ESSA Pharma Inc.

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

FOR THE YEAR ENDED SEPTEMBER 30, 2014

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Directors of
ESSA Pharma Inc.

We have audited the accompanying consolidated financial statements of ESSA Pharma Inc., which comprise the consolidated statements of financial position as of September 30, 2014 and September 30, 2013, and the related consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended September 30, 2014, the nine month period ended September 30, 2013, and the year ended December 31, 2012 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of ESSA Pharma Inc. as at September 30, 2014 and September 30, 2013 and its financial performance and its cash flows for the year ended September 30, 2014, the nine month period ended September 30, 2013 and the year ended December 31, 2012, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada — Chartered Accountants

January 24, 2015

ESSA PHARMA INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
AS AT

	September 30, 2014	September 30, 2013
ASSETS		
Current		
Cash	$ 4,146,938	$ 232,093
Receivables	72,295	13,163
Prepaids	69,946	2,300
	4,289,179	247,556
Equipment (Note 4)	15,806	-
Intangible assets (Note 5)	404,430	429,753
Total assets	$ 4,709,415	$ 677,309
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 658,305	$ 184,498
Product development and relocation grant (Note 13)	1,838,507	-
	2,496,812	184,498
Shareholders' equity		
Share capital (Note 7)	4,240,917	4,240,917
Preferred shares (Note 7)	3,090,345	-
Reserves	1,004,467	419,991
Accumulated other comprehensive income	6,477	-
Deficit	(6,129,603)	(4,168,097)
	2,212,603	492,811
Total liabilities and shareholders' equity	$ 4,709,415	$ 677,309

Nature and continuance of operations (Note 1)
Commitments (Notes 8 and 13)
Subsequent events (Note 15)

On behalf of the Board on January 19, 2015

"Robert Rieder" Director *"Raymond Andersen"* Director

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

ESSA PHARMA INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Year Ended September 30, 2014	Period from January 1, 2013 to September 30, 2013	Year ended December 31, 2012
OPERATING EXPENSES			
Research and development, net of recoveries (Note14)	$ 378,240	$ 516,310	$ 1,548,242
Financing costs (Note 6)	35,000	-	-
General and administration (Note 14)	1,030,416	293,962	297,296
Share-based payments (Note 7)	518,078	248,795	87,526
Total operating expenses	(1,961,734)	(1,059,067)	(1,933,064)
Interest income	228	1,007	1,420
Net loss for the period	(1,961,506)	(1,058,060)	(1,931,644)
OTHER COMPREHENSIVE INCOME			
Cumulative translation adjustment	6,477	-	-
Comprehensive loss for the period	$ (1,955,029)	$ (1,058,060)	$ (1,931,644)
Basic and diluted loss per common share	$ (0.13)	$ (0.07)	$ (0.13)
Weighted average number of common shares outstanding	15,687,534	15,687,534	14,653,048

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

ESSA PHARMA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Year Ended September 30, 2014	Period from January 1, 2013 to September 30, 2013	Year ended December 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period	$ (1,961,506)	$ (1,058,060)	$ (1,931,644)
Items not affecting cash:			
Accrued interest expense	35,000	-	-
Amortization (Note 5)	25,323	18,993	25,324
Product development and relocation grant	(1,256,621)	-	-
Unrealized foreign exchange	46,434	-	-
Share-based payments	518,078	248,795	87,526
Changes in non-cash working capital items:			
(Increase) decrease in receivables	(59,132)	144,154	(84,009)
(Increase) decrease in prepaid expenses	(67,360)	5,250	(6,111)
Increase in accounts payable and accrued liabilities	454,964	51,892	91,443
Net cash used in operating activities	(2,264,820)	(588,976)	(1,817,471)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance on product development and relocation grant	3,048,694	-	-
Proceeds on private placement	2,370,800	-	2,390,000
Share issue costs	(225,516)	-	-
Convertible debenture issued	1,000,000	-	-
Financing costs	(23,541)	-	-
Net cash provided by financing activities	6,170,437	-	2,390,000
Effect of foreign exchange on cash	9,228	-	-
Change in cash for the period	3,914,845	(588,976)	572,529
Cash, beginning of period	232,093	821,069	248,540
Cash, end of period	$ 4,146,938	$ 232,093	$ 821,069

Significant non-cash investing and financing transactions for the year ended September 30, 2014 include accruing $15,806 in equipment through accounts payable and accrued liabilities.

