Management's Discussion and Analysis

For the first quarter ended September 30, 2013

Preface

The following discussion and analysis is the responsibility of management and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements as at and for the three month-period ended September 30, 2013 and notes included herewith, together with the Company's annual audited consolidated financial statements and management's discussion and analysis of financial condition and results of operations for the fiscal year ended June 30, 2013, which can be found on SEDAR (SEDAR.com) and on ASX.com.au. The unaudited condensed interim financial statements are presented in accordance with IAS 34, Interim Financial Reporting. The Management's Discussion and Analysis provides a review of the performance of the Company for the three-month period ended September 30, 2013, as compared to the same period ended September 30, 2012. This review was prepared by management from information available as at November 5, 2013.

To the extent any statements made in this document contain information that is not historical, these statements are considered forward-looking and are subject to risks and uncertainties. Actual results, levels of activity, performance, or achievements could differ materially from those projected herein and depend on a number of factors, including the successful and timely completion of research and clinical trials, the uncertainties related to the regulatory process, and the commercialization of the Company's therapeutic products thereafter.

The cautionary statements made in this report should be read as applying to all related forward-looking statements wherever they appear in this report. The Company's future results could differ materially from those discussed here. Factors that could cause or contribute to these differences include those discussed under "Risks and Uncertainties". The reader is cautioned not to rely on these forward-looking statements and the Company disclaims any obligation to update these forward-looking statements unless required to do so by applicable Securities laws. All subsequent forward-looking statements, whether written or orally attributable to the Company or persons acting on its behalf, are expressly qualified in their entirety by these cautionary statements. All amounts are in Canadian dollars unless otherwise indicated.

Where "we", "us", "our", "Bioniche" or the "Company" are utilized, these mean Bioniche Life Sciences Inc. unless otherwise indicated. All percentages reflected herein are calculated on whole amounts as contained in the Company's financial records and financial statements, and not on the rounded amounts as disclosed herein.

Overview of Business, Operations and Current Direction

Overview of Business

The Company is a research-based, technology driven, biopharmaceutical company headquartered in Belleville, Ontario, Canada. It seeks to discover, develop, manufacture and market proprietary products for human and animal health markets worldwide. The Common Shares have been traded on the TSX since February, 1992. The Company commenced public quotation on the ASX on January 27, 2011.

The Company employs 202 people and has three operating business units: Animal Health, generating revenues from global product sales to veterinarians; Human Health,

with a Phase III bladder cancer product; and One Health, with the world's first registered cattle vaccine for *E. coli* O157 and a state-of-the-art vaccine manufacturing facility.

The Company, originally known as Vetrepharm Animal Health Inc., was founded as an animal health company in 1979 by Graeme McRae with the support of almost 100 Canadian veterinarians. Mr. McRae believed that the major veterinary pharmaceutical companies were not putting sufficient research effort into alternatives to antibiotics as treatments for livestock disease and, consequently, the Company has had a longstanding mission to develop, manufacture and distribute immunotherapeutic technologies, vaccines, and other natural products to treat infectious diseases as alternatives to antibiotics and hormone therapies in livestock. As the underlying development initiatives evolved, some of the emerging technologies were found to have human health indications as well, and the Company reorganized to enable a broader development program funded in part from an active and growing animal health business and through equity issues, debt and government assistance.

Segment Operations

The Company has decided to divest its Animal Health business and focus on its Human Health business.

Until recently, the Company derived most of its operating revenue from its Animal Health segment, which has a portfolio of more than 60 products. The Company is also commercializing two canine cancer products developed from its proprietary immunotherapeutic technology platform, the first of which, Immunocidin™, was launched in the U.S. in October, 2012 and in Canada in January, 2013. The second product, Oncocidin™, is expected to be launched in North America in late 2014.

Through its Human Health segment, the Company is seeking to commercialize Urocidin™ – a treatment for non-muscle-invasive bladder cancer in humans. This is the first indication for the Company's mycobacterial cell wall immunotherapeutic technology. Commercialization is expected in Canada in the next 24 months, followed by other markets as regulatory pathways are solidified.

The Company's One Health segment's activities include Econiche® and a vaccine manufacturing centre ("VMC"). Econiche® is a vaccine developed to prevent the spread of *E. coli* O157 by cattle and reduce human exposure to the deadly strain of *E. coli* bacteria from contaminated food, water and environmental sources. This product is the first fully registered vaccine of its kind in the world. The VMC is a state-of-the-art facility located at the Company's in Belleville, Ontario, headquarters and is nearing GMP validation.

Current Direction

Over the course of the past year, the Company and its Board of Directors (the "Board") have been faced with the challenges of funding the commercialization efforts for Urocidin™, Econiche® and new Animal Health product launches, as well as providing for further growth of the Animal Health business. It became clear that the Company could not support the full scope of its initiatives and realize the shareholder value embedded within them in a timely fashion. As well, it became clear that the capital markets were not sufficiently supportive of continued investment and growth in asset values at the expense of liquidity. Accordingly, in 2012, the Company began considering opportunities to enable it to achieve the full potential from commercialization of its technologies and optimize its activities to maximize shareholder value. As a result, the Board decided to divest the Animal Health business and is currently considering the sale or partnering of the One Health business (including the VMC). As at June 30, 2013 and September 30, 2013, the assets related to the Animal Health segment have been presented as held for sale and the results of operations of this segment have been presented as discontinued

operations for the three-month periods ended September 30, 2013 and 2012. The discussion below reflects the impact of these presentations on the Company's condensed interim consolidated financial statements.

Recent Developments

Equity Financing

On September 26, 2013, the Company closed a Canadian equity offering of 33,808,621 Units priced at $0.29 per Unit for total proceeds of $9.8 million. Each Unit includes one Common Share and one-half of a Warrant exercisable at $0.40 for two years. The Company agreed to pay the Agent a fee equal to 7% of the gross proceeds ($0.0203 per Unit) plus broker Warrants to purchase, in the aggregate, that number of Common Shares which is equal to 7% of the number of Units issued pursuant to the financing at the Offering price for two years. After deducting the Agent's cash fee and other expenses, the net proceeds to the Company were $8.5 million.

As part of the debt refinancing and equity deal completed with Paladin Labs Inc. ("Paladin") in July, 2013, Paladin invested $0.5 million in Bioniche as part of this equity financing. Further, with the closing of this financing, Paladin released an additional US$3 million loan to the Company.

The net proceeds from the Offering are being used to support the development of the Company's Phase III bladder cancer product, Urocidin™, and for general corporate purposes. This additional funding will help to ensure that the Company is adequately capitalized as it completes the divestment of its Animal Health business unit.

Debt Refinancing

In the last quarter of Fiscal 2013, Bioniche's existing debt facility with Capital Royalty Partners II L.P. and its affiliates ("Capital Royalty") was acquired by Paladin for approximately US$22 million (including accrued interest and fees). During the quarter, on July 5, 2013, Paladin and Bioniche finalized the terms of the loan arrangement which included an additional US$8 million loan (the "Paladin Loan") to support Bioniche's ongoing operations, US$5 million of which became available immediately and US$3 million of which was drawn upon the completion of the Offering discussed above. Under the debt facility, the loan will mature on July 1, 2014, the covenant to maintain minimum liquidity has been reduced from $5 million to $2.5 million, the interest rate has been reduced from 15% to 13.25% payable in full on a quarterly basis, and prepayment fees were reduced.

As part of these arrangements, Paladin was granted Common Share Purchase Warrants to purchase 3,000,000 Common Shares until the earlier of May 31, 2019 or two years after full repayment of the Paladin Loan.

Sale of Animal Health

As discussed in previous news releases and financial reports, Bioniche engaged Evercore on May 13, 2013 to assist the Board and management of the Company in a divestment process for Animal Health. Evercore is a U.S.-based independent advisory firm that specializes in merger and acquisition transactions, divestitures and restructurings. Following the announcement of the Company's intention to divest its Animal Health business, a number of parties stepped forward expressing interest, including several major global animal health companies. Interested parties have submitted non-binding expressions of interest from which a short-list of counterparties was chosen. Such counterparties have finalized or are nearing the finalization of their due diligence on the business. The Company is expecting final binding offers by mid-November, 2013. Shareholder approval will be sought at a special meeting to be held within 30-60 days following the signing of a definitive agreement.

