Zacks Small-Cap Research

May 11, 2015
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Cynapsus Therapeutics Inc. (T.CTH-TSX)

Cynapsus – Phase 3 To Start Shortly…

Current Recommendation	**Buy**
Prior Recommendation	N/A
Date of Last Change	07/23/2012
Current Price (03/18/15)	$1.16
Target Price	**$3.00**

UPDATE

Little known Toronto, Canada-based Cynapsus Therapeutics is one of our best ideas for investment in the small-cap biotechnology sector.

On November 19, 2014, Cynapsus Therapeutics Inc. (CYNAF) (CTH.TO) announced what looks to be a clear demonstration of proof-of-concept via positive top-line results from the CTH-105 Phase 2 clinical trial. The CTH-105 study was the first to test Cynapsus APL-130277, a fast-acting, sublingual, thin filmstrip formulation of apomorphine in Parkinson's patient for the management of "off" motor symptoms. We believe the data set the stage for a significant re-valuation of the shares to meaningfully higher levels. Our target is $3.00 per share, offering 160% upside.

SUMMARY DATA

52-Week High	**$1.18**
52-Week Low	**$0.44**
One-Year Return (%)	**85.12**
Beta	**1.71**
Average Daily Volume (sh)	**115,280**
Shares Outstanding (mil)	**110**
Market Capitalization ($mil)	**$109**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**25**
Insider Ownership (%)	**9**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2015 Estimate	**N/A**
P/E using 2016 Estimate	**N/A**

Risk Level	**High**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	0 A	0 A	0 A	0 A	0 A
2015	0 A	0 E	0 E	0 E	0 E
2016					0 E
2017					0 E

Earnings per Share
(EPS is operating earnings before non-recurring items)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2014	-$0.03 A	-$0.04 A	-$0.02 A	-$0.06 A	-$0.16 A
2015	-$0.06 A	-$0.04 E	-$0.05 E	-$0.06 E	-$0.21 E
2016					-$0.18 E
2017					-$0.12 E

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INVESTMENT THESIS

Quick Financial Update

On May 8, 2015, Cynapsus Therapeutics Inc. (CYNAF) (CTH.T) reported financial results for the first quarter ending March 31, 2015. All numbers are in Canadian dollars. The company did not report any revenues in the first quarter 2015, or throughout all of 2014 for that matter; this was in-line with our financial model. For the first quarter 2015, net loss totaled $5.1 million. Loss was primarily driven by $2.9 million in R&D expense, $1.8 million in G&A, $0.3 million stock-based compensation, and $1.5 million in a stock-based milestone payment to former shareholders of Adagio Pharmaceuticals Ltd, a corporation which Cynapsus acquired in December 2011 to license the intellectual property around lead drug candidate, APL-130277. Reported loss was slightly off-set by $0.2 million in research grants and $1.2 million in foreign exchange gains. Loss equated to $0.06 per share.

Cynapsus exited March 2015 with approximately $36.7 million in cash on the books. The company raised a total of roughly $23.85 million in cash during the first quarter 2015, approximately $4.25 million through shareholders exercising outstanding warrants and $19.6 million through a private placement of 22.0 million shares at $0.952 per share. The financing in late March 2015 was led by funds associated with OrbiMed, Aisling Capital and Venrock, with participation from various other institutional investors, including existing shareholders Broadfin Capital, Sphera Funds Management, Pura Vida Investments, DAFNA Capital Management and Dexcel Pharma Technologies Ltd / Dexxon Holdings Ltd.

As of early April 2015, the basic share count stands at approximately 110.3 million, putting the market capitalization (in U.S. dollars) at around $105 million. We note there are approximately 53.3 million stock warrants outstanding, all in the money, which would provide an additional $39.8 million in new capital to Cynapsus if exercised. There are another 9.3 million stock options outstanding that would contribute an additional $10.7 million. We forecast the current cash position is adequate to fund operations into 2017.

