

Aileron Ventures Limited
Condensed Interim Financial Statements
For the three months ended March 31, 2013
(Unaudited)

Aileron Ventures Limited

Statements of Financial Position

(expressed in Canadian dollars)

	Notes	March 31, 2013	December 31, 2012
Assets			
Current assets			
Cash		\$ 71	\$ 118
		71	118
Investment	5	9,250	9,250
		<u>\$ 9,321</u>	<u>\$ 9,368</u>
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 4,501	\$ 4,500
Due to affiliate	6	19,749	18,649
		<u>24,250</u>	<u>23,149</u>
Shareholder's Equity (Deficiency)			
Share capital	7	27,770	27,770
Deficit		(42,699)	(41,551)
		<u>(14,929)</u>	<u>(13,781)</u>
		<u>\$ 9,321</u>	<u>\$ 9,368</u>

Going Concern 2

See accompanying Notes

Approved by the Board, May 30, 2013

(signed) "*Harold Kunik*" _____, Director

(signed) "*Barclay Laughland*" _____, Director

Aileron Ventures Limited

Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2013 and 2012
(expressed in Canadian dollars)

	Notes	<u>2013</u>	<u>2012</u>
Revenue		<u>\$ -</u>	<u>\$ -</u>
Expenses			
Bank Charges		42	42
General and administrative		<u>1,106</u>	<u>-</u>
		<u>1,148</u>	<u>42</u>
Net loss and comprehensive loss		<u>\$ (1,148)</u>	<u>\$ (42)</u>
Basic loss per share	7(d)	<u>\$ (0.000)</u>	<u>\$ (0.000)</u>

See accompanying Notes.

Aileron Ventures Limited

Statements of Changes in Shareholders' Equity
For the three months ended March 31, 2013 and 2012
(expressed in Canadian dollars)

	Notes	Number of Common Shares	Common Shares Stated Value	Deficit	Total Equity
As at January 1, 2012		9,664,155	\$ 27,770	\$ (14,251)	\$ 13,519
Net loss		-	-	(42)	(42)
As at March 31, 2012		9,664,155	27,770	(14,293)	13,477
As at January 1, 2013		9,664,155	27,770	(41,551)	(13,781)
Net Loss		-	-	(1,148)	(1,148)
As at March 31, 2013	7	9,664,155	\$ 27,770	\$ (42,699)	\$ (14,929)

See accompanying notes

Aileron Ventures Limited

Statements of Cash Flows

For the three months ended March 31, 2013 and 2012

(expressed in Canadian dollars)

	<u>2013</u>	<u>2012</u>
Net loss	\$ (1,148)	\$ (42)
Changes in non-cash working capital		
GST Receivable	-	510
Accounts payable and accrued liabilities	1	(5,510)
Due to affiliate	1,100	-
	<u>(47)</u>	<u>(5,042)</u>
Change in cash and cash equivalents	(47)	(5,042)
Cash, beginning of period	<u>118</u>	<u>5,285</u>
Cash, end of period	<u>\$ 71</u>	<u>\$ 243</u>

See accompanying notes

Aileron Ventures Limited

Notes to Financial Statements

March 31, 2013

1. General business description

Aileron Ventures Limited (the "Company" or "Aileron"), formerly 1539467 Alberta Ltd., was incorporated on May 31, 2010 under the Business Corporations Act (Alberta). To date, the only operations of the Company have been the investments (see Note 5).

The address and principal place of business of the Company is Suite 400, 2424 - 4th Street SW, Calgary, Alberta, Canada, T2S 2T4.

2. Going concern

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate to the carrying values and classifications of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

At March 31, 2013, the Company had not yet achieved profitable operations, and recorded a net loss during the three months ended March 31, 2013 of \$1,148 (March 31, 2012 – \$42), has a working capital deficiency of \$24,179 (December 31, 2012 – \$23,031), has accumulated a deficit of \$42,699 (December 31, 2012 – \$41,551) since inception and expects to incur further losses in the development of its business.

The ability of the Company to continue as a going concern is dependent on its ability to receive continued financial support from its affiliate, raise additional debt or equity financing or identify business operations that generate positive cash flows.

3. Basis of preparation

(a) Statement of compliance

The condensed interim financial statements present Aileron's financial results of operations and financial position for the three months ended March 31, 2013.

The condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 – "Interim Financial Reporting". These condensed interim financial statements do not include all the necessary annual disclosures in accordance with IFRS.

A summary of the Company's significant changes in accounting policies under IFRS is presented in Note 4. These policies have been retrospectively and consistently applied.

The financial statements were authorized for issue by the Board of Directors (the "Board") on May 30, 2013.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- (i) derivative financial instruments, if any, are measured at fair value; and

Aileron Ventures Limited

Notes to Financial Statements

March 31, 2013

(ii) held for trading financial assets are measured at fair value with changes in fair value recorded in earnings.

The methods used to measure fair values are discussed in Note 10.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS 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.

Estimates and judgments are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets, liabilities and equity:

Investment

The investment is carried at fair value based on trading value of the investment at March 31, 2013.

