (548,258)
Items not involving cash:			
Amortization	5	48,896	4,703
Stock-based compensation	9	26,194	129,542
Finance expense	6 & 8	85,834	72,278
Change in non-cash working capital balances:			
Accounts receivable		11,322	4,509
Prepaid expenses		20,232	(3,502)
Inventory		13,806	(5,603)
Accounts payable and accrued liabilities		(28,976)	(9,992)
Obligation under project funding agreement		-	-
Deferred collaborative research and option fee		(11,655)	44,865
		(494,879)	(311,458)
Financing activities:			
Repayment of obligation under finance lease		-	(792)
Interest paid		(30,598)	(881)
Royalties paid	10	(6,234)	-
		(36,832)	(1,673)
Investing activities:			
Purchase of property and equipment		(8,614)	(1,267)
Proceeds on sale of property and equipment		-	18,925
Patent and trademark costs	5	(2,487)	(14,321)
		(11,101)	3,337
Decrease in cash		(542,812)	(309,794)
Cash, beginning of the period		911,808	683,169
Cash, end of the period		$ 368,996	$ 373,375
Supplemental cash flow information:			
Non-cash financing activities:			
Shares issued on exercise of license agreement	9	$ 32,500	$ -
Shares issued to settle amount payable	9 & 11	$ -	$ 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. The Company's two primary technology programs are in the areas of cardiovascular disease and maternal health. Miraculins cardiovascular health program is focused on the PreVu Non-invasive Skin Cholesterol Test ("PreVu"), a non-invasive tool for risk assessment of coronary artery disease and the program was launched in the market with a pilot program in October of 2012, and then with the commercial roll-out which occurred in the three months ended February 28, 2013. The Company's maternal health program is centred on biomarkers for preeclampsia and a licensing agreement was signed during the three months ended February 28, 2013.

2. Basis of presentation:

(a) Statement of compliance

The condensed interim 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 International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and have been prepared using the same accounting policies and methods of application as those used in the Company's audited financial statements for the year ended November 30, 2012. The condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2012.

The condensed interim financial statements were authorized for issue by the Board of Directors on April 18, 2013.

(b) Basis of measurement

The condensed interim financial statements have been prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

(c) Going concern

These condensed interim financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes 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 as the Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $14,486,065 as at February 28, 2013.

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

(c) Going concern (continued)

Management has forecast that its expected expenditure levels and contracted commitments will exceed the Company's net cash flows and working capital during the second quarter of fiscal 2013 unless further financing is obtained. The Company's future operations including the completion of the launch of its products are dependent upon its ability to secure additional funds, generate product sales, negotiate collaboration or license agreements with upfront payments, and/or obtain research grant funding. 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. Historically, the Company has obtained funding via the issuance of shares and warrants and long-term debt and expects to require additional capital by the end of the second quarter of fiscal 2013. Subsequent to February 28, 2013, the Company closed a private placement offering for gross proceeds of $1,050,950, which management estimates will fund operations into the fourth quarter of 2013 at which point additional financing may be required. If the Company cannot secure additional financing on terms that would be acceptable to it, generate product sales, negotiate collaboration or license agreements with upfront payments, and/or obtain research grant funding, the Company will have to consider additional strategic alternatives which may include, among other strategies, cost curtailments, delays of product launch expenditures, exploring the monetization of certain intangible assets, as well as seeking to outlicense and/or divest assets.

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 many factors, including, but not limited to the successful completion of the actions taken or planned, some of which are described above, which are intended to mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing these financial statements. There can be no assurance that the Company will be able to obtain sufficient financing to meet future operational needs or that the above described and other strategies will be sufficient to permit the Company to continue as a going concern.

These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these condensed interim financial statements , then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses, and the statement of financial position classifications used.

(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 significant estimates and judgments

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

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.

Areas where management has made critical judgments in the process of applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the commencement of the period of use of acquired intellectual property.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the financial statements for the year ended November 30, 2012.

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

(e) Use of significant estimates and judgments (continued)

- Note 3b(ii): Valuation of the royalty obligation
- Note 3d: The measurement and valuation of inventory
- Note 3f(i): The estimation of accruals for research and development costs
- Note 3f(ii): The measurement and period of use of acquired intellectual property
- Note 3f(iii): The measurement and period of use of patents and trademarks
- Note 3i(ii): The assumptions and valuation technique used to estimate the value of share-based payment transactions

3. New standard 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 (2009) replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement,* on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables.

Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or
- financial assets measured at fair value.

Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income ("OCI"), with the remainder of the change recognized in profit and loss.

IFRS 9 (2010) supersedes IFRS 9 (2009) and is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted. For annual periods beginning before January 1, 2015, either IFRS 9 (2009) or IFRS 9 (2010) may be applied.

The Company intends to adopt IFRS 9 (2010) in its financial statements for the annual period beginning on December 1, 2015. The extent of the impact of adoption of IFRS 9 (2010) has not yet been determined.

3. New standard and interpretations not yet adopted (continued):

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, with earlier application permitted. The disclosure requirements of IFRS 13 need not be applied in comparative information for periods before initial application. 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 extent of the impact of adoption of IFRS 13 has not yet been determined.

Annual Improvement to IFRSs 2009-2011 Cycle - Various Standards

In May 2012, the IASB published Annual Improvements to IFRSs - 2009-2011 Cycle as part of its annual improvements process to make non-urgent but necessary amendments to IFRS effective for annual periods beginning on or after January 1, 2013 with retrospective application.

The impending changes that potential have an effect on the Company include:

- IAS 1 *Presentation of Financial Statements* - the changes involve amendments to the presentation and disclosure of comparative information beyond the minimum and the presentation of the opening statement of financial position.

The Company intends to adopt the amendments to the standards in its financial statements for the annual period beginning on December 1, 2013. The extent of the impact of the adoption of the amendments has not yet been determined.

4. Inventory:

	February 28, 2013	November 30, 2012
Parts inventory	$ 151,869	$ 176,902
Finished goods	51,970	40,743
	$ 203,839	$ 217,645

Inventory expensed within cost of goods sold during the three months ended February 28, 2013 was $13,806 (three months ended February 29, 2012 - nil) and relates to inventory sold to external customers. The Company did not have any expired or unuseable inventory during the three months ended February 28, 2013 (three months ended February 29, 2012 - nil).

5. Intangible assets:

Cost		Patents		Trademarks		Technology licence		Acquired intellectual property		Total
Balance November 30, 2011	$	136,845	$	15,614	$	30,770	$	818,687	$	1,001,916
Additions		71,748		26,488		15,000		-		113,236
Disposals		-		-		(30,770)		-		(30,770)
Change due to write-downs		(21,471)		-		-		-		(21,471)
Balance November 30, 2012		187,122		42,102		15,000		818,687		1,062,911
Additions		2,487		-		-		-		2,487
Balance February 28, 2013	$	189,609	$	42,102	$	15,000	$	818,687	$	1,065,398

Accumulated amortization		Patents		Trademarks		Technology licence		Acquired intellectual property		Total
Balance November 30, 2011	$	798	$	-	$	20,770	$	-	$	21,568
Amortization		4,808		-		11,875		13,645		30,328
Disposals		-		-		(30,770)		-		(30,770)
Balance November 30, 2012		5,606		-		1,875		13,645		21,126
Amortization		2,732		-		3,750		40,934		47,416
Balance February 28, 2013	$	8,338	$	-	$	5,625	$	54,579	$	68,542

Carrying value		Patents		Trademarks		Technology licence		Acquired intellectual property		Total
At November 30, 2012	$	181,516	$	42,102	$	13,125	$	805,042	$	1,041,785
At February 28, 2013	$	181,271	$	42,102	$	9,375	$	764,108	$	996,856

The Company has considered indicators of impairment and performed required impairment testing for acquired intellectual property not in use as at February 28, 2013 and November 30, 2012. The Company began amortizing its acquired intellectual property relating to the PreVu technology in November 2012 in connection with the Company's pilot launch of this technology. As part of its ongoing review of all intellectual property, the Company did not record any impairment write-down during the three months ended February 28, 2013 or February 29, 2012. The impairment losses recorded to date relate to patent applications no longer being pursued which consequently have no future value associated with them.

For the three months ended February 28, 2013, amortization and derecognition expenses are recognized in selling, general and administrative expense for PreVu related assets and research and development expense for other assets. During the three months ended February 29, 2012, 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 paid an annual license maintenance fee of $10,000 in fiscal 2011 and $15,000 in fiscal 2012 and will pay $20,000 in subsequent years. 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 MSH license agreement (the "MSH Agreement") to a third party, the Company shall pay MSH a stipulated percentage of sub-license fee and sub-license royalty fee (Note 10(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 MSH Agreement. On January 8, 2010, the Company and MSH amended the royalty and fee structure of the MSH Agreement (Note 9). In conjunction with Alere's decision to license under the Alere Agreement on January 10, 2013, a royalty of $6,234 became payable to MSH and was paid during the three months ended February 28, 2013 and is recorded within finance expense (February 29, 2012 - nil).