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

ESSA PHARMA INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian dollars)

	Share capital		Preferred shares							
	Number	Amount	Number	Amount	Convertible debenture	Share-based payments	Warrants	Cumulative translation adjustment	Deficit	Total
Balance, December 31, 2011	12,700,034	$ 1,850,917	-	$ -	$ -	$ 83,670	$ -	$ -	$ (1,178,393)	$ 756,194
Private placement	2,987,500	2,390,000	-	-	-	-	-	-	-	2,390,000
Share-based payments	-	-	-	-	-	87,526	-	-	-	87,526
Loss for the period	-	-	-	-	-	-	-	-	(1,931,644)	(1,931,644)
Balance, December 31, 2012	15,687,534	$ 4,240,917	-	$ -	$ -	$ 171,196	$ -	$ -	$ (3,110,037)	$ 1,302,076
Share-based payments	-	-	-	-	-	248,795	-	-	-	248,795
Loss for the period	-	-	-	-	-	-	-	-	(1,058,060)	(1,058,060)
Balance, September 30, 2013	15,687,534	$ 4,240,917	-	$ -	$ -	$ 419,991	$ -	$ -	$ (4,168,097)	$ 492,811
Issuance of convertible debenture	-	-	-	-	1,000,000	-	-	-	-	1,000,000
Financing costs – issuance	-	-	-	-	(39,935)	-	16,394	-	-	(23,541)
Financing costs	-	-	-	-	35,000	-	-	-	-	35,000
Conversion of debenture	-	-	517,500	995,065	(995,065)	-	-	-	-	-
Private placement	-	-	1,185,400	2,370,800	-	-	-	-	-	2,370,800
Share issue costs	-	-	-	(275,520)	-	-	50,004	-	-	(225,516)
Share-based payments	-	-	-	-	-	518,078	-	-	-	518,078
Loss for the year	-	-	-	-	-	-	-	6,477	(1,961,506)	(1,955,029)
Balance, September 30, 2014	15,687,534	$ 4,240,917	1,702,900	$ 3,090,345	$ -	$ 938,069	$ 66,398	$ 6,477	$ (6,129,603)	$ 2,212,603

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

1. NATURE AND CONTINUANCE OF OPERATIONS

ESSA Pharma Inc. (the "Company") was incorporated under the laws of the Province of British Columbia on January 6, 2009. The Company's head office address is Suite 720 – 999 West Broadway, Vancouver, BC, V5Z 1K5. The registered and records office address is the 26th Floor at 595 Burrard Street, Three Bentall Centre, Vancouver, BC, V7X 1L3. In the period ended September 30, 2013, the Company modified its fiscal year end from December 31 to September 30.

The Company is focused on the development of small molecule drugs for the treatment of prostate cancer. The Company has acquired a license to certain patents (the "NTD Technology") which were the joint property of the British Columbia Cancer Agency and the University of British Columbia. As at September 30, 2014, no products are in commercial production or use.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") assuming the Company will continue on a going-concern basis. The Company has incurred losses and negative operating cash flows since inception. The Company incurred a loss of $1,961,506 during the year ended September 30, 2014 and has an accumulated deficit of $6,129,603. The ability of the Company to continue as a going concern in the long-term depends upon its ability to develop profitable operations and to continue to raise adequate financing. As at September 30, 2014, the Company has not advanced its research into a commercially viable product. The Company's continuation as a going concern is dependent upon the successful development of its NTD Technology to a commercial standard. Management is actively targeting sources of additional financing which would assure continuation of the Company's operations and research programs. The Company believes its current working capital is adequate to maintain the next twelve months of operations.

2. BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of Consolidation

The consolidated financial statements comprise the accounts of the ESSA Pharma Inc., the parent company, and its controlled subsidiary, ESSA Pharma Corp., after the elimination of all material intercompany balances and transactions.

Subsidiaries

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

2. BASIS OF PRESENTATION (cont'd…)

Basis of Consolidation (cont'd…)

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated.

Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions that have been made that relate to the following key estimates:

Intangible Assets – impairment

The application of the Company's accounting policy for intangible assets expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Intangible Assets – useful lives

Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense.

Product development and relocation grant

Pursuant to the terms of the Company's grant from the Cancer Prevention Research Institute of Texas ("CPRIT"), the Company must meet certain terms and conditions to qualify for the grant funding. The Company has assessed its performance relative to these terms as detailed in Note 13 and has judged that there is reasonable assurance the Company will meet the terms of the grant and qualify for the funding. The Company has therefore taken into income a portion of the grant that represents expenses the Company has incurred to date under the grant parameters. The expenses are subject to assessment by CPRIT for compliance with the grant regulations which may result in certain expenses being denied and incurred in a future period.

