Interim Condensed Consolidated Financial Statements

Calyx Bio-Ventures Inc.

For the three months ended March 31, 2014 and 2013

Unaudited – Prepared by Management

Calyx Bio-Ventures Inc. ("Calyx" or the "Company")

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Company's auditors have not reviewed or been involved in the preparation of these interim condensed consolidated financial statements.

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim condensed consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

In accordance with National Instrument 51-102 Section 4.3(3)(a) released by the Canadian Securities Administrators, the Company discloses that its auditors have not audited or reviewed the interim condensed consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor, for the three month periods ended March 31, 2014 and 2013.

The accompanying interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Calyx Bio-Ventures Inc.
Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	As at:	
	March 31, 2014	December 31, 2013
	$	$
	Unaudited	
ASSETS		
Current		
Cash & cash equivalents	265,405	497,540
Accounts & other receivables	54,379	48,192
Prepaid expenses & deposits	86,570	91,060
Total current assets	406,354	636,792
Investment in associate	-	-
Total assets	406,354	636,792
LIABILITIES & SHAREHOLDERS' EQUITY		
Current		
Accounts payable & accrued liabilities	156,137	162,671
Total current liabilities	156,137	162,671
Shareholders' equity		
Share capital	6,462,163	6,462,163
Warrants	1,318,613	1,318,613
Contributed surplus	926,964	882,931
Deficit	(8,457,523)	(8,189,586)
Total shareholders' equity	250,217	474,121
Total liabilities & shareholders' equity	406,354	636,792

See accompanying notes

On behalf of the Board:
DIRECTORS
Hugh Notman: Hugh Notman
Don Konantz: D. Konantz

Calyx Bio-Ventures Inc.
Interim Condensed Consolidated Statements of Net Loss, Comprehensive Loss, and Deficit
(Expressed in Canadian dollars)
Unaudited

	Three months ended March 31	
	2014	2013
	$	$
Licensing revenue	-	-
Expenses:		
General & administrative	223,041	234,043
	223,041	234,043
Income (loss) before the following	(223,041)	(234,043)
Other income (expenses)		
Share based compensation	(44,033)	(2,750)
Interest & other income	-	-
Foreign exchange gain (loss)	(863)	860
	(44,896)	(1,890)
Equity loss from interest in associate		
Portion of associate's loss	-	(388,666)
Amortization of implicit intangibles	-	(39,377)
	-	(428,043)
Net & comprehensive loss for the period	(267,937)	(663,976)
Deficit, beginning of period	(8,189,586)	(4,515,585)
Deficit, end of period	(8,457,523)	(5,179,561)
Basic & diluted loss per share	($0.01)	($0.02)
Weighted average number of common shares outstanding:		
- basic & diluted	38,351,892	29,682,281

See accompanying notes

Calyx Bio-Ventures Inc.
Interim Condensed Consolidated Statements of Change in Equity
(Expressed in Canadian dollars)
Unaudited

	Share capital	Warrants	Contributed Surplus	Deficit	Total Shareholders' Equity
	$	$	$	$	$
Three months ended March 31, 2014 and March 31, 2013:					
Balance, December 31, 2013	6,462,163	1,318,613	882,931	(8,189,586)	474,121
Comprehensive loss	-	-	-	(267,937)	(267,937)
Share based compensation	-	-	44,033	-	44,033
Balance, March 31, 2014	6,462,163	1,318,613	926,964	(8,457,523)	250,217
Balance, December 31, 2012	5,818,757	735,220	372,163	(4,515,585)	2,410,555
Comprehensive loss	-	-	-	(663,976)	(663,976)
Shares issued-options exercised	43,711	-	(9,562)	-	34,149
Share based compensation	-	-	2,750	-	2,750
Balance, March 31, 2013	5,862,468	735,220	365,351	(5,179,561)	1,783,477
Three months ended March 31, 2014 and year ended December 31, 2013:					
Balance, December 31, 2013	6,462,163	1,318,613	882,931	(8,189,586)	474,121
Comprehensive loss	-	-	-	(267,937)	(267,937)
Share based compensation	-	-	44,033	-	44,033
Balance, March 31, 2014	6,462,163	1,318,613	926,964	(8,457,523)	250,217
Balance, December 31, 2012	5,818,757	735,220	372,163	(4,515,585)	2,410,555
Comprehensive loss	-	-	-	(3,540,664)	(3,540,664)
Warrant revaluation	-	133,337	-	(133,337)	-
Warrants expired	-	(82,960)	82,960	-	-
Units issued-private placement	696,333	609,626	-	-	1,305,959
Unit issuance costs	(96,638)	(76,610)	-	-	(173,248)
Shares issued-options exercised	43,711	-	(9,562)	-	34,149
Share based compensation	-	-	437,370	-	437,370
Balance, December 31, 2013	6,462,163	1,318,613	882,931	(8,189,586)	474,121