On May 7, 2015, the company held its annual meeting of shareholders. At that time, all eight directors were re-elected and Ernst & Young was re-appointed as auditors with >99.5% of the votes. The company also proposed a special resolution to shareholders to vote on a consolidation of the current shares within a range of between 1-for-5 and 1-for-25. The resolution passed with 97.8% of the vote. We believe Cynapsus is preparing to uplist its common stock to the NASDAQ in the near-future. The company meets all other requirements expect for having a minimum bid price >$3 per share. We believe a 1-for-5 or 1-for-10 reverse split is likely in the next few months.

Phase 3 Trials To Being Soon

In February 2015, Cynapsus held a face-to-face meeting with the U.S. FDA to discuss the “end of Phase 2” and map-out the path forward toward the New Drug Application (NDA). In March 2015, the company provided to investors a road-map toward the U.S. NDA filing, which will be through the expedited 505(b)(2) pathway.

The first thing Cynapsus will do is conduct a short Bridging Study, CTH-200, to start in the second quarter 2015. CTH-200 will be a single-dose, crossover comparative bioavailability and pharmacokinetic (PK) study in healthy volunteers. This study is designed to allow Cynapsus to use the safety and efficacy data for the Reference Listed Drug (Apokyn®) in its 505(b)(2) NDA submission to the FDA.

The primary efficacy trial for the Phase 3 program, CTH-300, will be a double-blind, placebo-controlled, parallel-design study with an estimated 126 PD patients who have at least one “off” episode every 24 hours, with total “off” time of at least two hours per day (1:1 randomization). The objective is to evaluate the efficacy and safety of APL-130277 versus placebo in patients with PD over a 12 week period. The primary end point will be the mean change in the Unified Parkinson’s Disease Rating Scale Part III (UPDRS III) score at 30 minutes after dosing. Enrollment will take place at roughly 35 centers through North America, with a target start date of June 2015. Top-line data is expected around March 2016. Since APL-130277 is being compared to placebo, we view this trial as having a very high probability of success.

Cynapsus will also enroll a pivotal six month safety study, CTH-301, which will consist of the 126 patients from the CTH-300 trial plus another 100 de novo patients. The primary endpoint of this study is safety, with analysis looking at adverse events, oral tolerability, and impact on cardiac function assessed by electrocardiogram. Enrollment in this trial should start in the third quarter, roughly 12 weeks after the first patient complete the placebo-controlled portion of CTH-300 study. Top-line data from CTH-301 is expected in October 2016.

In parallel to these studies, Cynapsus will be performing the necessary scale-up, process validation and stability as part of the Chemistry, Manufacturing and Controls (CMC) requirements for the filing of the NDA. In mid-March 2015, the company announced that it had entered into an agreement with ARx, LLC whereby ARx agreed to provide Cynapsus with formulation, CMC and clinical unit production of APL-130277 and certain related services to support the planned clinical studies noted above. Under the terms of the agreement, ARx also assigned all of its right to the sublingual film patent family to Cynapsus. In return, Cynapsus granted ARx a non-exclusive license to this patent family in all fields other than generic APL-130277 applications.

If all the above goes smoothly, we believe Cynapsus will be in position to file the U.S. NDA application before the end of 2016. With standard review, APL-130277 should receive a PDUFA date in the U.S. during the second half of 2017. We believe a take-out of the company is likely after the U.S. NDA filing.

Acorda Acquires Civitas And Validates The Market

We have been saying that the market opportunity for an effective rescue medication to treat off episodes in Parkinson's patients in a potential multi-hundred million-dollar opportunity. We estimated the peak U.S. sales for APL-130277 are around $500 million. And we believe this estimate includes conservative forecasts on both pricing and market penetration (see below). It also does not include forecasts for sales in Europe or Asia.

