UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1 to FORM 40-F

☒ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: N/A

Commission file number: _________

ACASTI PHARMA INC.

(Exact Name of Registrant as Specified in its charter)

Québec, Canada	2836	N/A
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification No.)

225, Promenade du Centropolis, bureau 200
Laval, Québec
H7T 3B3
(450) 687-2262

(Address and telephone number of Registrant's principal executive offices)

CT Corporation System
111 Eighth Avenue, 13th Floor
New York, New York 10011
(212) 894-8700

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act: **None**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **Common Shares, no par value**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

☐ Annual information form ☐ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: **N/A**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. ☐ Yes ☒ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☐ No ☐

EXPLANATORY NOTICE TO READER

On July 20, 2012, the Registrant filed its registration statement on Form 40-F (the "Registration Statement"). The Registrant is filing this amendment to the Registration Statement to revise Exhibits 99.18, 99.27, 99.32 and 99.41 to clarify that the financial statements in such Exhibits were prepared in accordance with International Financial Reporting Standards "as issued by the International Accounting Standards Board." Corrected versions of Exhibits 99.18, 99.27, 99.32 and 99.41 are filed herewith. No other portions of the Registration Statement are being amended.

PRINCIPAL DOCUMENTS

The documents filed as Exhibits 99.1 through 99.47 hereto are each incorporated by reference into this registration statement on Form 40-F.

OFF-BALANCE SHEET ARRANGEMENTS

The Registrant does not have any off-balance sheet financing arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

A summary of Acasti's contractual obligations at February 29, 2012 is summarized as follows:

	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	3-5 YEARS	GREATER THAN 5 YEARS
Payables	$ 995,662	$ 995,662	$ -	$ -	$ -
Due to parent corporation	$ 263,856	$ 263,856	$ -	$ -	$ -
Research and development contracts	$2,290,547	$1,230,547	$1,060,000	$ -	$ -
Total	$3,550,065	$2,490,065	$1,060,000	$ -	$ -

License agreement

The Registrant is committed under a license agreement to pay its parent company, Neptune Technologies and Bioressources Inc. ("Neptune"), until the expiration of Neptune's patents on licensed intellectual property, a royalty equal to the sum of (a) in relation to sales of products in the licensed field, the greater of: (i) 7.5% of net sales, and (ii) 15% of the Registrant's gross margin; and (b) 20% of revenues from sub-licenses granted by the Registrant to third parties. After the expiration of Neptune's patents on licensed intellectual property in 2022, the license agreement will automatically renew for an additional 15 years, during which period royalties will be determined to be equal to half of those calculated with the above formula. In addition, the license agreement provides for minimum royalty payments notwithstanding the above of: year 1 - nil; year 2 - $50,000; year 3 - $200,000; year 4 - $300,000; year 5 - $900,000 and year 6 and thereafter - $1,000,000. Minimum royalties are based on contract years based on the effective date of the agreement, August 7, 2008.

The Registrant has the option to pay future royalties in advance, in cash or in kind, in whole or in part, based on an established economic model contained in the license agreement. The Registrant can also abandon its rights under all or part of the license agreement and consequently remove itself from the obligation to pay all or part of the minimum royalties by paying a penalty equal to half of the next year's minimum royalties. In addition, the Registrant is committed to have its products manufactured by Neptune at prices determined according to different cost-plus rates for each of the product categories under the license agreement. Included in "Due to parent corporation" in the table above is an amount of $49,084 due to Neptune under the license agreement.

Research and development contracts

With respect to "Research and development contracts" in the table above, in the normal course of business, the Registrant has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products. The Registrant has reserved certain rights relating to these projects. The Registrant initiated research and development projects that will be conducted over a 12 to 24 month period for a total estimated cost of $4,136,000. As at February 29, 2012, an amount of $248,050 is included in "Trade and other payables" in the table above. The amount of $2,290,547 included in "Research and development contracts" above represents purchase obligations under committed contracts for which services will be rendered after February 29, 2012.

FORWARD LOOKING STATEMENTS

Statements included or incorporated by reference in this registration statement on Form 40-F that are not statements of historical or current fact constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities laws. Such forward-looking statements involve known and unknown risks, uncertainties, and other unknown factors that could cause the actual results of the Registrant to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such risks, uncertainties, and other unknown factors include, but are not limited to, the time required to complete important strategic transactions and changes to economic conditions in Canada, the United States and Europe (including changes to exchange and interest rates). In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements containing the terms "believes," "belief," "expects," "intends," "anticipates," "will," or "plans" and similar terms to be uncertain and forward-looking. The forward-looking statements included or incorporated by reference herein are also subject generally to other risks and uncertainties that are described in the Registrant's "Management's Discussion and Analysis of the Financial Situation and Operating Results – 2012" and in the Registrant's "Application for the Listing of the Class A Common Shares of Acasti Pharma Inc." (included, respectively, as Exhibits 99.40 and 99.3 hereto and available online at www.sedar.com).

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant has prepared its financial statements, which are filed with this registration statement on Form 40-F as Exhibits 99.18, 99.27, 99.32 and 99.41, in accordance with Canadian generally accepted accounting principles applicable to publicly accountable enterprises which, with respect to the preparation of all interim and annual financial statements relating to periods beginning on or after January 1, 2011, is within the framework of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") incorporated into the CICA Handbook Part 1. The presentation of such financial statements differs from United States generally accepted accounting principles ("U.S. GAAP") and such financial statements are subject to Canadian auditing and auditor independence standards. Such financial statements therefore may not be comparable to financial statements prepared in accordance with U.S. GAAP.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking. The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Securities and Exchange Commission (the "Commission") staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F or transactions in said securities.

B. Consent to Service of Process. Concurrently with the filing of this registration statement on Form 40-F, the Registrant has filed with the Commission a written irrevocable consent and power of attorney on Form F-X.

Any change to the name or address of the agent for service of the Registrant shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Registrant.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereto duly authorized.

ACASTI PHARMA INC.

By: /s/ Xavier Harland
Name: Xavier Harland
Title: Chief Financial Officer

Date: July 24, 2012

EXHIBIT INDEX

99.1	News Release – March 24, 2011
99.2	Form 5D Escrow Agreement – March 25, 2011
99.3	Application for the Listing of the Class A Common Shares of Acasti Pharma Inc. – March 25, 2011
99.4	News Release – March 30, 2011
99.5	News Release – March 31, 2011
99.6	Material Change Report – April 4, 2011
99.7	Notice of the Meeting and Record Date – April 21, 2011
99.8	Notice of Meeting – May 27, 2011
99.9	Management Information Circular – May 27, 2011
99.10	Form of Proxy – May 30, 2011
99.11	Technology License Agreement - June 9, 2011
99.12	News Release – June 16, 2011
99.13	News Release – June 17, 2011
99.14	Rights Offering Circular – June 17, 2011
99.15	News Release – June 30, 2011
99.16	News Release – July 21, 2011
99.17	Management's Discussion and Analysis of the three-month periods ended May 31, 2011 and 2010 – August 15, 2011
99.18	Interim Financial Statements and Report for the three-month periods ended May 31, 2011 and 2010 – August 15, 2011
99.19	News Release – August 15, 2011
99.20	News Release – September 8, 2011
99.21	News Release – September 16, 2011
99.22	News Release – September 21, 2011
99.23	News Release – October 4, 2011

99.24 News Release – October 14, 2011

99.25 News Release – October 20, 2011

99.26 Management's Discussion and Analysis of the three-month and six-month periods ended August 31, 2011 and 2010 – November 1, 2011

99.27 Interim Financial Statements and Report for the three-month and six-month periods ended August 31, 2011 and 2010 – November 1, 2011

99.28 News Release – December 5, 2011

99.29 News Release - December 7, 2011

99.30 News Release – January 9, 2012

99.31 Management's Discussion and Analysis of the three -month and nine-month periods ended November 30, 2011 and 2010 – January 16, 2012

99.32 Interim Financial Statements and Report for the three-month and nine-month periods ended November 30, 2011 and 2010 – January 16, 2012

99.33 News Release – January 17, 2012

99.34 News Release – February 7, 2012

99.35 News Release – February 13, 2012

99.36 Early Warning Report – February 14, 2012

99.37 News Release – March 6, 2012

99.38 Notice of Meeting and Record Date – April 21, 2012

99.39 Annual Report for the Year ended February 29, 2012 – May 24, 2012

99.40 Management's Discussion and Analysis of the Financial Situation and Operating Results 2012 – May 24, 2012

99.41 Audited Annual Financial Statements for the years ended February 29, 2012 and February 28, 2011 – May 24, 2012

99.42 News Release – May 24, 2012

99.43 Notice of Meeting – May 25, 2012

99.44 Management Information Circular - May 25, 2012

99.45 Form of Proxy – May 25, 2012

99.46 News Release - July 9, 2012

99.47 Consent of KPMG LLP

Exhibit 99.18

Interim Financial Statements of
(Unaudited)

ACASTI PHARMA INC.

For the three-month periods ended May 31, 2011 and 2010 and as at March 1, 2010

ACASTI PHARMA INC.

Interim Financial Statements
(Unaudited)

For the three-month periods ended May 31, 2011 and 2010 and as at March 1, 2010

Financial Statements

Interim Statements of Financial Position	1
Interim Statements of Earnings and Comprehensive Loss	2
Interim Statements of Changes in Equity	3
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Notice:

These interim financial statements have not been reviewed by an auditor.

ACASTI PHARMA INC.

Interim Statement of Financial Position
(Unaudited)

As of May 31, 2011, February 28, 2011 and March 1, 2010

	May 31, 2011	February 28, 2011	March 1, 2010
Assets			
Current assets:			
Cash	$ 406,493	$ 322,183	$ 412,822
Short-term investments	2,016,427	2,507,747	–
Trade and other receivables	164,596	192,440	68,389
Receivable from company under common control	37,113	12,381	–
Tax credits receivable	109,518	241,300	402,257
Prepaid expenses	41,598	14,431	–
Inventories	292,994	–	–
	3,068,739	3,290,482	883,468
Equipment	35,223	37,909	29,851
Intangible asset	7,338,096	7,502,380	8,159,524
	$10,442,058	$10,830,771	$ 9,072,843
Liabilities and Equity			
Current liabilities:			
Trade and other payables	$ 631,910	$ 510,604	$ 309,254
Payable to parent company	749,798	435,310	382,125
Royalties payable to parent company (note 6)	–	128,020	–
Convertible redeemable shares (note 4)	–	4,052,000	4,052,000
	1,381,708	5,125,934	4,743,379
Royalties payable to parent company (note 6)	178,523	–	–
Derivative financial liabilities (note 4)	–	–	233,790
	1,560,231	5,125,934	4,977,169
Equity:			
Share capital (note 4)	16,216,933	12,164,933	7,738,587
Contributed surplus	329,367	181,074	–
Deficit	(7,664,473)	(6,641,170)	(3,642,913)
	8,881,827	5,704,837	4,095,674
	$10,442,058	$10,830,771	$ 9,072,843

See accompanying notes to unaudited interim financial statements.

ACASTI PHARMA INC.

Interim Statements of Earnings and Comprehensive Loss
(Unaudited)

Three-month periods ended May 31, 2011 and 2010

	May 31, 2011	May 31, 2010
Revenue from research contracts	$ 82,979	$ –
General and administrative expenses	(640,699)	(294,094)
Research and development expenses, net of tax credits of $30,656 (2010 - $75,919)	(461,142)	(246,760)
Results from operating activities	(1,018,862)	(540,854)
Interest income	8,760	3,814
Finance costs	(385)	(5,545)
Foreign exchange (loss) gain	(12,816)	276
Net finance expense	(4,441)	(1,455)
Net loss and total comprehensive loss for the period	$ (1,023,303)	$ (542,309)
Basic earnings (loss) per share	$ (0.02)	$ (0.01)
Diluted earnings (loss) per share	(0.02)	(0.01)
Weighted average number of shares outstanding	63,233,792	47,674,934

See accompanying notes to unaudited interim financial statements

ACASTI PHARMA INC.

Interim Statements of Change in Equity
(Unaudited)

Three-month periods ended May 31, 2011 and 2010

	Share capital		Contributed		
	Number	Dollar	surplus	Deficit	Total
Balance, February 28, 2011	59,174,444	$12,164,933	$ 181,074	$(6,641,170)	$ 5,704,837
Net loss and total comprehensive loss for the period	–	–	–	(1,023,303)	(1,023,303)
Transactions with owners, recorded directly in equity					
Contributions by and distribution to owners					
Conversion of convertible redeemable shares	5,260,000	4,052,000	–	–	4,052,000
Share-based payment transactions	–	–	148,293	–	148,293
Total contributions by and distribution to owners	5,260,000	4,052,000	148,293	–	4,200,293
Balance at May 31, 2011	64,434,444	$16,216,933	$ 329,367	$(7,664,473)	$ 8,881,827
Balance, March 1, 2010	46,673,924	$ 7,738,587	$ –	$(3,642,913)	$ 4,095,674
Net loss and total comprehensive loss for the period	–	–	–	(542,309)	(542,309)
Transactions with owners, recorded directly in equity					
Contributions by and distribution to owners					
Share-based payment transactions	–	–	19,776	–	19,776
Warrants exercised	1,746	744	–	–	744
Total contributions by and distribution to owners	1,746	744	19,776	–	20,520
Balance at May 31, 2010	46,675,670	$ 7,739,331	$ 19,776	$(4,185,222)	$ 3,573,885

See accompanying notes to unaudited interim financial statements.

ACASTI PHARMA INC.

Interim Statements of Cash Flows
(Unaudited)

For the three-month periods ended May 31, 2011 and 2010

	May 31, 2011	May 31, 2010
Cash flows from operating activities:		
Net loss for the period	$(1,023,303)	$ (542,309)
Adjustments:		
Depreciation of equipment	2,686	2,427
Amortization of intangible asset	164,284	164,286
Stock-based compensation	148,293	19,776
Net finance expense	4,441	1,455
Foreign exchange	(12,816)	276
	(716,415)	(354,089)
Changes in non-cash operating working capital items:		
Trade and other receivables	27,844	(35,452)
Receivable from company under common control	(24,732)	–
Inventories	(292,994)	
Tax credits receivable	131,782	100,923
Prepaid expenses	(27,167)	
Trade and other payables	121,306	70,197
Payable to parent company	314,488	77,459
Royalties payable to parent company	50,503	–
	301,030	213,127
Net cash used in operating activities	(415,385)	(140,962)
Cash flows from investing activities:		
Interest received	8,760	3,814
Acquisition of equipment	–	(2,998)
Maturity of short-term investments	491,320	–
Net cash used in investing activities	500,080	816
Cash flows from financing activities:		
Proceeds from issuance of shares on exercise of warrants	–	698
Interest paid	(385)	(149)
Net cash used in financing activities	(385)	549
Net increase (decrease) in cash	84,310	(139,597)
Cash, beginning of period	322,183	412,822
Cash, end of period	$ 406,493	$ 273,225

See accompanying notes to unaudited interim financial statements.

1. Reporting entity

Acasti Pharma Inc. (the "Company") is incorporated under Part 1A of the *Companies Act* (Québec).The Company is domiciled in Canada and its registered office is located at 225 Promenade du Centropolis, Laval, Québec H7T 0B3. The Company is a majority-owned subsidiary of Neptune Technologies and Bioressources Inc. ("Neptune").

On August 7, 2008, the Company commenced operations after having acquired from Neptune an exclusive worldwide license to use its intellectual property to develop, clinically study and market new pharmaceutical products to treat human cardiovascular conditions. Neptune's intellectual property is related to the extraction of particular ingredients from marine biomasses, such as krill. The eventual products are aimed at applications in the over-the-counter medicine, medical foods and prescription drug markets.

Operations essentially consist in the development of new products and the conduct of clinical research studies on animals. Almost all research and development, administration and capital expenditures incurred by the Company since the start of the operations are associated with the project described above.

The Company is subject to a number of risks associated with the successful development of new products and their marketing, the conduct of its clinical studies and their results, the meeting of development objectives set by Neptune in its license agreement, and the establishment of strategic alliances. The Company will have to finance its research and development activities and its clinical studies. To achieve the objectives of its business plan, the Company plans to establish strategic alliances, raise the necessary capital and make sales. It is anticipated that the products developed by the Company will require approval from the U.S Food and Drug Administration and equivalent organizations in other countries before their sale can be authorized.

2. Basis of preparation

(a) Statement of compliance:

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These are the Company's first IFRS as issued by the International Accounting Standards Board (IFRS) condensed interim financial statements for part of the period covered by the first IFRS annual financial statements and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. The first date at which IFRS was applied was March 1, 2010. Certain information, in particular the accompanying notes, normally included in the annual financial statements prepared in accordance with IFRS have been omitted or condensed. Accordingly the condensed interim financial statements do not include all of the information required for full annual financial statements.

2. Basis of preparation (continued):

(a) Statement of compliance (continued):

An explanation of how the transition to IFRS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 9. This note includes reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under previous Canadian GAAP to those reported for those periods and at the date of transition under IFRS.

(b) Basis of measurement**:**

The Company has incurred operating losses and negative cash flows from operations since inception. As at May 31, 2011, the Company's current liabilities and expected level of expenses for the next twelve months significantly exceed current assets. The Company's liabilities at May 31, 2011 are comprised primarily of amounts due to Neptune of $749,798. The Company plans to rely on the continued support of Neptune to pursue its operations, including obtaining additional funding, if required. The continuance of this support is outside of the Company's control. If the Company does not receive the continued financial support from its parent or the Company does not raise additional funds, it may not be able to continue as a going concern therefore realize its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported revenues and expenses that may be necessary if the going concern basis was not appropriate for these financial statements should the Company not receive additional financing from Neptune or other sources.

The financial statements have been prepared on the historical cost basis except for the revaluation of the liability related to the Series II warrants, which is measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2. Basis of preparation (continued):

(d) Use of estimates and judgements (continued):

Estimates are based on the management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed interim financial statements, the nature of significant judgements made by management applying the Company's accounting policies and the key sources of estimating uncertainties are expected to be the same as those applied in the first annual financial statement under IFRS.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

· The use of the going concern basis;

· Determining the functional currency; and

· Assessing derivatives over the Company's equity for liability or equity classification.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include the following:

· Measurement of derivative financial liabilities and stock-based compensation.

Also, the Company uses its best estimate to determine which R&D expenses qualify for R&D tax credits and in what amounts. The Company recognizes the tax credits once it has reasonable assurance that they will be realized. Recorded tax credits are subject to review and approval by tax authorities and therefore, could be different from the amounts recorded.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these interim financial statements, including the opening IFRS statement of financial position at March 1, 2010 for the purposes of the transition to IFRSs.

(a) Financial instruments:

(i) Non-derivative financial assets:

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

3. Significant accounting policies:

(a) Financial instruments (continued):

(i) Non-derivative financial assets (continued):

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position (balance sheet) when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: cash, short-term investment and receivables.

Cash

Cash and cash equivalents comprise cash balances and highly liquid investments purchased three months or less from maturity. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and short-term investments with maturities of less than one year.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(ii) Non-derivative financial liabilities:

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position (balance sheet) when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: loans and borrowings, and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital:

Common shares

Class A Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(iv) Compound financial instruments:

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fait value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. Distributions to the equity holders are recognized in equity, net of any tax benefit.

(v) Derivative financial instruments:

The Company has issued liability-classified derivatives and embedded derivatives over its own equity. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(v) Derivative financial instruments (continued):

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognized immediately in profit or loss.

(b) Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of raw materials and spare parts is based on the weighted-average cost method. The cost of finished goods and work in process is determined per project and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition, as well as production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(c) Equipment:

(i) Recognition and measurement:

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognized net within "other income or expenses" in profit or loss.

3. Significant accounting policies (continued):

(c) Equipment (continued):

(ii) Subsequent costs:

The cost of replacing a part of an equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

(iii) Depreciation:

Depreciation is recognized in profit or loss on either a straight-line basis or a declining basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Asset	Method	Period/Rate
Furniture and office equipment	Diminishing balance	20% to 30%
Computer equipment	Straight-line	3 - 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively if appropriate.

(d) Intangible assets:

(i) Research and development:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

3. Significant accounting policies (continued):

(d) Intangible assets (continued):

(i) Research and development (continued):

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. As of the reporting periods presented, the Company has not capitalised any development expenditures.

(ii) Other intangible assets:

Licenses

Licenses that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Patent costs

Patents for technologies that are no longer in the research phase are recorded at cost. The patent costs include legal fees to obtain patents and patent application fees. When the technology is still in the research phase, those costs are expensed as incurred. As of the reporting periods presented, the Company has not capitalised any patent costs.

(iii) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3. Significant accounting policies (continued):

(d) Intangible assets (continued):

(iv) Amortization (continued):

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

	Periods
Licences	14 years

(e) Leased assets**:**

Leases where the lessor retains the risks and rewards of ownership are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance are expensed as incurred.