See accompanying notes

Calyx Bio-Ventures Inc.
Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
Unaudited

	Three months ended March 31	
	2014	2013
	$	$
OPERATING ACTIVITIES		
Loss for the period	(267,937)	(663,976)
Add (deduct) items not involving cash:		
Share-based compensation	44,033	2,750
Equity loss from interest in associate	-	428,043
	(223,904)	(233,183)
Changes in working capital items relating to operations		
Accounts & other receivables	(6,187)	5,056
Prepaid expenses & deposits	4,490	23,670
Accounts payable & accrued liabilities	(6,534)	(37,954)
Cash provided by operating activities	(232,135)	(242,411)
INVESTING ACTIVITIES		
Investment in associate	-	-
FINANCING ACTIVITIES		
Issuance of common shares	-	34,148
Net decrease in cash & cash equivalents for the period	(232,135)	(208,263)
Cash & equivalents-beginning of period	497,540	313,808
Cash & equivalents-end of period	265,405	105,545

See accompanying notes

Notes to Interim Condensed Consolidated Financial Statements

For the three months ended March 31, 2014 and 2013

1. Nature of Business

These interim condensed consolidated financial statements reflect the consolidated financial position, statement of net loss, comprehensive loss and deficit and cash flows of Calyx Bio-Ventures Inc. ("Calyx") and its wholly owned subsidiaries (collectively, "the Company"). These interim condensed consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 30, 2014. Corporate headquarters are located at 450-400 Burrard Street, Vancouver, BC V3C 3A6.

The Company has incurred losses since inception and as at March 31, 2014, has an accumulated deficit of approximately $8.46 million. The Company currently has cash, the REM technology, rights to use the ACE System for gene therapy and transgenics (an exclusive technology license) and its investment in Agrisoma Biosciences Inc ("Agrisoma").

These interim condensed consolidated financial statements have been prepared under the assumption that the Company will continue as a going concern which assumes that the Company will continue in operations for the foreseeable future and be able to realize its assets and discharge its obligations in the normal course of business. The ability of the Company to continue as a going concern is dependent upon obtaining ongoing financing and there can be no assurance that the Company will be able to raise any capital through any type of offering or similar financial arrangement. This may cast significant doubt upon the entity's ability to continue as a going concern.

2. Basis of presentation

In preparing the Company's interim condensed financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates and the operating results for the interim periods presented are not necessarily indicative of the results expected for the full year.

These interim condensed consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations adopted by the International Accounting Standards Board ("IASB"). The interim condensed consolidated financial statements are in compliance with International Accounting Standard 34, Interim Financial Reporting (IAS 34) and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2013.

The policies applied in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of March 31, 2014. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2014 could result in restatement of these interim condensed financial statements.

3. Changes in accounting policies

New Standards and Interpretations Not Yet Adopted

IAS 32 – Offsetting Financial Assets and Liabilities: effective January 1, 2014
This is an amendment to IAS 32 to clarify certain requirements for offsetting financial assets and liabilities as well as the meaning and application of the concepts of legally enforceable right of set-off and simultaneous realization and settlement. The Company does not anticipate the amendment to have a significant impact on its financial statements

IFRIC 21 – Levies: effective January 1, 2014
FRIC 21 addresses the recognition requirements for a liability, other than income tax, to pay a levy imposed by a government. The interpretation requires liability recognition when an event, identified by legislation, triggers an obligation to pay. The Company does not expect this amendment to have a significant impact on its financial statements.

IFRS 9 - Financial Instruments: effective January 1, 2015
This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The proposed effective date of IFRS 9 is January 1, 2018.

The Company has not early adopted this standard and is currently assessing the impact that this standard will have on its consolidated financial statements. Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Interest in Associate

The Company has an interest in Agrisoma Biosciences Inc. At December 31, 2011 the Company owned 29% of Agrisoma's common shares; in November and December 2012 the Company purchased the financial interests of an existing major shareholder, subscribed to an Agrisoma private placement of common shares and purchased the shares of a minor shareholder which increased its ownership position to 50%. The 21% increase in ownership of Agrisoma resulted in the acquisition of $3,150,125 of implicit intangibles. This amount was originally to be amortized over twenty years, which is the term of a significant Agrisoma distribution contract.