One Health

GMP validation work continues in the VMC in Belleville, Ontario. GMP validation enables the Company to manufacture products in all major markets including the U.S. and Europe. The Company is now in the last stages of the validation process, which involves media fill validation. This is a two-step initiative requiring three successful batches to be run consecutively in the 5,000-litre fermentor and three consecutive batches to be run on the filling line with a minimum of 5,000 vials per batch filled successfully. Three consecutive batches have been run in the 5,000-litre fermentor and the documentation in respect thereof is under final review by the Company.

The Company plans to pursue contract manufacturing and, as additional products are identified to be made in the facility, the Company will file requests for marketing authorization to the appropriate government authorities, which may trigger further facility audits by those authorities.

The Company is currently considering a potential sale or partnering of the One Health business, or portions thereof.

Human Health

Clinical evidence gathered in previous Phase II and III clinical studies gives Bioniche confidence that Urocidin™ is an approvable treatment for human bladder cancer. More than 30 companies have expressed an interest in partnering on Urocidin™. This high level of interest reflects confidence on the part of potential partners in the data generated to date, including the Phase III study that Bioniche conducted which showed a 25% disease-free survival rate after one year of treatment among 129 patients who had failed the current frontline therapy and were facing removal of the bladder. Bioniche has entered into a first license with Paladin to market and distribute Urocidin™ in Canada, South Africa and Mexico, under a revenue sharing arrangement. Bioniche will be responsible for all product development and manufacturing costs, including, but not limited to, the costs related to obtaining regulatory approval, and Paladin will be responsible for all sales and marketing costs in these territories. The license also provides a series of potential sales performance milestones that may total up to $16 million during the term.

In its process to qualify Urocidin™ under Health Canada's Notice of Compliance with Conditions (NOC/c) policy, the Company believes that it will have the clinical assessment package addressing some clinical questions and additional information requested by Health Canada ready for submission by June, 2014.

Financial Performance

Results of Operations

Consolidated Financial Results for the Quarters Ended September 30, 2013 and 2012

The following table sets out the Company's condensed Consolidated Statements of Loss and Comprehensive Loss for the three-month period ended September 30, 2013 and 2012:

CONDENSED CONSOLIDATED STATEMENTS OF LOSS FROM CONTINUING OPERATIONS

	2013	2012
For the three-month period ended September 30,	$	$
Revenues from continuing operations	-	74
Expenses - continuing operations		
Administration	1,343	1,685
Expenses related to concerned shareholder action	803	-
Marketing and selling	175	193
Net Research and Development	3,094	3,153
Financial expenses and foreign exchange	2,189	1,795
Net loss for the period from continuing operations	(7,604)	(6,752)

Consolidated Revenues

With the termination of the Endo Health Solutions Inc. ("Endo") clinical trial, there was no research collaboration revenue in the first quarter of Fiscal 2014 and there was a minimal amount in the same quarter of Fiscal 2013.

Administration Expenses

Administration expenses decreased by $0.3 million in the quarter ended September 30, 2013 compared to the same period in 2012. Staff departures and related expenses as well as reductions in operating expenses account for this decrease. Expenses related to the concerned shareholder action are separated to reflect their one-time effect.

Marketing and Selling

Marketing and selling expenses related to the One Health business have decreased slightly in the quarter ended September 30, 2013 over the same quarter in 2012. This variation is attributable to normal variations in the timing of some of these expenditures.

Financial Expenses

Interest and financing expenses include both non-cash and cash interest components. For the quarter ended September 30, 2013, financial expenses paid in cash were $1.3 million compared with $0.8 million in the same quarter in 2012. The increase reflects the increase in the debt from US$20 million to US$30 million, but at an interest rate of 13.25% vs. 15%, and the end of the interest-free period on one of the repayable government incentive loans. Accreted interest rose to $1.3 million, compared to $0.8 million for the same period last year, reflecting the shortening of the term of the loans that will be repaid from the proceeds of the sale of Animal Health. During the quarter ended September 30, 2013, validation of the fermentor in the VMC was completed and, as a result, only July's interest of $0.1 million was capitalized whereas, last year, $0.4 million was capitalized in the first quarter.

RESEARCH & DEVELOPMENT

For the three-month period ended September 30,	2013 $	2012 $
Segment		
One Health	958	703
Human Health	2,147	2,569
Adjustment	-	(21)
Research and Development	3,105	3,251
Less government assistance	(11)	(98)
Net Research and Development	3,094	3,153

Research and Development – Human Health Segment

Research and development expenditure decreased in the quarter ended September 30, 2013 to $2.1 million from $2.6 million in the quarter ended September 30, 2012. Human Health R&D activities have been reduced as the comparative trial conducted by Endo wound up and pre-clinical activities were completed. The majority of Human Health expenditures are focused on the maintenance of pilot manufacturing facilities required to support clinical trials and commercialization.

Research and Development – One Health Segment

Research and development increased by $0.3 million in the quarter ended September 30, 2013 to $1.0 million from $0.7 million in the quarter ended September 30, 2012. One Health R&D activities reflect continuing GMP validation efforts of the VMC. With the completion of the validation of the fermentor, the Company has begun to depreciate the facility. Interest capitalized in July while the facility fermentor was still being validated has been impaired so that the carrying value of the plant remains consistent with the recoverable value determined at June 30, 2013. The Company is now in the last stages of the validation process, which involves media fill validation. The operating costs of the facility and depreciation will be shown in research and development expenses until the plant produces its first product. GMP validation enables the Company to manufacture products in all major markets including the U.S. and Europe.

Foreign Exchange

For the quarter ended September 30, 2013, the Company recorded a gain on foreign exchange of $0.3 million compared to a loss of $0.3 million in the same quarter in 2012. This change is essentially the result of the unrealized exchange gain recognized from the conversion of the long-term debt denominated in U.S. dollars.

Consolidated Net Loss and Comprehensive Loss

For the quarter ended September 30, 2013, the net loss from continuing operations was $7.6 million, compared to $6.8 million for the same period a year earlier. The increase in the loss is primarily due to a combination of factors discussed earlier, including higher financial expenses and the recording of the expenses related to the concerned shareholder action, offset by foreign exchange gain and reductions in operational and research expenditures. Total comprehensive loss from continuing operations for the quarter ended September 30, 2013 was $7.6 million, compared to $6.7 million in the same quarter in Fiscal 2012. For the three month period ended September 30, 2013, the basic and fully diluted loss per Share was ($0.07) compared to a loss per Share of ($0.06) for three month period ended September 30, 2012.

Previous Eight Quarters

The following table sets out a summary of the Company's revenues from continuing operations, loss from continuing operations and the loss per Share from continuing operations over the previous eight quarters:

SUMMARY OF QUARTERLY RESULTS

(expressed in millions of Canadian dollars)

	2014	2013				2012		
		$				$		
	Q1	Q4	Q3	Q2	Q1	Q4*	Q3*	Q2
Revenues from continuing operations	-	-	-	-	0.1	0.2	0.4	0.7
Net loss from continuing operations	(7.6)	(14.9)	(5.9)	(6.2)	(6.8)	(8.4)	(5.2)	(4.9)
Basic and fully diluted net loss per share from continuing operations	(0.07)	(0.14)	(0.06)	(0.06)	(0.06)	(0.08)	(0.05)	(0.05)

* restated to reflect change in actuarial value on pension benefit and correct remeasurement of royalty obligation.

Discontinued Operations

Results of Discontinued Operations

In the fourth quarter of the year ended June 30, 2013, the Company formally commenced the process to divest its Animal Health business in order to concentrate on becoming a Human Health company. The sale is expected to be completed within the next 12 months. At June 30, 2013, the Animal Health business' assets and liabilities and its results of operations were classified as discontinued operations.