(f) Impairment:

(i) Financial assets (including receivables):

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

3. Significant accounting policies (continued):

(f) Impairment (continued):

(i) Financial assets (including receivables) (continued):

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

3. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets (continued):

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Employee benefits:

(i) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Share-based payment transactions:

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

3. Significant accounting policies (continued):

(g) Employee benefits (continued):

(iii) Termination benefits (continued):

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Onerous contracts:

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(ii) Contingent liability:

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be estimated reliably.

3. Significant accounting policies (continued):

(i) Revenue:

(i) Sale of goods:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

(ii) Research services:

Revenue from research contracts is recognized in profit or loss when services to be provided are rendered and all conditions under the terms of the underlying agreement are met.

(j) Government grants:

Government grants consisting of investment tax credits, are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Company for expenses incurred are recognized in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

(k) Lease payments:

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3. Significant accounting policies (continued):

(k) Lease payments (continued):

Contingent lease payments are accounted for in the period in which they are incurred.

(l) Foreign currency:

Transactions in foreign currencies are translated into the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(m) Finance income and finance costs:

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial derivative liabilities at fair value through profit or loss, and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

The Company recognizes interest income as a component of investing activities in the statements of cash flows and interest expense as financing.

(n) Income tax:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. Significant accounting policies (continued):

(n) Income tax (continued):

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Earnings per share:

The Company presents basic and diluted earnings per share (EPS) data for its Class A shares. Basic EPS is calculated by dividing the profit or loss attributable to the holders of Class A shares of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to the holders of Class A shares and the weighted average number of Class A shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, warrants and share options granted to employees.

(p) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses The Company has one reportable operating segment: the development and commercialization of pharmaceutical applications of its licensed rights for cardiovascular diseases. All of the Company’s assets are located in Canada.

3. Significant accounting policies (continued):

(q) New standards and interpretations not yet adopted:

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended May 31, 2011, and have not been applied in preparing these interim financial statements.

(i) Financial instruments:

In November 2009 the IASB issued IFRS 9 *Financial Instruments* (IFRS 9 (2009)), and in October 2010 the IASB published amendments to IFRS 9 (IFRS 9 (2010)).

IFRS 9 (2009) replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or

- financial assets measured at fair value.

Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities, and this guidance is consistent with the guidance in IAS 39 except as described below.

Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in OCI, with the remainder of the change recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) supersedes IFRS 9 (2009) and is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. For annual periods beginning before January 1, 2013, either IFRS 9 (2009) or IFRS 9 (2010) may be applied. The extent of the impact of adoption of IFRS 9 (2010) has not yet been determined.

4. Capital and other components of equity

(a) Share capital and warrants:

Authorized capital stock:

Unlimited number of shares:

- Class A shares, voting (one vote per share), participating and without par value
- Class B shares, voting (ten votes per share), non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class B shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class B shares are redeemable at the holder's discretion for $0.80 per share, subject to certain conditions.
- Class C shares, non-voting, non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class C shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class C shares are redeemable at the holder's discretion for $0.20 per share, subject to certain conditions.
- Class D and E shares, non-voting, non-participating, without par value and maximum monthly non-cumulative dividend between 0.5% and 2% on the amount paid for said shares. Class D and E shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class D and E shares are redeemable at the holder's discretion, subject to certain conditions.

	Class A shares (classified as equity)		Class B shares (classified as liability)		Class C shares (classified as liability)	
	Number outstanding	Amount	Number outstanding	Amount	Number outstanding	Amount
Balance May 31, 2011	64,434,444	$16,216 933	–	–	–	–
Balance February 28, 2011	59,174,444	12,164,933	5,000,000	4,000,000	260,000	52,000
Balance March 1, 2010	46,673,924	7,738,587	5,000,000	4,000,000	260,000	52,000

On March 21, 2011, the outstanding Class B and Class C shares, 5,000,000 and 260,000, respectively, were converted into Class A shares by their holders on a 1:1 basis (the "Conversion"). Following the Conversion, the liability for convertible redeemable shares in the amount of $4,052,000 was extinguished, and the number of issued and outstanding Class A shares of the Company was 64,434,444.

4. Capital and other components of equity (continued):

(b) Warrants

The warrants of the Company are composed of the following as at May 31, 2011, February 28, 2011 and March 1, 2010:

	May 31, 2011		February 28, 2011		March 1, 2010	
	Number outstanding	Amount	Number outstanding	Amount	Number outstanding	Amount
Liability						
Series 2 warrants	–	$ –	–	$ –	9,027,142	$233,790
Equity						
Series 3 warrants	–	–	–	–	12,500,000	–
Series 4 warrants	6,000,000	–	6,000,000	–	6,000,000	–
Series 5 warrants	–	–	–	–	3,000,000	–

Series 4 allows the holder to purchase one Class A share for $0.25 per share until October 8, 2013.

(c) Convertible redeemable shares held by related parties:

Convertible redeemable shares held by related parties as follows:

	May 31, 2011	February 28, 2011	March 1, 2010
Neptune	$ –	$ 3,960,000	$3,960,000
Company controlled by an officer and director	–	92,000	92,000
Total	$ –	$ 4,052,000	$4,052,000

5. Share-based payment:

Description of the share-based payment arrangements:

At May 31, 2011 the Company has the following share-based payment arrangements:

(a) Company stock-based compensation plan:

The Company has established a stock-based compensation plan for administrators, officers, employees and consultants. The plan provides for the granting of options to purchase Acasti Class A shares. Under this plan, the maximum number of options that can be issued equals the lower of 1,530,000 or 10% of Acasti Class A shares held by public shareholders, as approved annually by such shareholders. On March 21, 2011, the Company's Board of Directors amended the incentive stock option plan (the "Plan"). The amendments to the Plan were approved by the shareholders on June 22, 2011. The main modification to the Plan consists of an increase in the number of shares reserved for issuance of incentive stock options under the Plan to 6,443,444. As at May 31, 2011, 923,053 Class A shares are reserved for issuance. The terms and conditions for acquiring and exercising options are set by the Company's Board of Directors, subject, among others, to the following limitations: the term of the options cannot exceed ten years and every stock option granted under the stock option plan will be subject to conditions no less restrictive than a minimal vesting period of 18 months, a gradual and equal acquisition of vesting rights, at least on a quarterly basis.

The number and weighted average exercise prices of share options are as follows:

	Three-month period ended May 31, 2011		Three-month period ended May 31, 2010	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at beginning of period	$ 0.25	800,000	$ 0.25	850,000
Forfeited	–	–	–	–
Exercised	–	–	–	–
Granted	0.75	25,000	–	–
Outstanding at end of period	0.27	825,000	0.25	850,000
Exercisable at end of period	0.25	582,500	0.25	382,500

5. Share-based payment (continued):

(a) Company stock-based compensation plan (continued):

The fair value of options granted has been estimated according to the Black-Scholes option pricing model and based on the weighted average of the following assumptions for options granted during the three-month periods ended:

	Three-month period ended May 31, 2011	Three-month period ended May 31, 2010
Dividend	–	–
Risk-free interest	2.56%	2.57%
Estimated life	4.21 years	6 years
Expected volatility	88.30%	75%

The weighted average of the fair value of the options granted to employees during the period is $0.41 (2010 - $nil)

(b) Neptune stock-based compensation plan:

Neptune maintains various stock-based compensation plans for the benefit of administrators, officers, employees and consultants that provide services to its consolidated group, including the Company. The Company records as stock-based compensation expense a portion of the expense being recorded by Neptune that is commensurate to the fraction of overall services that the grantees provide directly to the Company.

At May 31, 2011, the Company recognised stock-based compensation related to Neptune plans in the amount of $115,584 (2010 - $3,469).

6. Commitments:

License agreement:

The Company is committed under a license agreement to pay Neptune until the expiration of Neptune's patents on licensed intellectual property, a royalty equal to the sum of (a) in relation to sales of products in the licensed field, the greater of: (i) 7.5% of net sales, and (ii) 15% of the Company's gross margin; and (b) 20% of revenues from sub-licenses granted by the Company to third parties. After the expiration of Neptune's patents on licensed intellectual property in 2022, the license agreement will automatically renew for an additional 15 years, during which period royalties will be determined to be equal to half of those calculated with the above formula.

In addition, the license agreement provides for minimum royalty payments notwithstanding the above of: year 1 - nil; year 2 - $50,000; year 3 - $200,000; year 4 - $300,000; year 5 - $900,000 and year 6 and thereafter - $1,000,000. Minimum royalties are based on contract years based on the effective date of the agreement, August 7, 2008.

The Company has the option to pay future royalties in advance, in cash or in kind, in whole or in part, based on an established economic model contained in the license agreement.

The Company can also abandon its rights under all or part of the license agreement and consequently remove itself from the obligation to pay all or part of the minimum royalties by paying a penalty equal to half of the next year's minimum royalties.

In addition, the Company is committed to have its products manufactured by Neptune at prices determined according to different cost-plus rates for each of the product categories under the license agreement.

Research and development agreements:

In the normal course of business, the Company has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products. The Company has reserved certain rights relating to these projects.

The Company initiated many research and development projects that will be conducted over a 12 to 24 month period for a total of $3,346,628. As at May 31, 2011, an amount of $152,945 is included in "Trade and other payables" in relation to these projects.

7. Related parties:

The Company was charged by Neptune for certain costs incurred by Neptune for the benefit of the Company, as follows:

	Three-month period ended May 31, 2011	Three-month period ended May 31, 2010
Administrative costs	$ 124,441	$ 68,640
Research and development costs, before tax credits	99,689	221,857
	$ 224,130	$ 250,497

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to with Neptune.

Where Neptune incurs specific incremental costs for the benefit of the Company, it charges those amounts directly. Costs that benefit more than one entity of the Neptune group are being charged by allocating a fraction of costs incurred by Neptune that is commensurate to the estimated fraction of services or benefits received by each entity for those items.

These charges do not represent all charges incurred by Neptune that may have benefited the Company, because, amongst others, Neptune does not allocate certain common office expenses and does not charge interest on indebtedness. Also, these charges do not necessarily represent the cost that the Company would otherwise need to incur should it not receive these services or benefits through the shared resources of Neptune or receive financing from Neptune.

8. Subsequent event:

On July 5, 2011, the Company issued to the holders of its outstanding Class A shares transferable rights to subscribe for Class A shares. Each registered holder of Class A shares received one Right for each Class A share held. Ten Rights plus the sum of $1.25 are required to subscribe for one Class A share. The Rights expire at 4:00 p.m. (Montreal time) on September 14, 2011, after which time unexercised Rights will be void and of no value.

9. Transition to IFRS:

As stated in note 2 (a), these are the Company's first interim financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the three-month period ended May 31, 2011, the comparative information presented in these financial statements for both the three-month period ended May 31, 2010 and the year ended February 28, 2011, and in the preparation of an opening IFRS statement of financial position at March 1, 2010 (the Company's date of transition).

In preparing its interim financial statements in accordance with IFRS 1, the Company applied the mandatory exceptions and elected to apply the following optional exemptions from full retroactive application:

(i) Share-based payment:

The Company did not apply IFRS 2, Share-based Payment ("IFRS 2") to stock options that had vested as at March 1, 2010.

(ii) Designation of financial assets and financial liabilities:

The Company has elected to re-designate cash and cash equivalents and short-term investments from held-for-trading category to loans and receivables. As the historical cost carrying amount under IFRS equals the fair value of those instruments under Canadian GAAP at the date of transition, there is no adjustment resulting from this election.

As required by IFRS 1, estimates made under IFRS at the date of transition must be consistent with estimates made for the same date under Canadian GAAP (its previous GAAP), unless there is evidence that those estimates were in error.

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Canadian GAAP.

An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

9. Transition to IFRS (continued):

Reconciliation of equity

					March 1, 2010
	Note	**Canadian GAAP**	**IFRS adjust-ments**	**IFRS reclassi-fications**	**IFRS**
Assets					
Current assets:					
Cash		$ 412,822	$ –	$ –	$ 412,822
Trades and other receivables		68,389	–	–	68,389
Tax credits receivable		402,257	–	–	402,257
		883,468	–	–	883,468
Equipment		29,851	–	–	29,851
Intangible asset	(c)	–	8,159,524	–	8,159,524
		$ 913,319	$8,159,524	$ –	$ 9,072,843
Liabilities and Equity					
Current liabilities:					
Trade and other payables		$ 309,254	$ –	$ –	$ 309,254
Payable to parent company		382,125	–	–	382,125
Convertible redeemable shares		4,052,000	–	–	4,052,000
		4,743,379	–	–	4,743,379
Derivative financial liabilities	(e)	–	233,790	–	233,790
		4,743,379	233,790	–	4,977,169
Equity					
Share capital		7,738,587	–	–	7,738,587
Deficit		(11,568,647)	7,925,734	–	(3,642,913)
Total equity		(3,830,060)	7,925,734	–	4,095,674
		$ 913,319	$8,159,524	$ –	$ 9,072,843

9. Transition to IFRS (continued):

Reconciliation of equity

					May 31, 2010
	Note	Canadian GAAP	IFRS adjust-ments	IFRS reclassi-fications	IFRS
Assets					
Current assets:					
Cash		$ 273,225	$ –	$ –	$ 273,225
Trades and other receivables		103,841	–	–	103,841
Tax credits receivable		301,334	–	–	301,334
		678,400	–	–	678,400
Equipment		30,422	–	–	30,422
Intangible asset	(c)	–	7,995,238	–	7,995,238
		$ 708,822	$7,995,238	$ –	$ 8,704,060
Liabilities and Equity					
Current liabilities:					
Trade and other payables		$ 379,451	$ –	$ –	$ 379,451
Payable to parent company		459,584	–	–	459,584
Convertible redeemable shares		4,052,000	–	–	4,052,000
		4,891,035	–	–	4,891,035
Derivative financial liabilities	(e)	–	239,140	–	239,140
		4,891,035	239,140		5,130,175
Equity					
Share capital	(e)	7,739,285	46	–	7,739,331
Contributed surplus	(d)	–	19,776	–	19,776
Deficit		(11,921,498)	7,736,276	–	(4,185,222)
Total equity		(4,182,213)	7,756,098	–	3,573,885
		$ 708,822	$7,995,238	$ –	$ 8,704,060

9. Transition to IFRS (continued):

Reconciliation of equity

					February 28, 2011
	Note	Canadian GAAP	IFRS adjust-ments	IFRS reclassi-fications	IFRS
Assets					
Current assets:					
Cash		$ 322,183	$ –	$ –	$ 322,183
Short term investments		2,507,747	–	–	2,507,747
Trades and other receivables		192,440	–	–	192,440
Receivable from company under common control		12,381	–	–	12,381
Tax credits receivable		241,300	–	–	241,300
Prepaid expenses		14,431	–	–	14,431
		3,290,482	–	–	3,290,482
Equipment		37,909	–	–	37,909
Intangible asset	(c)	–	7,502,380	–	7,502,380
		$ 3,328,391	$7,502,380	$ –	$ 10,830,771
Liabilities and Equity					
Current liabilities:					
Trade and other payables		$ 510,604	$ –	$ –	$ 510,604
Payable to parent company		435,310	–	–	435,310
Royalties payable to parent company	(f)	–	–	128,020	128,020
Convertible redeemable shares	(f)	–	–	4,052,000	4,052,000
		945,914	–	4,180,020	5,125,934
Convertible redeemable shares	(f)	4,052,000	–	(4,052,000)	–
Royalties payable to parent company	(f)	128,020	–	(128,020)	–
		5,125,934	–	–	5,125,934
Equity					
Share capital	(e)	12,038,796	126,137	–	12,164,933
Contributed surplus	(d)	105,763	75,311	–	181,074
Deficit		(13,942,102)	7,300,932	–	(6,641,170)
Total equity		(1,797,543)	7,502,380	–	5,704,837
		$ 3,328,391	$7,502,380	$ –	$ 10,830,771

9. Transition to IFRS (continued):

Reconciliation of comprehensive income for the three-month period ended May 31, 2010

	Note	Canadian GAAP	IFRS adjust-ments	IFRS reclassi-fications	IFRS
General and administrative expenses	(c), (d), (g)	(107,605)	(184,062)	(2,427)	(294,094)
Research and development expenses, net of tax credit of $75,919		(246,760)	–	–	(246,760)
Amortization	(g)	(2,427)	–	2,427	–
		(356,792)	(184,062)	–	(540,854)
Interest income		3,814	–	–	3,814
Finance costs	(e)	(149)	(5,396)	–	(5,545)
Foreign exchange gain		276	–	–	276
Net finance income (expense)		3,941	(5,396)	–	(1,455)
Net loss for the period		(352,851)	(189,458)	–	(542,309)
Total comprehensive loss for the period		$ (352,851)	$ (189,458)	$ –	$ (542,309)
Basic loss per share		$ (0.01)			$ (0.01)
Diluted loss per share		(0.01)			(0.01)

9. Transition to IFRS (continued):

Reconciliation of comprehensive income for the year ended February 28, 2011

	Note	Canadian GAAP	IFRS adjust-ments	IFRS reclassi-fications	IFRS
Revenue from research contracts	(c), (d), (g)	$ 28,402	$ –	$ –	$ 28,402
General and administrative expenses		(733,116)	(657,144)	(326,947)	(1,717,207)
Research and development expenses, net of tax credit of $86,128		(1,429,710)	–	–	(1,429,710)
Royalties to parent company	(g)	(132,830)	–	132,830	–
Amortization	(g)	(13,043)	–	13,043	–
Stock-based compensation	(d), (g)	(105,763)	(75,311)	181,074	–
Results from operating activities		(2,386,060)	(732,455)	–	(3,118,515)
Interest income		11,775	–	–	11,775
Finance costs	(e)	(1,402)	107,625	–	106,223
Foreign exchange gain		2,232	–	–	2,232
Net finance income		12,605	107,625	–	120,230
Net loss for the period		(2,373,455)	(624,830)	–	(2,998,285)
Total comprehensive loss for the period		$(2,373,455)	$ (624,830)	$ –	$(2,998,285)
Basic loss per share		$ (0.05)			$ (0.05)
Diluted loss per share		(0.05)			(0.05)

There are no material differences between the statement of cash flows presented under IFRS and the statement of cash flows under previous Canadian GAAP.

9. Transition to IFRS (continued):

Notes to the reconciliations:

(a) Reconciliation of equity:

	March 1, 2010	May 31, 2010	February 28, 2011
Equity under Canadian GAAP	$(3,830,060)	$(4,182,213)	$ (1,797,543)
Adjustments:			
Intangible asset (c)	8,159,524	7,995,238	7,502,380
Valuation of Series II warrants (e)	(233,790)	(239,140)	–
Equity under IFRS	$ 4,095,674	$ 3,573,885	$ 5,704,837

(b) Reconciliation of comprehensive income:

	Three-month month period May 31, 2010	Year ended February 28, 2011
Comprehensive loss under Canadian GAAP	$ (352,851)	$ (2,373,455)
Adjustments:		
Intangible asset (c)	(164,286)	(657,144)
Share-based payments (d)	(19,776)	(75,311)
Series II warrants (e)	(5,396)	107,625
Net loss under IFRS	$ (542,309)	$ (2,998,285)

9. Transition to IFRS (continued):

(c) Intangible assets

Under IFRS, there are no special recognition requirements for related party transactions, therefore the acquisition from Neptune of the license to use its intellectual property is subject to the requirements of IAS 38 *Intangible Assets*.

Under previous Canadian GAAP, the transfer of the license to the Company from its parent company was measured at the carrying amount. No value was attributed to the license as the intellectual property being licensed had a carrying amount of nil in the books of Neptune since it was internally generated.

In accordance with IAS 38, the transaction was treated as a separate acquisition of an intangible asset and was initially recognized as cost, being the fair value of convertible redeemable shares of $9,200,000 issued in consideration for the purchase.

The Company amortizes the cost of the license over its estimated useful life, resulting in a net adjustment to deficit and assets at the date of transition of $8,159,524. For the comparative periods, amortization caused an increase if general and administrative costs of $164,286 during the three-month period ended May 31, 2010, and $657,144 during the year ended February 28, 2011.

(d) Share based payment - equity instruments:

As permitted by IFRS 1, the Company elected to apply the exemptions for share-based payments for equity instruments granted after November 7, 2002 that vested before the transition to IFRSs.

In some cases, stock-based awards vest in installments over a specified vesting period. Under IFRS, when the only vesting condition is service from the grant date to the vesting date of each tranche awarded, each installment of the award is accounted for as a separate share-based payment arrangement, otherwise known as graded vesting. In addition, under IFRS, forfeitures are estimated at the time of the grant, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Under previous Canadian GAAP, the Company accounted for stock-based awards that vested in installments as a single award with a vesting period based on the total life of the award. In addition, forfeitures were not considered at the time of grant but accounted for as they occurred, as permitted under Canadian GAAP.

9. Transition to IFRS (continued):

(d) Share based payment - equity instruments (continued):

Under previous Canadian GAAP, no expense was recognized for share-based awards pending shareholders' approval, unless approval was assured. Under IFRS, share-based awards are recognized when the services are received and may result in the recognition of an expense prior to the grant date. The entity estimates the grant-date fair value of the equity instruments for the purpose of recognizing the services from the service commencement date until grant date by assuming that the end of the reporting period is the grant date. Until the grant date has been established, the entity revises the earlier estimates so that the amounts recognized for services received are based on the grant-date fair value of the equity instruments. This revision is treated as a change in estimate and the impact on the share-based payment expense is adjusted in each period accordingly.