Deferred income taxes

Deferred income taxes are based on estimates as to the timing of the reversal of temporary differences, tax rates currently substantively enacted and the determination of tax assets not recognized. Tax assets not recognized is based on estimates of the probability of the Company utilizing certain tax pools and losses in future periods.

4. Significant accounting policies

These condensed interim financial statements have been prepared using the same accounting policies and methods of computation as the annual audited financial statements of Aileron for the year ended December 31, 2012. The disclosure contained in these condensed interim financial statements does not include all requirements in IAS 1, "Presentation of Financial Statements" ("IAS 1"). Accordingly, the condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2012.

5. Investment

The investment is related to the conversion of the previous investment in Altius Edge Ltd. ("Altius"), outlined in Note 7(c), to an investment in Immunall Science Inc. ("Immunall"), a publicly listed entity on the Canadian National Stock Exchange, which represents a minority interest of approximately 4.4%. As the Company owns a minority position, the investment is accounted for as a

Aileron Ventures Limited

Notes to Financial Statements

March 31, 2013

held for trading financial asset, which is measured at fair value. At March 31, 2013, the fair value was considered to be \$9,250 (December 31, 2012 – \$9,250).

6. Due to affiliate

The amount due to affiliate is payable to Mosaic Limited Partnership, an entity related through common ownership, arising from Mosaic Limited Partnership providing advances to the Company and is unsecured, non-interest bearing and has no fixed terms of repayment.

7. Share capital

(a) Authorized

Unlimited Common voting shares

Unlimited Preferred shares, issuable in series, with the rights, privileges, restrictions and conditions determined by the Board of Directors upon issuance

(b) Issued

	Number	Stated Value
Common shares as at January 1, 2013	9,664,155	\$ 27,770
as at March 31, 2013	<u>9,664,155</u>	<u>\$ 27,770</u>

(c) On January 11, 2011, the Company's affiliate, Altius, issued a joint management information circular and proxy statement relating to the proposed amalgamation of Altius and Immunall. The amalgamation was completed March 31, 2011 and each Immunall shareholder received, for each common share of Immunall held, one common share in the amalgamated entity, 0.025 of a share in the Company and 0.025 of a common share in Nautor Progressive Corporation. The Company therefore issued 964,155 common shares to the shareholders of Immunall. Each of the Altius' shareholders received, for each common share of Altius held, one common share in the amalgamated entity.

(d) Loss per common share

Loss per common shares is calculated based on the weighted average number of common shares outstanding during the period ended March 31, 2013 of 9,664,155 (March 31, 2012 – 9,664,155).

Aileron Ventures Limited**Notes to Financial Statements****March 31, 2013**

8. Income tax expense

Reconciliation of effective tax rate:

	2013	2012
Loss before income tax	\$ (1,148)	\$ (42)
Statutory tax rate	25.0%	25.0%
Expected income tax recovery	(287)	(11)
Tax losses not recognized	287	11
Total income tax	<u>-</u>	<u>-</u>

Recognized deferred tax assets and liabilities:

Deferred tax assets and liabilities are attributable to the following:

	2013	2012
Non-capital losses	(287)	11
Tax assets not recognized	<u>287</u>	<u>(11)</u>
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

Management has assessed the deferred tax asset using the criteria of whether it is probable that the deferred tax asset can be realized. Based on the uncertainty of future taxable income, management has recorded an allowance for the full amount of the deferred tax asset as at March 31, 2013.

The Company has available the following estimated non-capital loss carry forwards for which a deferred tax asset has not been recognized in the financial statements:

<u>Year of Expiry</u>	<u>Amount</u>
2030	\$ 3,750
2031	\$ 13,731
2032	<u>\$ 18,050</u>
Total	<u>\$ 35,531</u>

9. Related party transactions

There were no amounts paid to officers or directors in the periods ended March 31, 2013 and March 31, 2012.

10. Financial instruments and risk management

The Company's activities expose it to a variety of financial risks including credit risk and liquidity risk. This Note 10 presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements. The Company employs risk management strategies and policies to ensure that any exposure to risk are in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, the Company's management has the responsibility to administer and monitor these risks.

Aileron Ventures Limited

Notes to Financial Statements

March 31, 2013

(a) Credit risk

The financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company mitigates its exposure to credit loss by placing its cash with major financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking harm to the Company's reputation. The Company expects to continue to receive the financial support of its affiliate in order to pay its liabilities as they become due.

(c) Fair values

The fair value of accounts payable and accrued liabilities and due to affiliate approximate their carrying value because of the short-term nature. Currently the Company is not involved in any hedging activities.

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

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

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

Level 3 - reflects valuation techniques with significant unobservable market inputs.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The financial instruments in the Company's financial statements, measured at Level 1 fair value, are cash and investment.

(d) Capital disclosures

The Company's policy when managing capital is to maintain a strong capital base for the objectives of maintaining financial flexibility, creditor and market confidence and to sustain the future development of the business.

The Company includes shareholder's equity in the definition of capital.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust spending, issue new shares or incur debt.

Aileron Ventures Limited

Notes to Financial Statements

March 31, 2013

The Company is not subject to externally imposed capital requirements.

There have been no changes to the Company's capital management policy during the period ended March 31, 2013.