This decision has had a significant impact on the consolidated results of operations of the Company, as this segment was a long-established business, reporting reasonably predictable revenues and gross margins over a number of years. The results of operations of the Animal Health business segment (which was also a reportable segment for financial reporting purposes) for the quarters ended September 30, 2013 and 2012 were as follows:

DISCONTINUED OPERATIONS
RESULTS OF THE ANIMAL HEALTH BUSINESS

For the three-month period ended September 30,	2013 $	2012 $
Revenues	7,737	6,595
Expenses	5,805	6,390
Income before income taxes	1,932	205
income taxes	37	129
Net income (loss)	1,895	76
Basic and fully diluted earnings per share from discontinued operations	0.02	0.00

Consolidated Statements of Financial Position Highlights

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	2013 September 30 $	2013 June 30 $
Assets		
Cash and cash equivalents	15,860	4,241
Other receivables and other current assets	2,253	2,206
Property, plant and equipment	30,907	31,213
Other long-term assets	3,547	3,740
Assets held for sale	21,987	20,103
Total Assets	74,554	61,503
Liabilities		
Trade and other payables	6,781	5,299
Current portion of long-term liabilities	58,766	50,106
Long-term liabilities	14,718	14,668
Liabilites related to assets held for sale	3,612	3,972
Total liabilities	83,877	74,045
Shareholders' equity (deficiency)	(9,323)	(12,542)
Total liabilities and shareholders' equity	74,554	61,503

Consolidated Statement of Financial Position Highlights

Continuing Operations

Assets

Cash and cash equivalents increased from $4.2 million to $15.9 million, primarily as a result of the closing of an equity financing and loan advances from Paladin less operating and research and development activities and higher financial expenses.

At September 30, 2013, property, plant and equipment ("PP&E") decreased by $0.3 million and other long-term assets decreased by $0.2 million, primarily from the recording of depreciation as compared to June 30, 2013.

Liabilities

Trade and other payables increased by $1.5 million at September 30, 2013, amounting to $6.8 million, as compared to $5.3 million at June 30, 2013, reflecting increased interest accruals, the settlement with concerned shareholders and legal expenses related to the unit offering.

The current portion of long-term liabilities as at September 30, 2013 increased by $8.7 million to $58.8 million, reflecting advances on the Paladin loan of US$8.0 million during the quarter.

Discontinued Operations

As a result of the decision to sell the Animal Health business, the following assets and liabilities have been presented as held for sale as at September 30, 2013:

STATEMENT OF FINANCIAL POSITION FOR ANIMAL HEALTH

	2013 September 30 $	2013 June 30 $
Assets		
Current		
Cash and cash equivalents	818	345
Trade receivables and other receivables	5,039	4,066
Inventories	8,296	7,989
Prepayments	483	366
	14,636	12,766
Non-current		
Property, plant and equipment	5,630	5,682
Intangible assets	857	857
Goodwill	456	456
Deferred tax assets	408	342
Total assets	21,987	20,103
Liabilities		
Current		
Trade and other payables	2,930	3,240
Income taxes payable	219	225
Debt	463	507
	3,612	3,972

Assets

Trade receivables and other receivables increased by $1.0 million in the first quarter compared to June 30, 2013, reflecting increased product sales. Inventories increased by $0.3 million in the same period.

Liabilities

Trade and other payables amounted to $2.9 million in the first quarter, a decrease of $0.3 million as compared to June 30, 2013.

Statement of Cash Flow Highlights

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three-month period ended September 30,	2013 $	2012 $
Summary cash flows		
Cash used in operating activities	(4,689)	(4,982)
Cash used in investing activities	(15)	(371)
Cash provided by (used in) financing activities	16,893	(258)
Effect of foreign exchange differences on cash	(97)	-
Net increase (decrease) in cash	12,092	(5,611)
Ending cash	16,678	14,409

The Company's cash flow used in operations for the quarter ended September 30, 2013 was $4.7 million, as compared to cash used in operations of $5.0 million in the quarter ended September 30, 2012. Expenditures were reduced by $0.3 million in the quarter as compared to the same period last year, but this reduction was offset by one-time expenditures related to the concerned shareholder action of $0.8 million (legal and other costs).

The Company's investing activities used an insignificant amount of cash during the quarter ended September 30, 2013, as compared to $0.4 million during the quarter ended September 30, 2012.

The Company's financing activities during the quarter ended September 30, 2013 provided $16.9 million, compared to cash used of $0.3 million in the same period last year. The Company's financing activities provided $9.0 million during the quarter ended September 30, 2013 from an equity offering and $8.4 million and from additional advances on the Paladin loan.

Treasury Operations

The Company's treasury policy is to invest cash that is not required immediately into short-term instruments with an investment strategy based on capital preservation. Such investments are primarily made in guaranteed investment certificates (GICs) and high-interest savings accounts, both of which are issued by Canadian chartered banks. At September 30, 2013 and 2012, substantially all of the Company's liquidities were held in cash.

Going Concern Uncertainty, Liquidity, Capital Resources and Contractual Obligations

Going Concern

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34 on a going concern basis, which presumes 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 ordinary course of business for the foreseeable future. The use of these principles may not be appropriate because, as at September 30, 2013, there was substantial doubt as to the Company's ability to continue as a going concern without the successful sale of the Animal Health business and access to additional financial resources.

At September 30, 2013, the Company has incurred significant losses, has an accumulated deficit of $155.0 million and has a shareholders' deficiency of $9.3 million. During the quarter ended September 30, 2013, the Company closed a public financing as described in note 4[a] of the condensed interim consolidated financial statements with net proceeds of $8.5 million. The Company has also received additional proceeds from its loan agreement with Paladin Labs of $8.4 million as described in note 2[a]. In addition, the Company has engaged an independent advisory firm that specializes in merger and acquisition transactions, divestitures and restructurings to dispose of its Animal Health business. The Company may also consider additional debt and/or equity financing, licensing agreements, and the monetization of assets through the sale or strategic partnering of technologies under development including the sale or partnering of its Vaccine Manufacturing Centre. The Company's committed cash obligations and expected level of expenses for the next twelve months exceed its committed sources of funds at September 30, 2013.

If the Company is unable to accomplish these initiatives or accomplish the initiatives at the values acceptable to the Company, both of which are outside of management's control, the Company will be required to curtail its development activities and dispose of its remaining assets and businesses. Please reference the section, "Capital Resources".

Liquidity

The Company has maintained adequate liquidity and has financed its losses and accumulated deficits over the past three years, principally from the following transactions:

- In June, 2012, the Company completed a debt financing in the amount of US$20 million (C$19.9 million) from investment funds managed by U.S.-based Capital Royalty.

- In June, 2013, Bioniche's existing debt facility with Capital Royalty was acquired by Paladin for approximately $22 million (including accrued interest and fees). On July 5, 2013, Paladin and Bioniche also entered into an amended loan transaction whereby Paladin agreed to provide an additional $8 million loan to support Bioniche's ongoing operations, $5 million of which became available immediately and $3 million of which was drawn upon the completion of the Offering closed in September, 2013.

- In September, 2013, the Company completed an Offering and private placement, issuing 33,808,621 Units at a price of $0.29 per Unit for gross proceeds of $9.8 million.

These additional sources of funding will help to ensure that the Company is adequately capitalized as it completes the divestment of its Animal Health business unit.

Capital Resources

As stated above, in June, 2013, the Company's existing debt facility with Capital Royalty was acquired by Paladin for approximately US$22.0 million (including accrued interest and fees). On July 5, 2013, Paladin and Bioniche finalized the terms of the loan arrangement to support the Company's ongoing operations, an additional US$5.0 million of which became available immediately and US$3.0 million of which was drawn upon the completion of the Offering in September, 2013. Under the debt facility, the loan will mature on July 1, 2014.

In the course of the divestment process for Animal Health, interested parties have submitted non-binding expressions of interest from which a short-list of counterparties was chosen. Such counterparties have finalized or are nearing the finalization of their due diligence on the business. The Company is expecting final binding offers by mid-November, 2013. Shareholder approval will be sought at a special meeting to be held within 30-60 days following the signing of a definitive agreement.

The Company is also currently considering a potential sale or partnering of the One Health business, or portions thereof. If One Health is not sold, the Company will continue to develop the Canadian and international markets for Econiche® and to attain GMP validation for the VMC, as well as continue to seek buyers and/or partners for these assets.