~1.25 Million U.S. Parkinson's Disease Patients by 2024	Percent of PD Patients	Current Penetration Apokyn®	Estimated Penetration APL-130277	Fold Increase	U.S. PD Patients On APL-130277	Strips Needed Per Day	APL-130277 Strips
- Estimated 35% with "OFF" Issues -							
Mild Disease	35%	2.0%	5.0%	2.5	7,656	1.0	7,656
Moderate Disease	50%	5.0%	13.5%	2.7	29,531	2.5	73,828
Severe Disease	15%	7.0%	20.0%	2.9	13,125	4.0	52,500
						Total APL-130277 Strips Sold (at Peak)	133,984
						Price Per Strip Per Day (at Peak)	$10
						Peak U.S. Sales (Millions)	$489

Source: Zacks SCR / Jason Napodano, CFA

On September 24, 2014, Acorda Therapeutics announced it had made an offer to acquire privately-held Civitas Therapeutics for $525 million in cash. The impetus of the acquisition by Acorda was to get CVT-301, a Phase 3 inhaled formulation of levodopa for the treatment of off episodes in Parkinson's patients. With CVT-301, Acorda believes it has an attractive late-stage asset to add to the company's CNS-focused pipeline. The CVT-301 Phase 3 study began enrollment in December 2014, with a new drug application (NDA) planned for 2016. As such, Civitas' CVT-301 looks six months ahead of Cynapsus' APL-130277. Acorda estimates the market opportunity for CVT-301 is in excess of $500 million. Civitas had been previously planning an initial public offering, but the $525 million all-cash offer from Acorda was simply too attractive to pass up.

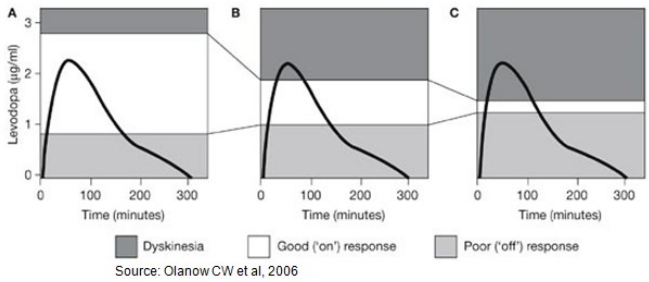
…And We Think Cynapsus Drug Is Clearly The Better Design…

Ever since the announced acquisition of Civitas, investors have been asking, "Why Civitas and not Cynapsus?" and "What does the added competition do to our forecasts?" The answer is simple – We think Acorda bought the wrong drug and that APL-130277 clearly has better attributes than CVT-301. Specifically, CVT-301 is an inhaled formulation of levodopa. Levodopa is the most common form of dopamine replacement therapy, a backbone regimen and standard of care for the treatment of Parkinson's disease. Parkinson's disease is a slowly progressing neurological disorder characterized by tremor, stiffness and decreased movement. The decreased movement is a direct result of the lack of dopamine in the brain. Levodopa, when taken orally, is converted into dopamine in the substantia nigra by dopa decarboxylase.

The administration of levodopa temporarily diminishes the motor symptoms associated with the lack dopamine in the substantia nigra. Carbidopa, a dopa decarboxylase inhibitor, is commonly dosed with levodopa to prevent L-DOPA metabolism before it reaches the blood-brain barrier. In fact, co-formulations of levodopa/carbidopa (Sinemet-CR) are available. Civitas' formulation of levodopa bypasses the gut metabolism through inhalation, a pathway known to for rapid uptake and onset of action.

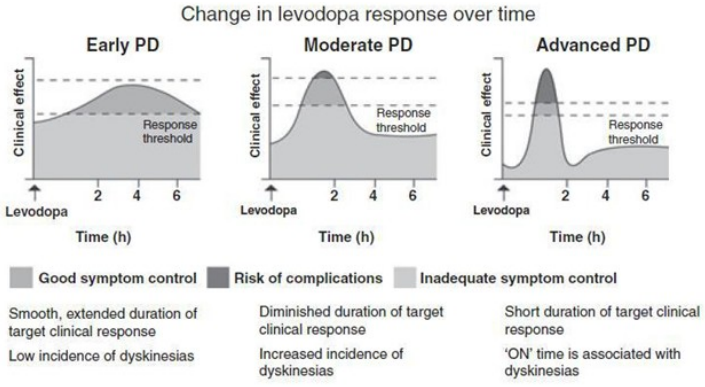
There are, however, major limitations to the use of levodopa as a treatment for Parkinson's disease. Mainly, the patient must have substantial remaining dopaminergic neurons in the substantia nigra to metabolize the drug. However, according to research published in the Journal of Neural Transmission by P. Riederer et al in 1976, pathological studies of Parkinson's disease show at least 70-80% of the dopaminergic neurons are lost before the onset of symptoms.