The effects of those differences were an increase to contributed surplus and stock based compensation expense in the amount of $19,776 for the three-month period ended May 31, 2010 and $75,311 for the year ended February 28, 2011.

(e) Warrants (continued)

The Company issued warrants that are still outstanding at the date of transition. Under previous Canadian GAAP, these warrants were equity-classified, recorded at their initial fair value in shareholder's equity and were not re-measured subsequently. Under IFRS, the Company determined that all warrants issued by the Company met the criteria for equity classification with the exception of the Series II warrants. These warrants are not equity-classified under IFRS as the settlement alternatives for these warrants also provide for a cash-settlement option for the issuer. As a result, the warrants are classified as a liability and accounted as freestanding derivative financial instruments with changes in fair value recognized in income at each reporting date.

The Company valued the Series II warrants at the date of transition, at each subsequent interim reporting date, and immediately before settlement, using option valuation model. The estimated fair value is recorded in the statement of financial position in "Derivative financial liabilities". Because the warrants had a nil carrying amount in equity, the only reclassification from equity upon transition was to charge the estimated fair value of $233,790 to retained earnings at that date.

Subsequent changes in the estimated fair value of the Series II warrants through to expiry were recorded as adjustments to finance costs in the statement of comprehensive income. Consequently, a fair value increase of $5,396 was recognized as an adjustment for the three month period ended May 31, 2010, and a fair value increase of $107,625 was recognized as an adjustment for the year ended February 28, 2011.

9. Transition to IFRS (continued):

(f) Classification of royalties payable to parent company and convertible redeemable shares:

Under previous Canadian GAAP, a short-term obligation which is scheduled to mature within one year from the balance sheet date should be excluded from current liabilities only if the debtor intends to refinance the obligation on a long-term basis and such intent is supported by an ability to consummate the financing and if the creditor has waived its right to demand payment for more than one year from the balance sheet date.

Under IFRS, an entity classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting period, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for use.

Under previous GAAP, convertible redeemable shares and royalties payable to the parent company were classified as long-term financial liabilities as at February 28, 2011 as a result of events that occurred in March 2011 (note 4 (a)). As a result, both the royalties payable to parent company and the convertible redeemable shares have been reclassified to current liabilities in the comparative IFRS balance sheets.

(g) Presentation of statement of operations:

As the Company has elected to present its analysis of expenses recognized in comprehensive loss using a classification based on their function with the Company, amortization expense, stock-based compensation expense, and royalties to parent company were reallocated to general and administrative expenses.

Exhibit 99.27

Interim Financial Statements of
(Unaudited)

ACASTI PHARMA INC.

Three-month and six-month periods ended August 31, 2011 and 2010 and as at March 1, 2010

ACASTI PHARMA INC.
Interim Financial Statements
(Unaudited)

Three-month and six-month periods ended August 31, 2011 and 2010 and as at March 1, 2010

Financial Statements

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Notice:

These interim financial statements have not been reviewed by an auditor.

ACASTI PHARMA INC.

Interim Statement of Financial Position
(Unaudited)

As of August 31, 2011, February 28, 2011 and March 1, 2010

	August 31, 2011	February 28, 2011	March 1, 2010
Assets			
Current assets:			
Cash	$ 317,641	$ 322,183	$ 412,822
Short-term investments	1,515,143	2,507,747	–
Trade and other receivables	446,265	192,440	68,389
Receivable from company under common control	40,608	12,381	–
Tax credits receivable	148,508	241,300	402,257
Inventories	389,969	–	–
Prepaid expenses	35,905	14,431	–
	2,894,039	3,290,482	883,468
Equipment	32,537	37,909	29,851
Intangible asset	7,173,810	7,502,380	8,159,524
	$10,100,386	$10,830,771	$ 9,072,843
Liabilities and Equity			
Current liabilities:			
Trade and other payables	$ 956,010	$ 510,604	$ 309,254
Payable to parent company	1,411,156	435,310	382,125
Royalties payable to parent company (note 6)	236,239	128,020	–
Convertible redeemable shares (note 4)	–	4,052,000	4,052,000
	2,603,405	5,125,934	4,743,379
Derivative financial liabilities (note 4)	–	–	233,790
	2,603,405	5,125,934	4,977,169
Equity:			
Share capital (note 4)	16,264,433	12,164,933	7,738,587
Rights (note 4)	2,490,280	–	–
Contributed surplus	(1,869,277)	181,074	–
Deficit	(9,388,455)	(6,641,170)	(3,642,913)
	7,496,981	5,704,837	4,095,674
Commitments (note 6)			
Subsequent event (note 8)			
	$10,100,386	$10,830,771	$ 9,072,843

See accompanying notes to unaudited interim financial statements.

ACASTI PHARMA INC.
Interim Statements of Earnings and Comprehensive Loss
(Unaudited)

Three-month and six-month periods ended August 31, 2011 and 2010

	Three-month periods ended August 31,		Six-month periods ended August 31,	
	2011	2010	2011	2010
Revenue from research contracts	$ 32,987	$ –	$ 115,966	$ –
General and administrative expenses	(846,276)	(339,857)	(1,486,975)	(633,951)
Research and development expenses, net of tax credits of $(13,979) and $16,677 (2010 - $89,387 and $165,306)	(912,835)	(340,606)	(1,373,977)	(587,366)
Results from operating activities	(1,726,124)	(680,463)	(2,744,986)	(1,221,317)
Interest income	6,632	52	15,392	3,866
Finance costs	(4,359)	(23,967)	(4,744)	(29,512)
Foreign exchange loss	(131)	(2,114)	(12,947)	(1,838)
Net finance income (expense)	2,142	(26,029)	(2,299)	(27,484)
Net loss and total comprehensive loss for the period	$ (1,723,982)	$ (706,492)	$ (2,747,285)	$ (1,248,801)
Basic earnings (loss) per share	$ (0.03)	$ (0.01)	$ (0.04)	$ (0.03)
Diluted earnings (loss) per share	(0.03)	(0.01)	(0.04)	(0.03)
Weighted average number of shares outstanding	64,497,718	47,675,670	63,865,755	47,675,178

See accompanying notes to unaudited interim financial statements

ACASTI PHARMA INC.

Interim Statements of Changes in Equity
(Unaudited)

Six-month periods ended August 31, 2011 and 2010

	Share capital			Contributed		
	Number	Dollar	Rights	surplus	Deficit	Total
Balance, February 28, 2011	59,174,444	$12,164,933	$ –	$ 181,074	$(6,641,170)	$ 5,704,837
Net loss and total comprehensive loss for the period	–	–	–	–	(2,747,285)	(2,747,285)
	59,174,444	12,164,933	–	181,074	(9,388,455)	2,957,552
Transactions with owners, recorded directly in equity						
Contributions by and distribution to owners						
Conversion of convertible redeemable shares	5,260,000	4,052,000	–	–	–	4,052,000
Share-based payment transactions	–	–	–	447,742	–	447,742
Warrants exercised	126,250	41,250	–	(7,813)	–	33,437
Share options exercised	25,000	6,250	–	–	–	6,250
Issuance of rights	–	–	2,490,280	(2,490,280)	–	–
Total contributions by and distribution to owners	5,411,250	4,099,500	2,490,280	(2,050,351)	–	4,539,429
Balance at August 31, 2011	64,585,694	$16,264,433	$2,490,280	$(1,869,277)	$(9,388,455)	$ 7,496,981
Balance, March 1, 2010	46,673,924	$ 7,738,587	$ –	$ –	$(3,642,913)	$ 4,095,674
Net loss and total comprehensive loss for the period	–	–	–	–	(1,248,801)	(1,248,801)
	46,673,924	7,738,587	–	–	(4,891,714)	2,846,873
Transactions with owners, recorded directly in equity						
Contributions by and distribution to owners						
Share-based payment transactions	–	–	–	76,540	–	76,540
Warrants exercised	1,746	859	–	–	–	859
Total contributions by and distribution to owners	1,746	859	–	76,540	–	77,399
Balance at August 31, 2010	46,675,670	$ 7,739,446	$ –	$ 76,540	$(4,891,714)	$ 2,924,272

See accompanying notes to unaudited interim financial statements.

ACASTI PHARMA INC.
Interim Statements of Cash Flows
(Unaudited)

Three-month and six-month periods ended August 31, 2011 and 2010

	Three-month periods ended August 31,		Six-month periods ended August 31,	
	2,011	2,010	2,011	2,010
Cash flows from operating activities:				
Net loss for the period	$ (1,723,982)	$ (706,492)	$(2,747,285)	$(1,248,801)
Adjustments:				
Depreciation of equipment	2,683	2,783	5,369	5,210
Amortization of intangible asset	164,288	164,286	328,572	328,572
Stock-based compensation	299,449	56,764	447,742	76,540
Net finance expense	(2,142)	26,029	2,299	27,484
Foreign exchange loss	(131)	(2,114)	(12,947)	(1,838)
	(1,259,835)	(458,744)	(1,976,250)	(812,833)
Changes in non-cash operating working capital items:				
Trade and other receivables	(281,669)	(27,973)	(253,825)	(63,425)
Receivable from company under common control	(3,495)	–	(28,227)	–
Inventories	(96,975)	–	(389,969)	–
Tax credits receivable	(38,990)	(89,387)	92,792	(11,536)
Prepaid expenses	5,693	–	(21,474)	–
Trade and other payables	324,100	(109,832)	445,406	(39,635)
Payable to parent company	661,358	430,469	975,846	507,928
Royalties payable to parent company	57,716	–	108,219	–
	627,738	203,277	928,768	416,404
Net cash used in operating activities	(632,097)	(255,467)	(1,047,482)	(396,429)
Cash flows from investing activities:				
Interest received	6,632	52	15,392	3,866
Acquisition of equipment	–	(10,000)	–	(12,998)
Maturity of short-term investments	501,284	–	992,604	–
Net cash from (used in) investing activities	507,916	(9,948)	1,007,996	(9,132)
Cash flows from financing activities:				
Proceeds from exercise of warrants and options	39,687	–	39,687	–
Proceeds from issuance of shares on exercise of warrants	–	–	–	698
Interest paid	(4,358)	(167)	(4,743)	(316)
Net cash from (used in) financing activities	35,329	(167)	34,944	382
Net decrease in cash	(88,852)	(265,582)	(4,542)	(405,179)
Cash, beginning of period	406,493	273,225	322,183	412,822
Cash, end of period	317,641	7,643	$ 317,641	$ 7,643

See accompanying notes to unaudited interim financial statements.

1. Reporting entity

Acasti Pharma Inc. (the "Company") is incorporated under Part 1A of the *Companies Act* (Québec).The Company is domiciled in Canada and its registered office is located at 225 Promenade du Centropolis, Laval, Québec H7T 0B3. The Company is a majority-owned subsidiary of Neptune Technologies and Bioressources Inc. ("Neptune").

On August 7, 2008, the Company commenced operations after having acquired from Neptune an exclusive worldwide license to use its intellectual property to develop, clinically study and market new pharmaceutical products to treat human cardiovascular conditions. Neptune's intellectual property is related to the extraction of particular ingredients from marine biomasses, such as krill. The eventual products are aimed at applications in the over-the-counter medicine, medical foods and prescription drug markets.

Operations essentially consist in the development of new products and the conduct of clinical research studies on animals and humans. Almost all research and development, administration and capital expenditures incurred by the Company since the start of the operations are associated with the project described above.

The Company is subject to a number of risks associated with the successful development of new products and their marketing, the conduct of its clinical studies and their results, the meeting of development objectives set by Neptune in its license agreement, and the establishment of strategic alliances. The Company will have to finance its research and development activities and its clinical studies. To achieve the objectives of its business plan, the Company plans to establish strategic alliances, raise the necessary capital and make sales. It is anticipated that the products developed by the Company will require approval from the U.S Food and Drug Administration and equivalent organizations in other countries before their sale can be authorized.

2. Basis of preparation

(a) Statement of compliance:

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These are the Company's second IFRS as issued by the International Accounting Standards Board (IFRS) condensed interim financial statements for part of the period covered by the first IFRS annual financial statements and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. The first date at which IFRS was applied was March 1, 2010. Certain information, in particular the accompanying notes, normally included in the annual financial statements prepared in accordance with IFRS have been omitted or condensed. Accordingly the condensed interim financial statements do not include all of the information required for full annual financial statements.

An explanation of how the transition to IFRS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 9. This note includes reconciliations of equity and total comprehensive income for comparative periods and of equity reported under previous Canadian GAAP to those reported for those periods under IFRS.

(b) Basis of measurement**:**

The Company has incurred operating losses and negative cash flows from operations since inception. As at August 31, 2011, the Company's current liabilities and expected level of expenses for the next twelve months significantly exceed current assets. The Company's liabilities at August 31, 2011 are comprised primarily of amounts due to Neptune of $1,647,395. The Company plans to rely on the continued support of Neptune to pursue its operations, including obtaining additional funding, if required. The continuance of this support is outside of the Company's control. If the Company does not receive the continued financial support from its parent or the Company does not raise additional funds, it may not be able to continue as a going concern therefore realize its assets and discharge its liabilities in the normal course of business.

2. Basis of preparation (continued):

(b) Basis of measurement (continued):

The financial statements have been prepared on a going concern basis, which assumes the Company will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported revenues and expenses that may be necessary if the going concern basis was not appropriate for these financial statements should the Company not receive additional financing from Neptune or other sources. See note 8.

The financial statements have been prepared on the historical cost basis except for the revaluation of the liability related to the Series II warrants, which is measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates are based on the management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed interim financial statements, the nature of significant judgements made by management applying the Company's accounting policies and the key sources of estimating uncertainties are expected to be the same as those applied in the first annual financial statement under IFRS.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

- The use of the going concern basis;
- Determining the functional currency; and
- Assessing derivatives over the Company's equity for liability or equity classification.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include the following:

- Measurement of stock-based compensation.

Also, the Company uses its best estimate to determine which research and development ("R&D") expenses qualify for R&D tax credits and in what amounts. The Company recognizes the tax credits once it has reasonable assurance that they will be realized. Recorded tax credits are subject to review and approval by tax authorities and therefore, could be different from the amounts recorded.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these interim financial statements, including the opening IFRS statement of financial position at March 1, 2010 for the purposes of the transition to IFRSs.

(a) Financial instruments:

(i) Non-derivative financial assets:

The Company initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position (balance sheet) when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: cash, short-term investments and receivables.

Cash

Cash and cash equivalents comprise cash balances and highly liquid investments purchased three months or less from maturity. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and short-term investments with maturities of less than one year.

(ii) Non-derivative financial liabilities:

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position (balance sheet) when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial liabilities: loans and borrowings, and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital:

Common shares

Class A Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(iii) Share capital:

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

(iv) Compound financial instruments:

Compound financial instruments issued by the Company comprise convertible redeemable shares that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fait value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. Distributions to the equity holders are recognized in equity, net of any tax benefit.

(v) Derivative financial instruments:

The Company has issued liability-classified derivatives over its own equity. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognized immediately in profit or loss.

(b) Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of raw materials and spare parts is based on the weighted-average cost method. The cost of finished goods and work in process is determined per project and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition, as well as production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. Significant accounting policies (continued):

(c) Equipment:

(i) Recognition and measurement:

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognized net within "other income or expenses" in profit or loss.

(ii) Subsequent costs:

The cost of replacing a part of an equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

(iii) Depreciation:

Depreciation is recognized in profit or loss on either a straight-line basis or a declining basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Asset	Method	Period/Rate
Furniture and office equipment	Diminishing balance	20% to 30%
Computer equipment	Straight-line	3 - 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively if appropriate.

3. Significant accounting policies (continued):

(d) Intangible assets:

(i) Research and development:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. As of the reporting periods presented, the Company has not capitalised any development expenditures.

(ii) Other intangible assets:

Licenses

Licenses that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Patent costs

Patents for technologies that are no longer in the research phase are recorded at cost. The patent costs include legal fees to obtain patents and patent application fees. When the technology is still in the research phase, those costs are expensed as incurred. As of the reporting periods presented, the Company has not capitalised any patent costs.

(iii) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

	Period
Licences	14 years

(e) Leased assets**:**

Leases where the lessor retains the risks and rewards of ownership are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance are expensed as incurred.

3. Significant accounting policies (continued):

(f) Impairment:

(i) Financial assets (including receivables):

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Significant accounting policies (continued):

(g) Employee benefits:

(i) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Share-based payment transactions:

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

(iii) Termination benefits:

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Onerous contracts:

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

(ii) Contingent liability:

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be estimated reliably.

3. Significant accounting policies (continued):

(i) Revenue:

(i) Sale of goods:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

(ii) Research services:

Revenue from research contracts is recognized in profit or loss when services to be provided are rendered and all conditions under the terms of the underlying agreement are met.

(j) Government grants:

Government grants consisting of investment tax credits, are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Company for expenses incurred are recognized in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

(k) Lease payments:

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for in the period in which they are incurred.

(l) Foreign currency:

Transactions in foreign currencies are translated into the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(m) Finance income and finance costs:

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

3. Significant accounting policies (continued):

(m) Finance income and finance costs (continued):

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial derivative liabilities at fair value through profit or loss, and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

The Company recognizes interest income as a component of investing activities in the statements of cash flows and interest expense as financing.

(n) Income tax:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Earnings per share:

The Company presents basic and diluted earnings per share (EPS) data for its Class A shares. Basic EPS is calculated by dividing the profit or loss attributable to the holders of Class A shares of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to the holders of Class A shares and the weighted average number of Class A shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, warrants and share options granted to employees.

(p) Segment reporting:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses The Company has one reportable operating segment: the development and commercialization of pharmaceutical applications of its licensed rights for cardiovascular diseases. All of the Company’s assets are located in Canada.

(q) New standards and interpretations not yet adopted:

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended August 31, 2011, and have not been applied in preparing these interim financial statements.

(i) Financial instruments:

In November 2009 the IASB issued IFRS 9 *Financial Instruments* (IFRS 9 (2009)), and in October 2010 the IASB published amendments to IFRS 9 (IFRS 9 (2010)).

3. Significant accounting policies (continued):

(q) New standards and interpretations not yet adopted (continued):

(i) Financial instruments (continued):

IFRS 9 (2009) replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition:

· financial assets measured at amortized cost; or

· financial assets measured at fair value.

Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities, and this guidance is consistent with the guidance in IAS 39 except as described below.

Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in OCI, with the remainder of the change recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) supersedes IFRS 9 (2009) and is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. For annual periods beginning before January 1, 2013, either IFRS 9 (2009) or IFRS 9 (2010) may be applied. The extent of the impact of adoption of IFRS 9 (2010) has not yet been determined.

(ii) In May and June 2011, the IASB also issued IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosure of Interest in Other Entities*, IFRS 13, *Fair Value Measurement,* and amendments to IAS 19, *Employee Benefits,* and IAS 1, *Presentation of Financial Statements*. The new and amended standards will be effective for the Company's annual period beginning on March 1, 2013. The extent of the impact of these standards has not yet been determined.

4. Capital and other components of equity

(a) Share capital and warrants:

Authorized capital stock:

Unlimited number of shares:

- Class A shares, voting (one vote per share), participating and without par value

- Class B shares, voting (ten votes per share), non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class B shares are convertible, at the holder’s discretion, into Class A shares, on a one-for-one basis, and Class B shares are redeemable at the holder’s discretion for $0.80 per share, subject to certain conditions.

- Class C shares, non-voting, non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class C shares are convertible, at the holder’s discretion, into Class A shares, on a one-for-one basis, and Class C shares are redeemable at the holder’s discretion for $0.20 per share, subject to certain conditions.

4. Capital and other components of equity (continued):

(a) Share capital and warrants (continued):

Authorized capital stock (continued):

Unlimited number of shares (continued):

- Class D and E shares, non-voting, non-participating, without par value and maximum monthly non-cumulative dividend between 0.5% and 2% on the amount paid for said shares. Class D and E shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class D and E shares are redeemable at the holder's discretion, subject to certain conditions.

	Class A shares (classified as equity)		Class B shares (classified as liability)		Class C shares (classified as liability)	
	Number outstanding	Amount	Number outstanding	Amount	Number outstanding	Amount
Balance August 31, 2011	64,585,694	$16,264,433	–	–	–	–
Balance February 28, 2011	59,174,444	12,164,933	5,000,000	4,000,000	260,000	52,000
Balance March 1, 2010	46,673,924	7,738,587	5,000,000	4,000,000	260,000	52,000

On March 21, 2011, the outstanding Class B and Class C shares, 5,000,000 and 260,000, respectively, were converted into Class A shares by their holders on a 1:1 basis (the "Conversion"). Following the Conversion, the liability for convertible redeemable shares in the amount of $4,052,000 was extinguished, and the number of issued and outstanding Class A shares of the Company was 64,434,444.

