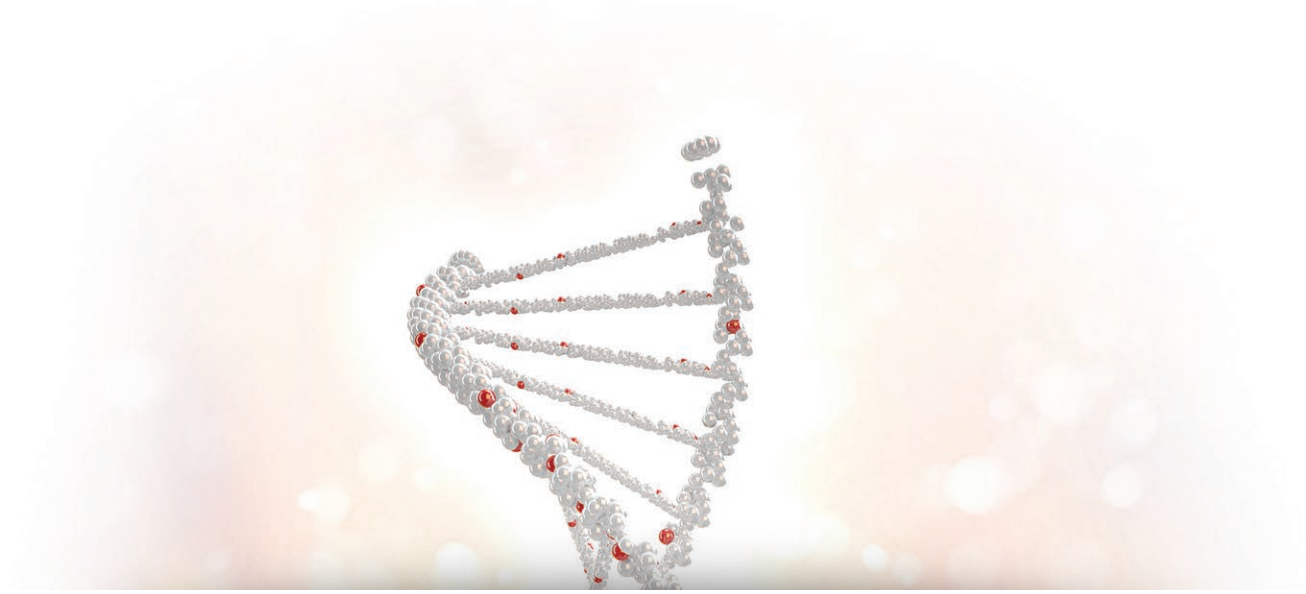
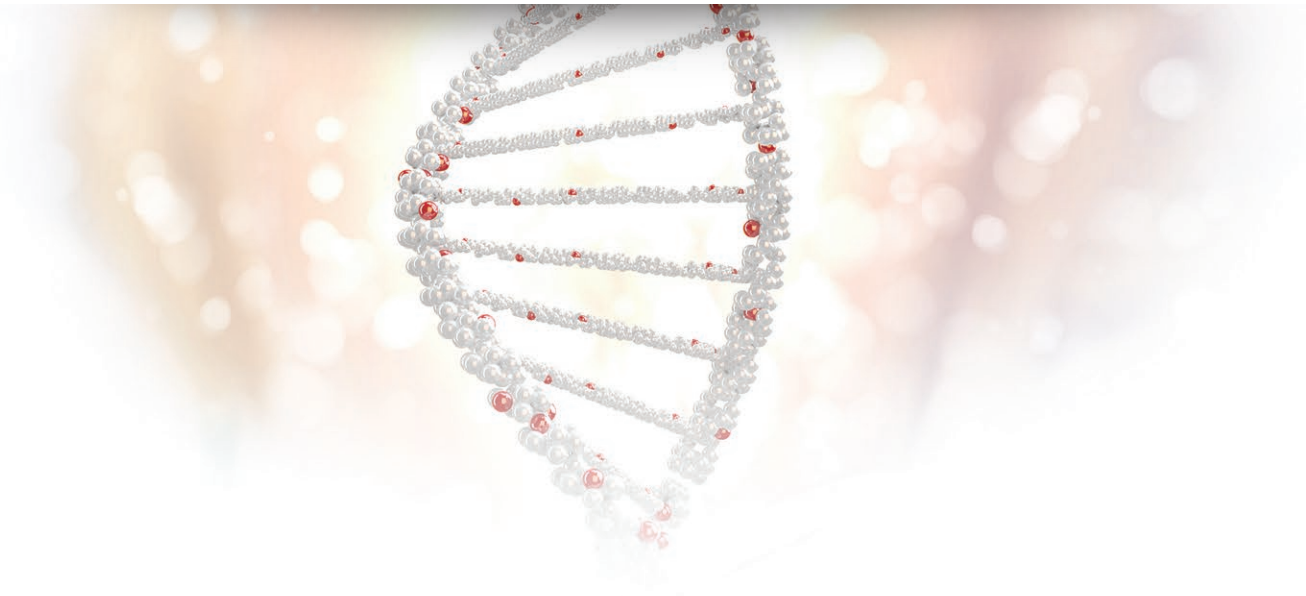


MICROBIX BIOSYSTEMS INC.



THIRD INTERIM REPORT

For the nine months
ended June 30, 2015

MICROBIX

Message to Shareholders

Microbix experienced solid financial performance in the third quarter ending June 30, 2015 as revenue increased 9% compared to last year, and revenue for the first nine months of the fiscal year increased 12% year-over-year. Our growth continues to come largely from increased antigen shipments to our existing customers, and we are beginning to get traction with some of our new product offerings. We continue to benefit from a currency tailwind with the net positive impact of a stronger US dollar offset by a somewhat weaker Euro compared to a year ago.

We incurred higher operating costs during the third quarter and first nine months of the fiscal year compared to last year, which were largely attributable to the VIRUSMAX litigation proceedings. However, we still earned an operating profit in both the third quarter and the first nine months of the year. In fact, we have earned a cumulative operating profit of $1.4 million for the past eight consecutive quarters.

In May, the U.S. Court in the Eastern District of Texas announced its decision in our litigation action against Novartis, and specifically, whether Novartis infringed the patent claims asserted by Microbix on our United States VIRUSMAX patent. After nearly eighteen months the Court ruled in favour of Novartis. Despite this outcome, we will continue to defend and enforce our patents to ensure our intellectual property rights are being respected.

In June, we launched two new toxoplasma antigens used to test for a common parasitic infection spread primarily by cats. Toxoplasma infection can cause serious complications to a developing fetus. The toxoplasma test is part of the industry's "TORCH" diagnostic panel (Toxoplasma, Rubella, CMV, Herpes) and is routinely administered to expectant mothers in their first trimester of pregnancy. With the launch of toxoplasma we now offer the entire TORCH panel to the industry, and we can leverage our market position as the world's leading supplier of Rubella and CMV diagnostic antigens.

We have made significant progress in the past month with one of the Kinlytic partner candidates. This group has been evaluating Kinlytic for several months and is exploring re-launching the drug in the U.S. and Canadian markets, where the drug is already approved, as well as in other select markets. This group has extensive U.S. commercial experience in the thrombolytic market. They also have the support of potential investors as well as State and Municipal levels of government. We are now finalizing specific partnering terms that will be summarized in a letter of intent, which both parties want to conclude as soon as possible.

Finally, we have received several proposals from different organizations that are interested in collaborating with Microbix to commercialize the LumiSort instrument, including completing the remaining technical development, conducting the required field trials and ultimately marketing this transformative technology to the livestock industry. We continue to work with each of the parties to fully evaluate their proposals, with the objective of completing a transaction that offers the most beneficial terms for Microbix shareholders.

Vaughn C. Embro-Pantalony
President and Chief Executive Officer

The Company's Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited Consolidated Interim Financial Statements and notes and should also be read in conjunction with the audited Consolidated Financial Statements, notes and MD&A for the year ended September 30, 2014, prepared in accordance with International Financial Reporting Standards ("IFRS") and filed on Sedar. Additional information relating to the Company, including its Annual Information Form ("AIF"), can be found on SEDAR at www.sedar.com. Reference to "we", "us", "our", or the "Company" means Microbix Biosystems Inc. unless otherwise stated. All amounts are presented in Canadian dollars unless otherwise stated. Statements contained herein, which are not historical facts, are forward looking statements that are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth or implied. These forward-looking statements involve risks and uncertainties, including the difficulty in predicting product approvals, acceptance of and demand for new products, the impact of the products and pricing strategies of competitors, delays in developing and launching new products, regulatory enforcement, changes in operating results and other risks, some or any of which could make the results differ materially from those discussed or implied in the forward-looking statements. The Company disclaims any intent or obligation to update these forward looking statements.

The Management Discussion and Analysis is dated August 11, 2015.

COMPANY OVERVIEW

Microbix Biosystems Inc. (Microbix or the Company) (TSX: MBX) develops biological products and technologies. The Company has a Virology Products (Virology) business including the manufacturing and sale of cell culture-based biological products, including one of the world's most expansive sources of Infectious Disease Antigens targeted at the diagnostics market. The Company also has VIRUSMAX (a virus yield enhancement technology), and Kinlytic® (a thrombolytic drug), and is developing LumiSort™ a semen sexing technology.

Revenue from the Virology business which is expected to continue growing for the foreseeable future, is used for operating and debt service costs, and to fund the Company's development programmes. Additional equity and/or debt may be raised to finance development of new products and technologies. Management has discretion to reduce development investment to manage the liquidity needs of the Company.

The Company owns and operates a Virology manufacturing facility at 265 Watline Avenue in Mississauga, Ontario. The facility has an infectious diseases biological license from the Canadian Food Inspection Agency. The Company's administrative offices are located at 211 Watline Avenue.