2. BASIS OF PRESENTATION (cont'd…)

Estimates (cont'd…)

Share-based payments and compensation

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the goods or services.

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the underlying common shares, the expected life of the share option, volatility and dividend yield and making assumptions about them. The fair value of the underlying common shares is assessed as the most recent issuance price per common share for cash proceeds. The assumptions and models used for estimating fair value for share-based payment transactions are discussed in Note 7.

3. SIGNIFICANT ACCOUNTING POLICIES

Foreign exchange

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar and its subsidiary's is the United States dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in comprehensive loss.

On translation of the entities whose functional currency is other than the Canadian dollar, revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Assets and liabilities are translated at the rate of exchange at the reporting date. Exchange gains and losses, including results of re-translation, are recorded in the foreign currency translation reserve

Equipment

The Company has acquired office and computer equipment for use in its research activities. The equipment is not yet in use and therefore not subject to depreciation for the year ended September 30, 2014.

Depreciation will be recognized using the straight-line method at the rate of 30% per annum for computer equipment and 20% for office equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Intangible assets

The Company owns intangible assets consisting of patent licences. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

The Company does not hold any intangible assets with indefinite lives.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization method and amortization period of an intangible asset with a finite life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in general and administrative expenses.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use to September 15, 2030.

Impairment of long-lived assets

The Company's long-lived assets are reviewed for indications of impairment at the date of preparing each statement of financial position. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying value of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of cash inflows from other assets or group of assets. For the purpose of impairment testing, the Company determined it has one cash-generating unit.

The recoverable amount is the greater of the asset's fair value less cost to sell and value in use. In assessing fair value less cost to sell for the cash-generating unit, the Company's market capitalization is considered.

Provisions

Provisions are recorded when a present legal, statutory or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, if the effect is material, its carrying amount is the present value of those cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Government assistance

Government grants, including grants from similar bodies, consisting of investment tax credits are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Research grants that compensate the Company for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same years in which the expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

Research and development costs

Expenditures on research and development activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in profit or loss as incurred. Investment tax credits related to current expenditures are included in the determination of net income as the expenditures are incurred when there is reasonable assurance they will be realized.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. These criteria will be deemed by the Company to have been met when revenue is received by the Company and a determination that it has sufficient resources to market and sell its product offerings. Upon a determination that the criteria to capitalize development expenditures have been met, the expenditures capitalized will include the cost of materials, direct labour, and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditures will be expensed as incurred.

Capitalized development expenditures will be measured at cost less accumulated amortization and accumulated impairment losses. No development costs have been capitalized to date.

Financial instruments

Financial assets

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Loans and receivables - These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Held-to-maturity investments - These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are measured at amortized cost using the effective interest method. If there is objective evidence that the investment is impaired, determined by reference to external credit ratings and other relevant indicators, the financial asset is measured at the present value of estimated future cash flows. Any changes to the carrying amount of the investment, including impairment losses, are recognized through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Financial instruments (cont'd…)

Financial assets (cont'd…)

Available-for-sale - Non-derivative financial assets not included in the above categories are classified as available-for- sale. They are carried at fair value with changes in fair value recognized directly in equity. Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognized through other comprehensive income (loss).

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described above.

The Company has classified its cash at fair value through profit or loss. The Company's receivables are classified as loans and receivables.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The Company's accounting policy for each category is as follows:

Fair value through profit or loss - This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized through profit or loss.

Other financial liabilities: This category consists of liabilities carried at amortized cost using the effective interest method.

The Company's accounts payable and accrued liabilities are classified as other financial liabilities.

Financial instrument disclosures

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Convertible debt

Convertible debt issued by the Company is comprised of convertible debentures that may be converted into shares of the Company. The terms of the debenture maintain control of the conversion option with the Company. The instrument is therefore equity and not a compound financial instrument. No value is attributed to debt in this circumstance.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Preferred shares

Preferred shares of the Company will automatically convert to an equivalent number of common shares immediately prior to the listing of the common shares on an approved exchange. In the event that the common shares are not listed on an approved exchange, the conversion ratio will be two-thirds (0.66) of a preferred share for every common share. The preferred shares are a residual interest in the assets of the entity and are therefore classified within shareholders' equity.