(b) Warrants

The warrants of the Company are composed of the following as at August 31, 2011, February 28, 2011 and March 1, 2010:

	August 31, 2011		February 28, 2011		March 1, 2010	
	Number outstanding	Amount	Number outstanding	Amount	Number outstanding	Amount
Liability						
Series 2 warrants	–	$ –	–	$ –	9,027,142	$ 233,790
Equity						
Series 3 warrants	–	–	–	–	12,500,000	–
Series 4 warrants	5,873,750	–	6,000,000	–	6,000,000	–
Series 5 warrants	–	–	–	–	3,000,000	–

Series 4 allows the holder to purchase one Class A share for $0.25 per share until October 8, 2013.

4. Capital and other components of equity (continued):

(c) Rights:

On July 5, 2011, the Company issued to the holders of its outstanding Class A shares transferable rights to subscribe for Class A shares. Each registered holder of Class A shares received one Right for each Class A share held, representing a total of 64,454,444 Rights. Ten Rights plus the sum of $1.25 are required to subscribe for one Class A share. The Rights expired at 4:00PM (Montreal time) on September 14, 2011.

(d) Convertible redeemable shares held by related parties:

Convertible redeemable shares held by related parties as follows:

		August 31, 2011	February 28, 2011	March 1, 2010
Neptune	$	–	$ 3,960,000	$3,960,000
Company controlled by an officer and director		–	92,000	92,000
Total	$	–	$ 4,052,000	$4,052,000

5. Share-based payment:

Description of the share-based payment arrangements:

At August 31, 2011 the Company has the following share-based payment arrangements:

(a) Company stock-based compensation plan:

The Company has established a stock-based compensation plan for administrators, officers, employees and consultants. The plan provides for the granting of options to purchase Acasti Class A shares. Under this plan, the maximum number of options that can be issued equaled the lower of 1,530,000 or 10% of Acasti Class A shares held by public shareholders, as approved annually by such shareholders. On March 21, 2011, the Company's Board of Directors amended the incentive stock option plan (the "Plan"). The amendments to the Plan were approved by the shareholders on June 22, 2011. The main modification to the Plan consists of an increase in the number of shares reserved for issuance of incentive stock options under the Plan to 6,443,444. The terms and conditions for acquiring and exercising options are set by the Company's Board of Directors, subject, among others, to the following limitations: the term of the options cannot exceed ten years and every stock option granted under the stock option plan will be subject to conditions no less restrictive than a minimal vesting period of 18 months, a gradual and equal acquisition of vesting rights, at least on a quarterly basis.

5. Share-based payment (continued):

(a) Company stock-based compensation plan (continued):

The number and weighted average exercise prices of share options are as follows:

	Six-month period ended August 31, 2011		Six-month period ended August 31, 2010	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number or options
Outstanding at beginning of period	$ 0.25	800,000	$ 0.25	850,000
Forfeited	–	–	–	–
Exercised	0.25	25,000	–	–
Granted	1.41	2,485,000	–	–
Outstanding at end of period	$ 1.14	3,260,000	$ 0.25	850,000
Exercisable at end of period	$ 0.25	557,500	$ 0.25	395,000

The fair value of options granted has been estimated according to the Black-Scholes option pricing model and based on the weighted average of the following assumptions for options granted during the three-month and six-month periods ended:

	Three-month period ended August 31, 2011	Six-month period ended August 31, 2011
Dividend	–	–
Risk-free interest	1.85%	1.86%
Estimated life	3.87 years	3.87 years
Expected volatility	97.31%	97.21%

The weighted average of the fair value of the options granted to employees during the three-month and six-month periods is $0.92 (2010 - nil)

(b) Neptune stock-based compensation plan:

Neptune maintains various stock-based compensation plans for the benefit of administrators, officers, employees and consultants that provide services to its consolidated group, including the Company. The Company records as stock-based compensation expense a portion of the expense being recorded by Neptune that is commensurate to the fraction of overall services that the grantees provide directly to the Company.

At August 31, 2011, the Company recognised stock-based compensation related to Neptune plans in the amount of $198,800 (2010 - $22,212).

6. Commitments:

License agreement:

The Company is committed under a license agreement to pay Neptune until the expiration of Neptune's patents on licensed intellectual property, a royalty equal to the sum of (a) in relation to sales of products in the licensed field, the greater of: (i) 7.5% of net sales, and (ii) 15% of the Company's gross margin; and (b) 20% of revenues from sub-licenses granted by the Company to third parties. After the expiration of Neptune's patents on licensed intellectual property in 2022, the license agreement will automatically renew for an additional 15 years, during which period royalties will be determined to be equal to half of those calculated with the above formula.

In addition, the license agreement provides for minimum royalty payments notwithstanding the above of: year 1 - nil; year 2 - $50,000; year 3 - $200,000; year 4 - $300,000; year 5 - $900,000 and year 6 and thereafter - $1,000,000. Minimum royalties are based on contract years based on the effective date of the agreement, August 7, 2008.

The Company has the option to pay future royalties in advance, in cash or in kind, in whole or in part, based on an established economic model contained in the license agreement.

The Company can also abandon its rights under all or part of the license agreement and consequently remove itself from the obligation to pay all or part of the minimum royalties by paying a penalty equal to half of the next year's minimum royalties.

In addition, the Company is committed to have its products manufactured by Neptune at prices determined according to different cost-plus rates for each of the product categories under the license agreement.

Research and development agreements:

In the normal course of business, the Company has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products. The Company has reserved certain rights relating to these projects.

The Company initiated research and development projects that will be conducted over a 12 to 24 month period for a total cost of $3,741,349. As at August 31, 2011, an amount of $158,828 is included in "Trade and other payables" in relation to these projects.

7. Related parties:

The Company was charged by Neptune for certain costs incurred by Neptune for the benefit of the Company, as follows:

	Three-month period ended August 31, 2011	Three-month period ended August 31, 2010	Six-month period ended August 31, 2011	Six-month period ended August 31, 2010
Administrative costs	$ 283,353	$ 70,020	$ 407,794	$ 138,660
Research and development costs, before tax credits	319,932	126,880	419,621	348,737
	$ 603,285	$ 196,900	$ 827,415	$ 487,397

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to with Neptune.

Where Neptune incurs specific incremental costs for the benefit of the Company, it charges those amounts directly. Costs that benefit more than one entity of the Neptune group are being charged by allocating a fraction of costs incurred by Neptune that is commensurate to the estimated fraction of services or benefits received by each entity for those items.

These charges do not represent all charges incurred by Neptune that may have benefited the Company, because, amongst others, Neptune does not allocate certain common office expenses and does not charge interest on indebtedness. Also, these charges do not necessarily represent the cost that the Company would otherwise need to incur should it not receive these services or benefits through the shared resources of Neptune or receive financing from Neptune.

7. Related parties (continued):

Revenue from research contracts:

The Company charged Neptune and a company under common control for research and development work performed for their benefit in the amount of $29,920 and $3,068, respectively, during the three-month period ended August 31, 2011, and $92,703 and $23,263, respectively, during the six-month period ended August 31, 2011 (2010 - nil). These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to with Neptune and a company under common control.

Payable to parent company:

Payable to parent company has no specified maturity date for payment or reimbursement and does not bear interest. This amount has been measured at the exchange amount and classified as current liabilities.

Key management personnel compensation:

The key management personnel of the Company are the members of the Board of Directors and certain officers. They control 2% of the voting shares of the Company.

Key management personnel compensation includes the following for the three-month and six-month periods ended August 31, 2011 and 2010:

	Three-month period ended August 31, 2011	Three-month period ended August 31, 2010	Six-month period ended August 31, 2011	Six-month period ended August 31, 2010
Share based compensation costs	$ 228,760	$ 33,617	$ 239,251	$ 33,617

8. Subsequent event:

On September 14, 2011, the Rights Offering expired oversubscribed and, accordingly, the maximum number of shares available for issuance under the terms of the Rights Offering has been issued for a total of 6,445,444 shares representing maximum gross proceeds of $8,056,805.

9. Transition to IFRS:

As stated in note 2 (a), these are the Company's second interim financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the three-month and six-month period ended August 31, 2011, and the comparative information presented in these financial statements for both the three-month and six-month period ended August 31, 2010.

In preparing its interim financial statements in accordance with IFRS 1, the Company applied the mandatory exceptions and elected to apply the following optional exemptions from full retroactive application:

(i) Share-based payment:

The Company did not apply IFRS 2, Share-based Payment ("IFRS 2") to stock options that had vested as at March 1, 2010.

(ii) Designation of financial assets and financial liabilities:

The Company has elected to re-designate cash and cash equivalents and short-term investments from held-for-trading category to loans and receivables. As the historical cost carrying amount under IFRS equals the fair value of those instruments under Canadian GAAP at the date of transition, there is no adjustment resulting from this election.

9. Transition to IFRS (continued):

As required by IFRS 1, estimates made under IFRS at the date of transition must be consistent with estimates made for the same date under Canadian GAAP (its previous GAAP), unless there is evidence that those estimates were in error.

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Canadian GAAP.

An explanation of how the transition from previous GAAP to IFRS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliations of equity as at March 1, 2010 and February 28, 2011, as well as reconciliation of comprehensive income for the year ended February 28, 2011 can be found in the Company's interim financial statements for the period ended May 31, 2011.

Reconciliation of equity

					August 31, 2010
	Note	**Canadian GAAP**	**IFRS adjustments**	**IFRS reclassifications**	**IFRS**
Assets					
Current assets:					
Cash		$ 7,643	$ –	$ –	$ 7,643
Trades and other receivables		131,814	–	–	131,814
Tax credits receivable		390,721	–	–	390,721
		530,178	–	–	530,178
Equipment		37,639	–	–	37,639
Intangible asset	(c)	–	7,830,952	–	7,830,952
		$ 567,817	$ 7,830,952	$ –	$ 8,398,769
Liabilities and Equity					
Current liabilities:					
Trade and other payables		$ 269,619	$ –	$ –	$ 269,619
Payable to parent company		890,053	–	–	890,053
Convertible redeemable shares		4,052,000	–	–	4,052,000
		5,211,672	–	–	5,211,672
Derivative financial liabilities	(e)	–	262,825	–	262,825
		5,211,672	262,825	–	5,474,497
Equity					
Share capital	(e)	7,739,285	161	–	7,739,446
Contributed surplus	(d)	31,343	45,197	–	76,540
Deficit		(12,414,483)	7,522,769	–	(4,891,714)
Total equity		(4,643,855)	7,568,127	–	2,924,272
		$ 567,817	$ 7,830,952	$ –	$ 8,398,769

9. Transition to IFRS (continued):

Reconciliation of comprehensive income for the three-month period ended August 31, 2010

	Note	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
General and administrative expenses	(f)	$ (158,892)	$ –	$ (180,965)	$ (339,857)
Research and development expenses, net of tax credit of $89,387	(f)	(297,738)	–	(42,868)	(340,606)
Amortization	(c), (f)	(2,783)	(164,286)	167,069	–
Stock-based compensation	(d), (f)	(31,343)	(25,421)	56,764	–
Results from operating activities		(490,756)	(189,707)	–	(680,463)
Interest income		52	–	–	52
Finance costs	(e)	(167)	(23,800)	–	(23,967)
Foreign exchange loss		(2,114)	–	–	(2,114)
Net finance income expense		(2,229)	(23,800)	–	(26,029)
Net loss and total comprehensive loss for the period		$ (492,985)	$ (213,507)	$ –	$ (706,492)
Basic loss per share		$ (0.01)			$ (0.01)
Diluted loss per share		(0.01)			(0.01)

9. Transition to IFRS (continued):

Reconciliation of comprehensive income for the six-month period ended August 31, 2010

	Note	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
General and administrative expenses	(f)	$ (266,497)	$ –	$ (367,454)	$ (633,951)
Research and development expenses, net of tax credit of $165,306	(f)	(544,498)	–	(42,868)	(587,366)
Amortization	(c), (f)	(5,210)	(328,572)	333,782	–
Stock-based compensation	(d), (f)	(31,343)	(45,197)	76,540	–
Results from operating activities		(847,548)	(373,769)	–	(1,221,317)
Interest income		3,866	–	–	3,866
Finance costs	(e)	(316)	(29,196)	–	(29,512)
Foreign exchange loss		(1,838)	–	–	(1,838)
Net finance income (expense)		1,712	(29,196)	–	(27,484)
Net loss and total comprehensive loss for the period		$ (845,836)	$ (402,965)	$ –	$(1,248,801)
Basic loss per share		$ (0.02)			$ 0.03
Diluted loss per share		(0.02)			0.03

There are no material differences between the statement of cash flows presented under IFRS and the statement of cash flows under previous Canadian GAAP.

9. Transition to IFRS (continued):

Notes to the reconciliations:

(a) Reconciliation of equity:

	August 31, 2010
Equity under Canadian GAAP	$(4,643,855)
Adjustments:	
Intangible asset (c)	7,830,952
Valuation of Series II warrants (e)	(262,825)
Equity under IFRS	$ 2,924,272

(b) Reconciliation of comprehensive income:

	Three-month period ended August 31, 2010	Six-month period ended August 31, 2010
Comprehensive loss under Canadian GAAP	$ (492,985)	$ (845,836)
Adjustments:		
Intangible asset (c)	(164,286)	(328,572)
Share-based payments (d)	(25,421)	(45,197)
Series II warrants (e)	(23,800)	(29,196)
Net loss under IFRS	$ (706,492)	$ (1,248,801)

(c) Intangible assets:

Under IFRS, there are no special recognition requirements for related party transactions, therefore the acquisition from Neptune of the license to use its intellectual property is subject to the requirements of IAS 38 *Intangible Assets*.

Under previous Canadian GAAP, the transfer of the license to the Company from its parent company was measured at the carrying amount. No value was attributed to the license as the intellectual property being licensed had a carrying amount of nil in the books of Neptune since it was internally generated.

In accordance with IAS 38, the transaction was treated as a separate acquisition of an intangible asset and was initially recognized as cost, being the fair value of convertible redeemable shares of $9,200,000 issued in consideration for the purchase.

The Company amortizes the cost of the license over its estimated useful life, resulting in a net adjustment to deficit and assets at the date of transition of $8,159,524. For the comparative periods, amortization caused an increase in general and administrative costs of $164,286 during the three-month and $328,572 during the six-month period ended August 31, 2010.

9. Transition to IFRS (continued):

(d) Share based payment - equity instruments:

As permitted by IFRS 1, the Company elected to apply the exemptions for share-based payments for equity instruments granted after November 7, 2002 that vested before the transition to IFRSs.

In some cases, stock-based awards vest in installments over a specified vesting period. Under IFRS, when the only vesting condition is service from the grant date to the vesting date of each tranche awarded, each installment of the award is accounted for as a separate share-based payment arrangement, otherwise known as graded vesting. In addition, under IFRS, forfeitures are estimated at the time of the grant, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Under previous Canadian GAAP, the Company accounted for stock-based awards that vested in installments as a single award with a vesting period based on the total life of the award. In addition, forfeitures were not considered at the time of grant but accounted for as they occurred, as permitted under Canadian GAAP.

Under previous Canadian GAAP, no expense was recognized for share-based awards pending shareholders' approval, unless approval was assured. Under IFRS, share-based awards are recognized when the services are received and may result in the recognition of an expense prior to the grant date. The entity estimates the grant-date fair value of the equity instruments for the purpose of recognizing the services from the service commencement date until grant date by assuming that the end of the reporting period is the grant date. Until the grant date has been established, the entity revises the earlier estimates so that the amounts recognized for services received are based on the grant-date fair value of the equity instruments. This revision is treated as a change in estimate and the impact on the share-based payment expense is adjusted in each period accordingly.

The effects of those differences were an increase to contributed surplus and stock based compensation expense in the amount of $25,421 for the three-month and $45,197 for the six-month period ended August 31, 2010.

(e) Warrants:

The Company issued warrants that are still outstanding at the date of transition. Under previous Canadian GAAP, these warrants were equity-classified, recorded at their initial fair value in shareholder's equity and were not re-measured subsequently. Under IFRS, the Company determined that all warrants issued by the Company met the criteria for equity classification with the exception of the Series II warrants. These warrants are not equity-classified under IFRS as the settlement alternatives for these warrants also provide for a cash-settlement option for the issuer. As a result, the warrants are classified as a liability and accounted as freestanding derivative financial instruments with changes in fair value recognized in income at each reporting date.

The Company valued the Series II warrants at the date of transition, at each subsequent interim reporting date, and immediately before settlement, using option valuation model. The estimated fair value is recorded in the statement of financial position in "Derivative financial liabilities". Because the warrants had a nil carrying amount in equity, the only reclassification from equity upon transition was to charge the estimated fair value of $233,790 to deficit at that date.

Subsequent changes in the estimated fair value of the Series II warrants through to expiry were recorded as adjustments to finance costs in the statement of comprehensive income. Consequently, a fair value increase of $23,800 and $29,196 was recognized as adjustments for the three-month and six-month periods ended August 31, 2010.

(f) Presentation of statement of operations:

As the Company has elected to present its analysis of expenses recognized in comprehensive loss using a classification based on their function with the Company, amortization and stock-based compensation expense were reallocated to general and administrative expenses and research and development expenses.

Interim Financial Statements of
(Unaudited)

ACASTI PHARMA INC.

Three-month and nine-month periods ended November 30, 2011 and 2010 and as at March 1, 2010

ACASTI PHARMA INC.
Interim Financial Statements
(Unaudited)

Three-month and nine-month periods ended November 30, 2011 and 2010 and as at March 1, 2010

Financial Statements

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Notice:

These interim financial statements have not been reviewed by an auditor.

ACASTI PHARMA INC.
Interim Statement of Financial Position
(Unaudited)

As of November 30, 2011, February 28, 2011 and March 1, 2010

	November 30, 2011	February 28, 2011	March 1, 2010
Assets			
Current assets:			
Cash	$ 131,121	$ 322,183	$ 412,822
Short-term investments	6,279,956	2,507,747	–
Trade and other receivables	450,239	192,440	68,389
Receivable from corporation under common control	47,772	12,381	–
Tax credits receivable	198,856	241,300	402,257
Inventories	511,522	–	–
Prepaid expenses	36,602	14,431	–
	7,656,068	3,290,482	883,468
Equipment	29,850	37,909	29,851
Intangible asset	7,009,524	7,502,380	8,159,524
	$ 14,695,442	$ 10,830,771	$ 9,072,843
Liabilities and Equity			
Current liabilities:			
Trade and other payables	$ 729,716	$ 510,602	$ 309,254
Payable to parent corporation	143,022	435,310	382,125
Royalties payable to parent corporation (note 6)	310,033	128,020	–
Convertible redeemable shares (note 4)	–	4,052,000	4,052,000
	1,182,771	5,125,932	4,743,379
Derivative financial liabilities (note 4)	–	–	233,790
	1,182,771	5,125,932	4,977,169
Equity:			
Share capital (note 4)	26,590,915	12,132,287	7,738,587
Contributed surplus	(1,515,395)	181,074	–
Deficit	(11,562,849)	(6,608,522)	(3,642,913)
	13,512,671	5,704,839	4,095,674
Commitments (note 6)			
	$ 14,695,442	$ 10,830,771	$ 9,072,843

See accompanying notes to unaudited interim financial statements.

ACASTI PHARMA INC.
Interim Statements of Earnings and Comprehensive Loss
(Unaudited)

Three-month and nine-month periods ended November 30, 2011 and 2010

	Three-month periods ended November 30,		Nine-month periods ended November 30,	
	2011	2010	2011	2010
Revenue from research contracts	$ –	$ –	$ 115,966	$ –
General and administrative expenses	(841,448)	(433,081)	(2,328,423)	(1,067,032)
Research and development expenses, net of tax credits of $50,348 and $67,025 (2010 - $51,326 and $216,632)	(1,371,438)	(354,242)	(2,745,415)	(941,608)
Results from operating activities	(2,212,886)	(787,323)	(4,957,872)	(2,008,640)
Interest income	14,863	4	30,255	3,870
Finance (costs) income	(1,026)	169,010	(5,770)	139,498
Foreign exchange (loss) gain	(7,993)	676	(20,940)	(1,162)
Net finance income	5,844	169,690	3,545	142,206
Net loss and total comprehensive loss for the period	$ (2,207,042)	$ (617,633)	$ (4,954,327)	$ (1,866,434)
Basic loss per share	$ (0.03)	$ (0.02)	$ (0.08)	$ (0.14)
Diluted loss per share	(0.03)	(0.02)	(0.08)	(0.14)
Weighted average number of shares outstanding	69,727,721	25,785,877	65,805,533	13,250,541

See accompanying notes to unaudited interim financial statements

ACASTI PHARMA INC.
Interim Statements of Changes in Equity
(Unaudited)

Nine-month periods ended November 30, 2011 and 2010

	Share capital			Contributed		
	Number	Dollar	Rights	surplus	Deficit	Total
Balance, February 28, 2011	59,174,444	$12,132,287	$ –	$ 181,074	$ (6,608,522)	$ 5,704,839
Net loss and total comprehensive loss for the period	–	–	–	–	(4,954,327)	(4,954,327)
	59,174,444	12,132,287	–	181,074	(11,562,849)	750,512
Transactions with owners, recorded directly in equity						
Contributions by and distribution to owners						
Conversion of convertible redeemable shares	5,260,000	4,052,000	–	–	–	4,052,000
Share-based payment transactions	–	–	–	801,625	–	801,625
Warrants exercised	187,500	54,689	–	(7,814)	–	46,875
Share options exercised	25,000	6,250	–	–	–	6,250
Issuance of rights	–	–	2,490,280	(2,490,280)	–	–
Rights exercised	6,445,444	10,345,689	(2,490,280)	–	–	7,855,409
Total contributions by and distribution to owners	11,917,944	14,458,628	–	(1,696,469)	–	12,762,159
Balance at November 30, 2011	71,092,388	$26,590,915	$ –	$ (1,515,395)	$(11,562,849)	$13,512,671
Balance, March 1, 2010	47,673,924	$ 7,738,587	$ –	$ –	$ (3,642,913)	$ 4,095,674
Net loss and total comprehensive loss for the period	–	–	–	–	(1,866,434)	(1,866,434)
	47,673,924	7,738,587	–	–	(5,509,347)	2,229,240
Transactions with owners, recorded directly in equity						
Contributions by and distribution to owners						
Share-based payment transactions	–	–	–	131,310	–	131,310
Warrants exercised	11,500,520	4,393,700	–	–	–	4,393,700
Total contributions by and distribution to owners	11,500,520	4,393,700	–	131,310	–	4,525,010
Balance at November 30, 2010	59,174,444	$12,132,287	$ –	$ 131,310	$ (5,509,347)	$ 6,754,250

See accompanying notes to unaudited interim financial statements.