FINANCIAL OVERVIEW
THIRD QUARTER ENDING JUNE 30, 2015

Virology product revenue was $2,157,774 or 6% higher than the same period last year (2014 - $2,039,935). Approximately 80% of the improvement in revenue was attributable to continued growth in antigen shipments, with the balance attributable to the net positive currency effect of a stronger U.S. dollar and weaker Euro. R & D Contract revenue of $61,245 (2014 – nil) was due to royalty revenue earned on the Company's rabies technology.

Although gross margins were higher this quarter versus last year, operating expenses were also higher by $252,072, due to the VIRUSMAX litigation costs and higher administration costs for stock options granted to employees in 2015. The latter is part of the Company's retention strategy for highly skilled staff in the competitive labour market for scientific and technical positions. Operating income for the quarter was $147,769 (2014 - $294,561).

Cash used in operations was $180,333 compared to $212,923 positive for the same period last year. Cash used in investing activities was $1,009,559 (2014 - $1,467,802), due to the LumiSort prototype and ongoing development of the new Bioreactor Platform for manufacturing Virology products. Cash generated from financing activities was $51,308 primarily from the proceeds of the Bioreactor equipment loan. In summary, the third quarter's net cash flow was $1,139,584 negative (2014 – negative $697,719).

NINE MONTHS ENDED JUNE 30, 2015

Year-to-date Virology product revenue was $6,579,105 or 12% higher than the same period last year (2014 - $5,852,548), which was mainly attributable to continued growth in antigen shipments and to a much lesser extent, the net currency effect of a stronger U.S. dollar and weaker Euro. Total revenue in the first nine months was $6,759,752, also an improvement of 12% compared to the same period last year (2014 - $6,040,917).

Year-to-date operating expenses were higher by $819,235 compared to the previous year, due to costs related to the VIRUSMAX litigation, and higher administration costs for stock options granted to employees in 2015. Operating Income for the first nine months was $324,657 (2014 - $778,587).

Cash generated from operations in the first nine months was $511,008 compared to $191,226 used in the same period last year. Cash used in investing activities was $4,342,510 (2014 - $2,167,444), due to completion of the LumiSort prototype and development of the Bioreactor Platform for manufacturing Virology products. Cash generated from financing activities in the first nine months was $3,261,820 (2014 - $2,550,569), due to the exercising of common share warrants ($1,738,433) and stock options ($901,830), as well as the net proceeds from equipment loans ($749,032). Net cash flow was $569,041 negative in the first nine months 2015 (2014 - $191,899 positive).

CHANGES IN FINANCIAL POSITION

	As at Jun 30, 2015 $	As at Jun 30, 2014 $
Cash	-	451,948
Accounts receivable	1,938,709	2,141,508
Total current assets	4,882,213	4,928,730
Total assets	22,239,009	17,998,928
Total current liabilities	2,946,039	2,639,718
Total liabilities	9,117,835	8,156,893
Total shareholders' equity	13,121,174	9,842,035
Current ratio	1.66	1.86
Debt to equity ratio	0.69	0.83

SELECTED QUARTERLY FINANCIAL INFORMATION

	Jun-30-13 $	Sep-30-13 $	Dec-31-13 $	Mar-31-14 $	Jun-30-14 $	Sep-30-14 $	Dec-31-14 $	Mar-31-15 $	Jun-30-15 $
Sales	**1,906,652**	**2,468,900**	**1,927,885**	**2,073,097**	**2,039,935**	**2,355,879**	**1,995,833**	**2,544,900**	**2,219,019**
Operating Income	**(22,687)**	**571,932**	**214,406**	**269,620**	**294,561**	**(302,963)**	**90,553**	**86,335**	**147,769**

LIQUIDITY, CASH FLOW AND CAPITAL RESOURCES

The consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") on a going concern basis, which presumes the Company will continue operating for the foreseeable future and will be able to realize a return on its assets and discharge its liabilities and commitments in the normal course of business.

The Company has incurred historical operating losses resulting in an accumulated deficit of $24,448,271 as at June 30, 2015. However, in the past eight fiscal quarters, the Company has an accumulated operating profit of $1.4 million.

Management continuously monitors the financial position of the Company with respect to working capital needs, as well as long-term capital requirements compared to the annual operating budget. Variances are highlighted and actions are taken to ensure the Company is appropriately capitalized.

a) Sources and Uses of Cash

In the three months ended June 30, 2015, the Company's cash flow was negative at $1,138,584 (2014 – $697,719 negative). For fiscal 2015 year to date, cash flow was negative at $569,041 (2014 - $191,899 positive).

In the current quarter, cash used by operations was $180,333 versus cash provided by operations of $212,923 in 2014. The major use of cash in the quarter was the increase in inventories with higher than normal raw materials and work in process due to increased scheduled shipments in the fourth quarter of fiscal 2015 and materials for the bioreactor development project. Inventories are projected to decline in the first quarter of fiscal 2016. However, on a year to date basis, operations has provided cash of $511,008 and management expects cash flow from operations to continue overall, positive.

During the current quarter, the Company invested $1,216,901 in plant and equipment; approximately $700,000 was used to complete the Lumisort™ prototype instrument and the balance was invested in the new Bioreactor manufacturing process. For the remainder of calendar 2015, the cost to complete the Bioreactor project for the Virology manufacturing is estimated at about $500,000. The Bioreactor is expected to contribute significant productivity improvements. Future investment in the Lumisort™ technology will be shared with a development partner; this arrangement is presently under negotiation.

Overall, total investing activities were $207,342 lower at $1,009,560, reflecting completion of the Lumisort prototype development phase during the quarter.

In the current quarter, cash of $51,308 was provided by financing activities through equipment loans and capital leases totaling $98,893 offset partially by debt repayments of $47,585.

b) Future Liquidity and Capital Needs

Microbix primarily funds new product development activities and capital expenditures from the profits earned by its Virology business and, periodically, from additional equity and/or debt. The Virology business is expected to continue growing resulting in higher profit contributions. And, as previously noted, future development of the LumiSort technology will be financed through a partnership arrangement. Finally, Kinlytic will be independently funded through a partnership arrangement. It is the opinion of management that these developments will reduce the cash consumption and capital needs of the Company and improve its overall liquidity position.

c) Commitments and Contingencies

Over the next five years the Company has long-term commitments as at June 30, 2015 as described in the following tables:

i) Lease commitments

	$
2016	54,882
2017	10,047
2018	7,842
2019	5,606
2020	-
	78,377

ii) Payments on convertible and non-convertible debentures

	$
2016	694,242
2017	1,649,242
2018	604,242
2019	604,242
2020	604,242
	4,156,210

d) Outstanding Share Capital

Share capital issued and outstanding as at August 11, 2015 was $30,990,459 for 83,204,257 common shares, representing no change in the third quarter of fiscal 2015.

RELATED PARTIES

During the third quarter of fiscal 2015, the Company paid interest of $156,707, ($159,501 – 2014) on the convertible debentures issued to related party shareholders.

LONG-TERM ASSETS

a) Tangible Assets

During third quarter of fiscal 2015 the Company spent $1,060,092 on Lumisort engineering and equipment and Virology production equipment and development.

b) Intangible Assets

Capital Spending

During third quarter of fiscal 2015 the Company spent $ 156,809 on its patent estate.

Technology Investment - Lumisort™

In 2005 the Company acquired Sequent Biotechnologies Inc. a developer of semen-sexing technology. For financial purposes the Company recognized the acquisition cost as the fair value of this technology.

Additional investment has been recognized under the ongoing research and development program, including intellectual property in the form of new patents, as well as the work completed in the past year to build and successfully test the new LumiSort prototype instrument.

Technology Investment – Urokinase/Kinlytic®

On September 23, 2008, Microbix completed a $2,770,529 acquisition of all Kinlytic assets from ImaRx Therapeutics, Inc.

The recoverable amount of the Urokinase intangible asset has been determined based on a 'fair value less cost to sell' calculation. That calculation uses risk adjusted cash flow projections based on probability weighted financial budgets approved by management covering an 11-year period, and a discount rate of 10% per cent. Management made assumptions based on probabilities of technical, regulatory and clinical acceptances and financial support. Management also believes that any reasonable change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

LONG-TERM DEBT

Business Development Corporation Debt

In fiscal 2009 the Company negotiated a series of loans totalling $3,410,000 with the Business Development Bank (BDC) for the original purchase and build-out of its manufacturing facility.

	$
Purchase of the building	1,500,000
Construction of manufacturing facility	1,500,000
Purchase of equipment for facility	410,000
	3,410,000

The loans are secured with the building and equipment.

For loans totalling $3,350,000, consecutive monthly principal payments of $9,260 are due to February 2037 on the outstanding balance of $2,518,720 (Sept 30, 2014 – $2,602,060).

For loans totalling $60,000, consecutive monthly principal payments of $725 are due to February 2017 on the outstanding balance of $14,500 (Sept 30, 2014 – $21,025).

During the first quarter of fiscal 2015, the Company received an additional $615,000 loan from BDC with a maturity of July, 2020 with monthly repayments of principal and interest of $10,250 starting in August, 2015. The funds from this loan are being used to upgrade the Company's production process.

All of the above loans have a floating interest rate based on BDC's Floating Base Rate plus 0.5%. At March 31, 2015 the Floating Base Rate was 5.0%.

During the second quarter of fiscal 2015, the Company received an additional $50,000 loan from BDC with a maturity of January 2020 with monthly repayments of principal and interest starting February 2016 with a floating interest rate plus 1%. The funds are being used to upgrade the Company's IT system.