Share-based payments

Share based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments granted to non-employees are accounted for as equity settled share based payment transactions and measured at the fair value of goods and services received. If the fair value of the goods or services received cannot be estimated reliably, the share based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or services.

Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Basic and diluted loss per share

Basic loss per share is computed by dividing the loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share by application of the weighted-average method. Since the Company has losses the exercise of outstanding options has not been included in this calculation as it would be anti-dilutive.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Income taxes (cont'd…)

Deferred tax is recognized in respect of temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued but are not effective during the period ended September 30, 2014:

- IFRS 2 (Amendment) — Revised definitions for 'vesting conditions' and 'market condition' related to share based compensation [ii]
- IFRS 9 — Revised requirements for the classification and measurement of financial liabilities and carrying over the existing de-recognition requirements from IAS 39[iii]
- IFRS 13 (Amendment) — Revised disclosure requirements for contracts under the scope of IFRS 9/IAS 39 [ii]
- IAS 24 (Amendment) — New definitions for 'related party' encompassing key management personnel [ii]
- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities. [i]
- IAS 38 (Amendment) — Revised valuation methods for the 'revaluation model' for intangible assets [ii]

i) Effective for annual periods beginning on or after January 1, 2014
ii) Effective for annual periods beginning on or after July 1, 2014
iii) Effective for annual periods beginning on or after January 1, 2018

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

4. EQUIPMENT

Office equipment		
Balance, December 31, 2012 and September 30, 2013	$	-
Additions		15,806
Balance, September 30, 2014	$	15,806

(Expressed in Canadian dollars)

5. INTANGIBLE ASSETS

NTD Technology		September 30, 2014		September 30, 2013
Balance, beginning of period	$	429,753	$	448,746
Amortization		(25,323)		(18,993)
Balance, end of period	$	404,430	$	429,753

Amortization expense for the year ended September 30, 2014 and the period ended September 30, 2013 has been recorded in "general and administrative expenses" in the statement of loss and comprehensive loss.

The NTD Technology is held under a License Agreement signed in fiscal 2010. As consideration for the License Agreement, the Company issued common shares of the Company. The License Agreement contains an annual royalty as a percentage of annual net revenue and a percentage of any annual sublicensing revenue earned with respect to the NTD Technology. The License Agreement stipulates certain minimum advance royalty payments of $40,000 for 2013 and escalating to $85,000 by 2017. In addition, there are certain cumulative milestone payments totaling $2,400,000 for the first compound, to be paid in stages at the start of Phase II and Phase III clinical trials, at application for marketing approval, and with further milestone payments on the second and additional compounds.

In order to maintain the License Agreement in good standing, the Company is required to spend $5,000,000, in cash or in kind, in connection with the commercialization of the NTD Technology by December 20, 2015. This expenditure commitment was completed in the year ended September 30, 2014.

6. DEBENTURE

In April 2014, the Company issued a convertible debenture to the Bloom Burton Healthcare Structured Lending Fund LP ("the Lender") for $1,000,000. The convertible debenture terms include interest of 12% per annum payable at maturity (24 months from closing), as secured by various security agreements. The Company incurred transaction costs of $23,541 and issued 25,000 warrants to the Lender valued at $16,394, each exercisable into one common share at a price of $2.00 for a period of five years. The warrants were valued using the Black-Scholes model with a risk-free interest rate of 1.63%, term of 5 years, volatility of 80% and dividend rate of 0%.

The principal and accrued interest are convertible into common shares of the Company automatically at maturity at a conversion price of $1.20. The terms of the debenture maintained control of the conversion option in the hands of the Company; therefore, the instrument has been recorded as equity in the statement of financial position.

The Company and Lender agreed to proceed with early conversion of the debenture, including accrued interest, into 517,500 preferred shares of the Company upon the closing of the first tranche of the financing completed in July 2014 (Note 7).

		Year ended September 30, 2014
Balance, beginning of period	$	-
Proceeds on issuance of convertible debenture		1,000,000
Issuance costs		(39,935)
Interest accrued		35,000
Conversion to preferred shares		(995,065)
Balance, end of period	$	-

7. SHAREHOLDERS' EQUITY

Authorized:

Unlimited common shares, without par value.

Unlimited preferred shares, without par value.

Drag-along and Tag-along rights: The articles of the Company include drag-along and tag-along rights which enables a majority shareholder to force a minority shareholder to join in the sale of the Company and which enable minority shareholders to join in the sale of a majority shareholder stake at the same price, terms and conditions.