ACASTI PHARMA INC.

Interim Statements of Cash Flows

(Unaudited)

Three-month and nine-month periods ended November 30, 2011 and 2010

	Three-month periods ended November 30,		Nine-month periods ended November 30,	
	2011	2010	2011	2010
Cash flows from operating activities:				
Net loss for the period	$ (2,207,042)	$ (617,633)	$ (4,954,327)	$ (1,866,434)
Adjustments:				
Depreciation of equipment	2,690	2,928	8,059	8,138
Amortization of intangible asset	164,284	164,286	492,856	492,858
Stock-based compensation	353,883	54,770	801,625	131,310
Net finance income	(5,844)	(169,690)	(3,545)	(142,206)
Foreign exchange (gain) loss	(7,993)	676	(20,940)	(1,162)
	(1,700,022)	(564,663)	(3,676,272)	(1,377,496)
Changes in non-cash operating working capital items:				
Trade and other receivables	(3,974)	8,392	(257,799)	(55,033)
Receivable from corporation under common control	(7,164)	–	(35,391)	–
Inventories	(121,553)	–	(511,522)	–
Tax credits receivable	(50,348)	(51,326)	42,444	(39,790)
Prepaid expenses	(697)	(9,879)	(22,171)	(9,879)
Trade and other payables	(226,292)	51,494	219,114	11,859
Payable to parent corporation	(1,268,134)	(688,611)	(292,288)	(180,683)
Royalties payable to parent corporation	73,794	–	182,013	–
	(1,604,368)	(689,930)	(675,600)	(273,526)
Net cash used in operating activities	(3,304,390)	(1,254,593)	(4,351,872)	(1,651,022)
Cash flows from (used in) investing activities:				
Interest received	50	4	8,046	3,870
Acquisition of equipment	–	–	–	(12,998)
Acquisition of short-term investments	(7,500,000)	(1,000,000)	(7,500,000)	(1,000,000)
Maturity of short-term investments	2,750,000	–	3,750,000	–
Net cash used in investing activities	(4,749,950)	(999,996)	(3,741,954)	(1,009,128)
Cash flows from (used in) financing activities:				
Proceeds from exercise of warrants and options	13,438	–	53,125	–
Proceeds from issuance of shares on exercise of warrants	–	4,299,510	–	4,300,208
Net proceeds from exercise of rights	7,855,409	–	7,855,409	–
Interest paid	(1,027)	(484)	(5,770)	(800)
Net cash from financing activities	7,867,820	4,299,026	7,902,764	4,299,408
Net (decrease) increase in cash	(186,520)	2,044,437	(191,062)	1,639,258
Cash, beginning of period	317,641	7,643	322,183	412,822
Cash, end of period	$ 131,121	$ 2,052,080	$ 131,121	$ 2,052,080

See accompanying notes to unaudited interim financial statements.

1. Reporting entity

Acasti Pharma Inc. (the "Corporation") is incorporated under the Business Corporations Act (Québec) (formerly Part 1A of the *Companies Act* (Québec)). The Corporation is domiciled in Canada and its registered office is located at 225 Promenade du Centropolis, Laval, Québec H7T 0B3. The Corporation is a majority-owned subsidiary of Neptune Technologies and Bioressources Inc. ("Neptune").

On August 7, 2008, the Corporation commenced operations after having acquired from Neptune an exclusive worldwide license to use its intellectual property to develop, clinically study and market new pharmaceutical products to treat human cardiovascular conditions. Neptune's intellectual property is related to the extraction of particular ingredients from marine biomasses, such as krill. The eventual products are aimed at applications in the over-the-counter medicine, medical foods and prescription drug markets.

Operations essentially consist in the development of new products and the conduct of clinical research studies on animals and humans. Almost all research and development, administration and capital expenditures incurred by the Corporation since the start of the operations are associated with the project described above.

The Corporation is subject to a number of risks associated with the successful development of new products and their marketing, the conduct of its clinical studies and their results, the meeting of development objectives set by Neptune in its license agreement, and the establishment of strategic alliances. The Corporation will have to finance its research and development activities and its clinical studies. To achieve the objectives of its business plan, the Corporation plans to establish strategic alliances, raise the necessary capital and make sales. It is anticipated that the products developed by the Corporation will require approval from the U.S Food and Drug Administration and equivalent organizations in other countries before their sale can be authorized.

2. Basis of preparation

(a) Statement of compliance:

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. These are the Corporation's third IFRS as issued by the International Accounting Standards Board (IFRS) condensed interim financial statements for part of the period covered by the first IFRS annual financial statements and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. The first date at which IFRS was applied was March 1, 2010. Certain information, in particular the accompanying notes, normally included in the annual financial statements prepared in accordance with IFRS have been omitted or condensed. Accordingly the condensed interim financial statements do not include all of the information required for full annual financial statements.

An explanation of how the transition to IFRS has affected the previously reported financial position, financial performance and cash flows of the Corporation is provided in note 8. This note includes reconciliations of equity and total comprehensive income for comparative periods and of equity reported under previous Canadian GAAP to those reported for those periods under IFRS.

(b) Basis of measurement**:**

The Corporation has incurred operating losses and negative cash flows from operations since inception. As at November 30, 2011, the Corporation's current liabilities and expected level of expenses for the next twelve months significantly exceed current assets. The Corporation's liabilities at November 30, 2011 include amounts due to Neptune of $453,055. The Corporation plans to rely on the continued support of Neptune to pursue its operations, including obtaining additional funding, if required. The continuance of this support is outside of the Corporation's control. If the Corporation does not receive the continued financial support from its parent or the Corporation does not raise additional funds, it may not be able to continue as a going concern therefore realize its assets and discharge its liabilities in the normal course of business.

2. Basis of preparation (continued):

(b) Basis of measurement (continued):

The financial statements have been prepared on a going concern basis, which assumes the Corporation will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported revenues and expenses that may be necessary if the going concern basis was not appropriate for these financial statements should the Corporation not receive additional financing from Neptune or other sources.

The financial statements have been prepared on the historical cost basis except for the revaluation of the liability related to the Series II warrants, which is measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates are based on the management's best knowledge of current events and actions that the Corporation may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparing these condensed interim financial statements, the nature of significant judgements made by management applying the Corporation's accounting policies and the key sources of estimating uncertainties are expected to be the same as those applied in the first annual financial statement under IFRS.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

- The use of the going concern basis;
- Determining the functional currency; and
- Assessing derivatives over the Corporation's equity for liability or equity classification.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include the following:

- Measurement of stock-based compensation.

Also, the Corporation uses its best estimate to determine which research and development ("R&D") expenses qualify for R&D tax credits and in what amounts. The Corporation recognizes the tax credits once it has reasonable assurance that they will be realized. Recorded tax credits are subject to review and approval by tax authorities and therefore, could be different from the amounts recorded.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these interim financial statements, including the opening IFRS statement of financial position at March 1, 2010 for the purposes of the transition to IFRSs.

(a) Financial instruments:

(i) Non-derivative financial assets:

The Corporation initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position (balance sheet) when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation has the following non-derivative financial assets: cash, short-term investments and receivables.

Cash

Cash and cash equivalents comprise cash balances and highly liquid investments purchased three months or less from maturity. Bank overdrafts that are repayable on demand and form an integral part of the Corporation's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and short-term investments with maturities of less than one year.

(ii) Non-derivative financial liabilities:

The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position (balance sheet) when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation has the following non-derivative financial liabilities: loans and borrowings, and trade and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital:

Common shares

Class A Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(iii) Share capital (continued):

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Corporation's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

(iv) Compound financial instruments:

Compound financial instruments issued by the Corporation comprise convertible redeemable shares that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fait value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. Distributions to the equity holders are recognized in equity, net of any tax benefit.

(v) Derivative financial instruments:

The Corporation has issued liability-classified derivatives over its own equity. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognized immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognized immediately in profit or loss.

(b) Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of raw materials and spare parts is based on the weighted-average cost method. The cost of finished goods and work in process is determined per project and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition, as well as production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. Significant accounting policies (continued):

(c) Equipment:

(i) Recognition and measurement:

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognized net within "other income or expenses" in profit or loss.

(ii) Subsequent costs:

The cost of replacing a part of an equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

(iii) Depreciation:

Depreciation is recognized in profit or loss on either a straight-line basis or a declining basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Asset	Method	Period/Rate
Furniture and office equipment	Diminishing balance	20% to 30%
Computer equipment	Straight-line	3 - 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively if appropriate.

3. Significant accounting policies (continued):

(d) Intangible assets:

(i) Research and development:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Corporation intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010. Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. As of the reporting periods presented, the Corporation has not capitalised any development expenditures.

(ii) Other intangible assets:

Licenses

Licenses that are acquired by the Corporation and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Patent costs

Patents for technologies that are no longer in the research phase are recorded at cost. The patent costs include legal fees to obtain patents and patent application fees. When the technology is still in the research phase, those costs are expensed as incurred. As of the reporting periods presented, the Corporation has not capitalised any patent costs.

(iii) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iv) Amortization:

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

	Period
Licences	14 years

(e) Leased assets**:**

Leases where the lessor retains the risks and rewards of ownership are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance are expensed as incurred.

3. Significant accounting policies (continued):

(f) Impairment:

(i) Financial assets (including receivables):

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Corporation on terms that the Corporation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

The Corporation considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Corporation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Significant accounting policies (continued):

(g) Employee benefits:

(i) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Share-based payment transactions:

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Share-based payment arrangements in which the Corporation receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Corporation.

(iii) Termination benefits:

Termination benefits are recognized as an expense when the Corporation is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Corporation has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Onerous contracts:

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation recognizes any impairment loss on the assets associated with that contract.

(ii) Contingent liability:

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Corporation; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be estimated reliably.

3. Significant accounting policies (continued):

(i) Revenue:

(i) Sale of goods:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

(ii) Research services:

Revenue from research contracts is recognized in profit or loss when services to be provided are rendered and all conditions under the terms of the underlying agreement are met.

(j) Government grants:

Government grants consisting of investment tax credits, are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Corporation has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Corporation for expenses incurred are recognized in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate the Corporation for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

(k) Lease payments:

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for in the period in which they are incurred.

(l) Foreign currency:

Transactions in foreign currencies are translated into the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(m) Finance income and finance costs:

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

3. Significant accounting policies (continued):

(m) Finance income and finance costs (continued):

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial derivative liabilities at fair value through profit or loss, and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

The Corporation recognizes interest income as a component of investing activities in the statements of cash flows and interest expense as financing.

(n) Income tax:

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Earnings per share:

The Corporation presents basic and diluted earnings per share (EPS) data for its Class A shares. Basic EPS is calculated by dividing the profit or loss attributable to the holders of Class A shares of the Corporation by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to the holders of Class A shares and the weighted average number of Class A shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, warrants and share options granted to employees.

(p) Segment reporting:

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses The Corporation has one reportable operating segment: the development and commercialization of pharmaceutical applications of its licensed rights for cardiovascular diseases. All of the Corporation's assets are located in Canada.

(q) New standards and interpretations not yet adopted:

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended November 30, 2011, and have not been applied in preparing these interim financial statements.

(i) Financial instruments:

In November 2009 the IASB issued IFRS 9 *Financial Instruments* (IFRS 9 (2009)), and in October 2010 the IASB published amendments to IFRS 9 (IFRS 9 (2010)).

3. Significant accounting policies (continued):

(q) New standards and interpretations not yet adopted (continued):

(i) Financial instruments (continued):

IFRS 9 (2009) replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition:

· financial assets measured at amortized cost; or

· financial assets measured at fair value.

Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities, and this guidance is consistent with the guidance in IAS 39 except as described below.

Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in OCI, with the remainder of the change recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) supersedes IFRS 9 (2009) and is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted. For annual periods beginning before January 1, 2015, either IFRS 9 (2009) or IFRS 9 (2010) may be applied. The extent of the impact of adoption of IFRS 9 (2010) has not yet been determined.

(ii) In May and June 2011, the IASB also issued IFRS 10, *Consolidated Financial Statements*, IFRS 11, *Joint Arrangements*, IFRS 12, *Disclosure of Interest in Other Entities*, IFRS 13, *Fair Value Measurement,* and amendments to IAS 19, *Employee Benefits,* and IAS 1, *Presentation of Financial Statements*. The new and amended standards will be effective for the Corporation's annual period beginning on March 1, 2013. The extent of the impact of these standards has not yet been determined.

4. Capital and other components of equity

(a) Share capital and warrants:

Authorized capital stock:

Unlimited number of shares:

- Class A shares, voting (one vote per share), participating and without par value

- Class B shares, voting (ten votes per share), non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class B shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class B shares are redeemable at the holder's discretion for $0.80 per share, subject to certain conditions.

- Class C shares, non-voting, non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class C shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class C shares are redeemable at the holder's discretion for $0.20 per share, subject to certain conditions.

4. Capital and other components of equity (continued):

(a) Share capital and warrants (continued):

Authorized capital stock (continued):

Unlimited number of shares (continued):

- Class D and E shares, non-voting, non-participating, without par value and maximum monthly non-cumulative dividend between 0.5% and 2% on the amount paid for said shares. Class D and E shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class D and E shares are redeemable at the holder's discretion, subject to certain conditions.

	Class A shares (classified as equity)		Class B shares (classified as liability)		Class C shares (classified as liability)	
	Number outstanding	Amount	Number outstanding	Amount	Number outstanding	Amount
Balance November 30, 2011	71,092,388	$26,590,915	–	$ –	–	$ –
Balance February 28, 2011	59,174,444	12,132,287	5,000,000	4,000,000	260,000	52,000
Balance March 1, 2010	47,673,924	7,738,587	5,000,000	4,000,000	260,000	52,000

On March 21, 2011, the outstanding Class B and Class C shares, 5,000,000 and 260,000, respectively, were converted into Class A shares by their holders on a 1:1 basis (the "Conversion"). Following the Conversion, the liability for convertible redeemable shares in the amount of $4,052,000 was extinguished, and the number of issued and outstanding Class A shares of the Corporation was 64,434,444.

(b) Warrants

The warrants of the Corporation are composed of the following as at November 30, 2011, February 28, 2011 and March 1, 2010:

	November 30, 2011		February 28, 2011		March 1, 2010	
	Number outstanding	Amount	Number outstanding	Amount	Number outstanding	Amount
Liability						
Series 2 warrants	–	$ –	–	$ –	9,027,142	$233,790
Equity						
Series 3 warrants	–	–	–	–	12,500,000	–
Series 4 warrants	5,812,500	–	6,000,000	–	6,000,000	–
Series 5 warrants	–	–	–	–	3,000,000	–

Series 4 allows the holder to purchase one Class A share for $0.25 per share until October 8, 2013.

4. Capital and other components of equity (continued):

(c) Rights:

On July 5, 2011, the Corporation issued to the holders of its outstanding Class A shares transferable rights to subscribe for Class A shares. Each registered holder of Class A shares received one Right for each Class A share held, representing a total of 64,454,444 Rights. Ten Rights plus the sum of $1.25 are required to subscribe for one Class A share. The Rights expired at 4:00PM (Montreal time) on September 14, 2011. On September 14, 2011, the Rights Offering expired oversubscribed and, accordingly, the maximum number of shares available for issuance under the terms of the Rights Offering has been issued for a total of 6,445,444 shares representing gross proceeds of $8,056,805. Transaction costs related to the Rights offering amounted to $201,396.

(d) Convertible redeemable shares held by related parties:

Convertible redeemable shares held by related parties as follows:

		November 30, 2011	February 28, 2011	March 1, 2010
Neptune	$	–	$ 3,960,000	$3,960,000
Corporation controlled by an officer and director		–	92,000	92,000
Total	$	–	$ 4,052,000	$4,052,000

5. Share-based payment:

Description of the share-based payment arrangements:

At November 30, 2011 the Corporation has the following share-based payment arrangements:

(a) Corporation stock-based compensation plan:

The Corporation has established a stock-based compensation plan for administrators, officers, employees and consultants. The plan provides for the granting of options to purchase Acasti Class A shares. Under this plan, the maximum number of options that can be issued equaled the lower of 1,530,000 or 10% of Acasti Class A shares held by public shareholders, as approved annually by such shareholders. On March 21, 2011, the Corporation's Board of Directors amended the incentive stock option plan (the "Plan"). The amendments to the Plan were approved by the shareholders on June 22, 2011. The main modification to the Plan consists of an increase in the number of shares reserved for issuance of incentive stock options under the Plan to 6,443,444. The terms and conditions for acquiring and exercising options are set by the Corporation's Board of Directors, subject, among others, to the following limitations: the term of the options cannot exceed ten years and every stock option granted under the stock option plan will be subject to conditions no less restrictive than a minimal vesting period of 18 months, a gradual and equal acquisition of vesting rights, at least on a quarterly basis.

5. Share-based payment (continued):

(a) Corporation stock-based compensation plan (continued):

The number and weighted average exercise prices of share options are as follows:

	Nine-month period ended November, 2011			Nine-month period ended November 30, 2010		
		Weighted average exercise price	Number of options		Weighted average exercise price	Number or options
Outstanding at beginning of period	$	0.25	800,000	$	0.25	850,000
Granted		1.42	2,635,000		–	–
Exercised		0.25	-25,000		–	–
Forfeited		1.43	-70,000		–	–
Outstanding at end of period	$	1.15	3,340,000	$	0.25	850,000
Exercisable at end of period	$	0.28	766,250	$	0.25	601,250

The fair value of options granted has been estimated according to the Black-Scholes option pricing model and based on the weighted average of the following assumptions for options granted during the three-month and nine-month periods ended:

	Three-month period ended November, 2011	Nine-month period ended November 30, 2011
Dividend	–	–
Risk-free interest	1.52%	1.83%
Estimated life	4.88 years	3.99 years
Expected volatility	95.33%	97.60%

The weighted average of the fair value of the options granted to employees during the three-month and nine-month periods is $1.03 (2010 - nil)

(b) Neptune stock-based compensation plan:

Neptune maintains various stock-based compensation plans for the benefit of administrators, officers, employees and consultants that provide services to its consolidated group, including the Corporation. The Corporation records as stock-based compensation expense a portion of the expense being recorded by Neptune that is commensurate to the fraction of overall services that the grantees provide directly to the Corporation.

At November 30, 2011, the Corporation recognised stock-based compensation related to Neptune plans in the amount of $276,980 (2010 - $44,423).

6. Commitments:

License agreement:

The Corporation is committed under a license agreement to pay Neptune until the expiration of Neptune's patents on licensed intellectual property, a royalty equal to the sum of (a) in relation to sales of products in the licensed field, the greater of: (i) 7.5% of net sales, and (ii) 15% of the Corporation's gross margin; and (b) 20% of revenues from sub-licenses granted by the Corporation to third parties. After the expiration of Neptune's patents on licensed intellectual property in 2022, the license agreement will automatically renew for an additional 15 years, during which period royalties will be determined to be equal to half of those calculated with the above formula.

In addition, the license agreement provides for minimum royalty payments notwithstanding the above of: year 1 - nil; year 2 - $50,000; year 3 - $200,000; year 4 - $300,000; year 5 - $900,000 and year 6 and thereafter - $1,000,000. Minimum royalties are based on contract years based on the effective date of the agreement, August 7, 2008.

The Corporation has the option to pay future royalties in advance, in cash or in kind, in whole or in part, based on an established economic model contained in the license agreement.

The Corporation can also abandon its rights under all or part of the license agreement and consequently remove itself from the obligation to pay all or part of the minimum royalties by paying a penalty equal to half of the next year's minimum royalties.