During the third quarter of fiscal 2015, the Company was approved for an equipment line facility which must be utilized by December 15, 2015. As at June 30, 2015 the Company had utilized $84,032 of the line. The loan has a maturity of December 12, 2019 with monthly repayments of principal and interest starting December 12, 2015 with a floating interest rate plus 1%. The funds are being used to upgrade general antigen processing equipment.

Following is the commitment for the next five years for the Business Development Corporation loans as at June 30:

	$
2016	237,778
2017	252,420
2018	246,620
2019	246,620
2020	246,620

TREND INFORMATION

Historical spending patterns are no indication of future expenditures. Investment in the new products and technologies is at the discretion of management. The Company is not aware of any material trends related to its business that have not been discussed in this Management Discussion and Analysis dated August 11, 2015.

OUTLOOK

The business of Microbix described in these documents is the result of years of investment in research and development, which has delivered products and technologies that have received wide customer acceptance and experienced continued growth in demand. Microbix has both the manufacturing capacity and the scientific capability to support this growth, including the continuous demand for competitive process improvements, as well as new products.

Virology product revenues are expected to continue growing in the coming years building on the 25% improvement in fiscal 2014. The Company continues to expand its conventional antigen product line and recently it announced the launch of its molecular diagnostic products. In addition, the Company is experiencing a net favourable currency effect, due to the weakening Canadian dollar versus the U.S. dollar (55% of sales), which is partially offset by a weaker Euro (45% of sales). The Company also continues to invest in new process technologies that will improve its manufacturing cost base and expand its production capacity to accommodate the sale of new products. In light of all of these developments, management expects to realize improved profitability from the Virology products business.

Advanced discussions continue with potential partners interested in returning Kinlytic to the U.S. and Canadian markets, as well as other countries. These partner candidates would be expected to contribute to the overall investment needed to develop and commercialize the product over an approximate 36 month timeframe. Management is optimistic about the likelihood of closing a partnership by the end of calendar 2015.

Following the recent completion of the Lumisort prototype, partnering discussions with global animal genetics companies continue to advance. The objective is to raise funds for the next phase of the Lumisort development program, namely completion of the commercial instrument, which is estimated to cost $10 million.

Finally, for the past year the Company has been involved in a patent infringement action against Novartis Vaccines and Diagnostics relating to its VIRUSMAX vaccine yield enhancement technology. There have been two actions in the U.S. and Europe. During the current quarter a decision was rendered in favour of the defendant and as a result these legal actions are being wound down and spending related to this litigation will cease in the fourth quarter of fiscal 2015.

RISKS AND UNCERTAINTIES

The Company is exposed to business risks, both known and unknown, which may or may not affect its operations. Management works continuously to mitigate unacceptable risk, while still allowing the business to grow and prosper. These risk factors include the following:

A significant portion of Virology Product sales are dependent on key clients, open borders, international transportation systems, and access to raw materials.

A significant share of the Company's Virology products sales are sold to a few key customers globally. These products contributed a significant share of the revenue in the third quarter of fiscal 2015. The loss of a key customer, or restrictions on export, import, or international transportation of its products, raw materials or insufficient marketing resources, could materially impact revenue and profitability.

Environmental, safety and other regulatory

Microbix' research and manufacturing operations involves potentially hazardous materials. The Company takes extensive precautions to appropriately manage these materials as regulated by the applicable environmental and safety authorities. Changes to environmental and safety legislation may limit the Company's activities or increase costs. An environmental accident could adversely impact its operations. Microbix' diagnostic products are not regulated by governments in Canada or other jurisdictions. Commercialization of certain products requires approval of regulatory agencies such as the FDA, in which case Microbix will not receive revenue until regulatory approval is obtained.

Manufacturing of Kinlytic®

The Company has entered into confidentiality agreements with several parties and advanced discussions are continuing with a select group of potential partners interested in returning Kinlytic to the U.S. and Canadian markets, and ultimately to Europe, Asia and developing world markets. There is no assurance the Company will be successful in this endeavour.

Vaccine technology

The Company owns a proprietary vaccine technology (VIRUSMAX) that has a global patent estate. In January 2014 the Company successfully defended its European patents at the European Patent Office hearing, following the filing of an Opposition by Novartis Vaccines & Diagnostics. In 2014 the Company filed patent infringement actions against Novartis in the U.S. And Europe. During the quarter a decision was rendered by the U.S. Court in favour of the defendant. The Company is completing its assessment of the next steps relative to these actions.

LumiSort Technology

The Company has developed a proprietary semen sexing technology that has a global patent estate. Over the last two fiscal years the Company has built and successfully tested a prototype instrument that confirms the key patent claims. The Company is currently working to secure a partner from within the animal genetics industry to help fund the next stage of development, namely to build a commercial instrument and conduct field trials. There is one commercial global competitor today who services major dairy and beef markets worldwide. This competitor continues to invest in upgrading their instrument and they own an expansive patent portfolio. They also have extensive commercial resources and contractual arrangements with their customers. There are also other competing technologies being developed by other organizations. While Microbix continues to invest heavily in order to continue strengthening its LumiSort technology and remain competitive, the competitors are also investing in R&D activities and in intellectual property. This could make it more challenging for Microbix to commercialize LumiSort.

RISKS AND UNCERTAINTIES (continued)

Products in development

The Company has several products under development. It is impossible to ensure that these development activities will result in the completion of new commercial products. If the Company is unable to develop and commercialize products, it will be unable to recover the related research and development, and investment.

Product commercialization requires strategic relationships

To commercialize large market products in development, Microbix may need to establish strategic partnerships, joint ventures or licensing relationships with pharmaceutical, biotechnology or animal genetics companies. It is possible the Company may be unable to negotiate mutually acceptable terms.

Operating and capital requirements

Microbix earns a profit on the sale of its Virology Products, which is a major source of funding for its research and development activities. The Company believes that cash generated from operations is sufficient to meet normal operating and capital requirements. However, the Company may need to raise additional funds, from time to time for several reasons, including - to advance its current research and development programs. to support various collaboration initiatives with third parties, to underwrite the cost of filing, prosecuting and enforcing patents and other intellectual property rights, to invest in acquisitions, new technologies and new market developments. Additional financing may not be available, and even if available, may not be offered on acceptable terms.

The Company's success depends on the successful commercialization of its technology

The successful commercialization of products under development is key to Microbix' success. Product development in the pharmaceutical and biotechnology industry is highly uncertain and there is no guarantee of market acceptance.

Failure to obtain and protect intellectual property could adversely affect business

Microbix' future success depends, in part, on its ability to obtain patents, or licenses to patents, maintain trade secret protection and enforce its rights against others. The Company's intellectual property includes trade secrets and know-how that may not be protected by patents. There is no assurance that the Company will be able to protect its trade secrets. To help protect its intellectual property, the Company requires employees, consultants, advisors and collaborators to enter into confidentiality agreements. However, these agreements may not adequately protect trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure. Protection of intellectual property may also entail prosecuting claims against others who the Company believes are infringing its rights. Involvement in intellectual property litigation could result in significant costs, adversely affecting the development of products or sales of the challenged product, or intellectual property, and divert the efforts of its scientific and management personnel, whether or not such litigation is resolved in the Company's favour.

Microbix faces and will continue to face significant competition

Competition from life sciences companies, and academic and research institutions is significant. Many competitors have substantially greater product development capabilities and financial, scientific, manufacturing, sales and marketing resources than Microbix. While the Company continues to expand its technological capabilities in order to remain competitive, Microbix' competitors are also making significant investments in research and development activities, and in intellectual property, which could make it more difficult for Microbix to commercialize its products and technologies.

FINANCIAL RISK MANAGEMENT

The primary risks affecting the Company are summarized below and have not changed during the fiscal year. The list does not cover all risks, nor is there an assurance that the strategy of management to mitigate the risks is sufficient to eliminate the risk.

Credit risk

The Company's customers are primarily large multi-national companies with very high quality credit ratings. Given this track record, management perceives the credit risk to be low. Typically the outstanding accounts receivable balance is relatively concentrated with a few large customers representing the majority of the value. At June 30, 2015, four customers accounted for 65% (2014 – four for 82%) of the outstanding balance. The Company has had minimal bad debts over the past several years and accordingly management has recorded an allowance of $1,018 (2014 - $51,433).

Currency risk

The Company is exposed to currency risk given its global customer base. Over 90% of its revenue is denominated in either U.S. dollars or Euros. The Company does not use financial instruments to hedge this currency risk. At June 30, 2015, the significant balances, quoted in Canadian dollars, held in foreign currencies are:

	US dollars		Euros	
	2015	2014	2015	2014
Cash and cash equivalents	158,815	251,648	-	-
Accounts receivable	506,956	498,078	1,092,114	1,094,687
Accounts payable and and accrued liabilities	509,956	158,222	128,891	29,578

The impact of a 1 cent increase in the Canadian dollar against the US dollar would result in a revenue loss of about 1.25%. The impact of a 1 cent increase in the Canadian dollar against the Euro would result in a revenue loss of about 0.9%.

Liquidity risk

Liquidity risk measures the Company's ability to meets its financial obligations when they fall due. To manage this situation, the Company projects and monitors its cash requirements to accommodate changes in liquidity needs.

Interest rate risk

Financial instruments that potentially subject the Company to interest rate risk include those assets and liabilities with a variable interest rate. Exposure to interest rate risk is primarily on the BDC debt that has a variable rate pegged to the bank rate. The rate can be fixed, if the outlook indicates interest rates will move higher. The only other variable debt the Company has is the $500,000 line of credit that bears interest at the bank's prime lending rate plus 2.25%. A 1% increase in the bank rate would cost the Company approximately $32,000 per year for BDC and about $5,000 on the line of credit usage.