The Company will use the proceeds from the sale of Animal Health to immediately repay its long-term liabilities. This will clear a significant portion of the Company's debt, resulting in a significant savings in financing costs going forward. The only material obligations that will remain outstanding are the repayable government assistance related to royalties on sales of Urocidin™ and Econiche® and a term loan related to Urocidin™ that is payable to the Government of Canada/Industry Canada. However, if the sale of Animal Health is delayed beyond July 1, 2014, the Company will need to seek additional financing to satisfy the repayment of, or to refinance, the Paladin Loan, which matures on July 1, 2014.

The sale of Animal Health will be subject to, among other things, shareholder approval, and a vote is expected to be held at a separate special shareholders meeting to be held on a date after the date of the 2013 Annual Meeting. It is expected that purchasers of Units under the Offering will be entitled to vote in respect of the sale of Animal Health at such special shareholders' meeting, provided they remain a shareholder of the Company at the record date for such meeting.

At this time, there can be no assurance that either of these business units will be sold. If neither is sold, the Company will have to make alternative arrangements to repay or refinance the Paladin Loan by July, 2014. Once Animal Health is sold and debt is repaid, Bioniche will have no immediate product sales revenue and, accordingly, will have a negative operating cash flow or cash "burn" until such time as revenues can be generated from commercialization and/or the licensing of Urocidin™ or until Econiche® (if retained) gains market access and product revenues. If the Company sells or partners One Health and/or the VMC, the cash "burn" will be further reduced.

Commitments and Contingencies

Total operating lease expense recorded in the consolidated statements of loss for the quarter ended September 30, 2013 was $0.3 million [2012 - $0.3 million].

In addition to the royalties described in note 12(a) of the annual consolidated financial statements for the year ended June 30, 2013, the Company is committed to paying royalties ranging from 1% – 5% as a result of certain license agreements on the sales of certain products on the commercialization of specific technologies or products.

Contingencies

The Company is involved from time to time in litigation, which arises in the normal course of business. In respect of these claims, the Company believes it has valid defenses and/or has made adequate provision for such claims. The Company believes that no material exposure exists on the eventual settlement of such litigation.

The Company participates in research and development funding arrangements, some of which, based on management's best estimates, are recorded as a reduction in the related cost and some as a deferred government incentives obligation. The funding arrangements are subject to audit by the contributors. Any adjustments which could be material will be made in the period in which they are known.

The Company periodically enters into research agreements with third parties that include indemnification provisions that are 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 damages arising from these transactions. In some cases, the maximum potential amount of future payments that could be required under these indemnification provisions is 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 consolidated financial statements with respect to these indemnification obligations.

Accounting Policies and Estimates

Significant Accounting policies

The Company's discussion and analysis of its financial condition and results of operations are based upon its consolidated financial statements which, because they are prepared in accordance with IFRS, require management to adopt accounting policies and to make certain estimates and assumptions that the Corporation believes are reasonable based upon the information available at the time these decisions are made. Except for the changes in accounting policies discussed below, there has been no other change in accounting policies since June 30, 2013. Refer to note 2 of the audited consolidated financial statements for the year ended June 30, 2013 for discussions on accounting policies that are the most important in assisting, understanding and evaluating the Corporation's consolidated financial statements.

Changes in Accounting Policies

On July 1, 2013, the Corporation adopted retrospectively the standards below in accordance with required changes from the International Accounting Standard Board ("IASB").

IAS 1 – *Presentation of Financial Statements*
The Company has adopted the amendments to IAS 1 retrospectively effective July 1, 2013. These amendments required the Company to group other comprehensive income items by those that may be reclassified to profit or loss and from those that will not be reclassified.

IAS 19 Amendment – *Employee Benefits*
The amendment requires that actuarial gains and losses related to the accounting for defined benefit plans are now recognized in other comprehensive income (OCI) and permanently excluded from profit and loss; and unvested past service costs are now recognized in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognized. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The changes in accounting policy have been accounted for retrospectively in accordance with the transition rules of the amended IAS19 and the additional disclosure will be provided in our annual consolidated financial statements for fiscal year 2014. As the defined benefit plan is unfunded, the impact related only to the reclassification of actuarial changes to the plan from the profit and loss to other comprehensive income.

The impact of the adoption of the amended IAS 19, *Employee Benefits* on the consolidated statement of loss and consolidated statement of comprehensive loss for the quarter ended September 30, 2012 is as follows:

Decrease of administration expense	$5
Decrease in net loss from continuing operations and total loss	$5
Increase in other comprehensive loss from continuing operations	$5

IFRS 10 – *Consolidated Financial Statements*
IFRS 10 replaces the guidance on control and consolidation in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

IFRS 11 – *Joint Arrangements*
IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The adoption of IFRS 11 did not result in any changes in the Company as the Company does not have any joint arrangements.

IFRS 12 – *Disclosure of Interest in Other Entities*
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for condensed interim consolidated financial statements, unless significant events and transactions in the interim period require that they are provided. Accordingly, the Company has not made such disclosures.

IFRS 13 – *Fair Value Measurement*
IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on July 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation

techniques used by the Company to measure fair value and did not result in any measurement adjustments as at July 1, 2013.

Critical Accounting judgements, Estimates and Assumptions

The Company's discussion and analysis of its financial condition and results of operations are based upon its consolidated financial statements which, because they are prepared in accordance with IFRS, require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant changes in the underlying assumptions could result in significant changes to these estimates. Consequently, management reviews these estimates on a regular basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Information about these significant judgments, assumptions and estimates that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are disclosed in note 3 of the audited consolidated financial statements for the year ended June 30, 2013. There has been no material change in accounting judgements, estimates and assumptions since June 30, 2013.

Enterprise Risk Management and Risk Factors

The Company's business activities expose it to a wide variety of risks. The Company's goal is to manage these risks so that it is reasonably protected from an unacceptable level of earnings or financial exposure while still enabling business development through its commercialization activities. The Company has developed a risk management oversight structure and an internal reporting structure to monitor and manage the risks arising from its business activities, the markets in which it operates, and the regulatory and political environments and structures with which the Company interfaces internationally.

For a more detailed discussion of the enterprise's risk management and risk factors that could materially affect the results of operations and the financial condition of the Company, please refer to the Company's Annual Information Form filed online at sedar.com.

Financial Risks and Financial Instruments

Certain of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

The Company has determined that the carrying amount of its short-term financial assets and liabilities, including cash and cash equivalents, trade and other receivables, trade payable and other liabilities, demand loans and current portion of debts, approximates their fair value because of the relatively short periods to maturity of these instruments.

The carrying values of the long-term debts approximate their fair value because the interest rates approximate market rates available for similar instruments. Management believes that no significant change occurred in the risk of these instruments. Refer to note 16 – Financial instruments of the audited consolidated financial statements for the year ended June 30, 2013 for a more complete discussion on financial instruments and financial risks including currency risk, credit risk, liquidity risk and interest rate risk. There has been no material change in the risk of these instruments since June 30, 2013.

Other Information

Related Party Transactions

The Company paid one Director $2 (2012 – $ 6) in consulting fees and purchased inventory items from a company owned by a Director in the amount of nil (2012 – $28). The Company received payment for services provided to a company owned by a Director of nil (2012 – $1). Some of these costs have been included in discontinued operations.

Loans to key management bear interest at 2% and are repayable over five years. At September 30, 2013, the balance of all loans to key management was $135 (2012 - $222).

Off-Balance Sheet Arrangements

To date, the Company has not had any relationships with unconsolidated entities or financial partnerships, such as, those referred to as "structured finance" or "special purpose" entities, which are established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Other than the Company's operating leases and the commitments disclosed therein, the Company has no other off-balance sheet transactions.

Outstanding Common Shares

The Company has total Common Shares outstanding at November 4, 2013 of 140,427,498. In addition, the Company has 22,270,912 outstanding Warrants and 9,468,648 outstanding Options, exchangeable for one Common Share upon exercise.

Continuous Disclosure and Other Information about the Company

This MD&A was approved by the Audit Committee and by the Board of Directors on November 5, 2013. Additional information relating to the Company, including the Annual Information Form (AIF), is available online at SEDAR.com ASX.com.au.