Anti-Dilution rights: Shares issued by the Company in fiscal 2012 have an anti-dilution clause which grants the right to the shareholder to purchase additional shares at a reduced price in the event the Company completes a financing of at least $5,000,000 at a lower subscription price per security. The anti-dilution clause expires on the earlier of the three year anniversary date of the purchase of the shares, date on which the subscriber transfers the shares to a third party, on the date the Company completes an initial public offering ("IPO"), the date on which the Company sells all or substantially all of the assets of the Company, and the date on which a person acquires and exercises a controlling interest in the Company.

Private placements:

On July 29, 2014, the Company completed the first tranche of a brokered private placement of 1,185,400 preferred shares at a price of $2.00 per preferred share for aggregate gross proceeds of $2,370,800. Each preferred share is convertible into common shares and all preferred shares will automatically be converted to an equivalent number of common shares immediately prior to the listing of the common shares on an approved exchange. It is expected that all preferred shares (including those issued upon conversion of the Convertible Debenture (Note 6)) will be automatically converted into an equivalent number of common shares immediately prior to the listing of the common shares on an approved exchange. In the event that the common shares are not listed on an approved exchange by the earlier of (a) six months from the date the Company becomes a "reporting issuer", (as such term is defined under the Securities Act (British Columbia)), and (b) June 5, 2015, the conversion ratio will be two-thirds (0.66) of a preferred share for every common share.

In conjunction with the private placement, the Company issued 79,479 warrants to Bloom Burton, the Company's advisor, and other finders exercisable at a price of $2.00 for a period of one year. The warrants were valued at $50,004 using the Black-Scholes model with a risk-free interest rate of 1.08%, term of 1 year, volatility of 80% and dividend rate of 0%. The Company paid finders' fees of $158,956 and other share issue costs of $66,560.

During the nine month period ended September 30, 2013, the Company did not complete any private placements.

During the year ended December 31, 2012, the Company issued 2,987,500 common shares at a price of $0.80 per share for gross proceeds of $2,390,000.

Escrow Agreements

On December 22, 2010, the Company entered into escrow agreements with founder shareholders whereby 6,795,000 shares were placed into escrow to be released over 36 months. The escrow agreements provide for accelerated release in the event of a significant change to the Company's ownership, assets or executive membership. As at September 30, 2014, the Company had released all remaining common shares in escrow.

(Expressed in Canadian dollars)

7. SHAREHOLDERS' EQUITY (cont'd…)

Stock options

Options are granted for an exercise period and vesting periods as determined by the Board of Directors.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2011	275,000	$ 0.50
Options granted	334,250	0.80
Balance, December 31, 2012	609,250	0.66
Options granted	650,000	0.80
Options cancelled	(140,000)	0.80
Balance, September 30, 2013	1,119,250	0.73
Options granted	1,950,469	1.80
Balance outstanding, September 30, 2014	3,069,719	$ 1.41
Balance exercisable, September 30, 2014	1,203,250	$ 0.84

At September 30, 2014, options were outstanding enabling holders to acquire common shares as follows:

Number of Options	Exercise Price	Expiry Date
240,000	$ 0.50	April 30, 2016
35,000	0.50	July 27, 2016
68,750	0.80	June 1, 2017
25,500	0.80	October 21, 2017
100,000	0.80	November 20, 2017
600,000	0.80	February 1, 2018
50,000	0.80	July 1, 2018
529,219	2.00	February 27, 2019
321,250	0.80	May 20, 2019
400,000	2.00	April 14, 2019
200,000	2.00	July 30, 2019
500,000	2.00	September 8, 2019
3,069,719		

(Expressed in Canadian dollars)

7. SHAREHOLDERS' EQUITY (cont'd…)

Share-based compensation

During the year ended September 30, 2014, the Company granted 1,950,469 stock options with a weighted average fair value of $0.91. The Company recognized share-based payments expense of $518,078 for options granted and vesting during the period.

During the period ended September 30, 2013, the Company granted 650,000 stock options with a weighted average fair value of $0.51. The fair value of these options calculated using the Black-Scholes option-pricing model was $248,795.

During the year ended December 31, 2012, the Company granted 334,250 stock options with a weighted average fair value of $0.51 . The fair value of these options calculated using the Black-Scholes option-pricing model was $87,526.