Market risk

Market risk reflects changes in pricing for both Virology products and raw materials based on supply and demand criteria; also market forces can affect foreign currency exchange rates as well as interest rates which could affect the Company's financial performance or the value of its financial instruments. Microbix products are valuable components in our customers' products and cannot be easily replaced. The Company works closely with customers to ensure its products meet their specific criteria.

Fair value

The Company records all financial assets and liabilities at their fair value.

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and the reporting currency is Canadian dollars. On an on-going basis, management bases its estimates on historical and other experience and assumptions, which it believes are reasonable in the circumstances. The significant accounting policies that the Company believes are the most critical in fully understanding and evaluating the reported financial results include:

Intangible Assets

Intangible assets include technology costs, patents, trademarks and licenses. Each is recorded at cost and amortized on a straight-line basis over the term of the agreements. Intangible assets with indefinite lives are not amortized but are assessed for impairment on an annual basis.

Impairment of Long-lived Assets

The Company reviews the carrying value of non-financial assets with definite lives for potential impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The carrying value of non-financial assets with indefinite lives, and of non-financial assets with definite lives but are not ready for use, are assessed at least annually for impairment based on the impairment test on cash-generating units (CGUs). The impairment test on CGUs is carried out by comparing the carrying amount of the CGU and its recoverable amount. The recoverable amount of a CGU is the higher of fair value less costs to sell and its value in use. This complex valuation process entails the use of methods such as the discounted cash method which requires numerous assumptions to estimate future cash flows. The recoverable amount is impacted significantly by the discount rate selected to be used in the discounted cash flow model, as well as the quantum and timing of risk-adjusted future cash flows and the growth rate used for the extrapolation.

The impairment loss is calculated as the difference between the fair value of the asset and its carrying value. Management has determined that no long-lived assets of the Company as at June 30, 2015 have met the criteria for impairment.

Non-Convertible and Convertible Debentures

Management determines the fair value of the debenture using valuation techniques. Those techniques are significantly affected by the estimated assumptions used, including discount rates, expected life and estimates of future cash flows

Deferred Income Taxes

Deferred income tax assets and liabilities are recognized for the estimated income tax consequences attributable to differences between financial statement carrying amounts of assets and liabilities and their respective income tax bases. Deferred income tax assets and liabilities are measured using tax rates expected to be in effect when the temporary differences are expected to be recovered or settled. The effects of changes in income tax rates are reflected in future income tax assets and liabilities in the year that the rate changes are substantively enacted.

Share-Based Payments

The Company applies the fair value method of accounting for stock-based compensation for awards granted to officers, directors, employees and consultants of the Company. The fair value of the award at the time of granting is determined using the Black-Scholes option pricing model, and recognized as a compensation expense on a straight-line basis over the vesting period with an offsetting amount recorded to contributed surplus. The amount of the compensation cost recognized at any date at least equals the value of the portion of the options vested at that date. When stock options are exercised, the consideration paid by employees or directors, together with the related amount in contributed surplus, is credited to capital stock. When an employee leaves the Company, vested options must be exercised within 90 days, or the options expire. Any options that are unvested are reversed in the period that the employee leaves.

FINANCIAL INSTRUMENTS

The fair value of a financial instrument is approximated by the consideration that would be agreed to in an arm's length transaction between willing parties and through appropriate valuation methods, but considerable judgment is required for the Company to determine the value. The actual amount that could be realized in a current market exchange could be different than the estimated value.

The carrying amounts of cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate fair value due to the short-term maturities of these instruments. Based on available market information, the fair value of the obligation under capital lease approximates its carrying value.

The fair value of the long-term debt is based on rates currently available for items with similar terms and maturities. The fair value of the liability for each convertible debenture has been calculated and the residual is accounted for in equity.

The Company does not have any off balance sheet financial instruments.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Disclosure Controls

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures, as defined in the National Instrument 52-109 Certification of Disclosure in Issuer's Annual Filings (NI 52-109F1). As at June 30, 2015, management has concluded that the disclosure controls are effective in providing reasonable assurance that information required to be disclosed in the Company's reports is recorded, processed summarized and reported within the time periods specified in the Canadian Securities Administrator's rules and forms.

Internal Controls Over Financial Reporting

The design of internal controls over financial reporting ("ICFR") within the company is a management responsibility to provide reasonable assurance that the reliability of financial reporting and that the preparation of financial statements for external purposes is in accordance with generally accepted accounting principles of IFRS. While the CEO and CFO believe that the internal controls are adequate to provide the above information, the process to evaluate and document all policies and procedures that could impact financial reporting is continuously reviewed with consultation with the Audit Committee. Shareholders should be aware that Microbix is a small company without the department resources associated with larger firms. Management is using the Committee of Sponsoring Organization of the Treadway Commission ("COSO") Framework and has concluded that the Internal Control over Financial Reporting ("ICFR") as defined in NI 52-109 is effective as at the period ended June 30, 2015.

Examination by the Chief Executive Officer and the Chief Financial Officer showed that there were no changes to the internal controls over financial reporting during the period ended June 30, 2015 that have materially affected, or are reasonably thought to materially affect, the internal control over financial reporting.

RECENT ACCOUNTING PRONOUNCEMENTS

Periodically new standards, interpretations, amendments and improvements to existing standards are issued by the International Accounting Standards Board (IASB) or IFRS Interpretation Committee (IFRIC) that become mandatory at certain dates. Management routinely assesses the impact of these pronouncements on the Company. There are no pending standards that may be applicable to the Company.

IFRS 7 – Financial Instruments: Disclosures

In December 2011, the IASB amended IFRS 7 to provide additional information about offsetting of financial assets and financial liabilities. Additional disclosures will be required to enable users of financial statements to evaluate the effect or potential effect of netting arrangements on the entity's financial position. The amendments are effective for annual periods beginning on or after January 1, 2013. There was no impact to the financial statements as a result of the adoption of this update.

IFRS 9 – Financial Instruments

IFRS 9, issued in November 2009 and amended in October 2010, introduced new requirements for the classification and measurement of financial assets and the classification and measurement of financial liabilities and for their de-recognition.

All recognized financial assets within the scope of IAS 39 Financial Instruments: Recognition and Measurement are to be subsequently measured at amortized cost or fair value. Specifically, debt investments that have contractual cash flows that are solely payments of principal and interest are generally measured at amortized cost at the end of subsequent periods. All other debt and equity investments are measured at their fair value at the end of subsequent periods.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

The directors anticipate that the application of IFRS 9 in the future may have an impact on amounts reported in respect of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until a detailed review has been completed.

IFRS 10 - Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10, which establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 supersedes International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements and Standing Interpretations Committee ("SIC") 12, Consolidation – Special Purpose Entities. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. There was no impact to the Company's interim financial statements as a result of adopting this standard.

IFRS 11 - Joint Arrangements

In May 2011, the IASB issued IFRS 11, Joint Arrangements. This standard separates joint arrangements into joint ventures and joint operations and provides guidance on accounting for these types of arrangements. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. There was no impact to the Company's interim financial statements as a result of adopting this standard.

IFRS 12 - Disclosures of interests in other entities

In May 2011, the IASB issued IFRS 12, which outlines the disclosure requirements for interests in subsidiaries and other entities to enable users to evaluate the risks associated with interests in other entities and the effects of those interests on an entity's financial position, financial performance and cash flows. IFRS 12 supersedes IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation – Special Purpose Entities. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. There was no impact to the Company's interim financial statements as a result of adopting this standard.

IFRS 13 - Fair value measurement

In May 2011, the IASB issued IFRS 13, Fair Value Measurement. This standard defines fair value, sets out a single IFRS framework for measuring fair value and outlines disclosure requirements about fair value measurements. IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. This IFRS is to be applied prospectively as of the beginning of the annual period in which it is initially applied. Disclosure requirements do not need to be applied to the comparative periods prior to initial application. There were no impacts to the consolidated interim financial statements as a result of the adoption of this standard.

NOTICE TO READER OF THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to National Instrument 51-102, Part 4, sub section 4.3(3)(a) issued by the Canadian Securities Administrators, if an audit has not performed a review of the interim financial statements, the interim financial statements must be accompanied by a notice indicating that they have not been reviewed by the auditor.

CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

Unaudited	As at June 30, 2015 $	As at September 30, 2014 $
ASSETS		
Current Assets		
Cash and cash equivalents	-	547,356
Accounts receivable (note 22)	1,938,709	2,141,508
Inventory (note 4)	2,439,834	1,598,429
Prepaid expenses and other assets (note 5)	415,882	497,811
Investment tax credit receivable	87,788	143,626
Total Current Assets	4,882,213	4,928,730
Long-term Assets		
Deferred tax asset	463,750	265,000
Property, plant and equipment (note 6)	12,712,355	8,751,760
Intangible assets (note 7)	4,180,691	4,180,691
Total Long-term Assets	17,356,796	13,197,451
Total Assets	22,239,009	17,998,928
LIABILITIES		
Current Liabilities		
Bank indebtness (note 8)	21,686	-
Accounts payable and accrued liabilities	2,089,961	1,825,614
Current portion of obligation under capital lease	20,288	-
Current portion of long-term debt (note 10)	119,820	119,820
Current portion of debentures (note 9)	694,284	694,284
Total Current Liabilities	2,946,039	2,639,718
Non-convertible debenture (note 9)	643,061	680,416
Convertible debentures (note 9)	1,953,652	1,920,844
Long-term debt (note 10)	3,162,433	2,503,265
Deferred revenue (note 11)	412,650	412,650
Total Long-term Liabilities	6,171,796	5,517,175
Total Liabilities	9,117,835	8,156,893
SHAREHOLDERS' EQUITY		
Share Capital (note 12)	30,990,459	27,662,112
Equity Component Of Convertible Debentures (note 9)	2,351,425	2,351,425
Contributed Surplus (note 13)	4,227,561	4,487,638
Accumulated Deficit	(24,448,271)	(24,659,140)
Total Shareholders' Equity	13,121,174	9,842,035
Total Liabilities & Shareholders' Equity	22,239,009	17,998,928