This work was confirmed by K. Yoshikawa et al, 2004. This explains why levodopa is very effective for a period of time, then wanes with disease progression. A newly diagnosed Parkinson's patient has the capacity to process levodopa. As the patient loses this capacity, the therapeutic window for levodopa therapy begins to narrow. Levodopa also has a relatively short half-life of only 60-90 minutes. The drugs effect, even in the mild Parkinson's patient, only lasts for 1.5 to 2.0 hours post dose (Brooks, D, 2008). Work done by Olanow et al, 2006 shows that a therapeutic window for Parkinson's disease patients rapidly closes (narrows) as patients gain experience with Levodopa use. This is due to a combination of disease progression, loss of dopaminergic neurons in the substantial nigra, and the short half-life of the drug.



Source: Olanow CW et al, 2006

As such, dosing dynamics for levodopa are challenging (Schapira et al, 2009). Too much drug (or too frequent dosing) leads to leads to dyskinesia, a direct result of excess dopamine in the brain. Too little drug leads to increase "off" time (bradykinesia / akinesia), the specific condition that both Civitas and Cynapsus are aiming to treat.



Source: Schapira et al, 2009

We are not suggesting Levodopa is not useful drug for the treatment of PD patients. Essentially all patients end up on Levodopa, and treatment significant improves motor dysfunction for a period of time. However, levodopa is associated with dyskinesia at a rate of around 50% of all patients after five years of treatment and 100% after 10 years (Ondo, WG, 2011). And as noted above, treatment with levodopa is challenged by reduced duration of response, unpredictable dose failure, and high dose variability of response.

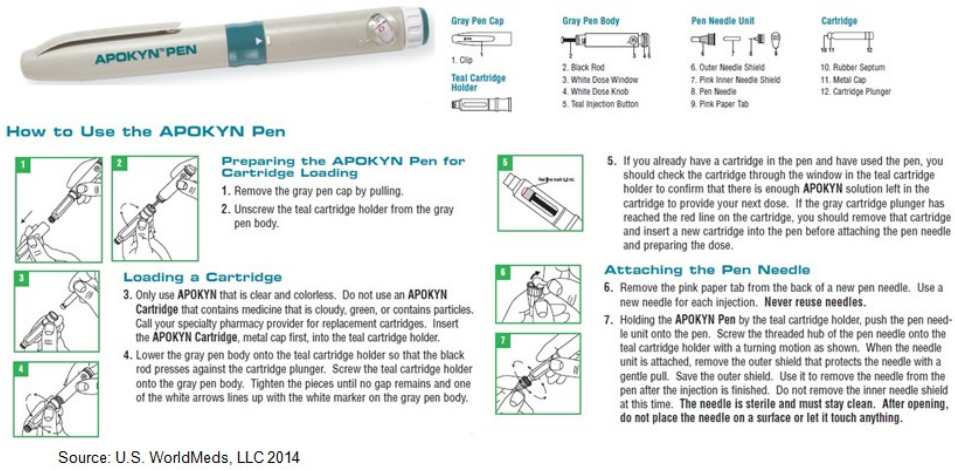
We question the concept of treating "off" episodes in Parkinson's patients with more levodopa. Many neurologists and movement disorder doctors will delay the use of levodopa in newly diagnosed Parkinson's patients specifically to avoid the narrowing of the therapeutic window and the risks of complications such as dyskinesia (see this YouTube video from the MJFF talking about Levodopa and Off/On time). We believe CVT-301 complicates the

dosing regimen for the Parkinson's patient taking a drug like Sinemet-CR. We suspect substantial acceleration of the narrowing of the therapeutic window and dyskinesia with the drug's use. And as the Parkinson's patient progresses from mild to moderate or severe disease, we suspect that CVT-301 will become a less effective drug. We also strongly question the approvability of an inhaled drug, with chronic use, in an elderly population for a non-pulmonary disease. As such, we think the pathway to approval for CVT-301 seems arduous.