In addition, the Corporation is committed to have its products manufactured by Neptune at prices determined according to different cost-plus rates for each of the product categories under the license agreement.

Research and development agreements:

In the normal course of business, the Corporation has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products. The Corporation has reserved certain rights relating to these projects.

The Corporation initiated research and development projects that will be conducted over a 12 to 24 month period for a total cost of $3,757,225. As at November 30, 2011, an amount of $99,036 is included in "Trade and other payables" in relation to these projects.

7. Related parties:

The Corporation was charged by Neptune for certain costs incurred by Neptune for the benefit of the Corporation, as follows:

	Three-month period ended November 30, 2011	Three-month period ended November 30, 2010	Nine-month period ended November 30, 2011	Nine-month period ended November 30, 2010
Administrative costs	$ 267,029	$ 101,648	$ 674,823	$ 240,308
Research and development costs, before tax credits	142,244	260,429	561,865	609,166
	$ 409,273	$ 362,077	$ 1,236,688	$ 849,474

These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to with Neptune.

Where Neptune incurs specific incremental costs for the benefit of the Corporation, it charges those amounts directly. Costs that benefit more than one entity of the Neptune group are being charged by allocating a fraction of costs incurred by Neptune that is commensurate to the estimated fraction of services or benefits received by each entity for those items.

7. Related parties (continued):

These charges do not represent all charges incurred by Neptune that may have benefited the Corporation, because, amongst others, Neptune does not allocate certain common office expenses and does not charge interest on indebtedness. Also, these charges do not necessarily represent the cost that the Corporation would otherwise need to incur should it not receive these services or benefits through the shared resources of Neptune or receive financing from Neptune.

Revenue from research contracts:

The Corporation charged Neptune and a corporation under common control for research and development work performed for their benefit in the amount of $92,703 and $23,363, respectively, during the nine-month period ended November 30, 2011, (nil during the three-month period ended November 30, 2011 and nil during the three-month and nine-month periods ended in 2010). These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to with Neptune and a corporation under common control.

Payable to parent corporation:

Payable to parent corporation has no specified maturity date for payment or reimbursement and does not bear interest. This amount has been measured at the exchange amount and classified as current liabilities.

Key management personnel compensation:

The key management personnel of the Corporation are the members of the Board of Directors and certain officers. They control 2% of the voting shares of the Corporation.

Key management personnel compensation includes the following for the three-month and nine-month periods ended November 30, 2011 and 2010:

	Three-month period ended November 30, 2011	Three-month period ended November 30, 2010	Nine-month period ended November 30, 2011	Nine-month period ended November 30, 2010
Share based compensation costs	$ 292,009	$ 36,373	$ 531,260	$ 69,990

8. Transition to IFRS:

As stated in note 2 (a), these are the Corporation's third interim financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the three-month and nine-month period ended November 30, 2011, and the comparative information presented in these financial statements for both the three-month and nine-month period ended November 30, 2010.

In preparing its interim financial statements in accordance with IFRS 1, the Corporation applied the mandatory exceptions and elected to apply the following optional exemptions from full retroactive application:

(i) Share-based payment:

The Corporation did not apply IFRS 2, Share-based Payment ("IFRS 2") to stock options that had vested as at March 1, 2010.

(ii) Designation of financial assets and financial liabilities:

The Corporation has elected to re-designate cash and cash equivalents and short-term investments from held-for-trading category to loans and receivables. As the historical cost carrying amount under IFRS equals the fair value of those instruments under Canadian GAAP at the date of transition, there is no adjustment resulting from this election.

8. Transition to IFRS (continued):

As required by IFRS 1, estimates made under IFRS at the date of transition must be consistent with estimates made for the same date under Canadian GAAP (its previous GAAP), unless there is evidence that those estimates were in error.

In preparing its opening IFRS statement of financial position, the Corporation has adjusted amounts reported previously in the financial statements prepared in accordance with Canadian GAAP.

An explanation of how the transition from previous GAAP to IFRS has affected the Corporation's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

Reconciliations of equity as at March 1, 2010 and February 28, 2011, as well as reconciliation of comprehensive income for the year ended February 28, 2011 can be found in the Corporation's interim financial statements for the period ended May 31, 2011.

Reconciliation of equity

					November 30, 2010
	Note	**Canadian GAAP**	**IFRS adjustments**	**IFRS reclassifications**	**IFRS**
Assets					
Current assets:					
Cash		$ 2,052,080	$ –	$ –	$ 2,052,080
Short-term investments		1,000,000	–	–	1,000,000
Trades and other receivables		123,422	–	–	123,422
Tax credits receivable		442,047	–	–	442,047
Prepaid expenses		9,879	–	–	9,879
		3,627,428	–	–	3,627,428
Equipment		34,711	–	–	34,711
Intangible asset	(c)	–	7,666,666	–	7,666,666
		$ 3,662,139	$ 7,666,666	$ –	$11,328,805
Liabilities and Equity					
Current liabilities:					
Trade and other payables		$ 321,113	$ –	$ –	$ 321,113
Payable to parent corporation		201,442	–	–	201,442
Convertible redeemable shares		4,052,000	–	–	4,052,000
		4,574,555	–	–	4,574,555
Equity					
Share capital	(e)	12,038,795	93,492	–	12,132,287
Contributed surplus	(d)	64,056	67,254	–	131,310
Deficit	(d)	(13,015,267)	7,505,920	–	(5,509,347)
Total equity		(912,416)	7,666,666	–	6,754,250
		$ 3,662,139	$ 7,666,666	$ –	$11,328,805

8. Transition to IFRS (continued):

Reconciliation of comprehensive income for the three-month period ended November 30, 2010

	Note	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
General and administrative expenses	(f)	$(246,750)	$ –	$ (186,331)	$(433,081)
Research and development expenses, net of tax credit of $51,326	(f)	(318,589)	–	(35,653)	(354,242)
Amortization	(c), (f)	(2,928)	(164,286)	167,214	–
Stock-based compensation	(d), (f)	(32,713)	(22,057)	54,770	–
Results from operating activities		(600,980)	(186,343)	–	(787,323)
Interest income		4	–	–	4
Finance (costs) income	(e)	(484)	169,494	–	169,010
Foreign exchange gain		676	–	–	676
Net finance income		196	169,494	–	169,690
Net loss and total comprehensive loss for the period		$(600,784)	$ (16,849)	$ –	$(617,633)
Basic loss per share		$ (0.02)			$ (0.02)
Diluted loss per share		(0.02)			(0.02)

8. Transition to IFRS (continued):

Reconciliation of comprehensive income for the nine-month period ended November 30, 2010

	Note	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
General and administrative expenses	(f)	$ (513,247)	$ –	$ (553,785)	$(1,067,032)
Research and development expenses, net of tax credit of $216,632	(f)	(863,087)	–	(78,521)	(941,608)
Amortization	(c), (f)	(8,138)	(492,858)	500,996	–
Stock-based compensation	(d), (f)	(64,056)	(67,254)	131,310	–
Results from operating activities		(1,448,528)	(560,112)	–	(2,008,640)
Interest income		3,870	–	–	3,870
Finance (costs) income	(e)	(800)	140,298	–	139,498
Foreign exchange loss		(1,162)	–	–	(1,162)
Net finance income		1,908	140,298	–	142,206
Net loss and total comprehensive loss for the period		$(1,446,620)	$ (419,814)	$ –	$(1,866,434)
Basic loss per share		$ (0.11)			$ (0.14)
Diluted loss per share		(0.11)			(0.14)

There are no material differences between the statement of cash flows presented under IFRS and the statement of cash flows under previous Canadian GAAP.

8. Transition to IFRS (continued):

Notes to the reconciliations:

	November 30, 2010
Equity under Canadian GAAP	$ (912,416)
Adjustments:	
Intangible asset (c)	7,666,666
Equity under IFRS	$ 6,754,250

(b) Reconciliation of comprehensive income:

	Three-month period ended November 30, 2010	Nine-month period ended November 30, 2010
Comprehensive loss under Canadian GAAP	$ (600,784)	$ (1,446,620)
Adjustments:		
Intangible asset (c)	(164,286)	(492,858)
Share-based payments (d)	(22,057)	(67,254)
Series II warrants (e)	(10,470)	(39,666)
Gain on expiry of warrants (e)	179,964	179,964
Net loss under IFRS	$ (617,633)	$ (1,866,434)

(c) Intangible assets:

Under IFRS, there are no special recognition requirements for related party transactions, therefore the acquisition from Neptune of the license to use its intellectual property is subject to the requirements of IAS 38 *Intangible Assets*.

Under previous Canadian GAAP, the transfer of the license to the Corporation from its parent corporation was measured at the carrying amount. No value was attributed to the license as the intellectual property being licensed had a carrying amount of nil in the books of Neptune since it was internally generated.

In accordance with IAS 38, the transaction was treated as a separate acquisition of an intangible asset and was initially recognized as cost, being the fair value of convertible redeemable shares of $9,200,000 issued in consideration for the purchase.

The Corporation amortizes the cost of the license over its estimated useful life, resulting in a net adjustment to deficit and assets at the date of transition of $8,159,524. For the comparative periods, amortization caused an increase in general and administrative costs of $164,286 during the three-month and $492,858 during the nine-month period ended November 30, 2010.

8. Transition to IFRS (continued):

(d) Share based payment - equity instruments:

As permitted by IFRS 1, the Corporation elected to apply the exemptions for share-based payments for equity instruments granted after November 7, 2002 that vested before the transition to IFRSs.

In some cases, stock-based awards vest in installments over a specified vesting period. Under IFRS, when the only vesting condition is service from the grant date to the vesting date of each tranche awarded, each installment of the award is accounted for as a separate share-based payment arrangement, otherwise known as graded vesting. In addition, under IFRS, forfeitures are estimated at the time of the grant, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Under previous Canadian GAAP, the Corporation accounted for stock-based awards that vested in installments as a single award with a vesting period based on the total life of the award. In addition, forfeitures were not considered at the time of grant but accounted for as they occurred, as permitted under Canadian GAAP.

Under previous Canadian GAAP, no expense was recognized for share-based awards pending shareholders' approval, unless approval was assured. Under IFRS, share-based awards are recognized when the services are received and may result in the recognition of an expense prior to the grant date. The entity estimates the grant-date fair value of the equity instruments for the purpose of recognizing the services from the service commencement date until grant date by assuming that the end of the reporting period is the grant date. Until the grant date has been established, the entity revises the earlier estimates so that the amounts recognized for services received are based on the grant-date fair value of the equity instruments. This revision is treated as a change in estimate and the impact on the share-based payment expense is adjusted in each period accordingly.

The effects of those differences were an increase to contributed surplus and stock based compensation expense in the amount of \$22,057 for the three-month and \$67,254 for the nine-month period ended November 30, 2010.

(e) Warrants:

The Corporation issued warrants that are still outstanding at the date of transition. Under previous Canadian GAAP, these warrants were equity-classified, recorded at their initial fair value in shareholder's equity and were not re-measured subsequently. Under IFRS, the Corporation determined that all warrants issued by the Corporation met the criteria for equity classification with the exception of the Series II warrants. These warrants are not equity-classified under IFRS as the settlement alternatives for these warrants also provide for a cash-settlement option for the issuer. As a result, the warrants are classified as a liability and accounted as freestanding derivative financial instruments with changes in fair value recognized in income at each reporting date.

The Corporation valued the Series II warrants at the date of transition, at each subsequent interim reporting date, and immediately before settlement, using an option valuation model. The estimated fair value is recorded in the statement of financial position in "Derivative financial liabilities". Because the warrants had a nil carrying amount in equity, the only reclassification from equity upon transition was to charge the estimated fair value of \$233,790 to deficit at that date.

Subsequent changes in the estimated fair value of the Series II warrants through to expiry were recorded as adjustments to finance costs in the statement of comprehensive income. Consequently, a fair value increase of \$10,470 and \$39,666 was recognized as adjustments for the three-month and nine-month periods ended November 30, 2010. On November 17, 2010, 64% of these warrants expired unexercised resulting in a gain on expiry of warrants in the amount of \$179,964.

(f) Presentation of statement of operations:

As the Corporation has elected to present its analysis of expenses recognized in comprehensive loss using a classification based on their function with the Corporation, amortization and stock-based compensation expense were reallocated to general and administrative expenses and research and development expenses.

Exhibit 99.41

Financial Statements of

ACASTI PHARMA INC.

For the years ended February 29, 2012 and February 28, 2011 and as at March 1, 2010

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Acasti Pharma Inc.

We have audited the accompanying financial statements of Acasti Pharma Inc., which comprise the statements of financial position as at February 29, 2012, February 28, 2011 and March 1, 2010, the statements of earnings and comprehensive income (loss), changes in equity and cash flows for the years ended February 29, 2012 and February 28, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Acasti Pharma Inc. as at February 29, 2012, February 28, 2011 and March 1, 2010, and its financial performance and its cash flows for the years ended February 29, 2012 and February 28, 2011 in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board**.**

Other Matter

Without qualifying our opinion, we draw attention to note 2(b) in the financial statements, which indicates that Acasti Pharma Inc. experienced continued net losses since inception. This condition, along with other matters as set forth in note 2(b) in the financial statements, indicates the existence of a material uncertainty that may cast significant doubt about Acasti Pharma Inc.'s ability to continue as a going concern.

/s/ KPMG LLP
Chartered Accountants

May 9, 2012
Montréal, Canada

ACASTI PHARMA INC.
Financial Statements

For the years ended February 29, 2012, February 28, 2011 and as at March 1, 2010

Financial Statements

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ACASTI PHARMA INC.
Statements of Financial Position

As at February 29, 2012, February 28, 2011 and March 1, 2010

	February 29, 2012	February 28, 2011	March 1, 2010
Assets			
Current assets:			
Cash	$ 1,589,810	$ 322,183	$ 412,822
Short-term investments	5,542,764	2,507,747	–
Trade and other receivables (note 4)	442,718	192,440	68,389
Receivable from corporation under common control (note 5)	49,658	12,381	–
Tax credits receivable (note 6)	590,402	241,300	402,257
Inventories (note 7)	599,456	–	–
Prepaid expenses	41,650	14,431	–
	8,856,458	3,290,482	883,468
Equipment (note 8)	27,164	37,909	29,851
Intangible asset (note 9)	6,845,238	7,502,380	8,159,524
Total assets	$ 15,728,860	$10,830,771	$ 9,072,843
Liabilities and Equity			
Current liabilities:			
Trade and other payables (note 10)	$ 995,662	$ 510,605	$ 309,254
Payable to parent corporation (note 5)	214,772	435,310	382,125
Royalties payable to parent corporation (note 18)	49,084	128,020	–
Convertible redeemable shares (note 11)	–	4,052,000	4,052,000
Derivative financial liabilities (note 11)	–	–	233,790
Total liabilities	1,259,518	5,125,935	4,977,169
Equity:			
Share capital (note 11)	28,614,550	12,174,901	7,738,587
Warrants and rights (note 11)	313,315	–	–
Contributed surplus	(1,306,451)	181,074	–
Deficit	(13,152,072)	(6,651,139)	(3,642,913)
Total equity	14,469,342	5,704,836	4,095,674
Commitments (note 18)			
Subsequent event (note 22)			
Total liabilities and equity	$ 15,728,860	$10,830,771	$ 9,072,843

See accompanying notes to financial statements.

On behalf of the Board:

/s/ Ronald Denis
Dr. Ronald Denis
Chairman of the Board

/s/ Michel Chartrand
Michel Chartrand
Director

ACASTI PHARMA INC.

Statements of Earnings and Comprehensive Loss

Years ended February 29, 2012 and February 28, 2011

	2012	2011
Revenue from sales	$ 10,415	$ –
Cost of sales	(5,077)	–
Gross profit	5,338	–
Revenue from research contracts (note 5)	115,966	28,402
General and administrative expenses	(3,493,671)	(1,608,748)
Research and development expenses, net of tax credits of $453,316 (2011 - $86,128)	(3,140,475)	(1,538,169)
Results from operating activities	(6,512,842)	(3,118,515)
Finance income (note 13)	43,143	285,231
Finance costs (note 13)	(8,962)	(177,174)
Foreign exchange (loss) gain	(22,272)	2,232
Net finance income	11,909	110,289
Net loss and total comprehensive loss for the year	$ (6,500,933)	$ (3,008,226)
Basic and diluted loss per share (note 15)	$ (0.10)	$ (0.06)
Weighted average number of shares outstanding (note 15)	67,231,636	50,772,550

See accompanying notes to financial statements

ACASTI PHARMA INC.
Statements of Changes in Equity

Years ended February 29, 2012 and February 28, 2011

	Share capital		Warrants	Contributed		
	Number	Dollar	and rights	surplus	Deficit	Total
Balance, February 28, 2011	59,174,444	$12,174,901	$ –	$ 181,074	$ (6,651,139)	$ 5,704,836
Net loss and total comprehensive loss for the year	–	–	–	–	(6,500,933)	(6,500,933)
	59,174,444	12,174,901	–	181,074	(13,152,072)	(796,097)
Transactions with owners, recorded directly in equity						
Contributions by and distribution to owners						
Issuance of shares through private placement	1,500,000	1,978,600	–	–	–	1,978,600
Conversion of convertible redeemable shares	5,260,000	4,052,000	–	–	–	4,052,000
Share-based payment transactions	–	–	313,315	1,007,256	–	1,320,571
Warrants exercised	214,500	55,500	–	–	–	55,500
Share options exercised	42,500	13,252	–	(4,501)	–	8,751
Issuance of rights	–	–	2,490,280	(2,490,280)	–	–
Rights exercised	6,445,444	10,340,297	(2,490,280)	–	–	7,850,017
Total contributions by and distribution to owners	13,462,444	16,439,649	313,315	(1,487,525)	–	15,265,439
Balance at February 29, 2012	72,636,888	$28,614,550	$ 313,315	$(1,306,451)	$(13,152,072)	$14,469,342
Balance, March 1, 2010	47,673,924	$ 7,738,587	$ –	$ –	$ (3,642,913)	$ 4,095,674
Net loss and total comprehensive loss for the year	–	–	–	–	(3,008,226)	(3,008,226)
	47,673,924	7,738,587	–	–	(6,651,139)	1,087,448
Transactions with owners, recorded directly in equity						
Contributions by and distribution to owners						
Share-based payment transactions	–	–	–	181,074	–	181,074
Warrants exercised	11,500,520	4,436,314	–	–	–	4,436,314
Total contributions by and distribution to owners	11,500,520	4,436,314	–	181,074	–	4,617,388
Balance at February 28, 2011	59,174,444	$12,174,901	$ –	$ 181,074	$ (6,651,139)	$ 5,704,836

See accompanying notes to financial statements.

ACASTI PHARMA INC.
Statements of Cash Flows

Years ended February 29, 2012 and February 28, 2011

	2012	2011
Cash flows from operating activities:		
Net loss for the year	$(6,500,933)	$(3,008,226)
Adjustments:		
Depreciation of equipment	10,745	13,043
Amortization of intangible asset	657,142	657,144
Stock-based compensation	1,320,571	181,074
Net finance income	(11,909)	(110,289)
Foreign exchange (loss) gain	(22,272)	2,232
Foreign exchange loss on cash	9,484	–
	(4,537,172)	(2,265,022)
Changes in non-cash operating working capital items:		
Trade and other receivables	(250,278)	(124,051)
Receivable from corporation under common control	(37,277)	(12,381)
Tax credits receivable	(349,102)	160,957
Inventories	(599,456)	–
Prepaid expenses	(27,219)	(14,431)
Trade and other payables	485,057	201,351
Payable to parent corporation	(220,538)	53,185
Royalties payable to parent corporation	(78,936)	128,020
	(1,077,749)	392,650
Net cash used in operating activities	(5,614,921)	(1,872,372)
Cash flows from (used in) investing activities:		
Interest received	8,126	11,775
Acquisition of equipment	–	(21,101)
Acquisition of short-term investments	(7,500,000)	(2,507,747)
Maturity of short-term investments	4,500,000	–
Net cash used in investing activities	(2,991,874)	(2,517,073)
Cash flows from (used in) financing activities:		
Proceeds from exercise of warrants and options	64,251	–
Proceeds from issuance of shares on exercise of warrants	–	4,300,208
Net proceeds from exercise of rights	7,850,017	–
Net proceeds from private placement	1,978,600	–
Interest paid	(8,962)	(1,402)
Net cash from financing activities	9,883,906	4,298,806
Foreign exchange loss on cash held in foreign currencies	(9,484)	–
Net increase (decrease) in cash	1,267,627	(90,639)
Cash, beginning of year	322,183	412,822
Cash, end of year	$ 1,589,810	$ 322,183
Supplemental cash flow disclosure:		
Non-cash transactions:		
Conversion of convertible redeemable shares (note 11)	$ 4,052,000	$ –
Fair value adjustment on exercise of warrants (note 23 (f))	–	136,106

See accompanying notes to financial statements.