William J. Gastle
Director

Vaughn Embro-Pantalony
Director

The accompanying notes and summary of significant accounting policies are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

Unaudited	Three months ended Jun 30 2015 $	Three months ended Jun 30 2014 $	Nine months ended Jun 30 2015 $	Nine months ended Jun 30 2014 $
SALES				
Virology products	2,157,774	2,039,935	6,579,105	5,852,548
Research and development contracts	61,245	-	180,647	188,369
Total sales	2,219,019	2,039,935	6,759,752	6,040,917
COST OF GOODS SOLD				
Virology products (notes 4, 17)	951,119	873,832	3,008,926	2,596,132
Research and development contracts	12,000	15,483	35,880	95,144
Total Cost Of Goods Sold	963,119	889,315	3,044,806	2,691,276
GROSS MARGIN	1,255,900	1,150,620	3,714,946	3,349,641
EXPENSES				
Selling and business development (note 17)	152,069	123,323	414,975	441,538
General and administrative (note 17)	789,560	448,070	2,461,676	1,436,525
Research and development (note 17)	(3,972)	61,722	49,558	119,621
Financial expenses (note 19)	170,474	222,944	464,080	573,370
Total Expenses	1,108,131	856,059	3,390,289	2,571,054
NET COMPREHENSIVE OPERATING INCOME FOR THE PERIOD	147,769	294,561	324,657	778,587
INCOME TAXES				
Deferred income taxes	(66,250)	-	(198,750)	-
Current income taxes	131,864	83,994	312,539	257,987
NET COMPREHENSIVE INCOME FOR THE PERIOD	82,155	210,567	210,868	520,600
NET COMPREHENSIVE INCOME PER SHARE				
Basic (note 16)	0.001	0.003	0.003	0.008
Diluted (note 16)	0.001	0.003	0.003	0.008

The accompanying notes and summary of significant accounting policies are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Unaudited	Three months ended Jun 30 2015 $	Three months ended Jun 30 2014 $	Nine months ended Jun 30 2015 $	Nine months ended Jun 30 2014 $
OPERATING ACTIVITIES				
Net income for the period	82,155	210,567	210,868	520,600
Items not affecting cash				
Amortization (Note 17)	106,803	102,585	310,255	300,333
Accretion of debentures (Note 9)	12,540	29,717	30,325	52,729
Recognition of deferred tax asset	(66,250)	-	(198,750)	-
Stock options expense	150,963	(23,737)	428,005	(14,129)
Change in non-cash working capital balances (Note 18)	(466,544)	(106,209)	(269,695)	(1,050,760)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(180,333)	212,923	511,008	(191,226)
INVESTING ACTIVITIES				
Restricted cash	-	-	-	250,000
Deposit with Lumisort contractor	207,342	-	55,592	-
Purchase of property and equipment and intangible assets (Notes 6, 7)	(1,216,901)	(1,467,802)	(4,398,102)	(2,417,444)
CASH PROVIDED BY (USED) IN INVESTING ACTIVITIES	(1,009,559)	(1,467,802)	(4,342,510)	(2,167,444)
FINANCING ACTIVITIES				
Repayments of long term debt (Note 10)	(29,955)	-	(89,865)	(49,925)
Repayments of debentures (Note 9)	(17,630)	4,945	(51,736)	4,945
Capital lease net of lease payments	14,861	6,703	14,126	6,703
Proceeds from equipment loan, net of costs (Note 10)	84,032	-	749,032	-
Proceeds from issuance of convertible debenture	-	-	-	1,500,000
Proceeds from exercise of warrants (Note 14)	-	545,511	1,738,433	903,236
Proceeds from exercise of stock options (Note 15)	-	-	901,830	185,610
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	51,308	557,159	3,261,820	2,550,569
Effect of foreign currency exchange rate changes on cash and cash equivalents	-	-	639	-
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING THE PERIOD	(1,138,584)	(697,719)	(569,041)	191,899
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	1,116,899	1,149,667	547,356	260,048
CASH AND CASH EQUIVALENTS - END OF THE PERIOD	(21,685)	451,948	(21,685)	451,948

The accompanying notes and summary of significant accounting policies are an integral part of these consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CHANGES INSHAREHOLDERS' EQUITY

Unaudited	Share Capital (Note 12) Number of Shares	Share Capital (Note 12) Stated Capital	Contributed Surplus	Deficit	Equity Component of Debentures	Total Shareholders' Equity
Balance, October 1, 2013	**66,684,350**	**24,299,594**	**3,550,521**	**(24,828,119)**	**2,699,368**	**5,721,364**
Share issuances pursuant to stock options exercised	530,000	185,610				185,610
Share issuances pursuant to conversion of warrants	2,956,400	876,906				876,906
Equity component of convertible						
Settlement of equity component of convertible debenture			1,071,626		(1,264,914)	(193,288)
Equity component of convertible debentures					916,971	916,971
Stock option expense						
Net income (loss) for the period				520,600		520,600
Balance, June 30, 2014	**70,170,750**	**25,362,110**	**4,622,147**	**(24,307,519)**	**2,351,425**	**8,028,163**
Share issuances pursuant to private placement	5,128,208	2,000,000				2,000,000
Share issue costs, private placement		(46,672)				
Share issue costs, warrants		(41,160)	41,160			
Share issuances pursuant to stock options exercised	68,000	213,359	(189,869)			23,491
Share issuances pursuant to conversion of warrants	587,500	174,475				174,475
Stock option expense			14,200			14,200
Net income (loss) for the period				(351,621)		(351,621)
Balance, September 30, 2014	**75,954,458**	**27,662,112**	**4,487,638**	**(24,659,139)**	**2,351,425**	**9,842,035**
Share issuances pursuant to stock options exercised	2,442,000	901,830	(688,083)			213,747
Share issuances pursuant to conversion of warrants	4,807,799	1,738,433				1,738,433
Stock option expense		688,084	428,006			1,116,090
Net income (loss) for the period				210,868		210,868
Balance, June 30, 2015	**83,204,257**	**30,990,459**	**4,227,561**	**(24,448,271)**	**2,351,425**	**13,121,174**

The accompanying notes and summary of significant accounting policies are an integral part of these consolidated interim financial statements.

1. NATURE OF THE BUSINESS

Microbix Biosystems Inc. (Microbix or the Company) (TSX: MBX), develops biological products and technologies. The Virology Business (Virology) manufactures and develops cell culture-based biological products and technologies. The Company has developed and acquired three technologies for large markets including Virus Yield Enhancement Technology, Virusmax® the thrombolytic drug, Kinlytic® (Urokinase), and an animal reproductive technology in development, LumiSort™. The development of new products and technologies is funded with income earned from Virology and additional cash flows from equity and debt issuance. Microbix has substantial capability, both in technical expertise and laboratory facilities for development. Microbix is providing materials for diagnoses of infectious diseases. The same expertise and competencies involved are applicable to developing materials to facilitate treatment. The Company continually invests in Virology to adopt current technologies and standards, upgrading capabilities to support its customers. Revenue generated from Virology is used to meet operational costs, the development program and to service the Company's debt.

The Virology Business is expected to continue to generate a profit, part of which will be invested in the development pipeline. The Company may seek additional capital needed to maintain its current level of investment in the development pipeline. If necessary, management and the Board of Directors have the discretion to reduce or suspend investment in development depending on the cash/liquidity needs of the Company.

The Company operates the Virology Business in its owned manufacturing facility at 265 Watline Avenue, Mississauga, Ontario. The manufacturing facility operates under an infectious diseases biological license from the Canadian Food Inspection Agency.

2. BASIS OF PREPARATION

Statement of Compliance
The Company's management prepared these consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) applicable to the preparation of financial statements. The Board of Directors approved these consolidated interim financial statements on August 11, 2015.

These unaudited consolidated interim financial statements do not include all of the information and notes required by IFRS for annual financial statements and therefore should be read in conjunction with the audited financial statements and notes for the Company's year ended September 30, 2014 that are filed on SEDAR at www.sedar.com.

3. SUMMARY SIGNIFICANT ACCOUNTING POLICIES

Basis of Measurement
The consolidated interim financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value. Items included in the financial statements of each consolidated entity in the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of consolidation
These consolidated interim financial statements include the accounts of the Company and its subsidiary Crucible Biotechnologies Limited. There has been no business activity in the subsidiary during the fiscal period ended June 30, 2015.

Significant accounting policies
All significant accounting policies have been applied on a basis consistent with those followed in the most recent audited annual consolidated financial statements for the year ended September 30, 2014. The policies applied in these consolidated interim financial statements are based on IFRS issued and outstanding at August 11, 2015, the date the Board of Directors approved these consolidated interim financial statements.

Accounting standards issued but not yet applied
Certain new standards, interpretations and improvements to existing standards were issued by the IASB or IFRS Interpretations Committee ("IFRC") that are mandatory for fiscal periods July 1, 2012 or later. The standards are described in the Company's annual consolidated financial statements for the year ended September 30, 2014 and there have not been any additional standards applicable to the Company issued since.

4. INVENTORY

Inventory consists of the following, as at:

	Jun 30, 2015 $	Jun 30, 2014 $
Raw material	736267	377,945
Work in process	654,443	308,707
Finished goods	1,049,125	709,956
	2,439,834	1,396,608

During the period ended June 30, 2015, inventories in the amount of $402,913 (2014 - $438,995) were recognized as an expense through cost of sales. The cost of inventories recognized as an expense includes $Nil (2014 -$Nil) in respect of write-downs of inventory to net realizable value. The allowance for inventory impairment as at June 30, 2015 was $53,597 (2014 - $27,933).