The following weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the period:

	Year Ended September 30, 2014	Nine Months Ended September 30, 2013	Year ended December 31, 2012
Risk-free interest rate	1.57%	1.35%	1.55%
Expected life of options	5 years	5 years	5 years
Expected annualized volatility	80.00%	80.00%	80.00%
Forfeiture rate	0.00%	0.00%	0.00%
Dividend	-	-	-

Expected annualized volatility was determined through the comparison of historical share price volatilities used by similar publicly listed companies in the pharmaceuticals / biotechnology industry. The companies chosen for comparison were, Cipher Pharmaceuticals Inc. (December 31, 2013 – 86.80% volatility), NeuroBioPharm Inc. (February 29, 2014 – 69.46% volatility), Helix BioPharma Corp. (July 31, 2014 – 78.72% volatility), and Cardiome Pharma Corp. (December 31, 2013 – 82.70% volatility). As the Company is less established than these publicly listed comparable companies, the Company's stock price is expected to be slightly more volatile. As such, the Company rounded up the average volatility of 79.42% to the expected annualized volatility of 80.00%. This is consistent with estimates provided in the period ended September 30, 2014 and provides a reasonable trend for the Company's expected volatility.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, December 31, 2012 and September 30, 2013	-	$ -
Warrants granted	104,479	2.00
Balance outstanding and exercisable, September 30, 2014	104,479	$ 2.00

(Expressed in Canadian dollars)

7. SHAREHOLDERS' EQUITY (cont'd…)

Warrants (cont'd…)

At September 30, 2014, warrants were outstanding enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
25,000	$ 2.00	April 15, 2019
79,479	2.00	July 29, 2015
104,479		

8. RELATED PARTY TRANSACTIONS

Key management personnel of the Company include the Chief Executive Officer, Chief Financial Officer, Chief Medical Officer and Directors of the Company. Compensation paid to key management personnel are as follows:

	Year Ended September 30, 2014	Nine Months Ended September 30, 2013	Year Ended December 31, 2012
Salaries and consulting fees	$ 476,559	$ 180,000	$ 280,000
Share-based payments	140,184	212,385	5,985
Total compensation	$ 616,743	$ 392,385	$ 285,985

During the year ended September 30, 2014, the Company granted 970,000 options to key management personnel which were recorded as share-based payments expense in the statement of loss and comprehensive loss at a value of $181,905.

During the period ended September 30, 2013, the Company granted 600,000 options to two directors and senior officers that vest monthly over a period of two years, which were recorded as share-based payments expense in the statement of loss and comprehensive loss at a value of $212,385.

During the year ended December 31, 2012, the Company granted 240,000 options to two directors and senior officers that vested monthly over a period of one year, which were recorded as share-based payments expense in the statement of loss and comprehensive loss at a value of $5,985.

Included in accounts payable and accrued liabilities at September 30, 2014 is $24,331 (September 30, 2013 – $2,509) due to related parties with respect to the transactions detailed above and expense reimbursements. Amounts due to related parties are non-interest bearing, with no fixed terms of repayment.

(Expressed in Canadian dollars)

8. RELATED PARTY TRANSACTIONS (cont'd…)

Commitments

In the year ended September 30, 2014, the Company has signed contracts with two management members. The CEO has been granted a performance scheme wherein his salary will increase to US$340,000 (from US$250,000) per annum upon raising US$6,000,000 in equity or debt securities of the Company. Additionally, he is entitled to certain cash and stock option performance benefits at the discretion of the Board. The CEO is entitled to a payment of one year of base salary upon termination without cause, increasing to two years if the termination without cause occurs after a change of control event or within 60 days prior to a change of control event where such event was under consideration at the time of termination. The CFO is entitled to a payment of one year of base salary upon termination without cause, whether or not the termination was caused by a change of control event. Stock options held by the CEO and CFO vest immediately upon a change of control.

9. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	Year ended September 30, 2014	Period ended September 30, 2013	Year ended December 31, 2012
Loss for the period before income tax	$ (1,961,506)	$ (1,058,060)	$ (1,931,644)
Expected income tax recovery	$ (510,000)	$ (270,000)	$ (483,000)
Expenses not deductible for income tax purposes	132,000	68,000	29,000
Impact of investment tax credits	-	104,000	75,000
Changes in tax rates	(34,000)	(24,000)	-
Change in unrecognized deductible temporary differences	412,000	122,000	379,000
Total income tax (recovery)	$ -	$ -	$ -

The significant components of the Company's unrecognized temporary tax differences are as follows:

	September 30, 2014	September 30, 2013	December 31, 2012
Operating losses carried forward	$ 4,543,000	$ 2,541,000	$ 2,478,000
Equipment	16,000	-	-
Intangible asset	(404,000)	(430,000)	(449,000)
Net unrecognized deductible temporary differences	$ 4,155,000	$ 2,111,000	$ 2,029,000

Operating losses carried forward as at September 30, 2014 expire from 2031 – 2034.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

9. INCOME TAXES (cont'd…)

During the year ended September 30, 2014, the Company received $235,470 (Period ended September 30, 2013 - $441,928; Year ended December 31, 2012 - $121,816) in Scientific Research and Experimental Development tax credits from the Government of Canada which are included in research and development costs in the statement of loss and comprehensive loss.