Apomorphine, the active drug in the only currently approved rescue medication for the treatment of off episodes in the U.S. in Apokyn®, is not a dopamine replacement therapy. Apomorphine is a dopamine agonist, and acts directly at the post-synaptic dopamine receptor, thus bypassing the need for dopamine and dopaminergic neurons in the substantial nigra. Instead, apomorphine can act directly on the gabaergic neurons that are not impacted by Parkinson's disease, and provide an effective treatment option as a rescue medication to patients at all stages of disease progression.

The knock on apomorphine is that because the drug is rapidly metabolized by the liver, it must be administered by a route that bypasses the gut. As such, the currently approved formulation of apomorphine in the U.S. is a subcutaneous injection. Subcutaneous injectable apomorphine, sold in the U.S. as Apokyn®, is a horrible impractical and inefficient drug, flawed by its delivery system and quick peak-to-trough pharmacokinetic profile. Apomorphine is highly lipid soluble and quickly crosses the blood-brain barrier. Onset of action is as little as five minutes, but only lasts for 60-90 minutes. Under QID dosing for levodopa, patients with advanced disease may still experience off episodes.

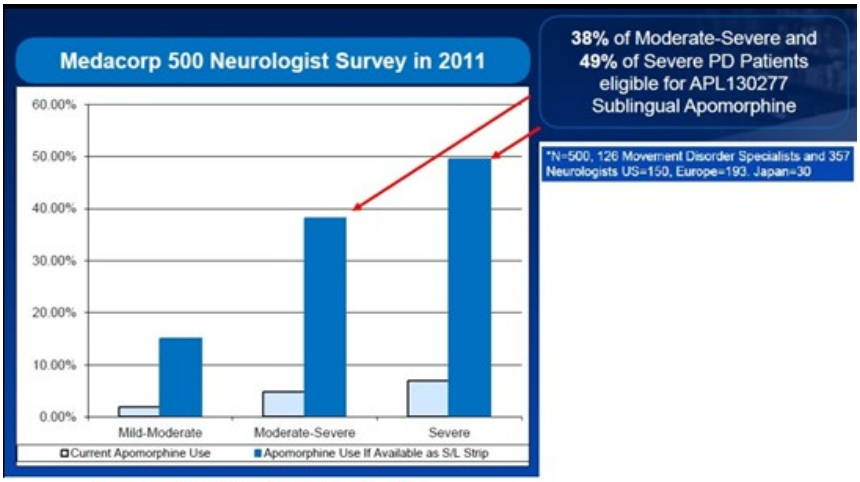
Self-administration of subcutaneous Apokyn is next to impossible for the akinetic (or dyskinetic) Parkinson's patient. For example, the Instructions For Use for Apokyn® is 27 pages long, and consists of steps that logically seem impossible for the frozen or rigid Parkinson's patient to complete. Because self-administration of Apokyn® is nearly impossible, the treatment of "off" episodes requires direct caregiver support, likely from a skilled nurse. There is also titration issued to contend with, as well as injection site-reactions. This places undue burden on the healthcare system.



Source: U.S. WorldMeds, LLC 2014

The above inhibiting attributes greatly limit sales of Apokyn in the U.S. Cynapsus' APL-130277 is a sublingual formulation of apomorphine, with each thin film strip found inside an easy to open non-superimposable die cut peelable foil laminate pouch. The product can be self-administered, under the tongue, and is designed to be used anywhere, anytime, with little or no assistance required. The comparable dose strength of Apokyn® sells for $13-15 per injection. We believe Cynapsus APL-130277, with a far more convenient administration and lack of skilled caregiver requirement, will see sizable market shares gains and expansion over the current Apokyn market.

For example, Cynapsus sponsored neurologist surgery (n=500) with data conclusions suggesting a 7.5-fold increase in penetration across the board for mild, moderate, and severe Parkinson's patients. It is for these reasons that we believe APL-130277 has peak U.S. sales far in excess of Apokyn, or Acorda's newly acquired CVT-301.



Source: Cynapsus Therapeutics, Inc.