1. Reporting entity

Acasti Pharma Inc. (the "Corporation") is incorporated under the *Business Corporations Act* (Québec) (formerly Part 1A of the *Companies Act* (Québec)). The Corporation is domiciled in Canada and its registered office is located at 225 Promenade du Centropolis, Laval, Québec H7T 0B3. The Corporation is a majority-owned subsidiary of Neptune Technologies and Bioressources Inc. ("Neptune").

On August 7, 2008, the Corporation commenced operations after having acquired from Neptune an exclusive worldwide license to use its intellectual property to develop, clinically study and market new pharmaceutical products to treat human cardiovascular conditions. Neptune's intellectual property is related to the extraction of particular ingredients from marine biomasses, such as krill. The eventual products are aimed at applications in the over-the-counter medicine, medical foods and prescription drug markets.

Operations essentially consist in the development of new products and the conduct of clinical research studies on animals and humans. Almost all research and development, administration and capital expenditures incurred by the Corporation since the start of the operations are associated with the project described above.

The Corporation is subject to a number of risks associated with the successful development of new products and their marketing, the conduct of its clinical studies and their results, the meeting of development objectives set by Neptune in its license agreement, and the establishment of strategic alliances. The Corporation will have to finance its research and development activities and its clinical studies. To achieve the objectives of its business plan, the Corporation plans to establish strategic alliances, raise the necessary capital and make sales. It is anticipated that the products developed by the Corporation will require approval from the U.S Food and Drug Administration and equivalent organizations in other countries before their sale can be authorized.

2. Basis of preparation

(a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board (IFRS). These are the Corporation's first financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. The first date at which IFRS were applied was March 1, 2010.

An explanation of how the transition to IFRS has affected the previously reported financial position, financial performance and cash flows of the Corporation is provided in note 23.

The financial statements were authorized for issue by the Board of Directors on May 9, 2012.

(b) Basis of measurement**:**

The Corporation has incurred operating losses and negative cash flows from operations since inception. As at February 29, 2012, the Corporation's current liabilities and expected level of expenses in the research and development phase of its drug candidate significantly exceed current assets. The Corporation's liabilities at February 29, 2012 include amounts due to Neptune of $263,856. The Corporation plans to rely on the continued support of Neptune to pursue its operations, including obtaining additional funding, if required. The continuance of this support is outside of the Corporation's control. If the Corporation does not receive the continued financial support from its parent or the Corporation does not raise additional funds, it may not be able to realize its assets and discharge its liabilities in the normal course of business. As a result, there exists a material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern and, therefore, realize its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on a going concern basis, which assumes the Corporation will continue its operations in the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the ordinary course of business. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities and reported revenues and expenses that may be necessary if the going concern basis was not appropriate for these financial statements should the Corporation not receive additional financing from Neptune or other sources.

The financial statements have been prepared on the historical cost basis except for the revaluation of the derivative financial liability, which is measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

2. Basis of preparation (continued):

(d) Use of estimates and judgements:

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates are based on the management's best knowledge of current events and actions that the Corporation may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include the following:

· The use of the going concern basis (note 2 (b)).

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year include the following:

· Measurement of derivative financial liabilities and stock-based compensation (note 14).

Also, the Corporation uses its best estimate to determine which research and development ("R&D") expenses qualify for R&D tax credits and in what amounts. The Corporation recognizes the tax credits once it has reasonable assurance that they will be realized. Recorded tax credits are subject to review and approval by tax authorities and therefore, could be different from the amounts recorded.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, including the opening IFRS statement of financial position at March 1, 2010 for the purposes of the transition to IFRSs.

(a) Financial instruments:

(i) Non-derivative financial assets:

The Corporation initially recognizes loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position (balance sheet) when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation has the following non-derivative financial assets: cash, short-term investments and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash, trade and other receivables, and short-term investments with maturities of less than one year.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(i) Non-derivative financial assets (continued):

Cash and cash equivalents comprise cash balances and highly liquid investments purchased three months or less from maturity. Bank overdrafts that are repayable on demand and form an integral part of the Corporation's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Non-derivative financial liabilities:

The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position (balance sheet) when, and only when, the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Corporation has the following non-derivative financial liabilities: trade and other payables and payable to parent corporation.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Share capital:

Common shares

Class A common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Corporation's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognized as interest expense in profit or loss as accrued.

(iv) Compound financial instruments:

Compound financial instruments issued by the Corporation comprise convertible redeemable shares that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest, dividends, losses and gains relating to the financial liability are recognized in profit or loss. Distributions to the equity holders are recognized in equity, net of any tax benefit.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(v) Derivative financial instruments:

The Corporation has issued liability-classified derivatives over its own equity. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives and separable embedded derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives and separable embedded derivatives are measured at fair value, and all changes of fair value are recognized immediately in profit or loss.

(vi) Other equity instruments:

Warrants, options and rights issued outside of share-based payment transactions that do not meet the definition of a derivative financial instrument are recognized initially at fair value in equity. Upon simultaneous issuance of multiple equity instruments, consideration received, net of issue costs, is allocated based on their relative fair values. Equity instruments are not subsequently remeasured.

(b) Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of raw materials and spare parts is based on the weighted-average cost method. The cost of finished goods and work in progress is determined per project and includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition, as well as production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(c) Equipment:

(i) Recognition and measurement:

Equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognized net within "other income or expenses" in profit or loss.

(ii) Subsequent costs:

The cost of replacing a part of an equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in profit or loss as incurred.

3. Significant accounting policies (continued):

(c) Equipment (continued):

(iii) Depreciation:

Depreciation is recognized in profit or loss on either a straight-line basis or a declining basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Asset	Method	Period/Rate
Furniture and office equipment	Diminishing balance	20% to 30%
Computer equipment	Straight-line	3 - 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively if appropriate.

(d) Intangible assets:

(i) Research and development:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Corporation intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs on qualifying assets for which the commencement date for capitalization is on or after March 1, 2010. Other development expenditures are recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses. As of the reporting periods presented, the Corporation has not capitalised any development expenditures.

(ii) Other intangible assets:

Licenses

Licenses that are acquired by the Corporation and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Patent costs

Patents for technologies that are no longer in the research phase are recorded at cost. Patent costs include legal fees to obtain patents and patent application fees. When the technology is still in the research phase, those costs are expensed as incurred. As of the reporting periods presented, the Corporation has not capitalized any patent costs.

(iii) Subsequent expenditure:

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

3. Significant accounting policies (continued):

(d) Intangible assets (continued):

(iv) Amortization:

Amortization is calculated over the cost of the asset less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

	Period
License	14 years

(e) Leased assets**:**

Leases where the lessor retains the risks and rewards of ownership are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(f) Impairment:

(i) Financial assets (including receivables):

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Corporation on terms that the Corporation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

The Corporation considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Corporation uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets:

The carrying amounts of the Corporation's non-financial assets, other than inventories and tax credits receivable are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

3. Significant accounting policies (continued):

(f) Impairment (continued):

(ii) Non-financial assets (continued):

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Corporation's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Employee benefits:

(i) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Share-based payment transactions:

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in contributed surplus, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date.

Share-based payment arrangements in which the Corporation receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Corporation.

Share-based payment transactions include those initiated by Neptune for the benefit of administrators, officers, employees and consultants that provide services to the consolidated group. The Corporation is under no obligation to settle these arrangements and, therefore, also accounts for them as equity-settled share-based payment transactions.

The expense recognized by the Corporation under these arrangements corresponds to the estimated fraction of services that the grantees provide to the Corporation out of the total services they provide to the Neptune group of corporations.

3. Significant accounting policies (continued):

(g) Employee benefits (continued):

(iii) Termination benefits:

Termination benefits are recognized as an expense when the Corporation is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Corporation has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(h) Provisions:

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Onerous contracts:

A provision for onerous contracts is recognized when the expected benefits to be derived by the Corporation from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Corporation recognizes any impairment loss on the assets associated with that contract.

(ii) Contingent liability:

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Corporation; or a present obligation that arises from past events (and therefore exists), but is not recognized because it is not probable that a transfer or use of assets, provision of services or any other transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be estimated reliably.

(i) Revenue:

(i) Sale of goods:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale.

(ii) Research services:

Revenue from research contracts is recognized in profit or loss when services to be provided are rendered and all conditions under the terms of the underlying agreement are met.

(j) Government grants:

Government grants consisting of investment tax credits are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Corporation has met the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

3. Significant accounting policies (continued):

(j) Government grants (continued):

Grants that compensate the Corporation for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same periods in which the expenses are recognized. Grants that compensate the Corporation for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

(k) Lease payments:

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for in the period in which they are incurred.

(l) Foreign currency:

Transactions in foreign currencies are translated into the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(m) Finance income and finance costs:

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial derivative liabilities at fair value through profit or loss, and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

The Corporation recognizes interest income as a component of investing activities and interest expense as a component of financing activities in the statements of cash flows.

(n) Income tax:

Income tax expense comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. Significant accounting policies (continued):

(n) Income tax (continued):

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(o) Earnings per share:

The Corporation presents basic and diluted earnings per share (EPS) data for its Class A shares. Basic EPS is calculated by dividing the profit or loss attributable to the holders of Class A shares of the Corporation by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to the holders of Class A shares and the weighted average number of Class A shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise convertible debentures, redeemable shares, warrants, rights and share options granted to employees.

(p) Segment reporting:

An operating segment is a component of the Corporation that engages in business activities from which it may earn revenues and incur expenses. The Corporation has one reportable operating segment: the development and commercialization of pharmaceutical applications of its licensed rights for cardiovascular diseases. All of the Corporation's assets are located in Canada.

(q) New standards and interpretations not yet adopted:

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended February 29, 2012, and have not been applied in preparing these financial statements.

(i) Financial instruments:

In November 2009 the IASB issued IFRS 9 *Financial Instruments* (IFRS 9 (2009)), and in October 2010 the IASB published amendments to IFRS 9 (IFRS 9 (2010)).

IFRS 9 (2009) replaces the guidance in IAS 39 *Financial Instruments: Recognition and Measurement*, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition:

- financial assets measured at amortized cost; or
- financial assets measured at fair value.

Gains and losses on remeasurement of financial assets measured at fair value will be recognized in profit or loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). The election is available on an individual share-by-share basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) added guidance to IFRS 9 (2009) on the classification and measurement of financial liabilities, and this guidance is consistent with the guidance in IAS 39, except as described below.

3. Significant accounting policies (continued):

(q) New standards and interpretations not yet adopted (continued):

(i) Financial instruments (continued):

Under IFRS 9 (2010), for financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in OCI, with the remainder of the change recognized in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, the entire change in fair value will be recognized in profit or loss. Amounts presented in OCI will not be reclassified to profit or loss at a later date.

IFRS 9 (2010) supersedes IFRS 9 (2009) and is effective for annual periods beginning on or after January 1, 2015, with early adoption permitted. The extent of the impact of adoption of IFRS 9 (2010) has not yet been determined.

(ii) Fair value:

In May 2011, the IASB published IFRS 13 *Fair Value Measurement*, which is effective prospectively for annual periods beginning on or after January 1, 2013. The disclosure requirements of IFRS 13 need not be applied in comparative information for periods before initial application.

IFRS 13 replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, i.e. an exit price. The standard also establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements to provide information that enables financial statement users to assess the methods and inputs used to develop fair value measurements and, for recurring fair value measurements that use significant unobservable inputs (Level 3), the effect of the measurements on profit or loss or other comprehensive income.

IFRS 13 explains 'how' to measure fair value when it is required or permitted by other IFRSs. IFRS 13 does not introduce new requirements to measure assets or liabilities at fair value, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

The Corporation intends to adopt IFRS 13 prospectively in its financial statements for the annual period beginning on March 1, 2013. The extent of the impact of adoption of IFRS 13 has not yet been determined.

(iii) Amendments to IAS 19 - *Employee Benefits*:

In June 2011, the IASB published an amended version of IAS 19 *Employee Benefits*. Adoption of the amendment is required for annual periods beginning on or after January 1, 2013, with early adoption permitted. The amendment is generally applied retrospectively with certain exceptions.

The amendments change the definition of short-term employee benefits and also impacts termination benefits, which would now be recognized at the earlier of when the entity recognizes costs for a restructuring within the scope of IAS 37 *Provisions*, and when the entity can no longer withdraw the offer of the termination benefits.

The Corporation intends to adopt the amendments in its financial statements for the annual period beginning on March 1, 2013. The extent of the impact of adoption of the amendments has not yet been determined.

4. Trade and other receivables:

	February 29, 2012	February 28, 2011	March 1, 2010
Trade receivables	$ 5,446	$ –	$ –
Sales taxes receivable	253,344	151,890	23,389
Accrued and other receivables	183,928	40,550	45,000
	$ 442,718	$ 192,440	$ 68,389

The Corporation's exposure to credit and currency risks related to trade and other receivables is presented in note 17.

5. Related parties:

The Corporation was charged by Neptune for certain costs incurred by Neptune for the benefit of the Corporation and for royalties, as follows:

	February 29, 2012	February 28, 2011
Administrative costs	$ 949,728	$ 254,775
Research and development costs, before tax credits	731,851	920,438
Royalties (note 18)	257,807	132,830
	$ 1,939,386	$ 1,308,043

Where Neptune incurs specific incremental costs for the benefit of the Corporation, it charges those amounts directly. Costs that benefit more than one entity of the Neptune group are being charged by allocating a fraction of costs incurred by Neptune that is commensurate to the estimated fraction of services or benefits received by each entity for those items.

These charges do not represent all charges incurred by Neptune that may have benefited the Corporation, because, amongst others, Neptune does not allocate certain common office expenses and does not charge interest on indebtedness. Also, these charges do not necessarily represent the cost that the Corporation would otherwise need to incur, should it not receive these services or benefits through the shared resources of Neptune or receive financing from Neptune.

Revenue from research contracts:

The Corporation charged Neptune and a corporation under common control for research and development work performed for their benefit in the amount of $92,703 and $23,263, respectively, during the year ended February 29, 2012, (2011 - $16,021 and $12,381, respectively). These transactions are in the normal course of operations.

Payable to parent corporation:

Payable to parent corporation has no specified maturity date for payment or reimbursement and does not bear interest.

Key management personnel compensation:

The key management personnel of the Corporation are the members of the Board of Directors and certain officers. They control 3% of the voting shares of the Corporation.

5. Related parties (continued):

Key management personnel compensation includes the following for the years ended February 29, 2012 and February 28, 2011:

	February 29, 2012	February 28, 2011
Short-term employee benefits	$ 698,382	$ 529,150
Share-based compensation costs	546,939	124,555
	$ 1,245,321	$ 653,705

6. Tax credits receivable:

Tax credits comprise research and development investment tax credits receivable from the provincial government which relate to qualifiable research and development expenditures under the applicable tax laws. The amounts recorded as receivable are subject to a government tax audit and the final amounts received may differ from those recorded.

Unused federal tax credits may be used to reduce future income tax and expire as follows:

2029	$ 11,000
2030	40,000
2031	45,000
2032	437,000
	$533,000

7. Inventories:

	February 29, 2012	February 28, 2011	March 1, 2010
Raw materials	$ 57,950	$ –	$ –
Work in progress	311,378	–	–
Finished goods	230,128	–	–
	$ 599,456	$ –	$ –

For the year ended February 29, 2012, the cost of sales of $5,077 (nil in 2011) was comprised of inventory costs of $5,077 (which consisted of raw materials, changes in work in progress and finished goods).

8. Equipment:

	Furniture and office equipment	Computer equipment	Total
Cost:			
Balance at March 1, 2010	$ 40,603	$ 693	$ 41,296
Additions	18,103	2,998	21,101
Balance at February 28, 2011 and February 29, 2012	58,706	3,691	62,397
Accumulated depreciation:			
Balance at March 1, 2010	11,203	242	11,445
Depreciation for the year	11,940	1,103	13,043
Balance at February 28, 2011	23,143	1,345	24,488
Depreciation for the year	9,638	1,107	10,745
Balance at February 29, 2012	$ 32,781	$ 2,452	$ 35,233
Net carrying amounts:			
March 1, 2010	$ 29,400	$ 451	$ 29,851
February 28, 2011	35,563	2,346	37,909
February 29, 2012	25,925	1,239	27,164

Depreciation expense for the years ended February 29, 2012 and February 28, 2011 has been recorded in “general and administrative expenses” in the statement of comprehensive income.

9. Intangible asset:

	License
Cost:	
Balance at March 1, 2010, February 28, 2011 and February 29, 2012	$9,200,000
Accumulated amortization:	
Balance at March 1, 2010	1,040,476
Amortization for the year	657,144
Balance at February 28, 2011	1,697,620
Amortization for the year	657,142
Balance at February 29, 2012	$2,354,762
Net carrying amounts:	
March 1, 2010	$8,159,524
February 28, 2011	7,502,380
February 29, 2012	6,845,238

Amortization expense for the years ended February 29, 2012 and February 28, 2011 has been recorded in "general and administrative expenses" in the statement of comprehensive income.

10. Trade and other payables:

	February 29, 2012	February 28, 2011	March 1, 2010
Trade payables	$ 549,241	$ 174,604	$ 80,189
Accrued liabilities and other payables	170,098	165,672	105,749
Employee salaries and benefits payable	276,323	170,329	123,316
	$ 995,662	$ 510,605	$309,254

The Corporation's exposure to currency and liquidity risks related to trade and other payables is presented in note 17.

11. Capital and other components of equity

(a) Share capital:

Authorized capital stock:

Unlimited number of shares:

- Class A shares, voting (one vote per share), participating and without par value
- Class B shares, voting (ten votes per share), non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class B shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class B shares are redeemable at the holder's discretion for $0.80 per share, subject to certain conditions.
- Class C shares, non-voting, non-participating, without par value and maximum annual non-cumulative dividend of 5% on the amount paid for said shares. Class C shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class C shares are redeemable at the holder's discretion for $0.20 per share, subject to certain conditions.
- Class D and E shares, non-voting, non-participating, without par value and maximum monthly non-cumulative dividend between 0.5% and 2% on the amount paid for said shares. Class D and E shares are convertible, at the holder's discretion, into Class A shares, on a one-for-one basis, and Class D and E shares are redeemable at the holder's discretion, subject to certain conditions.

	Class A shares (classified as equity)		Class B shares (classified as liability)		Class C shares (classified as liability)	
	Number outstanding	Amount	Number outstanding	Amount	Number outstanding	Amount
Balance February 29, 2012	72,636,888	$28,614,550	–	$ –	–	$ –
Balance February 28, 2011	59,174,444	12,174,901	5,000,000	4,000,000	260,000	52,000
Balance March 1, 2010	47,673,924	7,738,587	5,000,000	4,000,000	260,000	52,000

On March 21, 2011, the outstanding Class B and Class C shares, 5,000,000 and 260,000, respectively, were converted into Class A shares by their holders on a 1:1 basis (the "Conversion"). Following the Conversion, the liability for convertible redeemable shares in the amount of $4,052,000 was extinguished, and the number of issued and outstanding Class A shares of the Corporation was 64,434,444.

(b) Private placement:

On February 13, 2012, the Corporation closed a private placement financing for gross proceeds of $1,993,600 from Neptune and an officer of the Corporation.

Half of the proceeds came from Neptune for 750,000 common shares at $1.33 per share. The other portion of the proceeds came from an officer of the Corporation for 750,000 common shares at $1.33 per share and warrants (the "Series 6" and "Series 7" warrants) to purchase 750,000 additional shares. The warrants to purchase additional shares will be exercisable at a price of $1.50 per share for 36 months following their issue date. Total issue costs related to these transactions amounted to $15,000.

The warrants issued to the officer were determined to constitute stock-based compensation. Series 7 warrants are subject to vesting in equal installments over four semesters, subject to continued service and attainment of market (187,500 warrants) and non-market performance conditions (187,500 warrants).

11. Capital and other components of equity (continued):

(b) Private placement (continued):

The fair value of the warrants that are not subject to market condition was estimated according to the Black-Scholes option pricing model based on the following assumptions:

	2012
Dividend yield	Nil
Risk-free interest rate	1.13%
Estimated life	3 years
Expected volatility	85.77%

The fair value of the warrants subject to market conditions was estimated using a binomial model using the same assumptions as above, as well as factors that reflect the probability of the conditions being met.

The fair value of warrants granted was determined to be $0.83 per warrant. The Corporation recognized an expense of $313,315 for this grant during the year ended February 29, 2012.

(c) Warrants:

The warrants of the Corporation are composed of the following as at February 29, 2012, February 28, 2011 and March 1, 2010:

	February 29, 2012		February 28, 2011		March 1, 2010	
	Number outstanding	Amount	Number outstanding	Amount	Number outstanding	Amount
Liability						
Series 2 warrants	–	$ –	–	$ –	9,027,142	$233,790
Equity						
Series 3 warrants	–	–	–	–	12,500,000	–
Series 4 warrants	5,785,500	–	6,000,000	–	6,000,000	–
Series 5 warrants	–	–	–	–	3,000,000	–
Private placement warrants						
Series 6 warrants	375,000	306,288	–	–	–	–
Series 7 warrants	375,000	7,027	–	–	–	–
	6,535,500	$313,315	6,000,000	$ –	30,527,142	$233,790

- Series 2 allowed the holder to purchase one Class A share for $0.40 per share until November 17, 2010.
- Series 3 allowed the holder to purchase one Class A share for $0.40 per share until December 31, 2010.
- Series 4 allows the holder to purchase one Class A share for $0.25 per share until October 8, 2013.
- Series 5 allowed the holder to purchase one Class A share for $0.30 per share until December 31, 2010.
- Series 6 allows the holder to purchase one Class A share for $1.50 per share until February 10, 2015.
- Series 7 allows the holder to purchase one Class A share for $1.50 per share until February 10, 2015 subject to the achievement of certain agreed upon and predefined milestones.