The following table summarizes the Company's equity share of Agrisoma and the carrying value of its investment:

Balance December 31, 2011	-
Shares purchased	3,855,881
Equity Loss	(1,761,391)
Amortize intangibles	(22,439)
Balance December 31, 2012	**2,072,051**
Equity Loss	(388,666)
Amortize intangibles	(39,377)
Balance March 31, 2013	**1,644,008**
Equity Loss	(1,363,539)
Amortize intangibles	(118,131)
Impairment loss	(162,338)
Balance December 31, 2013 and March 31, 2014	-

The Company accounts for its investment in associates using the equity method of accounting. Under the equity method, the investment is carried in the statements of financial position at cost and is adjusted for the Company's share of the associate's profit or loss subsequent to the investment. Losses are recorded until the carrying amount is reduced to $ Nil; losses beyond this point are not recognized until the Company makes additional investment in the associate or positive earnings are achieved by the associate and the Company's share of profits equals its share of losses not previously recognized. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred obligations to provide funding to the associate.

Impairment in carrying value of interest in associate:
The Company has written down the carrying value of the investment in associate to $Nil to reflect the uncertainty of Agrisoma to obtain additional financing on acceptable terms to enable its continued development activities.

5. Equity

Share Capital

Authorized:
Common shares: unlimited number, without par value;
Preferred shares: unlimited number, issuable in series.

Issued:

Common Shares:

	Number	Amount $
Balances, December 31, 2012	**29,557,067**	**5,818,757**
Exercise of stock options	341,492	43,711
Private placement-5,230,000 units		
Common shares issued	5,230,000	784,500
Warrant valuation	-	(313,800)
Issuance costs	-	(104,712)
Issuance costs attributable to warrants	-	40,058
Total	5,230,000	406,046
Private placement-3,223,333 units		
Common shares issued	3,223,333	483,500
Warrant valuation	-	(257,867)
Issuance costs	-	(68,536)
Issuance costs attributable to warrants	-	36,552
Total	3,223,333	193,649
Total 2013	8,794,825	643,406
Balances, December 31, 2013	**38,351,892**	**6,462,163**
No Activity	-	-
Balances, March 31, 2014	**38,351,892**	**6,462,163**

Preferred Shares:

There are no preferred shares issued.

2013 Private placement- 5,230,000 units:

On July 5, 2013 the Company completed a brokered private placement of 5,230,000 units at $0.15 each for gross proceeds of $784,500. Each unit comprises one common share and one common share purchase warrant, exercisable into one common share at a price of $0.35 until January 5, 2015. As part of the units sold, 5,230,000 purchase warrants were issued valued at $313,800 ($0.06 per warrant) using the Black Scholes valuation model with the following assumptions: expected term of 1.5 years, volatility of 123.5%, expected dividend yield 0% and a 1.1% risk free rate of return.

The Company paid the brokers a cash commission of $62,470 and issued 288,800 broker's warrants valued at $17,328 ($0.06 per warrant) calculated as above. The warrants are exercisable into one common share at a price of $0.35 until January 4, 2015. Additionally the Company incurred $17,072 in legal and regulatory fees in connection with the private placement. All cash and non-cash costs are included in private placement issuance costs and are allocated to share capital and warrants on a pro-rata basis.

2013 Private placement- 3,223,333 units:
On September 18, 2013 the Company completed a non-brokered private placement of 3,223,333 units at $0.15 each for gross proceeds of $483,500. Each unit comprises one common share and one common share purchase warrant, exercisable into one common share at a price of $0.35 until March 18, 2015. As part of the units sold, 3,223,333 purchase warrants were issued valued at $257,867 ($0.08 per warrant) using the Black Scholes valuation model with the following assumptions: expected term of 1.5 years, volatility of 122.3%, expected dividend yield 0% and a 1.1% risk free rate of return.

The Company paid finders' fees of $38,730 and issued 257,867 finders' warrants valued at $20,629 ($0.08 per warrant) calculated as above. The warrants are exercisable into one common share at a price of $0.35 until March 18, 2015. Additionally the Company incurred $9,177 in legal and regulatory fees in connection with the private placement. All cash and non-cash costs are included in private placement issuance costs and are allocated to share capital and warrants on a pro-rata basis.