Signs Point To Fundamental Strength

Since we first initiated coverage on Cynapsus in June 2013, management has come a long way in preparing the company for the pending Phase 3 program. Below are several "pieces" put into place or little signs of credibility / validation to the Cynapsus story:

- ✓ Awarded a second grant from the Michael J. Fox Foundation in the sum of $0.5 million to support clinical studies of APL-130277 in July 2014.
- ✓ Raised significant new cash with quality institutional investors in April 2015.
- ✓ Announced the appointment of a Chief Scientific Officer (CSO), Thierry Bilbault, PhD, in October 2014.
- ✓ Announced the appointment of a VP Medical Affairs, Jordan Dubow, M.D., in November 2014.
- ✓ Announced a new board member, Tamar Howson in March 2015.
- ✓ Raised $20 million in new capital in March 2015, with high-quality firms like OrbiMed, Aisling, Venrock, Broadfin, Sphera, Pura Vida, Dafna, and Dexcel Pharma all participating in the offering.
- ✓ Uplisted the shares to the Toronto Stock Exchange in November 2014.
- ✓ Shareholders approved a consolidation of the common stock in May 2015, checking off the final box need to uplist the shares to the NASDAQ in the near future.

Conclusion, Valuation & Recommendation

Off time is a significant problem for patients with advanced Parkinson's disease. In the U.S., there are an estimated one million PD patients (4-6 million globally). According to a recent survey by the Michael J. Fox Foundation, more than 90% of PD patients report having "off" episodes each day. Roughly two-thirds have "off" time greater than two hours, with 20% experiencing "off" time of greater than four hours. This is a significant problem for PD patients and has meaningful quality of life impact (see chart below). We view this as an enormous unmet medical need.

OFF Episodes Have a Significant Impact on Quality of Life

Significant (p<0.05) impact on PDQ dimension	End of Dose Fluctuations	Nocturnal Akinesia	Early Morning Akinesia	Unpredictable OFFs	Paradoxical Fluctuations
Mobility	X	X	X	X	X
ADL	X	X	X	X	X
Emotional well-being		X			
Stigma	X	X	X	X	X
Social support		X			
Cognition		X			
Communication	X	X	X	X	X
Bodily discomfort		X			
Total score	X	X	X	X	X

Chapuis et al. *Mov Disord* 2005; 20: 224-9.

Data from the recently completed CTH-105 study clearly validates the proof-of-concept for APL-130277. The drug demonstrated clinical signs of efficacy for all doses. Onset of action was as soon as ten minutes for some patients, with mean "time to on" of 22 minutes – admittedly not as rapid as CVT-301 but still well within the reasonable range for a rescue medication. More importantly, duration of effect was still evident at 90 minutes, exceeding what has been demonstrated with Apokyn or what we suspect will be shown in the CVT-301 Phase 3 trial given the half-life of levodopa has been documented to be less than 90 minutes.

Thanks to recent guidance from the U.S. FDA, the path to the U.S. NDA application has been confirmed and the registration Phase 3 programs are expected to start in the second quarter 2015. If all goes smoothly, we anticipate data from the CTH-300 program in March 2016, with the NDA to be filed before the end of that year.

We see APL-130277 as an easier-to-use and more effective drug than CVT-301, along with a better mechanism of action and pathway to approval. Data from CTH-105 de-risks the story and Cynapsus has enough cash to fund the majority of the necessary clinical trials prior to the U.S. NDA filing. A recent paper published by researchers out of the UK on behalf of EUROPAR and EPDA confirms our belief that this is a potential enormous market. The paper concludes that early-morning "off" episodes are a significantly larger problem than believed even five years ago, with nearly two-thirds of all PD patients suffering across all stages of the disease (Rizos et al, 2012).

We believe Cynapsus shares are currently worth $3.00. We arrive at this number by projecting peak U.S. sales for the drug in the $500 million range. We assume sales outside the U.S. will total another $300 million, all told bringing APL-130277 to approximately an $800 drug by 2025. We have built two separate valuation models around this sales assumption.

- The first is a forward price-to-sales analysis where we assume 4x peak sales, discounted back to present day at 20%. With a 75% probability of approval this values the shares at $3.12.