Effectiveness of Disclosure Controls

Disclosure Controls and Procedures

In accordance with National Instrument 52-109 – "Certification of Disclosure in Issuers' Annual and Interim Filings" ["National Instrument 52-109"], the Company is responsible for establishing and maintaining internal control over its financial reporting, which is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's consolidated financial statements in accordance with IFRS. Due to the inherent limitations in any control system, internal control over financial reporting may not prevent or detect all material misstatements. Also, any conclusions on the effectiveness of a system of internal control in the future are subject to risk, as the system may be or become inadequate for many reasons, including due to changes in business conditions, personnel changes and/or the impact of other risks and uncertainties on internal controls.

Internal Controls Over Financial Reporting

Management has used the framework of the Committee of Sponsoring Organizations of the Treadway Commission [“COSO”] to evaluate the effectiveness of the Company’s internal control over financial reporting.

The President and Chief Executive Officer and the Chief Financial Officer, together with management, completed the documentation and preliminary evaluation of the effectiveness of the Company’s disclosure controls and procedures [“DCP”] and internal controls over financial reporting [“ICFR”] at September 30, 2013. This evaluation included documentation activities, management inquiries, and other reviews as deemed appropriate by management in consideration of the size and nature of the Company’s business.

During the first quarter ended September 30, 2013, the key controls identified in the documentation were tested and evaluated. As a result of the testing and as previously discovered in the fourth quarter of Fiscal 2013, the Company has identified a number of areas where improvement and updates should be introduced and implemented, including the documentation of controls. None of the observations or results indicated a material weakness in either DCP or ICFR for the quarter ended September 30, 2013.

During the previous challenging months, due to the circumstances faced by the Company as a result of its financial condition, the timing (near the end of the fiscal year) of the debt refinancing, the public offering and the divestment process relating to the sale of the Animal Health business (which resulted in recording this business segment as assets held for sale), the Company faced significant time constraints. Therefore, it was difficult to document, on a timely basis, the appropriate second-level review of the Company’s accounting positions regarding these unusual, complex, and material transactions to ensure that such transactions are correctly recorded in the financial statements.

As was the case for the fourth quarter of Fiscal 2013, as a result of the identification of this deficiency, the Company retained the services of accounting consultants in order to assist management and the accounting department in preparing, documenting and reviewing the accounting positions for the Company’s complex transactions. The appropriate adjustments were made, and management believes that the consolidated financial statements and notes included in this report present fairly the financial results of the Company for the three month period ended September 30, 2013. The Company plans to continue to review and make the necessary changes to its ICFR policies and procedures to remediate this deficiency, including the hiring of additional resources in the accounting and finance department. These new resources, combined with changes in the Company’s financial condition, should result in improvements in its review and approval process, particularly the financial statement close process.

Unaudited Condensed Interim Consolidated Financial Statements

Bioniche Life Sciences Inc.

First Quarter of Fiscal 2014

Bioniche Life Sciences Inc.
Amalgamated under the laws of Ontario

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

[Unaudited – see going concern uncertainty –note 1]

As at *(thousands of Canadian dollars)*	Notes	**September 30, 2013 $**	**June 30, 2013 $**
ASSETS			
Current			
Cash and cash equivalents		**15,860**	4,241
Other receivables		**2,006**	1,837
Prepayments		**247**	369
		18,113	6,447
Non-current			
Property, plant and equipment		**30,907**	31,213
Intangible assets		**3,459**	3,637
Other non-current receivables		**88**	103
		52,567	41,400
Assets classified as held for sale	5	**21,987**	20,103
Total assets		**74,554**	61,503
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current			
Trade and other payables		**6,781**	5,299
Current portion of employee benefit liability		**298**	199
Current portion of long-term debt	2	**43,373**	34,874
Current portion of repayable government assistance	3	**15,095**	15,033
		65,547	55,405
Non-current			
Long-term debt	2	**377**	476
Repayable government assistance	3	**12,557**	12,325
Employee benefit liability		**1,784**	1,867
		80,265	70,073
Liabilities related to assets classified as held for sale	5	**3,612**	3,972
Total liabilities		**83,877**	74,045
Shareholders' deficiency			
Share capital	4	**134,089**	126,973
Other paid-in capital		**11,876**	10,110
Deficit		**(154,962)**	(149,250)
Accumulated other comprehensive income		**(326)**	(375)
Total shareholders' deficiency		**(9,323)**	(12,542)
Total liabilities and shareholders' deficiency		**74,554**	61,503

See accompanying notes

On behalf of the Board: Director Director

"James Rae" *"Rod Budd"*

James Rae Rod Budd

Bioniche Life Sciences Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIENCY) EQUITY

[Unaudited – see going concern uncertainty –note 1]

(thousands of Canadian dollars)	Common shares $	Other paid-in Capital $	Deficit $	Accumulated other comprehensive income $	Total $
Balance, June 30, 2013	**126,973**	**10,110**	**(149,250)**	**(375)**	**(12,542)**
Net loss of the period	**—**	**—**	**(5,709)**	**—**	**(5,709)**
Actuarial loss	—	—	**(3)**	**—**	**(3)**
Exchange difference on translation of foreign operations	**—**	**—**	**—**	**49**	**49**
Total comprehensive loss			**(5,712)**	**49**	**(5,663)**
Units issued	**8,184**	**1,621**	**—**	**—**	**9,805**
Unit issuance costs	**(1,298)**	**(257)**	**—**	**—**	**(1,555)**
Warrants issued in connection with unit offering	**—**	**291**	**—**	**—**	**291**
Issued under employee share ownership plan	**213**	**—**	**—**	**—**	**213**
Shares issued to directors	**17**	**—**	**—**	**—**	**17**
Stock-based compensation expense	**—**	**111**	**—**	**—**	**111**
Balance, September 30, 2013	**134,089**	**11,876**	**(154,962)**	**(326)**	**(9,323)**
Balance, June 30, 2012	126,354	9,327	(118,807)	(1,126)	15,748
Net loss for the period	—	—	(6,676)	—	(6,676)
Actuarial gain	—	—	5	—	5
Exchange difference on translation of foreign operations	—	—	—	97	97
Total comprehensive loss			(6,671)	97	(6,574)
Issued under employee share ownership plan	70	—	—	—	70
Options issued to a consultant	1	—	—	—	1
Stock-based compensation expense	—	102	—	—	102
Balance, September 30, 2012	**126,425**	**9,429**	**(125,478)**	**(1,029)**	**9,347**

see accompanying notes

Bioniche Life Sciences Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

[unaudited – see going concern uncertainty – note 1]

For the three months ended September 30 *(thousands of Canadian dollars, except share and per share amounts)*	Notes	**2013** **$**	2012 $
CONTINUING OPERATIONS			(restated – note 1)
REVENUES			
Research collaborations		**—**	74
		—	74
EXPENSES			
Administration		**1,343**	1,685
Expenses related to concerned shareholder action		**803**	—
Marketing and selling		**175**	193
Financial expenses	8	**2,513**	1,506
Foreign exchange (gain) loss		**(324)**	289
		4,510	3,673
Loss before research and development expenses		**(4,510)**	(3,599)
Research and development expenses		**3,105**	3,251
Less: government assistance		**(11)**	(98)
Net loss for the period		**(7,604)**	(6,752)
DISCONTINUED OPERATIONS			
Profit after tax for the period from discontinued operations	5	**1,895**	76
Total loss for the period		**(5,709)**	(6,676)
OTHER COMPREHENSIVE (LOSS) INCOME - CONTINUING OPERATIONS			
Items not to be reclassified to profit or loss in subsequent periods:			
Actuarial (loss) gain on defined benefit plan		**(3)**	5
OTHER COMPREHENSIVE INCOME – DISCONTINUED OPERATIONS			
Items to be reclassified to profit or loss in subsequent periods:			
Exchange difference on translation of foreign operations		**49**	97
Total other comprehensive income		**46**	102
Total comprehensive loss from continuing operations		**(7,607)**	(6,747)
Total comprehensive income from discontinued operations		**1,944**	173
Total comprehensive loss for the period		**(5,663)**	(6,574)
Basic and fully diluted net income (loss) per Share			
From continuing operations		**(0.07)**	(0.06)
From discontinued operations		**0.02**	0.00
Basic and fully diluted net loss per Share		**(0.05)**	(0.06)
Weighted-average number of Common Shares outstanding		**108,079,429**	103,734,182