6. 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 10(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 February 28, 2013 was $914,000 (November 30, 2012 - $877,000. The estimated current portion of the royalty obligation of $49,000 (November 30, 2012 - $47,000) is included within accounts payable and accrued liabilities in the statement of financial position. Royalties for the three months ended February 28, 2013 total $3,152 in regards to the royalty obligation (February 29, 2012 - nil), with no payments made during the three months ended February 28, 2013 (February 29, 2012 - nil). Royalty payments will reduce the royalty obligation when paid and the accretion of the royalty obligation for the three months ended February 28, 2013 of $37,000 (three months ended February 29, 2012 - $31,000) is recorded within finance expense in the statement of net loss and comprehensive loss.

7. 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 months ended February 28, 2013, the Company recognized collaborative research and option fees in the amount of $11,655 (three months ended February 29, 2012 - $31,575). As at February 28, 2013, there were no deferred collaborative research and option fees recorded (November 30, 2012 - $11,655).

8. 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 the three months ended February 28, 2013 was $42,002 (three months ended February 29, 2012 - $40,396). The initial value assigned to the long-term debt, based on a fair value approach, was $878,571. As at February 28, 2013, the amortized cost of the long-term debt was $939,074 (November 30, 2012 - $927,072).

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 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 February 28, 2013 is $16,154 (November 30, 2012 - $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.

9. 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.

(b) Shares issued and outstanding

Shares issued and outstanding are as follows:

	Number of Common Shares		Amount
Balance, November 30, 2011	69,422,728	$	8,900,757
Shares issued to settle amount payable (Note 11(b))	952,533		64,296
Balance,February 29, 2012	70,375,261	$	8,965,053
Balance, November 30, 2012	92,968,820		10,965,391
Issued upon exercise of license agreement (1)	250,000		32,500
Balance, February 28, 2013	93,218,820	$	10,997,891

9. Capital stock (continued):

(b) Shares issued and outstanding (continued):

(1) On January 8, 2010, the Company announced that it had entered into a Collaborative Research and Option Agreement (the "Alere Agreement") with Alere, Inc. ("Alere") (formerly "Inverness Medical Innovations") to advance and commercialize Miraculins' preeclampsia technology. In connection with the Alere Agreement, the Company amended certain terms of its MSH Agreement (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 Alere Agreement.

Alere exercised its option on January 10, 2013 to license under the Alere Agreement, and the Company issued 250,000 common shares to MSH with fair value of $32,500.

Subsequent to February 28, 2013, the Company announced that it has closed a private placement offering (the "Offering") with aggregate gross proceeds to the Company of $1,050,950 from the sale of 11,677,323 units ("Units") at a price of $0.09 per Unit. Each Unit is comprised of one common share of the Company (a "Share") and one half of on Share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Share at a price of $0.11 per Share for a period of 12 months from the date the Warrant is issued. The net proceeds will be used for general corporate purposes including sales and marketing costs related to the Company's PreVu technology.

Certain persons assisted the Company by introducing potential subscribers for the Offering and were paid a finder's fee of 8% 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 8% of the total number of Units subscribed for by subscribers introduced to the Company by each particular person. Each Compensation Warrant entitles the holder thereof to purchase one Share at a price of $0.09 per Share for a period of twelve months from the date of issue.

(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 three months ended February 28, 2013 and February 29, 2012 are as follows:

		2013		2012
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Balance, beginning of period	8,085,000	$ 0.12	4,205,000	$ 0.15
Granted	-	-	2,680,000	0.10
Forfeited, cancelled or expired	-	-	(130,000)	0.53
Balance, end of period	8,085,000	0.12	6,755,000	0.12
Options exercisable, end of period	7,418,333	$ 0.12	4,551,666	$ 0.13
Weighted average fair value per unit of option granted during the period		$ -		$ 0.08

9. Capital stock (continued):

(c) Options (continued):

Options outstanding at February 28, 2013 consist of the following:

Range of exercise prices	Outstanding number	Weighted average remaining contractual life	Weighted average exercise price	Exercisable number
$0.10 - $0.15	7,751,667	5.63 years	$0.12	7,418,333
$0.16 - $0.20	333,333	9.48 years	$0.18	-
$0.10 - $0.20	8,085,000	6.04 years	$0.12	6,233,334

For the three months ended February 28, 2013, compensation expense of $26,194 (three months ended February 29, 2012 - $129,542) was recorded in selling, 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:

	February 28, 2013	**February 29, 2012**
Expected option life	3.7 years	3.5 years
Risk free interest rate	1.25%	1.19%
Dividend yield	nil	nil
Expected volatility	139.60%	148.52%

(d) Warrants

Changes in the number of warrants outstanding during the three months ended February 28, 2013 and February 29, 2012 are as follows:

			2013			**2012**
	Warrants	Amount	Weighted average exercise price	Warrants	Amount	Weighted average exercise price
Balance, beginning of period	11,649,827	$ 427,580	$ 0.16	6,248,332	$ 214,131	$ 0.10
Expired	-	-	-	(6,248,332)	(214,131)	0.18
Balance, end of period	11,649,827	$ 427,580	$ 0.16	-	$ -	$ -
Weighted average remaining contractual life (years)			1.04 years			- years

9. Capital stock (continued):

(d) Warrants (continued):

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

	February 28, 2013	February 29, 2012
Expected life	2.0 years	nil years
Risk free interest rate	1.18%	nil%
Dividend yield	nil	nil
Expected volatility	118.07%	nil%

Subsequent to February 28, 2013, 503,047 warrants expired, all with an exercise price of $0.14.

(e) Per share amounts

The weighted average number of common shares outstanding for the three months ended February 28, 2013 and February 29, 2012 was 93,035,487 and 69,851,891, respectively. The dilution created by options and warrants has not been reflected in the per share amounts as the effect would be anti-dilutive.

10. Commitments and contingencies:

(a) Commitments

As at February 28, 2013 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 in the next five years by fiscal year ending November 30 are as follows:

2013 - remaining	$	144,500
2014		94,333
2015		80,500
2016		20,000
2017		20,000
2018		20,000
	$	379,333

Effective January 1, 2013 the Company amended the terms of the business and administration services agreement with Genesys Venture Inc. ("GVI"), including the provision of Chief Financial Officer services. The Company is committed to pay $8,333 per month or $100,000 per annum for a period of one year.

10. 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 (Note 6). The Company retains the right to buy-out the royalty at anytime for a one-time payment of $1,000,000. Royalties for the three months ended February 28, 2013 total $3,152 in regards to the royalty obligation (February 29, 2012 - nil), with no payments made during the three months ended February 28, 2013 (February 29, 2012 - nil).

The Company is obligated to pay royalties to Canada-Israel Industrial Research and Development Foundation ("CIIRDF") based on any future product revenues, if any, from the exploitation of the preeclampsia technology contemplated in the project funding agreement equal to 2.5 percent up to a maximum of the amounts funded under the agreement. To February 28, 2013, no royalties are due and/or payable.

The Company is obligated to 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 MSH Agreement to a third party, the Company shall pay MSH a stipulated percentage of sub-license fee and sub-license royalty fee (Note 5). In conjunction with Alere's decision to license under the Alere Agreement on January 10, 2013, a royalty of $6,234 became payable to MSH and was paid during the three months ended February 28, 2013 and is recorded within finance expense (February 29, 2012 - nil).

11. 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 9(c)). Compensation paid to key management personnel for the three months ended February 28, 2013 and February 29, 2012 are as follows:

	2013	2012
Salaries, fees and short-term employee benefits	$ 66,917	$ 40,000
Short-term benefits and insurance premiums	837	806
Share-based payments	13,789	88,065
	$ 81,543	$ 128,871

11. Related party transactions (continued):

(b) Key management personnel and shareholder and director transactions

Directors and key management personnel controlled five percent of the voting shares of the Company as at February 28, 2013.

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. On January 20, 2012, the payable to GVI was settled in exchange for $4,416 of cash and 952,533 Common Shares with a fair value of $64,296 being issued to GVI for payment for services rendered in accordance with the terms of an agreement between the two parties.

The Company has an on-going consulting agreement with a shareholder to provide services as needed from time to time. For the three months ended February 28, 2013, $9,000 (three months ended February 29, 2012 - $3,000) has been recorded in selling, general and administration expenses relating to this consulting agreement.

12. Government assistance:

During the three months ended February 28, 2013, the Company recorded $62,433 (three months ended February 29, 2012 - $19,942) in government assistance to support the commercialization of the PreVu technology. The funding has been recorded with $51,734 as a reduction of the related research expenditures and $10,699 as a reduction of intangible assets (three months ended February 29, 2012 - $19,942 and nil, respectively). As at February 28, 2013, $62,433 of government assistance is recorded in accounts receivable (November 30, 2012 - $67,567).