- The second is a 10-year discounted cash flow analysis projected U.S. and RoW sales to peak, 10% cost of goods sold, 5% residual operating expenses, 26.5% tax rate, and 20% discount rate. With a 75% probability of approval this values the shares at $3.08.

On a fully diluted basis, our $3.00 target equates to a market capitalization of approximately $450 million. We remind investors that Acorda paid $525 million for Civitas in 2014, Pfizer acquired Nextwave in 2012 for up to $700 million, and Lundbeck acquired Chelsea Therapeutics for $658 million in 2014. With the NDA under review, it would not surprise us one bit to see Cynapsus acquired for between $500 and $750 million. This range would equate to a 4+ fold increase in price for Cynapsus shareholders as of today.

Cynapsus Therapeutics – Income Statement (Canadian Dollars)

Cynapsus Therapeutics, Inc.	2013 A	2014 A	Q1 A	Q2 E	Q3 E	Q4 E	2015 E	2016 E	2017 E
APL-130277 WW Sales	$0	$0	$0	$0	$0	$0	$0	$0	$0
Royalty Payments	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-	-
Licensing & Collaborative	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-	-
Total Revenues	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
YOY Growth	-	-	-	-	-	-	-	-	-
Cost of Sales	$0	$0	$0	$0	$0	$0	$0	$0	$0
Product Gross Margin	-	-	-	-	-	-	-	-	-
Operating, General & Admin	$2.64	$5.01	$1.78	$1.40	$1.50	$1.60	$6.28	$6.50	$7.00
Research & Development	$1.63	$6.19	$2.87	$2.50	$4.00	$5.00	$14.37	$10.00	$5.00
Share-Based Comp	$0.52	$0.98	$0.27	$0.20	$0.20	$0.20	$0.87	$1.50	$2.00
Amortization & Depreciation	$0.06	$0.22	$0.02	$0.15	$0.15	$0.15	$0.47	$0.50	$0.40
Foreign Exchange	$0.04	($0.69)	($1.18)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Other Expenses	($0.04)	($0.09)	$1.50	($0.05)	($0.05)	($0.05)	($0.02)	$2.50	$0.00
Operating Income	($4.85)	($11.61)	($5.26)	($4.20)	($5.80)	($6.90)	($21.97)	($21.00)	($14.40)
Operating Margin	-	-	-	-	-	-	-	-	-
Grants & Other Income	$0.43	$0.69	$0.16	$0.15	$0.15	$0.15	$0.61	$0.50	$0.50
Interest / Financing Net	$0.01	$0.05	$0.01	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Pre-Tax Income	($4.43)	($10.82)	($5.09)	($4.05)	($5.65)	($6.75)	($21.37)	($20.50)	($13.90)
Income Taxes Paid	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Net Income	($4.43)	($10.82)	($5.09)	($4.05)	($5.65)	($6.75)	($21.37)	($20.50)	($13.90)
Net Margin	-	-	-	-	-	-	-	-	-
Reported EPS	**($0.13)**	**($0.16)**	**($0.06)**	**($0.04)**	**($0.05)**	**($0.06)**	**($0.21)**	**($0.18)**	**($0.12)**
YOY Growth	*($0.43)*	*$0.25*	-	-	-	-	*$0.28*	*($0.13)*	*($0.35)*
Basic Shares Outstanding	34.67	67.71	83.74	110.50	111.00	111.50	104.19	115.00	120.00