Bioniche Life Sciences Inc.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

[unaudited – see going concern uncertainty – note 1]

For the three months ended September 30 *(thousands of Canadian dollars)*	**2013** **$**	2012 $
OPERATING ACTIVITIES		
Net loss for the period from continuing operations	**(7,604)**	(6,752)
Net income for the period from discontinued operations	**1,895**	76
Net loss for the period	**(5,709)**	(6,676)
Items not affecting cash and other reconciling items:		
Depreciation of property, plant and equipment	**323**	367
Impairment of property, plant and equipment	**132**	—
Amortization of intangible assets	**179**	444
Unrealized foreign exchange gain	**(404)**	(466)
Financial expenses on government incentives, long-term debt and repayable government assistance	**1,285**	754
Stock-based compensation expense	**111**	102
Employee share ownership plan	**204**	—
Shares issued to directors	**17**	—
Employee future benefit	**13**	36
Deferred income taxes	**(68)**	129
	(3,917)	(5,310)
Net change in non-cash working capital balances	**(772)**	328
Cash used in operating activities	**(4,689)**	(4,982)
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(31)**	(124)
Proceeds on disposal of property, plant and equipment	**17**	—
Purchases of intangible assets	**(1)**	(247)
Cash used in investing activities	**(15)**	(371)
FINANCING ACTIVITIES		
Proceeds from units issued	**9,805**	—
Payment of financing fees	**(811)**	—
Proceeds from long-term debt	**8,428**	—
Proceeds on exercise of stock options	**—**	1
Repayment of repayable government assistance	**(284)**	(35)
Repayment of finance lease obligations	**(83)**	(108)
Repayment of long-term debt	**(162)**	(116)
Cash provided by (used in) financing activities	**16,893**	(258)
Net increase (decrease) in cash and cash equivalents during the period	**12,189**	(5,611)
Net effect of foreign exchange on cash	**(97)**	—
Cash and cash equivalents, beginning of period	**4,586**	20,020
Cash and cash equivalents, end of period	**16,678**	14,409

See accompanying notes

Bioniche Life Sciences Inc.

NOTES TO UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2013 and 2012
(thousands of Canadian dollars or other currencies, except where noted and for share and per share amounts)

1. NATURE OF THE BUSINESS, GOING CONCERN UNCERTAINTY AND BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

Nature of the business

Bioniche Life Sciences Inc. [the "Company"] is a Canadian biopharmaceutical company, amalgamated under the laws of Canada, engaged in the research, development, manufacturing and commercialization of human and animal health products and technologies worldwide. The Company's common stock is traded on the Toronto Stock Exchange ["TSX": "BNC"] and the Australian Stock Exchange ["ASX": "BNC"].

The Company's quarterly results are not necessarily indicative of results for the year on account of seasonal animal reproduction. Because animal reproduction occurs in North America during our first quarter and in Australia during our third quarter, Animal Health revenues is higher during the second and fourth quarters as our customers replenish their inventories.

Basis of presentation and statement of compliance

These condensed unaudited interim consolidated financial statement ["interim financial statements"] of the Company have been prepared in accordance with IAS 34, *Interim Financial Reporting* as issued by the IASB. The interim financial statements follow the same accounting policies and methods as those used in the Company's consolidated financial statements for the year ended June 30, 2013, except for the adoption of new standards effectives as of July 1, 2013. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ["IFRS"], as issued by the International Accounting Standards Board ["ASB"], have been omitted or condensed.

The preparation of the Company's interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in otucomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements have been set out in note 3 of the Company's annual audited consolidated financial statements for the year ended June 30, 2013. These interim financial statements should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended June 30, 2013, which are included in the Company's 2013 annual report.

These interim financial statements were authorized for issue by the Company's Board of Directors on November 5, 2013.

Going concern uncertainty

The Company's condensed interim consolidated financial statements have been prepared in accordance with IFRS on a going concern basis, which presumes 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 ordinary course of business for the foreseeable future. The use of these principles may not be appropriate because as at September 30, 2013 there was substantial doubt as to the Company's ability to continue as a going concern without the successful sale of the Animal Health business and access to additional financial resources.

1. NATURE OF THE BUSINESS, GOING CONCERN UNCERTAINTY AND BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE [Cont'd]

At September 30, 2013, the Company has incurred significant losses, has an accumulated deficit of $154,962 and has a shareholder's deficiency of $9,323. During the quarter ended September 30, 2013, the Company closed a public financing as described in note 4[a] with net proceeds of $8,541. The Company has also received additional proceeds from its loan agreement with Paladin Labs Inc. ["Paladin"] of $8,428 [US $8,000] as described in note 2[a]. In addition, the Company has engaged an independent advisory firm that specializes in merger and acquisition transactions, divestitures and restructurings to dispose of its Animal Health business. The Company may also consider additional debt and/or equity financing, licensing agreements, and the monetization of assets through the sale or strategic partnering of technologies under development including the sale or partnering of its Vaccine Manufacturing Centre ("VMC"). The Company's committed cash obligations and expected level of expenses for the next twelve months exceed its committed sources of funds at September 30, 2013.

If the Company is unable to accomplish these initiatives or accomplish the initiatives at the values acceptable to the Company, both of which are outside of management's control, the Company will be required to curtail its development activities and dispose of its remaining assets and businesses.

These interim consolidated financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company not be successful in its initiatives. Such adjustments could be material.

Recent accounting pronouncements

The Company has adopted the following new standards effective as of July 1, 2013:

IAS 1 – *Presentation of Financial Statements*
The Company has adopted the amendments to IAS 1 retrospectively effective July 1, 2013. These amendments required the Company to group other comprehensive income items by those that may be reclassified to profit or loss and from those that will not be reclassified.

IAS 19 Amendment – *Employee Benefits*
The amendment requires that actuarial gains and losses related to the accounting for defined benefit plans are now recognised in other comprehensive income (OCI) and permanently excluded from profit and loss; and unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. The changes in accounting policy have been accounted for retrospectively in accordance with the transition rules of the amended IAS19 and the additional disclosure will be provided in our annual consolidated financial statements for fiscal year 2014. As the defined benefit plan is unfunded, the impact related only to the reclassification of actuarial gains or losses on the plan from the profit and loss to other comprehensive loss.

1. NATURE OF THE BUSINESS, GOING CONCERN UNCERTAINTY AND BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE [Cont'd]

The impact of the adoption of the amended IAS 19, *Employee Benefits* on the consolidated statement of loss and consolidated statement of comprehensive loss for the quarter ended September 30, 2012 is as follows:

Decrease of administration expense	$5
Decrease in net loss from continuing operations and total loss	$5
Increase in other comprehensive loss from continuing operations	$5

IFRS 10 – *Consolidated Financial Statements*
IFRS 10 replaces the guidance on control and consolidation in IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.

IFRS 11 – *Joint Arrangements*
IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities ("JCEs") using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The adoption of IFRS 11 did not result in any changes in the Company as the Company does not have any joint arrangements.

IFRS 12 – *Disclosure of Interest in Other Entities*
IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for condensed interim consolidated financial statements, unless significant events and transactions in the interim period require that they are provided. Accordingly, the Company has not made such disclosures.

IFRS 13 – *Fair Value Measurement*
IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on July 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at July 1, 2013.