The major use of cash in the quarter was the increase in inventories with higher than normal raw materials and work in process due to increased scheduled shipments in the fourth quarter of fiscal 2015 and materials for the Bioreactor Platform development project. Inventories are projected to decline in the first quarter of fiscal 2016.

5. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses as at June 30, 2015 were $415,882 (2014 - $368,239) and primarily consist of insurance policy premiums and retainers with the Company's legal counsel.

6. PROPERTY, PLANT AND EQUIPMENT

The freehold land and buildings have been pledged as security for bank loans under a mortgage (see Note 10). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

Property plant and equipment consists of:

	Building	Research & development equipment	Other equipment & fixtures	Land	Leasehold improvements	Total
Cost	**$**	**$**	**$**	**$**	**$**	**$**
Balance, Sep 30, 2014	4,536,288	3,581,508	3,570,596	800,000	-	12,488,392
Additions	5,792	2,777,262	1,416,176	-	-	4,199,230
Disposals	-	-	-	-	-	-
Balance, Jun 30, 2015	4,542,080	6,358,770	4,986,772	800,000	-	16,687,622
Accumulated depreciation						
Balance, Sep 30, 2014	790,320	501,115	2,445,197	-	-	3,736,632
Depreciation	114,081	22,179	102,376	-	-	238,636
Reversals	-	-	-	-	-	-
Balance, Jun 30, 2015	904,401	523,294	2,547,572	-	-	3,975,268
Carrying value						
Sept 30, 2014	3,745,968	3,080,393	1,125,399	800,000	-	8,751,760
Jun 30, 2015	3,637,679	5,835,476	2,439,200	800,000	-	12,712,355

Included in research and development equipment is $5,592,237 and in other equipment and fixtures $1,061,991 related to assets not yet available for use. Included in these amounts is directly attributable interest from borrowings to finance these asset additions of $ 101,250 and $ 21,212 respectively. These assets are not yet subject to depreciation.

7. INTANGIBLE ASSETS

Intangible assets are depreciated on a straight line basis at the following rates:

License agreement, LumiSort™ (Note 7a)	5%
Technology investments	
LumiSort™ (Note 7a)	5%
Kinlytic® (Note 7b)	0%

Intangible assets consist of:

	Capitalized development	Patents and trademarks		Licenses	
	LumiSort™	Kinlytic®	LumiSort™	LumiSort™	Total
Cost	**$**	**$**	**$**	**$**	**$**
Balance at September 30, 2014	86,685	2,770,529	1,644,635	278,528	4,780,377
Additions from internal developments	3,737	-	198,872	-	198,872
Acquisitions through business transactions	-	-	-	-	-
Balance at June 30, 2015	**90,422**	**2,770,529**	**1,839,770**	**278,528**	**4,979,249**
Accumulated amortization					
Balance at September 30, 2014	**3,769**	**-**	**530,344**	**192,826**	**726,939**
Amortization expense	687	-	54,863	16,069	71,619
Balance at June 30, 2015	**4,456**	**-**	**585,207**	**208,895**	**798,558**
Carrying value					
Net carrying amount, September 30, 2014	82,916	2,770,529	1,114,291	85,702	4,053,438
Net carrying amount, June 30, 2015	85,966	2,770,529	1,254,563	69,633	4,180,691

(a) LumiSort™

The Company acquired a license agreement from Sequent Biotechnologies Inc. ("Sequent"), a biotechnology company solely involved in the development and commercialization of the Lumisort™ technology under license. New intellectual property with the issue of patents has resulted from this research program. These assets are in the process of being developed and new patents are pending and under development.

(b) Kinlytic®

The Company acquired the assets and rights pertaining to development, production, and licensing of Kinlytic® from Abbott Laboratories in 2008. These assets are in the process of being developed and new patents are pending and under development.

The recoverable amount of the Kinlytic® intangible has been determined based on its fair value less cost to sell. This estimate uses risk-adjusted cash flow projections based on probability-weighted financial budgets.

Management made these assumptions based on probabilities of technical, regulatory and clinical acceptances and financial support. Management believes that any reasonably-possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount to exceed its recoverable amount.

8. BANK INDEBTEDNESS

The Company has a revolving line of credit of $500,000 with its Canadian chartered bank that bears interest at the bank's prime lending rate plus 2.25%. Accounts receivable and property, plant and equipment are pledged as collateral for the bank credit facility. As at June 30, 2015, $21,686 (2014 - $nil), of the line of credit was fully unused.

9. DEBENTURES

The Company has convertible and non-convertible debentures issued and outstanding as at June 30, 2015. The carrying values of the debt component of these debentures are as follows:

	Non-convertible	Convertible				Total
Date of issue	Jan, 2014	Jan, 2014	Feb, 2007	Oct, 2006	Sep, 2008	
Proceeds of issue	$2,000,000	$1,500,000	$500,000	$500,000	$2,500,000	
	$	$	$	$	$	$
Balance, September 30, 2014	**924,700**	**521,886**	**459,703**	**472,238**	**917,017**	**2,370,844**
Accretion expense	180,698	105,890	44,279	42,049	178,090	269,058
Repayments	(183,181)	(101,250)	(33,750)	(33,750)	(168,750)	(236,250)
Balance, June 30, 2015	**922,217**	**526,526**	**470,232**	**480,537**	**926,357**	**2,403,652**
Less: current portion	244,284	135,000	45,000	45,000	225,000	450,000
	677,933	**391,526**	**425,232**	**435,537**	**701,357**	**1,953,652**
Note	(a)	(b)	(c)	(d)	(e)	

The debentures denoted (a), (b), and (e) are secured against the real property and the personal property of the Company including without limiting the foregoing, a registered second mortgage on the property at 265 Watline Avenue, Mississauga, Ontario in favour of the holder, its successors and assigns subordinate only to indebtedness to a Canadian chartered bank or similar financial institution on normal commercial terms up to their maximum principal.

The debentures denoted (c) and (d) are secured by a subordinated security agreement covering all of the Company's property and assets, including its goodwill.

Convertible debentures contain two components: liability and equity elements. The equity element is presented in equity under the heading of "equity component of debenture". Convertible debentures are initially accounted for in accordance with their substance and are presented in the financial statements in their component parts measured at the time of issue. The debt components were valued first with the residual to shareholders' equity. Over the term of the convertible debentures, the debt components will be accreted to the face value of the debentures by the recording of additional interest expense using the effective interest rate, as detailed below.

All of the debentures were issued to a shareholder of the company.

Note	(a)	(b)	(c)	(d)	(e)
Date of issue	Jan, 2014	Jan, 2014	Feb, 2007	Oct, 2006	Sep, 2008
Face value	$ 2,000,000	$ 1,500,000	$ 500,000	$ 500,000	$ 2,500,000
Issue costs	$ -	$ 65,559	$ -	$ -	$ -
Liability component at the date of issue	$ 928,373	$ 517,470	$ 388,958	$ 413,320	$ 885,089
Equity component at the date of issue	N/A	$ 916,971	$ 111,042	$ 86,680	$ 1,614,911
Conversion price per common share	$ -	$ 0.35	$ 0.90	$ 0.90	$ 0.65
Effective interest rate charged	25.69%	25.69%	13.00%	12.00%	25.69%
Payment frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Maturity of financial instrument	Jan, 2029	Jan, 2029	Feb, 2017	Oct, 2016	Sep, 2028
Stated interest rate	9%	9%	9%	9%	9%
Terms of repayment	Principal and interest	Interest only	Interest only	Interest only	Interest only
Blended quarterly payments	$ 61,071	N/A	N/A	N/A	N/A

As the issuance of the non-convertible debenture denoted as (a) and the cancellation of the convertible debenture denoted as (e), were transacted with the same shareholder and represented a substantial modification in the terms, the non-convertible debenture is being accounted for in accordance with its substance and is presented in the financial statements as new debt, measured at fair value at the time of the issue.

10. LONG-TERM DEBT

In fiscal 2009 the Company negotiated a series of loans totalling $3,410,000 with the Business Development Bank (BDC) for the original purchase and build-out of its manufacturing facility.

	$
Purchase of the building	1,500,000
Construction of manufacturing facility	1,500,000
Purchase of equipment for facility	410,000
	3,410,000

The loans are secured with the building and equipment.

For loans totalling $3,350,000, consecutive monthly principal payments of $9,260 are due to February 2037 on the outstanding balance of $2,518,720 (Sept 30, 2014 - $2,602,060).

For loans totalling $60,000, consecutive monthly principal payments of $725 are due to February 2017 on the outstanding balance of $14,500 (Sept 30, 2014 – $21,025).

During the first quarter of fiscal 2015, the Company received an additional $615,000 loan from BDC with a maturity of July, 2020 with monthly repayments of principal and interest of $10,250 starting in August, 2015. The funds from this loan are being used to upgrade the Company's production process.

All of the above loans have a floating interest rate based on BDC's Floating Base Rate plus 0.5%. At March 31, 2015 the Floating Base Rate was 5.0%.

During the second quarter of fiscal 2015, the Company received an additional $50,000 loan from BDC with a maturity of January 2020 with monthly repayments of principal and interest starting February 2016 with a floating interest rate plus 1%. The funds are being used to upgrade the Company's IT system.

During the third quarter of fiscal 2015, the Company was approved for an equipment line facility which must be utilized by December 15, 2015. As at June 30, 2015 the Company had utilized $84,032 of the line. The loan has a maturity of December 12, 2019 with monthly repayments of principal and interest starting December 12, 2015 with a floating interest rate plus 1%. The funds are being used to upgrade general antigen processing equipment.