Source: Zacks Investment Research, Inc. *Jason Napodano, CFA*

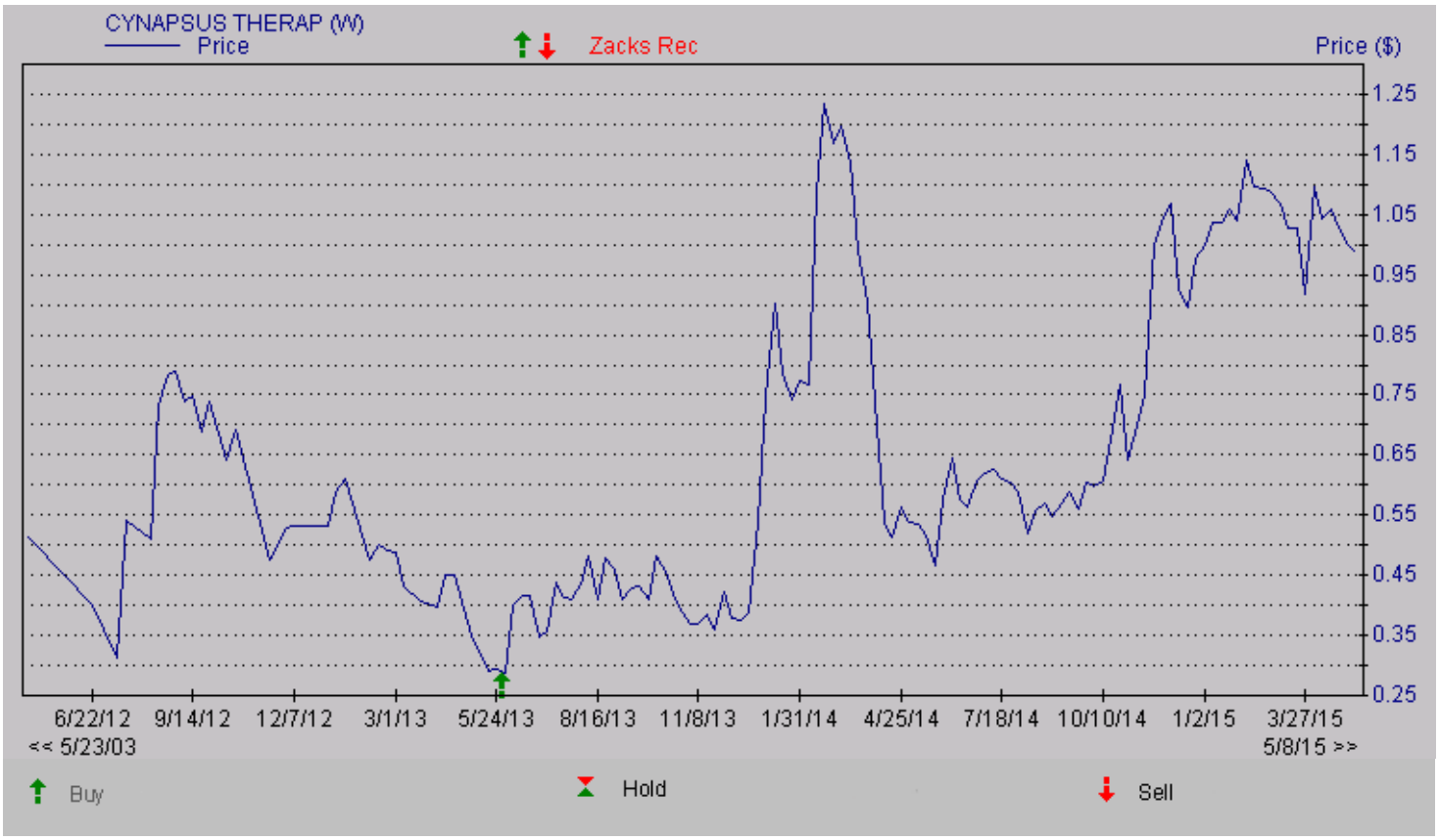
Cynapsus Therapeutics – Balance Sheet (Canadian Dollars)

CYNAPSUS THERAPEUTICS INC.
Interim Consolidated Statements of Financial Position

UNAUDITED
(in Canadian dollars)

	NOTES	March 31, 2015
		$
ASSETS		
Current assets		
Cash		36,661,012
Prepaid expenses and other current assets		828,186
Total current assets		37,489,198
Non-current assets		
Property, plant and equipment	6	382,689
Intangible assets	7	562,553
Total assets		38,434,440
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	8, 14	2,431,677
Total current liabilities		2,431,677
SHAREHOLDERS' EQUITY		
Share capital	9	58,407,376
Equity reserves		
Warrants	9	12,188,765
Share-based payments	9	3,011,706
Deficit		(37,605,084)
Total shareholders' equity		36,002,763
Total liabilities and shareholders' equity		38,434,440

HISTORICAL ZACKS RECOMMENDATIONS



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