2. LONG-TERM DEBT

	September 30, 2013 $	June 30, 2013 $
Business Development Bank of Canada	**3,552**	3,672
Business Development Bank of Canada	**340**	370
Capital Royalty L.P.	**8,582**	8,566
[a] Paladin Labs Inc.	**30,914**	22,322
ANZ Bank [September 30, 2013 – A$270; June 30, 2013 – A$282]	**259**	275
Obligation under finance lease – equipment and automobiles, repayable in variable monthly instalments until September 2017, at interest rates ranging from 1.82% to 18.80%	**566**	651
	44,213	35,856
Less: long-term debt related to assets classified as held for sale	**(463)**	(506)
Less: current portion	**(43,373)**	(34,874)
	377	476

[a] On July 5, 2013, the Company received $5,277 [US $5,000] from Paladin upon closing of the loan purchase agreement and an additional $3,151 [US $3,000] on September 26, 2013 upon the closing of the equity financing [note 4[a]]. These additional advances along with the initital $22,728 [US $22,000] loan are repayable at 105% of the outstanding balance, upon the sale of the Animal Health business. Warrants granted with this loan agreement are described in note 4[d]. The Company estimated the fair value of the additional advances as $4,962 and $3,027 respectively using an effective interest rate of 21%.

3. GOVERNMENT ASSISTANCE

Repayable government assistance

September 30, 2013

	ITO $	**MEDT $**	**Agri-Ops $**	**FedDev $**	**Total $**
Opening balance June 30, 2013	**12,565**	**9,820**	**4,560**	**413**	**27,358**
Less: Repayments	**—**	**—**	**(250)**	**(34)**	**(284)**
Accretion of interest	**232**	**180**	**150**	**16**	**578**
	12,797	**10,000**	**4,460**	**395**	**27,652**
Less: current portion	**(240)**	**(10,000)**	**(4,460)**	**(395)**	**(15,095)**
Total long-term repayable government assistance	**12,557**	**—**	**—**	**—**	**12,557**

4. SHAREHOLDERS' DEFICIENCY

	September 30, 2013	**September 30, 2012**
Balance, beginning of period	**105,587,843**	103,574,370
Units issued [a]	33,808,621	—
Employee share ownership plan [b]	661,838	162,244
Shares issued to directors [c]	54,840	—
Options, exercised	—	2,098
Balance, end of period	**140,113,142**	**103,738,712**

[a] Share issue

On September 26, 2013, the Company closed a Canadian equity offering and related private placement, issuing 33,808,621 Units at a price of $0.29 per unit for gross proceeds of $9,805. Each unit is composed of one Common Share and one-half of one Common Share Purchase Warrant. Each whole Share Purchase Warrant entitles the holder to acquire one Common Share at a price of $0.40 per Common Share until September 20, 2015. The value of one-half warrant was determined using the Black-Scholes option pricing model with the following assumptions; risk-free interest rate of 1.15%; expected dividend yield of 0%; expected volatility of 92% and expected life of 2 years. The unit value has been allocated to share capital and other paid-in capital at $0.24 and $0.05 respectively based on the prorata fair value of a common share and one-half of a purchase warrant.

Expenses of the offering include 7% underwriter fees of $686 and other professional fees and miscellaneous fees of $578 for total cash costs of $1,264 of which $811 have been paid and $453 are included in Trade and other payables. The Company also issued 2,172,413 two-year compensation Warrants to purchase one Common Share at a price of $0.29 and 194,189 two-year finder Options to purchase one Common Share at a price of $0.33. The Black-Scholes value of the compensation warrants and finder options being $266 and $. The assumptions used to determine the value of both the compensation warrants and finder options were: risk-free interest rate of 1.15%; expected dividend yield of 0%; expected volatility of 92% and expected life of 2 years. Total cash and non-cash costs have been allocated prorata between share capital and other paid-in capital, $1,298 and $257 respectively, based on the ratio established by their respective values as described above.

4. SHAREHOLDERS' DEFICIENCY [Cont'd]

[b] Employee share ownership plan

The Company has an employee share ownership plan in Canada whereby the Company matches contributions made by employees for the purpose of purchasing the Company's common shares. In July 2012, issued shares reached the maximum shares available under the plan, at which time the plan was suspended until shareholder approval of an increase in available shares in November 2012. The Company's portion of this plan is recorded as a stock-based compensation expense in the period incurred. During the quarter ended September 30, 2013, the Company issued 661,838 common shares [2012 – nil] under this plan totaling $213 [2012 - nil]. At September 30, 2013, an amount of $67 had been recorded in current liabilities [2013 – nil].

[c] Director's remuneration

During the three-months ended September 30, 2013, the Company paid remuneration to Directors in the form of Company common shares, issuing 54,840 Common Shares [2012 – nil] totaling $17 [2012 – nil]. As at September 30, 2013, an amount of 64,599 Common Shares remain to be issued [2012 – nil] and an amount of $17 has been recorded in current liabilities [2012 – nil].

[d] Warrants

The following table summarizes information about the changes in the number of Warrants outstanding during the three months ended September 30:

	2013		2012	
	Warrants	**Weighted average exercise price**	Warrants	Weighted average exercise price
	#	$	#	$
Outstanding, beginning of period	—	—	100,000	0.77
Issued to Paladin	**2,000,000**	**0.56**	—	—
Issued with units of common stock	**16,904,310**	**0.40**	—	—
Issued to brokers and finders	**2,366,602**	**0.29**	—	—
	21,270,912	**0.40**	100,000	0.77
Issued to lender	**1,000,000**	**To be determined**	—	—
Outstanding, end of period	**22,270,912**		100,000	0.77

4. SHAREHOLDERS' DEFICIENCY [Cont'd]

Included in the terms of the loan purchase by Paladin Labs Inc. was the issuance of the Warrants as follows:

Warrants #	**Issue Price**
750,000	$0.31
500,000	$0.50
250,000	$0.70
250,000	$0.85
250,000	$1.00
500,000	5-day VWAP share price on January 1, 2014 if loan has not been repaid by this date
500,000	5-day VWAP share price on April 1, 2014 if the loan has not been repaid by this date

The fair value of these Warrants was estimated to be $303 by determining the fair value of the Paladin loan at 21% to determine the breakdown between the loan value and the value of the Warrants. This value will be applied proportionately based on the Black Scholes Option pricing model..

All Warrants shall expire on the earlier of two years from complete repayment of the loan facility or May 31, 2019, subject to TSX and ASX approval.

[e] Stock option plan

The changes in the number of options granted by the Company and their weighted-average exercise prices, for the three-month period ended September 30, 2013 and 2012 are as follows:

	2013		2012	
	#	$	#	$
Balance, beginning of period	**6,565,974**	**0.67**	4,278,359	0.89
Granted	**—**	**—**	—	—
Exercised	**—**	**—**	(2,098)	0.44
Forfeited / Expired	**(75,565)**	**0.62**	(246,201)	0.92
Balance, end of period	**6,490,409**	**0.67**	4,030,060	0.88
Exercisable	**1,993,636**	**0.77**	1,284,453	0.74

5. DISCONTINUED OPERATIONS [Cont'd]

Results of the Animal Health business for the three months ended September 30:

	2013	2012
	$	$
Revenues	**7,737**	6,595
Expenses	**5,805**	6,390
Income before income taxes	**1,932**	205
Current income tax expense	**105**	—
Deferred income tax (recovery) expense	**(68)**	129
Net income for the period	**1,895**	76
Basic and fully diluted earnings per share		
From discontinued operations	**0.02**	0.00

Statement of Cash Flows for the Animal Health business:

For the three month period ended September 30	**2013**	2012
	$	$
Net income	**1,895**	76
Items not affecting cash	**149**	750
Change in non-cash working capital	**(1,551)**	464
Cash provided by operating activities	**493**	1,290
Cash provided by (used in) investing activities	**17**	(71)
Cash used in financing activities	**(37)**	(46)
Net increase in cash during the period	**473**	1,173

5. DISCONTINUED OPERATIONS [Cont'd]

Statement of Financial Position for the Animal Health business:	**September 30, 2013**	June 30, 2013
	$	$
ASSETS		
Current		
Cash	**818**	345
Trade and other receivables	**5,039**	4,066
Inventories	**8,296**	7,989
Prepayments	**483**	366
	14,636	12,766
Non-current		
Property, plant and equipment	**5,630**	5,682
Intangible assets	**857**	857
Goodwill	**456**	456
Deferred tax assets	**408**	342
Total assets	**21,987**	20,103
LIABILITIES		
Current		
Trade and other payables	**2,930**	3,240
Income taxes payable	**219**	225
Debt	**463**	507
Total liabilities	**3,612**	3,972

6. SEGMENTED FINANCIAL INFORMATION

The Company's three reportable segments, Animal Health, Human Health and One Health are strategic business units that offer different products and require different technology and marketing strategies.