10. SEGMENTED INFORMATION

The Company works in one industry being the development of small molecule drugs for prostate cancer. The Company's equipment purchased in the year ended September 30, 2014 is located in the USA. As at September 30, 2013, the Company did not have any significant assets outside of Canada.

11. CAPITAL MANAGEMENT

The Company considers its capital to be the components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing.

Future financings are dependent on market conditions and the ability to identify sources of investment. There can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. The fair value of these financial instruments approximates their carrying values due to their short term to maturity. Cash is measured based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company's receivables are primarily due from refundable GST/HST and investment tax credits. The Company limits its exposure to credit loss by placing its cash with major financial institutions. Credit risk with respect to investment tax credits and GST/HST is minimal as the amounts are due from government agencies.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company had a cash balance of $4,146,938 to settle current liabilities of $658,305. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

12. FINANCIAL INSTRUMENTS AND RISK (cont'd…)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, and foreign exchange rates.

(a) Interest rate risk

The Company has cash balances and no interest-bearing debt and therefore is not exposed to risk in the event of interest rate fluctuations.

(b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to accounts payable and accrued liabilities that are denominated in United States dollars. As at September 30, 2014, the Company had accounts payable and accrued liabilities of US$222,121. The Company anticipates that, pursuant to the product development and relocation grant disclosed in Note 13, the transactions of the Company will be increasingly subject to fluctuations in the US dollar. While fluctuations in the US dollar are not significant as at September 30, 2014, the Company will work to manage foreign currency risk as the Company's operations evolve.

13. COMMITMENTS

The Company has the following obligations over the next five years:

Contractual obligations	2015	2016	2017	2018	2019
Minimum annual royalty per License Agreement (Note 5)	$ 65,000	$ 65,000	$ 85,000	$ 85,000	$ 85,000
Lease on office space	31,176	31,176	31,176	31,176	31,176
Total	$ 96,176	$ 96,176	$ 116,176	$ 116,176	$ 116,176
Lease on US office space (In USD)	$ 80,087	$ 83,108	$ 85,389	$ 87,721	$ 87,721

Product Development and Relocation Grant

In February 2014 the Company received notice that it had been awarded a product development and relocation grant by the Cancer Prevention Research Institute of Texas ("CPRIT") whereby the Company is eligible to receive up to US$12,000,000 on eligible expenditures over a three year period related to the development of the Company's androgen receptor n-terminus blocker program for prostate cancer. The funding under CPRIT is subject to a number of conditions including negotiation and execution of an award contract which details the milestones that must be met to release the tranched CPRIT funding, proof the Company has raised the 50% matching funds to release CPRIT monies, and relocation of the project to the State of Texas such that the substantial functions of the Company related to the project grant are in Texas and the Company uses Texas-based subcontractor and collaborators wherever possible.

During the year ended September 30, 2014, the Company received US$2,793,533 as an advance on the CPRIT grant. The Company has incurred qualifying expenses of US$1,153,181 in the period and has recognized a reduction in the grant liability in the statement of loss and comprehensive loss. The Company has judged there is reasonable assurance that the funds will be successfully earned under the terms of the grant.

(Expressed in Canadian dollars)

13. COMMITMENTS (cont'd…)

Advisory Contract

In February 2014 the Company executed an Engagement Letter with Bloom Burton & Co. ("Bloom Burton"), an investment bank, to retain their services to act as its exclusive agent and financial advisor in connection with a funding strategy for the Company to involve a private financing, that is compatible with the CPRIT grant, followed by an initial public offering on a major North American stock exchange. In exchange for their services, Bloom Burton would receive a percentage of any funds raised and warrants on successful completion of the financing. The engagement is for a period of nine months and may be terminated at any time upon ten days written notice to the other party.

During the year ended September 30, 2014, the Company completed a brokered private placement under the terms of the Advisory Contract (Note 7).