Following is the commitment for the next five years for the Business Development Corporation loans as at June 30:

	$
2016	237,778
2017	252,420
2018	246,620
2019	246,620
2020	246,620

11. DEFERRED REVENUE

In 2007, the Company entered into an agreement with the Animal Fine Breeding Station of Hebei Province in China, as the exclusive distributor of Microbix' proprietary Semen Sexing Technology ("SST"). Under the terms of the agreement, the Company had received a non-refundable payment of $400,000 US and will receive an additional payment upon a milestone achievement. Royalty fees and payment for materials will be made with product sales.

This payment is being accounted for in accordance with its substance and is presented in the financial statements as deferred revenue on the statement of financial position. The Company will defer recognition of this revenue until all of the deliverables in the agreement are complete. At June 30, 2015, all of the deliverables have not been met and are not expected to be met within the next fiscal year and therefore no amount has been recognized or reclassified to current liabilities.

12. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Common Shares with no par value and an unlimited number of Preference Shares with no par value. The changes in issued and fully paid common shares are noted in the Consolidated Interim Statement of Shareholder's Equity and are as follows:

The number of issued and outstanding common shares and the stated capital of Microbix as at June 30, 2015 are presented below:

	Number of Shares	Stated Capital $
Balance, September 30, 2014	75,954,458	27,662,112
Exercise of stock options	265,000	92,910
Exercise of warrants	1,796,658	548,977
Stock option expense	-	93,556
Balance, December 31, 2014	78,016,116	28,397,555
Exercise of stock options	3,011,141	1,189,456
Exercise of warrants	2,177,000	808,920
Stock option expense	-	594,528
Balance, March 31, 2015	83,204,257	30,990,459
Exercise of stock options	-	-
Exercise of warrants	-	-
Stock option expense	-	-
Balance, June 30, 2015	83,204,257	30,990,459

13. CONTRIBUTED SURPLUS

	$
Balance, September 30, 2014	4,487,638
Stock options exercised	(93,556)
Stock option expense	127,738
Balance, December 31, 2014	4,521,820
Stock options exercised	(594,527)
Stock option expense	149,304
Balance, March 31, 2015	4,076,598
Stock options exercised	-
Stock option expense	150,963
Balance, June 30, 2015	4,227,561

14. COMMON SHARE PURCHASE WARRANTS

A continuity of the Company's warrants outstanding as at June 30, 2014 and September 30, 2014 is presented in the following table:

		$
Outstanding, September 30, 2014	**10,133,517**	**0.48**
Issued	50,000	0.33
Exercised	(1,796,658)	0.43
Expired	-	-
Outstanding, December 31, 2014	**8,386,859**	**0.49**
Issued	97,124	0.36
Exercised	(3,011,141)	0.39
Exercised	(30,000)	0.40
Outstanding, March 31, 2015	**5,442,842**	**0.54**
Issued	-	-
Exercised	-	-
Exercised	-	-
Outstanding, June 30, 2015	**5,442,842**	**$ 0.54**

14. COMMON SHARE PURCHASE WARRANTS (continued)

A summary of the Company's warrants outstanding as at June 30, 2015 and September 30, 2014 is presented in the following table:

	June 30, 2015			September 30, 2014		
	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life
		$	years		$	years
Range of exercise prices:						
$0.25 to $0.39	193,079	$ 0.25	0.68	5,128,208	$ 0.36	0.43
$0.40 to $0.55	5,249,763	$ 0.55	4.26	5,249,763	$ 0.55	4.92
	5,442,842	$ 0.53	4.13	10,377,971	$ 0.46	2.70

15. STOCK OPTION PLAN

On March 5, 2013, the shareholders of the Company approved a resolution to amend the Company's stock option plan. This amendment changed the total number of Common Shares available to be issued under the plan from a maximum of 10,000,000 to a maximum of 12,000,000 common shares. Under the plan, the Company has 4,872,000 options issued and pending as at June 30, 2015, (Sept 30, 2014 – 4,354,000).

The exercise price of each option equals no less that the market price at the date immediately preceding the date of the grant. In general, options issued under the plan vest and are exercisable in equal amounts in three steps, at the issue date and at the anniversary date in the subsequent two years. Management does not expect any stock options issued in the year and remaining unvested at the year-end to be forfeited before they vest.

The following table reflects the activity under the Company's stock option plan period ended June 30, 2015 and September 30, 2014.

	Units	Weighted average exercise price
		$
Outstanding, September 30, 2014	**4,354,000**	**$ 0.36**
Issued	3,010,000	$ 0.54
Exercised	(2,442,000)	$ 0.37
Expired or forfeitted	(50,000)	$ 0.35
Outstanding, June 30, 2015	**4,872,000**	**$ 0.45**

The exercise price of each option equals the closing market price of the Company's capital stock on the day preceding the grant date.

15. STOCK OPTION PLAN (continued)

The following table reflects the number of options, their weighted average price and the weighted average remaining contract life for the options grouped by price range:

	As at June 30, 2015		
	Number of options outstanding	Weighted average exercise price	Weighted average remaining contractual life
		$	years
Range of exercise prices:			
$0.26 to $0.39	1,862,000	$0.31	0.63
$0.39 to $0.54	3,010,000	$0.54	5.25

The fair value of options granted during the period ended June 30, 2015 was estimated at the grant date using the Black-Scholes options pricing model, resulting in the following weighted-average assumptions:

Share price on issue date	$0.59
Dividend yield	0.00%
Volatility	93.3%
Risk-free interest rate	1.40%
Expected option life (years)	5
Weighted average fair value of each option ($/option)	0.43

The volatility of the stock for the Black-Scholes options pricing model was based on 5-year historic volatility of the Company's stock price on the Toronto Stock Exchange. Management believes that the historic stock volatility provides a fair and appropriate basis of estimate for the expected future volatility of the stock.

During the period, the fair value of the options vested in the year were expensed and credited to contributed surplus.

16. INCOME PER SHARE

Basic income per share is calculated using the weighted average number of shares outstanding. Diluted income per share reflects the dilutive effect of the exercise of stock options, warrants and convertible debt. The following table reconciles the net income and the number of shares for the basic and diluted loss per share computations for the three months ended June 30:

	2015	2014
Numerator		
Net income available to common shareholders	$82,155	$210,567
Denominator for basic EPS – weighted average common shares outstanding	83,204,257	68,704,702
Effect of dilutive securities:		
Warrants	115,972	524,682
Stock Options	766,651	339,270
Convertible Debentures	1,458,478	77,220
Denominator for diluted EPS	85,545,358	69,645,875
Earnings per share		
Basic	$0.001	$0.003
Diluted	$0.001	$0.003

The following represents the warrants, stock options and convertible debentures not included in the calculation of diluted EPS due to their anti-dilutive impact:

	2015	2014
Pursuant to warrants	5,128,208	2,844,016
Under stock options	2,985,000	1,180,000
Pursuant to convertible debentures	4,957,265	4,957,265
	13,070,473	8,981,281

17. EXPENSES BY NATURE

The Company has chosen to present its Statements of Comprehensive Income based on the functions of the entity. The Consolidated Statements of Comprehensive Income include the following expenses by nature:

a) Employee costs:	Three months ended Jun 30, 2015 $	Three months ended Jun 30, 2014 $	Nine months ended Jun 30, 2015 $	Nine months ended Jun 30, 2014 $
Short-term wages, bonuses and benefits	887,512	863,999	2,602,259	2,358,657
Share based payments	150,963	4,593	428,005	14,202
Total employee costs	1,038,475	868,592	3,030,264	2,372,858
Included in:				
Cost of goods sold	598,115	568,735	1,737,479	1,533,304
Research and development	73,189	110,981	232,874	292,375
General and administrative expenses	288,915	110,875	817,366	290,552
Selling and business development	78,257	73,407	242,545	233,427
Total employee costs	1,038,475	863,998	3,030,264	2,358,658
b) Depreciation and amortization				
Included in:				
Cost of goods sold	74,919	70,532	216,457	211,596
General and administrative expenses	229	156	687	468
Research and development	31,655	31,897	93,111	88,269
Total depreciation and amortization	106,803	102,585	310,255	300,333

18. CHANGES IN NON-CASH WORKING CAPITAL BALANCE

	Three months ended Jun 30,2015 $	Three months ended Jun 30,2014 $	Nine months ended Jun 30,2015 $	Nine months ended Jun 30,2014 $
Accounts receivable	115,087	30,061	202,798	(572,667)
Inventory	(521,249)	(299,007)	(841,405)	(324,457)
Prepaid expenses & other assets	(55,220)	(63,831)	36,653	(292,413)
Investment tax credit receivable	82,251	(22,567)	55,841	(53,412)
Accounts payable and accrued liabilities	(87,413)	249,136	276,418	192,189
	(466,544)	(106,209)	(269,695)	(1,050,760)

19. FINANCIAL EXPENSES

	Three months ended Jun 30,2015 $	Three months ended Jun 30,2014 $	Nine months ended Jun 30,2015 $	Nine months ended Jun 30,2014 $
Cash interest				
Interest on long-term debt	35,030	42,168	106,201	125,928
Interest on debentures	122,191	159,501	367,451	399,664
Interest other	1,059	-	1,590	449
Interest income	(346)	(1,105)	(41,487)	(5,400)
Non-cash interest				
Accretion on debentures	12,540	22,380	30,325	52,729
Financial expenses	170,474	222,944	464,080	573,370

20. CAPITAL MANAGEMENT

The Company's capital management objective is to safeguard its ability to function as a going concern to maintain its virology operations and to fund its development activities. Microbix defines its capital to include the revolving line of credit, shareholders' equity, the Business Development Bank capital loan, and the debentures. The capital at June 30, 2015 was $20,194,423 (2014 - $14,552,818).