No operating segments have been aggregated to form the reportable operating segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the condensed interim consolidated financial statements.

Following the decision to sell Animal Health, certain expenses previously allocated to other segments have now been included in discontinued operations.

	For the three months ended September 30, 2013			
	Human Health $	**One Health** $	**Corporate** $	**Total** $
Revenues				
Research collaborations	**—**	**—**	**—**	**—**
	—	**—**	**—**	**—**
Administration, marketing and selling expense	**—**	**370**	**1,951**	**2,321**
Loss before other expenses	**—**	**(370)**	**(1,951)**	**(2,321)**
Research and development expenses	**2,147**	**958**	**—**	**3,105**
Less: government assistance	**(11)**	**—**	**—**	**(11)**
Net research and development expenses	**2,136**	**958**	**—**	**3,094**
Financial (income) expenses	**207**	**375**	**1,931**	**2,513**
Foreign exchange gain	**—**	**—**	**(324)**	**(324)**
Segment loss before income taxes from continuing operations	**(2,343)**	**(1,703)**	**(3,558)**	**(7,604)**
Segment assets	**6,582**	**28,014**	**17,971**	**52,567**
Segment liabilities	**12,438**	**20,203**	**47,624**	**80,265**
Purchases of property, plant and equipment	**—**	**28**	**3**	**31**

6. SEGMENTED FINANCIAL INFORMATION [Cont'd]

	For the three months ended September 30, 2012						
	Human Health	**Animal Health (discontinued)**	**One Health**	**Corporate**	**Total**	**Adjustment**	**Total Continuing operations**
	$	$	$	$	$	$	$
Sales	**—**	**6,595**	**—**	**—**	**6,595**	**(6,595)**	**—**
Research collaborations	**74**	**—**	**—**	**—**	**74**	**—**	**74**
	74	**6,595**	**—**	**—**	**6,669**	**(6,595)**	**74**
Cost of sales, administration, marketing and selling expenses	**—**	**5,041**	**431**	**1,719**	**7,191**	**(5,313)**	**1,878**
Income (loss) before research and development	**74**	**1,554**	**(431)**	**(1,719)**	**(522)**	**1,282**	**(1,804)**
Research and development expenses	**2,569**	**1,044**	**703**	**—**	**4,316**	**(1,065)**	**3,251**
Less: government assistance	**(98)**	**—**	**—**	**—**	**(98)**	**—**	**(98)**
Net research and development expenses	**2,471**	**1,044**	**703**	**—**	**4,218**	**(1,065)**	**3,153**
Financial expenses	**208**	**12**	**71**	**1,227**	**1,518**	**(12)**	**1,506**
Foreign exchange gain	**—**	**—**	**—**	**289**	**289**	**—**	**289**
Segment loss before income taxes	**(2,605)**	**498**	**(1,205)**	**(3,235)**	**(6,547)**	**(205)**	**(6,752)**

7. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The classification of the financial instruments, as well as their carrying values and fair values, are shown in the tables below:

	Carrying Amount		Fair Value	
	September 30, 2013 $	June 30, 2013 $	**September 30, 2013** $	June 30, 2013 $
Financial assets				
Cash and cash equivalents	**15,860**	4,241	**15,860**	4,241
Cash and cash equivalents held for sale	**818**	345	**818**	345
Trade and other receivables[1]	**1,548**	1,533	**1,548**	1,533
Trade and other receivables held for sale	**5,039**	4,066	**5,039**	4,066
Other non-current receivables	**88**	103	**88**	103
Total financial assets	**23,353**	10,288	**23,353**	10,288
Financial liabilities				
Trade and other payables[2]	**6,688**	5,195	**6,688**	5,195
Trade and other payables held for sale	**2,930**	3,240	**2,930**	3,240
Long-term debt[3]	**43,388**	34,930	**43,388**	34,930
Long-term debt held for sale	**463**	507	**463**	507
Repayable government assistance	**27,652**	27,358	**27,652**	27,358
Total financial liabilities	**81,121**	71,230	**81,121**	71,230

1 Excluding non-financial assets comprised of provincial and federal sales taxes and tax credits receivable totaling $458 [June 30, 2013 - $304].
2 Excluding non-financial liabilities comprised of provincial and federal sales taxes and amounts that will be settled in shares totaling $93 [June 30, 2013 - $103].
3 Excluding obligations under finance lease of $362 [June 30, 2013 – $420].

7. FINANCIAL INSTRUMENTS [Cont'd]

Fair value hierarchy

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

Level 1 – valuation based on quoted prices observed in active markets for identical assets or liabilities.
Level 2 – valuation techniques based on inputs that are quoted prices of similar 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 that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
Level 3 – 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.

Fair values

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. Accordingly, the estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of financial instruments are described below:

- Given their short-term maturity, the fair value of accounts receivable and accounts payable and accrued liabilities approximate their carrying values.
- Long-term accounts receivable are carried at amortized cost. As each component has been discounted at a rate the Company would expect for similar receivables, the amortized cost approximates fair value.
- The fair value of long-term debt, excluding the Capital Royalty and Paladin loans, is approximately equal to the carrying value due to the variable rates of interest charged on these loans.
- Repayable government assistance is carried at their amortized cost, which approximates fair value due to the use of discount rates the Company would expect for similar loans.
- The fair value of the Capital Royalty revenue interest has been estimated based on the discounted value of cashflow outlays of royalty interest using an effective interest rate of 24%.
- The fair value of the Paladin loan has been estimated based on the discounted value of cashflow outlays of principal and interest using an effective interest rate of 21%.

8. FINANCIAL EXPENSES

For the three months ended September 30	**2013** **$**	2012 $
Cash interest		
Interest on long-term debt	**1,253**	831
Other interest expense	**1**	3
Interest income	**(2)**	(5)
Less: capitalized borrowing costs	**(24)**	(77)
Non-cash interest		
Accretion on government incentives	**—**	(32)
Accretion on repayable government assistance	**578**	637
Accretion on long-term debt	**815**	483
Less: capitalized borrowing costs	**(108)**	(334)
	2,513	1,506

9. DEPRECIATION AND AMORTIZATION EXPENSE

	2013 **$**			2012 $	
For the three months ended September 30	**Intangible assets**	**Impairment**	**Property, plant and equipment**	Intangible assets	Property, plant and equipment
Cost of sales	**—**	**—**	**—**	21	78
Administration	**45**	**—**	**57**	247	70
Marketing and selling	**—**	**—**	**—**	—	67
Research and development	**134**	**132**	**266**	176	152
	179	**132**	**323**	444	367

The vaccine manufacturing centre, included in the One Health segment, completed validation of the fermentor in August, 2013 and as a result, the facility is available for use. Interest continued to be capitalized in the month of July during final validation stages but this amount of $132 has been immediately impaired, so that the carrying value of the plant recoverable amount remains consistent with the value determine at June 30, 2013. Depreciation expense of $158 on the facility is being included in research and development expenses as media fill validation continues.

Form 52-109F2
Certification of Interim Filings
Full Certificate

I, Michael Berendt, the Chief Executive Officer of Bioniche Life Sciences Inc, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Bioniche Life Sciences Inc. (the "issuer") for the interim period ended September 30, 2013.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the framework of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on July 1, 2013 and ended on September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: **November 6, 2013**

"Michael Berendt"

_____

Michael Berendt
Chief Executive Officer

Form 52-109F2
Certification of Interim Filings
Full Certificate

I, Brian Ford, the Chief Financial Officer of Bioniche Life Sciences Inc, certify the following:

1. ***Review:*** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Bioniche Life Sciences Inc. (the "issuer") for the interim period ended September 30, 2013.

2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. ***Responsibility:*** The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer and I used to design the issuer's ICFR is the framework of the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on July 1, 2013 and ended on September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: **November 6, 2013**

"Brian Ford"

_____

Brian Ford
Chief Financial Officer