

Bioniche Life Sciences Inc.

Amalgamated under the laws of Ontario

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>As at</i> <i>(Unaudited)</i> <i>(thousands of Canadian dollars)</i>	September 30, 2011 \$	June 30, 2011 \$	July 1, 2010 \$
ASSETS			
Current			
Cash and cash equivalents	9,579	15,353	11,070
Other current financial assets	1,473	1,493	—
Trade and other receivables	5,537	6,460	8,601
Income taxes receivable	349	254	63
Inventories	9,138	8,523	6,582
Prepayments	966	1,067	788
	27,042	33,150	27,104
Non-current			
Property, plant and equipment	39,102	37,582	25,330
Intangible assets	6,066	6,306	6,500
Goodwill	456	456	456
Other non-current receivables	1,772	1,756	1,156
Deferred tax assets	912	540	494
Total assets	75,350	79,790	61,040
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Trade and other payables	6,393	8,354	9,550
Current portion of long-term debt and obligations under finance leases	842	700	256
Current portion of repayable government assistance	1,075	1,049	960
	8,310	10,103	10,766
Non-current			
Long-term debt	2,050	2,171	1,341
Other	166	166	166
Obligations under finance leases	703	546	1,184
Repayable government assistance	28,727	27,456	21,889
Employee benefit liability	2,035	2,012	—
Deferred government incentives	—	—	2,382
	41,991	42,454	37,728
Shareholders' equity			
Share capital	125,678	125,630	96,677
Other paid-in capital	8,990	8,771	8,813
Deficit	(100,402)	(95,891)	(82,094)
Foreign currency translation reserve	(907)	(1,174)	(84)
Total shareholders' equity	33,359	37,336	23,312
Total liabilities and shareholders' equity	75,350	79,790	61,040

Bioniche Life Sciences Inc.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND
COMPREHENSIVE LOSS**

For the three months ended September 30 (Unaudited) (thousands of Canadian dollars, except share and per share amounts)	2011 \$	2010 \$
REVENUES		
Sales	6,123	6,692
Research collaborations	693	790
	6,816	7,482
EXPENSES		
Cost of sales	3,073	3,265
Administrative	2,489	1,980
Marketing and selling	1,771	1,577
Financial expenses	227	248
Foreign exchange gain	(433)	(980)
	7,127	6,090
(Loss) income before research and development expenses and income taxes	(311)	1,392
Research and development expenses, gross	4,820	4,742
Less: government assistance, net	(199)	(504)
Loss before income taxes	(4,932)	(2,846)
Recovery of income taxes	(421)	(214)
Net loss for the period	(4,511)	(2,632)
OTHER COMPREHENSIVE INCOME (LOSS)		
Exchange difference on translation of foreign operations	267	(712)
Total comprehensive loss for the period	(4,244)	(3,344)
Basic and diluted net loss per share	(0.04)	(0.04)
Weighted-average number of common shares outstanding	102,274,109	73,036,406