To date, the Company has used common equity issues, debentures and a bank mortgage to fund its activities. The equity is through private placements, the debentures are all controlled by private individuals known to the Company and the mortgage is with the Business Development Bank. If possible, the Company tries to optimize its liquidity needs by non-dilutive sources, including investment tax credits, grants and interest income. The Company has a revolving line of credit of $500,000 with its Canadian chartered bank, (see Note 8).

The Company's general policy is to not pay dividends and retain cash to keep funds available to finance the Company's growth. However, the Board of Directors may, from time to time, choose to declare a dividend in assets if warranted by circumstances. There was no change during the year in how the Company defines its capital or how it manages its capital.

21. FINANCIAL INSTRUMENTS

The fair value of a financial instrument is approximated by the consideration that would be agreed to in an arm's length transaction between willing parties and through appropriate valuation methods, but considerable judgment is required for the Company to determine the value. The actual amount that could be realized in a current market exchange could be different than the estimated value.

The carrying amounts of cash and cash equivalents, accounts receivable, bank indebtedness and accounts payable and accrued liabilities approximate fair value due to the short-term maturities of these instruments.

The fair value of the long-term debt is based on rates currently available for items with similar terms and maturities. The convertible and non-convertible debenture fair values are not readily determinable as the convertible debentures have been issued to shareholders of the Company.

22. FINANCIAL RISK MANAGEMENT

The primary risks that affect the Company are set out below and the risks have not changed during the reporting year. The list does not cover all risks to the Company, nor is there an assurance that the strategy of management to mitigate the risks is sufficient to eliminate the risk.

a) Credit risk

The Company's cash and cash equivalents are held in accounts or short-term interest bearing accounts at one of the major Canadian chartered banks. Management perceives the credit risk to be low. The Company's customers are primarily large multi-national companies with very high quality credit ratings. Given this track record, management perceives the credit risk to be low. Typically the outstanding accounts receivable balance is relatively concentrated with a few large customers representing the majority of the value. At June 30, 2015, four customers accounted for 65% (2014 – four for 82%) of the outstanding balance. The Company has had minimal bad debts over the past several years and accordingly management has recorded an allowance of $1,018 (2014 - $51,433).

Trade accounts receivable are aged as follows at June 30:

	Three months ended 2015 $	Three months ended 2014 $
Current	1,364,794	1,557,643
0-30 days past due	350,939	637,728
31-60 days past due	1,963	32,522
61 days and over past due	221,013	211,261
	1,938,709	1,708,044

b) Currency risk

The Company is exposed to currency risk given its global customer base. Over 90% of its revenue is denominated in either U.S. dollars or Euros. The Company does not use financial instruments to hedge this currency risk. At June 30, 2015, the significant balances, quoted in Canadian dollars, held in foreign currencies are:

	US dollars		Euros	
	2015	2014	2015	2014
Cash and cash equivalents	158,815	251,648	-	-
Accounts receivable	509,956	498,078	1,092,114	1,094,687
Accounts payable and accrued liabilities	509,956	158,222	128,891	29,578

The impact of a 1 cent increase in the Canadian dollar against the US dollar would result in a revenue loss of about 1%. The impact of a 1 cent increase in the Canadian dollar against the Euro would result in a revenue loss of about 1.4%.

22. FINANCIAL RISK MANAGEMENT (continued)

c) Liquidity risk

Liquidity risk measures the Company's ability to meets its financial obligations when they fall due. To manage this situation, the Company projects and monitors its cash requirements to accommodate changes in liquidity needs.

d) Interest rate risk

Financial instruments that potentially subject the Company to interest rate risk include those assets and liabilities with a variable interest rate. Exposure to interest rate risk is primarily on the BDC debt that has a variable rate pegged to the bank rate. The rate can be fixed, if the outlook indicates interest rates will move higher. The only other variable debt the Company has is the $500,000 line of credit that bears interest at the bank's prime lending rate plus 2.25%. A 1% increase in the bank rate would cost the Company approximately $32,000 per year for BDC and about $5,000 on the line of credit usage.

e) Market risk

Market risk reflects changes in pricing for both Virology products and raw materials based on supply and demand criteria; also market forces can affect foreign currency exchange rates as well as interest rates which could affect the Company's financial performance or the value of its financial instruments. Microbix products are valuable components in our customers' products and cannot be easily replaced. The Company works closely with customers to ensure its products meet their specific criteria.

f) Fair value

The Company records all financial assets and liabilities at their fair value.

23. SEGMENTED INFORMATION

The Company operates in two industries: the development, manufacturing and distribution of cell based products and technology and, provision of facility, technical and production personnel for contract research and development. External revenue by segment is attributed to geographic regions based on the location of customers: North America, Europe and Other foreign countries.

The following is an analysis of the Company's revenue and results from continuing operations by reportable segment for the three months ended June 30:

	Segment revenue		Segment profit	
	2015	2014	2015	2014
	$	$	$	$
Virology Products and Technologies	2,219,019	2,039,935	82,155	210,567
Lumisort ™	-	-	-	-
Kinlytic®	-	-	-	-
Total for continuing operations	2,219,019	2,039,935	82,155	210,567

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current period (2014 - $Nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, share of profits of associates, gain recognised on disposal of interest in former associate, investment income, other gains and losses as well as finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

All assets are allocated to reportable segments other than interests in associates and current and deferred tax assets. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments. All liabilities are allocated to reportable segments other than borrowings and current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets. All segment assets and liabilities as at March 31 are detailed as follows:

	Segment assets		Segment liabilities	
	2015	2014	2015	2014
	$	$	$	$
Virology Products and Technologies	13,437,600	11,492,152	2,111,647	1,552,528
Lumisort ™	6,030,880	1,755314	-	-
Kinlytic®	2,770,529	2,770,529	-	-
Total for continuing operations	22,239,009	16,017,995	2,111,647	1,552,528

23. SEGMENTED INFORMATION (continued)

Depreciation and amortization and additions to non- current assets for each reportable segments for the three months ended June 30 are detailed as follows:

	Depreciation and amortization		Additions to non-current assets	
	2015	2014	2015	2014
	$	$	$	$
Virology Products and Technologies	75,148	78,785	518,831	201,929
Lumisort ™	31,655	23,800	698,070	1,265,873
Kinlytic®	-	-	-	-
Total for continuing operations	106,803	102,585	1,216,901	1,467,802

24. GEOGRAPHIC INFORMATION

The Company operates in three principal geographical areas – North America (country of domicile), Europe and in other foreign countries. The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets as at June 30 are detailed below.

	Revenue from external customers		Non-current assets	
	2015	2014	2015	2014
	$	$	$	$
North America	769,122	867,912	17,356,796	11,945,382
Europe	1,220,845	1,091,066	-	-
Other foreign countries	229,052	80,957	-	-
	2,219,019	2,039,935	17,356,796	11,945,382

25. RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2015, the Company paid interest of $156,707 (2014 - $159,501) on the convertible debentures issued to related party shareholders.

26. COMMITMENTS AND CONTINGENCIES

a) Lease commitments

	$
2016	54,882
2017	10,047
2018	7,842
2019	5,606
2020	-
	78,377

b) Payments on convertible and non-convertible debentures (Note 9)

	$
2016	694,242
2017	1,671,742
2018	604,242
2019	604,242
2020	604,242
	4,178,710

c) Contingencies

The Company is party to legal proceedings arising out of the normal course of business. The results of these litigations cannot be predicted with certainty, and management is of the opinion that the outcome of these proceedings is not determinable. Any loss resulting from these proceedings will be charged to operations in the period when the loss becomes probable to occur and reasonably measurable.

DIRECTORS

Peter M. Blecher
Ontario, Canada
Staff Emergency Physician
Lakeridge Health Hospital

Mark A. Cochran
Virginia, USA
Managing Director
Johns Hopkins Medicine

Vaughn C. Embro-Pantalony [(1) (2)]
Ontario, Canada
President and Chief Executive Officer
Microbix Biosystems Inc.

William J. Gastle [(2)]
Ontario, Canada
Executive Chairman
Microbix Biosystems Inc.

Cameron Groome [(1)]
Ontario, Canada
Pharmaceutical Executive

Martin A. Marino [(1) (2)]
Ontario, Canada
Pharmaceutical Executive

Andrew C. Pollock [(1) (2)]
Ontario, Canada
Marketing Excecutive

Joseph D. Renner [(2)]
New Jersey, USA
Pharmaceutical Executive

[(1)]Member of Audit Committee.
[(2)]Member of the Human Resources, Compensation and Governance Committee.

CORPORATE INFORMATION

Corporate Counsel	*Boyle & Co. LLP*
Auditors	*Collins Barrow Toronto LLP Chartered Accountants*
Transfer Agent	*Canadian Stock Transfer Company Inc. as the Administrative Agent for CST Trust Company 416-682-3854*
Bankers	*TD Bank*
Head Office	Microbix Biosystems Inc. 265 Watline Avenue, Mississauga, Ontario Canada L4Z 1P3 Tel: 905-361-8910 Fax: 905-361-8911 www.microbix.com

SENIOR MANAGEMENT

William J. Gastle
Executive Chairman

Vaughn C. Embro-Pantalony
President and Chief Executive Officer

Charles S. Wallace
Chief Finanical Officer

Dr. Mark Luscher
Senior Vice-President, Scientific Affairs

Phillip Casselli
Senior Vice-President, Sales & Business Development

Kevin J. Cassidy
Vice President, Biopharmaceuticals

Christopher B. Lobb
General Counsel & Secretary


MICROBIX

MICROBIX

MICROBIX

265 Watline Avenue,
Mississauga, ON
Canada L4Z 1P3
Tel: 905-361-8910
Fax: 905-361-8911
1-800-794-6694
Web Site: www.microbix.com