Warrants

	Number of common shares issuable	Average warrant value $	Amount $
Balance, December 31, 2012	**8,252,334**		**735,220**
Private placement-5,230,000 units:			
Issued as component of units	5,230,000	0.06	313,800
Issued as broker's warrants	288,800	0.06	17,328
Issuance costs	-	-	(40,057)
Private placement-3,223,333 units:			
Issued as component of units	3,223,333	0.08	257,867
Issued as finders' warrants	257,867	0.08	20,631
Issuance costs	-	-	(36,553)
Issued in 2013	9,000,000		533,016
Expiry date extended on 6,666,834 units			133,337
Expired broker's warrants	(776,000)		(71,523)
Expired broker's finance unit warrants	(125,000)		(11,437)
Expired in 2013	(901,000)		(82,960)
Total 2013 net transactions	8,099,000		583,390
Balance, December 31, 2013	**16,351,334**		**1,318,613**
No activity	-		-
Balance, March 31, 2014	**16,351,334**		**1,318,613**

During 2013, 7,567,834 warrants issued in conjunction with the 13,333,666 unit private placement were scheduled to expire. Approval was sought to extend the expiry date on these warrants by 6 months. An extension was granted on 6,666,834 common share warrants which were issued in two tranches on November 9, 2012 and December 13, 2012. As a result of the extension, 4,082,000 warrants will now expire on May 9, 2014 and 2,584,834 warrants will now expire on June 13, 2014. Approval to extend the expiry dates on 901,000 warrants issued to brokers was not granted and these expired during the year. Issue costs have been allocated to expired warrants on a pro-rata basis and the value of these warrants has been transferred to contributed surplus.

The extension of the expiry date required re-valuation of the warrants. The Black-Scholes valuation model was used to re-value the warrants and the changes are summarized in the table below:

	Black-Scholes Valuation Model			Valuation		
	Term (yrs)	Risk free rate	Volatility	Per warrant	Total	Increase
4,082,000 warrants						
-revised expiry date	1.5	1.10%	116.0%	$0.13	$530,660	
-original expiry date	1.0	1.08%	127.0%	$0.11	$449,020	$81,640
2,584,834 warrants						
-revised expiry date	1.5	1.13%	117.0%	$0.11	$284,332	
-original expiry date	1.0	1.12%	124.0%	$0.09	$232,635	$51,697
TOTAL						$133,337

The warrant value has been increased by $133,337 and the offsetting amount a distribution and a charge against shareholders' deficit.

Warrants outstanding at March 31, 2014:

Exercise price	Number of common shares issuable	Expiry date	Remaining contractual life (years)
$0.60	4,082,000	May 9, 2014	0.11
$0.60	2,584,834	June 13, 2014	0.20
$0.40	684,500	July 31, 2014	0.33
$0.35	5,518,800	April 1, 2015	0.76
$0.35	3,481,200	March 18, 2015	0.96
$0.45	**16,351,334**		

Contributed surplus

	Amount $
Balance, December 31, 2012	**372,163**
Share-based compensation	
Immediate vesting	400,950
Graded vesting-2012 options	2,750
Graded vesting-2013 options	33,670
Share options exercised	(9,562)
Expired common share purchase warrants	82,960
Balance, December 31, 2013	**882,931**
Share-based compensation	
Immediate vesting	26,550
Graded vesting-2013 options	17,483
Balance, March 31, 2014	**926,964**

Stock options

On October 16, 2013 a new Stock Option Plan (the "New Plan") was approved at the meeting of the shareholders. Pursuant to the New Plan, the Company will continue to have a "rolling" stock option plan that will allow the Company to issue up to 10% of the Company's issued and outstanding common shares at any given time. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or not more than 2% of the issued shares on a yearly basis if granted to any one consultant or to any one employee engaged in investor relations activities.

The term, subject to a maximum of ten years, and vesting period of the options is determined by the Board of Directors. The exercise price of the options are required to have an exercise price no less than the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange), or such other price as may be required by the Exchange; there are no cash settlement alternatives for the option holders. All options previously granted by the Company that are outstanding as at the date of the New Plan have been deemed to be granted under the New Plan and to be options which are subject to the terms and conditions of the New Plan.

At March 31, 2014 the Company had 583,436 stock options available for future grants.