14. EXPENSES BY NATURE

General and administrative expenses include the following major expenses by nature:

	Year ended September 30, 2014	Period from January 1, 2013 to September 30, 2013	Year ended December 31, 2012
Amortization	$ 25,323	$ 18,993	$ 25,323
Consulting and subcontractor fees	403,037	168,082	152,922
Foreign exchange	(428)	7,571	12,568
Office expenses	53,294	13,947	34,561
Professional fees	481,812	64,350	44,696
Regulatory fees	10,300	-	-
Rent	39,261	16,843	22,883
Salaries and benefits	95,164	-	-
Travel and entertainment	13,818	4,176	4,343
CPRIT grant claimed on eligible expenses (Note 13)	(91,165)	-	-
Total	$ 1,030,416	$ 293,962	$ 297,296

Research and development expenses include the following major expenses by nature:

	Year ended September 30, 2014	Period from January 1, 2013 to September 30, 2013	Year ended December 31, 2012
Consulting	$ 336,192	$ 178,031	$ 214,715
Legal patents and license fees	336,196	138,043	278,366
Program administration fees and other	20,290	-	54,155
Research and development, net of recoveries	640,420	163,854	952,173
Royalties	40,000	-	-
Salaries and benefits	101,087	-	-
Travel	69,511	36,382	48,833
CPRIT grant claimed on eligible expenses (Note 13)	(1,165,456)	-	-
Total	$ 378,240	$ 516,310	$ 1,548,242

15. SUBSEQUENT EVENTS

October 2014 Special Warrant Financing

In October 2014, the Company issued 679,640 special warrants (the "**2014 Special Warrants**") at a price of $2.00 per 2014 Special Warrant for gross proceeds of $1,359,280. Each 2014 Special Warrant was deemed exercised for, without payment of any additional consideration, one Class A Preferred share in the capital of the Company (each a "**Preferred Share**") on December 15, 2014, being the fifth business day after the date on which a receipt for the final prospectus of the Company qualifying the distribution of the Preferred Shares issuable on exercise of the 2014 Special Warrants had been issued. The Preferred Shares are convertible into common shares of the Company (the "**Common Shares**") on the same terms as those issued in the private placement described in Note 7.

In connection with the 2014 Special Warrant financing, the Company paid agent and finders' fees at 7% of proceeds raised by those parties being $40,360.60, a cash fee to the Agent of $30,000 plus applicable taxes and estimated other expenses of $74,447.72. In addition, the Agent, and associated selling group, were issued 22,675 special broker warrants (the "**Special Broker Warrants**"), representing 7% of the number of 2014 Special Warrants sold by the Agent and the finders were issued 2,680 Special Broker Warrants, representing 7% of the number of 2014 Special Warrants sold to purchasers introduced to the Company by such finders. Each Special Broker Warrant was deemed exercised for, without payment of any additional consideration, one broker warrant (the "**Broker Warrants**"). Each Broker Warrant is exercisable to acquire one Preferred Share, subject to adjustment in certain circumstances, at a price of $2.00 until October 22, 2015, except that if exercised after a Liquidity Event (as defined in the Articles of the Company), each Broker Warrant will be exercisable to acquire one Common Share instead of one Preferred Share.

January 2015 Special Warrant Financing

In January 2015, the Company issued 4,363,634 special warrants (the "**2015 Special Warrants**") at a price of US$2.75 per 2015 Special Warrant for gross proceeds of approximately US$12,000,000. Each 2015 Special Warrant is exercisable for, without payment of any additional consideration, one Common Share at any time by the holder thereof and all of the 2015 Special Warrants will be deemed to be exercised on the earlier of: (i) October 16, 2015 and (ii) the date on which the Common Shares first begin to trade on either (i) the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market securities trading platforms of the NASDAQ Stock Market or (ii) the NYSE MKT securities trading platform of the New York Stock Exchange (the "**U.S. Listing Date**"). Should the U.S. Listing Date not occur on or prior to October 16, 2015, instead of one Common Share, each 2015 Special Warrant shall entitle the holder thereof to receive 1.5 Common Shares upon exercise or deemed exercise thereof.

In connection with the 2015 Special Warrant financing, Bloom Burton & Co. and Roth Capital Partners, LLC, as Agents, and selling group members, received cash commission equal to approximately US$706,800 and 257,018 broker warrants. Each broker warrant is exercisable to purchase one Common Share until January 16, 2017 at a price of US$2.75 per broker warrant.