Stock option transactions are summarized as follows:

	Number of optioned common shares	Weighted average exercise price $
Balance, December 31, 2012	**1,443,245**	0.24
Options exercised	(341,492)	0.10
Options forfeited	(50,000)	0.10
Options granted	2,425,000	0.21
Balance, December 31, 2013	**3,476,753**	0.23
Options forfeited	(375,000)	0.29
Options granted	150,000	0.20
Balance, March 31, 2014	**3,251,753**	0.22

Options granted in 2013:

Immediate vesting:
Various five year term options were granted to executives and consultants, all with immediate vesting, as noted below. The Black-Scholes option pricing model was used to estimate the value of the options with the following weighted average assumptions:

			Black-Scholes weighted average assumptions				
Issue date	Exercise price	Options granted	Dividend yield	Expected volatility	Risk free interest rate	Expected life (years)	Estimated value of options
Sep 09/13	$0.20	1,600,000	0.00%	161%	1.89%	5.0	$296,000
Dec 04/13	$0.22	250,000	0.00%	153%	1.73%	5.0	$50,500
Dec 09/13	$0.27	225,000	0.00%	144%	1.73%	5.0	$54,450
		2,075,000					$400,950

Graded vesting:
350,000 options with a five year term and an exercise price of $0.20 per share were granted to a contractor with vesting occurring in four equal tranches every three months commencing three months after the date of issue. A nil forfeiture rate was assumed given the senior nature of contractor's position in the Company. The Black-Scholes option pricing model was used to estimate the value of the options with the following weighted-average assumptions: dividend yield 0.0%, expected volatility 161%; risk-free interest rate 1.89%, and an expected life of five years. 87,500 options vested as at March 31, 2014 [2013–87,500] with an estimated value of $17,483 [2013-$33,670] included in share based compensation expense with the corresponding credit included in contributed surplus. The remaining 175,000 options will vest in 2014 with an estimated value of $13,598.

Options granted in 2014:

For the three month period ending March 31, 2014, 150,000 options were granted to Directors of the Company. These options vested on issue, have a five year term and are exercisable at $0.20 per share. The estimated value of these options is $26,550 and is included in share based compensation expense and the corresponding credit in contributed surplus. The estimated value of the options was calculated using the Black-Scholes pricing model with the following assumptions: dividend yield 0.0%, expected volatility 138.17%; risk-free interest rate 1.69%, and an expected life of five years.

The expected life of the options granted is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

The options outstanding under the Plan at March 31, 2013 are as follows:

Options outstanding			Options exercisable
Exercise price	Number of common shares issuable	Remaining contractual life (years)	Number of common shares issuable
$0.15	91,753	0.21	91,753
$0.21	335,000	2.72	335,000
$0.40	300,000	2.98	300,000
$0.20	350,000	4.43	175,000
$0.20	1,550,000	4.43	1,550,000
$0.22	250,000	4.68	250,000
$0.27	225,000	4.70	225,000
$0.27	150,000	4.88	150,000
	3,251,753		3,076,753

6. Related Party Transactions

During the three months ended March 31, 2014 the Company earned $Nil [2013-$18,750] in licensing fees from Agrisoma for the use of certain technology; the earned amounts are included in revenue when the four revenue recognition criteria are met.

During the three months ended March 31, 2014 the Company granted 150,000 stock options [2013-Nil], with a fair value of $26,550 [2013-$Nil] to key management personnel. Details of stock options are disclosed in Note 5.

During the three months ended March 31, 2014 the Company incurred fees of $92,634 [2013-$Nil] for key management personnel. All transactions are recorded at their exchange amount and incurred in the normal course of business.

7. Commitments and Contingencies

Research contracts and license agreements:
Under the terms of various license agreements, the Company is required to make royalty payments based on a percentage of revenues from the technology licensed to the Company over the term of the agreement which typically terminate either at a fixed date or upon the expiration of the related last issued patent. In certain of these license agreements there are minimum annual amounts. The Company has no active license agreements at March 31, 2014.

Dispute over Licensing Agreement terms:
On December 23, 2013, the Company received an invoice for US$362,999 from Agrisoma who maintains the Company is responsible for payment under a license and sub agreement between the Company and Agrisoma date January 1, 2001 and as amended March 26, 2004. The Company sought advice, legal counsel's view is that this allegation is baseless and without merit and therefor the Company has not accrued this amount in these financial statements.

8. Subsequent Events

On April 9, 2014 the Company entered into an agreement with BDC Capital Inc. (the other major shareholder of Agrisoma) and Agrisoma pursuant to which Calyx agreed to waive its pre-emptive rights in order to allow a third party to finance Agrisoma. If the proposed financing proceeds as proposed without Calyx's participation, Calyx's interest in Agrisoma will decrease from 49.96% to approximately 29%.