11. Capital and other components of equity (continued):

(c) Warrants (continued):

During 2011, 3,082,139 Series 2 warrants, 5,418,381 Series 3 warrants, and 3,000,000 Series 5 warrants were exercised for aggregate cash proceeds of $4,300,208. An additional $136,108, corresponding to the fair value of the Series 2 warrants at the time of exercise, was recorded in share capital. In addition, 5,945,003 Series 2 warrants and 7,081,619 Series 3 warrants expired unexercised in 2011.

(d) Rights:

On July 5, 2011, the Corporation issued to the holders of outstanding Class A shares transferable rights to subscribe to Class A shares. Each registered holder of Class A shares received one right for each Class A share held, representing a total of 64,454,444 rights. Ten rights plus the sum of $1.25 are required to subscribe to one Class A share. On September 14, 2011, the offering expired oversubscribed and, accordingly, the maximum number of shares available for issuance was issued for a total of 6,445,444 shares representing gross proceeds of $8,056,805. Transaction costs related to the rights offering amounted to $206,788.

(e) Convertible redeemable shares held by related parties:

Convertible redeemable shares held by related parties are as follows:

	February 29, 2012	February 28, 2011	March 1, 2010
Neptune	$ –	$ 3,960,000	$3,960,000
Corporation controlled by an officer and director	–	92,000	92,000
Total	$ –	$ 4,052,000	$4,052,000

All convertible redeemable shares were converted into Class A shares on March 21, 2011, as disclosed in note 11 (a).

12. Personnel expenses:

	February 29, 2012	February 28, 2011
Salaries and other short-term employee benefits	$ 1,507,026	$ 1,016,555
Share-based compensation	1,228,466	177,015
	$ 2,735,492	$ 1,193,570

Share-based compensation does not include $92,105 (2011 - $4,059) of compensation to non-employee directors and consultants.

13. Finance income and finance costs:

(a) Finance income:

	February 29, 2012	February 28, 2011
Interest income	$ 43,143	$ 11,775
Gain on expiry of derivative financial liabilities	–	273,456
Finance income	$ 43,143	$ 285,231

13. Finance income and finance costs (continued):

(b) Finance costs:

	February 29, 2012	February 28, 2011
Interest charges	$ (8,962)	$ (1,402)
Change in fair value of derivative financial liabilities	–	(175,772)
Finance costs	$ (8,962)	$ (177,174)

14. Share-based payment:

Description of the share-based payment arrangements:

At February 29, 2012 the Corporation has the following share-based payment arrangements:

(a) Corporation stock-based compensation plan:

The Corporation has established a stock-based compensation plan for administrators, officers, employees and consultants. The plan provides for the granting of options to purchase Acasti Class A shares. The exercise price of the stock options granted under the plan is not lower than the closing price of the shares listed on the eve of the grant. Under this plan, the maximum number of options that can be issued equaled the lower of 1,530,000 or 10% of Acasti Class A shares held by public shareholders, as approved annually by such shareholders. On March 21, 2011, the Corporation's Board of Directors amended the incentive stock option plan (the "Plan"). The amendments to the Plan were approved by the shareholders on June 22, 2011. The main modification to the Plan consists of an increase in the number of shares reserved for issuance of incentive stock options under the Plan to 6,443,444. The terms and conditions for acquiring and exercising options are set by the Corporation's Board of Directors, subject, among others, to the following limitations: the term of the options cannot exceed ten years and every stock option granted under the stock option plan will be subject to conditions no less restrictive than a minimal vesting period of 18 months, a gradual and equal acquisition of vesting rights, at least on a quarterly basis. The total number of shares issued to a single person cannot exceed 5% of the Corporation's total issued and outstanding shares, with the maximum being 2% for any one consultant.

Activities within the plan are detailed as follows:

	Year ended February 29, 2012		Year ended February 28, 2011	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number or options
Outstanding at beginning of year	$ 0.25	800,000	$ 0.25	850,000
Granted	1.42	2,660,000	–	–
Exercised	0.25	(42,500)	–	–
Forfeited	1.43	(70,000)	0.25	(50,000)
Outstanding at end of year	$ 1.15	3,347,500	$ 0.25	800,000
Exercisable at end of year	$ 0.69	1,172,500	$ 0.25	582,500

14. Share-based payment (continued):

(a) Corporation stock-based compensation plan (continued):

	2012			
	Options outstanding		Exercisable options	
Exercise price	Weighted remaining contractual life outstanding	Number of options outstanding	Number of options exercisable	Weighed average exercise price $
$0.25	6.63	757,500	733,750	0.25
$0.75	4.12	25,000	–	0.75
$1.40	4.30	2,295,000	408,750	1.40
$1.50	4.52	170,000	–	1.50
$1.80	2.44	100,000	30,000	1.80
	4.78	3,347,500	1,172,500	0.69

The options outstanding under the plan have a weighted average remaining life of 4.78 years as at February 29, 2012 (2011 - 7.63 years).

The fair value of options granted has been estimated according to the Black-Scholes option pricing model and based on the weighted average of the following assumptions for options granted during the year (no options were granted during 2011):

	2012
Dividend	–
Risk-free interest	1.86%
Estimated life	4.01 years
Expected volatility	76.28%

The weighted average of the fair value of the options granted to employees during the year ended February 29, 2012 is $0.79 (2011 - nil).

The weighted average share price at the date of exercise for share options exercised during the year ended February 29, 2012 was $1.62 (2011 - nil). The portion of services employees provided to the Corporation was estimated to be 43% of services provided to the group (2011 - 65%). Accordingly, stock-based compensation recognized under this plan amounted to $393,798 for the year ended February 29, 2012 (2011 - $13,979).

14. Share-based payment (continued):

(b) Neptune stock-based compensation plan:

Neptune maintains various stock-based compensation plans for the benefit of administrators, officers, employees and consultants that provide services to its consolidated group, including the Corporation. The Corporation records as stock-based compensation expense a portion of the expense being recorded by Neptune that is commensurate to the fraction of overall services that the grantees provide directly to the Corporation.

(i) Neptune stock options:

During the year ended February 29, 2012, Neptune granted 1,575,000 Neptune stock options to group employees (2011 - 2,175,000). The options granted had a weighted average exercise price of $3.05 per share and are vesting over a minimal period of 18 months, subject to continued service (2011 - $2.09). The fair value of the options granted has been estimated according to the Black-Scholes option pricing model based on the following weighted average assumptions:

	2012	2011
Dividend yield	0.02%	0.01%
Risk-free interest rate	1.17%	1.82%
Estimated life	2.67 years	2.23 years
Expected volatility	72.52%	72.60%

The weighted average of the fair value of the options granted to employees during the year is $1.23 per share (2011 - $0.74). The portion of services provided to the Corporation was estimated to be 25% of the total services provided to the group (2011 - 14%), representing stock-based compensation in the amount of $487,894 for the year ended February 29, 2012 (2011 - $74,743).

(ii) Neptune-owned NeuroBioPharm Inc. warrants:

During the year ended February 29, 2012, Neptune granted rights over 2,174,279 NeuroBioPharm Inc. Series 2011-2 and 2011-3 warrants to group employees (2011 - 1,345,000). NeuroBioPharm Inc. is also a subsidiary of Neptune. The rights granted had a weighted average exercise price of $0.67 per share (2011 - $0.23) and are vesting gradually until April 12, 2016, subject to continued service or having reached 4 years of continued service for directors. The fair value of the rights granted has been estimated according to the Black-Scholes option pricing model based on the following weighted average assumptions:

	2012	2011
Dividend yield	Nil	Nil
Risk-free interest rate	1.81%	2.01%
Estimated life	3.09 years	3 years
Expected volatility	75%	75%

The weighted average of the fair value of the rights granted to employees during the year ended February 29, 2012 is $0.01 per share (2011 - $0.12). The portion of services those employees provide to the Corporation was estimated to be 34% of the total services they provide to the group (2011 - 37%), representing stock-based compensation in the amount of $27,931 for the year ended February 29, 2012 (2011 - $19,160).

14. Share-based payment (continued):

(b) Neptune stock-based compensation plan (continued):

(iii) Neptune-owned Acasti warrants:

During the year ended February 29, 2012, Neptune granted rights over 540,000 Neptune-owned Acasti warrants or shares to group employees (2011 - 1,290,000). The rights granted had a weighted average exercise price of $1.42 per share (2011 - $0.50) and are vesting gradually until February 10, 2015, subject to continued service or having reached 4 years of continued service for directors. The fair value of the rights granted has been estimated according to the Black-Scholes option pricing model based on the weighted average of the following assumptions:

	2012	2011
Dividend yield	Nil	Nil
Risk-free interest rate	1.71%	1.91%
Estimated life	2.38 years	2.5 years
Expected volatility	71.56%	75%

The weighted average of the fair value of the rights granted to employees during the year ended February 29, 2012 is $0.51 per share (2011 - $0.22). The portion of services those employees provide to the Corporation was estimated to be 65% of the total services they provide to the group (2011 - 55%), representing stock-based compensation in the amount of $97,633 for the year ended February 29, 2012 (2011 - $73,192).

15. Earnings (loss) per share:

The calculation of basic loss per share at February 29, 2012 was based on the net loss attributable to owners of the Corporation of $6,500,933 (2011 - $3,008,226), and a weighted average number of common shares outstanding of 67,231,636 (2011 - 50,772,550).

Diluted loss per share was the same amount as basic loss per share, as the effect of options would have been anti-dilutive, because the Corporation incurred losses in each of the years presented. All outstanding options could potentially be dilutive in the future.

16. Income taxes:

Deferred tax expense:

	2012	2011
Origination and reversal of temporary differences	$ 866,000	$ 610,000
Change in unrecognized deductible temporary differences	(866,000)	(610,000)
Deferred tax expense (recovery)	$ –	$ –

16. Income taxes (continued):

Reconciliation of effective tax rate:

	2012	2011
Loss before income taxes	$(6,500,933)	$(3,008,226)
Income tax at the combined Canadian statutory rate	$(1,830,013)	$ (891,939)
Increase resulting from:		
Change in unrecognized deductible temporary differences	1,325,291	611,645
Non-deductible stock-based compensation	371,741	53,688
Permanent differences and other	132,981	226,606
Total tax expense (recovery)	$ –	$ –

The applicable statutory tax rates are 28.15% in 2012 and 29.65% in 2011. The Corporation's applicable tax rate is the Canadian combined rates applicable in the jurisdiction in which the Corporation operates. The decrease is due to the reduction of the Federal income tax rate in 2012.

Unrecognized deferred tax assets:

At February 29, 2012 and February 28, 2011, the deferred tax assets, which have not been recognized in these financial statements because the criteria for recognition of these assets were not met, were as follows:

	2012	2011
Tax losses carried forward	$1,852,000	$ 786,000
Research and development expenses	709,000	501,000
Intangible assets	146,000	105,000
Other deductible temporary differences	38,000	34,000
Unrecognized deferred tax assets	$2,745,000	$1,426,000

As at February 29, 2012, the amounts and expiry dates of tax attributes and temporary differences, which are available to reduce future years' taxable income, were as follows:

	Federal	Provincial
Tax losses carried forward		
2029	$ 714,000	$ 714,000
2030	1,627,000	1,620,000
2031	2,071,000	2,063,000
2032	2,480,000	2,480,000
	$6,892,000	$6,877,000
Research and development expenses, without time limitation	$2,355,000	$2,989,000
Other deductible temporary differences, without time limitation	$ 682,530	$ 682,530

17. Financial instruments:

This note provides disclosures relating to the nature and extent of the Corporation's exposure to risks arising from financial instruments, including credit risk, exchange risk, interest rate risk and liquidity risk, and how the Corporation manages those risks.

(a) Credit risk:

Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract.

Financial instruments that potentially subject the Corporation to significant concentration of credit risk consist primarily of cash and short-term investments. The Corporation invests cash and short-term investments with financial institutions with a high credit ranking.

As of February 29, 2012, February 28, 2011, and March 1, 2011, the Corporation's maximum credit exposure corresponded to the carrying amount of cash and short-term investments.

(b) Exchange risk:

The Corporation is not exposed to any significant exchange risks, as it did not have any significant assets or liabilities denominated in foreign currencies.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates.

The Corporation's exposure to interest rate risk as at the following dates is as follows:

	February 29, 2012
Cash	Short-term fixed interest rate
Short-term investments	Short-term fixed interest rate

	February 28, 2011
Cash	Short-term fixed interest rate
Short-term investments	Short-term fixed interest rate

	March 1, 2010
Cash	Short-term fixed interest rate

The capacity of the Corporation to reinvest the short-term amounts with equivalent return will be impacted by variations in short-term fixed interest rates available on the market.

17. Financial instruments (continued):

(d) Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through the management of its capital structure and financial leverage, as outlined in note 20. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The Board of Directors reviews and approves the Corporation's operating budgets, and reviews the most important material transactions outside the normal course of business.

The following are the contractual maturities of financial liabilities, excluding those that were settled by the issuance of shares, as at February 29, 2012, February 28, 2011 and March 1, 2010:

					February 29, 2012
Required payments per year (in thousands of dollars)	Total	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$ 996	$ 996	$ 996	$ –	$ –
Payable to parent corporation	215	215	215	–	–
Royalties payable to parent corporation	49	49	49	–	–
	$ 1,260	$ 1,260	$ 1,260	$ –	$ –

					February 28, 2011
Required payments per year (in thousands of dollars)	Total	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$ 511	$ 511	$ 511	$ –	$ –
Payable to parent corporation	435	435	435	–	–
Royalties payable to parent corporation	128	128	128	–	–
	$ 1,074	$ 1,074	$ 1,074	$ –	$ –

					March 1, 2010
Required payments per year (in thousands of dollars)	Total	Carrying amount	Less than 1 year	1 to 5 years	More than 5 years
Trade and other payables	$ 309	$ 309	$ 309	$ –	$ –
Payable to parent corporation	382	382	382	–	–
	$ 691	$ 691	$ 691	$ –	$ –

(e) Short-term investments

As at February 29, 2012, short-term investments are with a Canadian financial institution having a high credit rating. Short-term investments have maturity dates of September 26, 2012 and December 20, 2012, a weighted average interest rate of 0.86% and are cashable at any time at the discretion of the Corporation, under certain conditions.

17. Financial instruments (continued):

(e) Short-term investments (continued)

As at February 28, 2011, short-term investments were with a Canadian financial institution having a high credit rating. Short-term investments had maturity dates of November 30, 2011 and December 31, 2011, a weighted average interest rate of 1.45%, and were cashable at any time at the discretion of the Corporation, under certain conditions.

18. Commitments:

License agreement:

The Corporation is committed under a license agreement to pay Neptune until the expiration of Neptune's patents on licensed intellectual property, a royalty equal to the sum of (a) in relation to sales of products in the licensed field, the greater of: (i) 7.5% of net sales, and (ii) 15% of the Corporation's gross margin; and (b) 20% of revenues from sub-licenses granted by the Corporation to third parties. After the expiration of Neptune's patents on licensed intellectual property in 2022, the license agreement will automatically renew for an additional 15 years, during which period royalties will be determined to be equal to half of those calculated with the above formula.

In addition, the license agreement provides for minimum royalty payments notwithstanding the above of: year 1 - nil; year 2 - $50,000; year 3 - $200,000; year 4 - $300,000; year 5 - $900,000 and year 6 and thereafter - $1,000,000. Minimum royalties are based on contract years based on the effective date of the agreement, August 7, 2008.

The Corporation has the option to pay future royalties in advance, in cash or in kind, in whole or in part, based on an established economic model contained in the license agreement.

The Corporation can also abandon its rights under all or part of the license agreement and consequently remove itself from the obligation to pay all or part of the minimum royalties by paying a penalty equal to half of the next year's minimum royalties.

In addition, the Corporation is committed to have its products manufactured by Neptune at prices determined according to different cost-plus rates for each of the product categories under the license agreement.

Research and development agreements:

In the normal course of business, the Corporation has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products. The Corporation has reserved certain rights relating to these projects.

The Corporation initiated research and development projects that will be conducted over a 12 to 24 month period for a total cost of $4,136,000. As at February 29, 2012, an amount of $248,050 is included in "Trade and other payables" in relation to these projects.

19. Determination of fair values:

Certain of the Corporation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial assets and liabilities:

In establishing fair value, the Corporation uses a fair value hierarchy based on levels as defined below:

- Level 1: defined as observable inputs such as quoted prices in active markets.
- Level 2: defined as inputs other than quoted prices in active markets that are either directly or indirectly observable.
- Level 3: defined as inputs that are based on little or no little observable market data, therefore requiring entities to develop their own assumptions.

The Corporation has determined that the carrying values of its short-term financial assets and liabilities approximate their fair value given the short-term nature of these instruments.

Derivative financial liabilities (Acasti series II warrants) use valuation techniques that require inputs that are both unobservable and significant, and therefore, are categorized as Level 3 in the fair value hierarchy. Balances related to this instrument are disclosed in note 23 (f).

19. Determination of fair values (continued):

The fair value of derivatives over the Series II warrants is determined by using a binomial model incorporating the following estimates and assumptions at March 1, 2010:

Dividend yield	–
Volatility	38.87%
Estimate life	9 months
Risk-free rate	1.28%

The Series II warrants that expired during the year ended February 28, 2011 were measured at their estimated intrinsic value immediately before exercise or expiry.

As of February 28, 2011 and March 1, 2010, the fair value of the liability component of the Class B and Class C convertible redeemable shares, excluding value for the conversion option, was determined to be equal to their carrying amount.

Share-based payment transactions:

The fair value of the employee stock options is measured based on the Black-Scholes valuation model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information, when the shares have not been traded on a recognized exchange for a period of time that is commensurate with estimated life of option, it is estimated using historical volatility of comparable corporations), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions, if any, are not taken into account in determining fair value.

20. Capital management:

Since inception, the Corporation's objective in managing capital is to ensure sufficient liquidity to finance its research and development activities, general and administrative expenses, expenses associated with intellectual property protection and its overall capital expenditures. The Corporation is not exposed to external requirements by regulatory agencies regarding its capital.

Since the beginning of its operations, the Corporation has financed its liquidity needs from funding provided by its parent corporation and from the exercise of warrants that were distributed to its parent corporation's shareholders, from a rights offering and from the issuance of stock-based compensation to employees. The Corporation attempts to optimize its liquidity needs with non-dilutive sources whenever possible, including from research and development tax credits.

The Corporation defines capital to include total shareholders' equity.

The Corporation's policy is to maintain a minimal level of debt.

As of February 29, 2012, cash amounted to $1,589,810, short-term investments amounted to $5,542,764 and tax credits receivable amounted to $590,402, for a total $7,722,976. During the year ended February 29, 2012, the Corporation obtained proceeds of $64,251 from the exercise of previously issued warrants and options, $1,978,600 from a private placement of shares and warrants with Neptune and an officer of the Corporation, and $7,850,017 from the exercise of rights issued during the year, which it used in part to fund operations for the year. As stated in note 2, the Corporation expects to raise additional financing from Neptune and other sources to pursue its operations within the next 12 months and beyond.

21. Operating segments:

The Corporation has one reportable operating segment: the development and commercialization of pharmaceutical applications of its licensed rights for cardiovascular diseases.

All of the Corporation's assets are located in Canada.

The Corporation's sales are attributed based on the customer's area of residence. All of the sales were made to the United States.

22. Subsequent event:

Since February 29, 2012, the Corporation has granted 2,155,000 options to purchase Acasti Class A shares, exercisable at $2.10 expiring 5 years after their grant date.

23. Transition to IFRS:

As stated in note 2 (a), these are the Corporation's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended February 29, 2012, the comparative information presented in these financial statements for the year ended February 28, 2011, and in the preparation of an opening IFRS statement of financial position at March 1, 2010 (the Corporation's date of transition).

In preparing its financial statements in accordance with IFRS 1, the Corporation applied the mandatory exceptions and elected to apply the following optional exemptions from full retroactive application:

(i) Share-based payment:

The Corporation did not apply IFRS 2, *Share-based Payment* ("IFRS 2") to stock options that had vested as at March 1, 2010.

(ii) Designation of financial assets and financial liabilities:

The Corporation has elected to re-designate cash and cash equivalents and short-term investments from held-for-trading category to loans and receivables. As the historical cost carrying amount under IFRS equals the fair value of those instruments under Canadian GAAP at the date of transition, there is no adjustment resulting from this election.

In preparing its opening IFRS statement of financial position, the Corporation has adjusted amounts reported previously in the financial statements prepared in accordance with Canadian GAAP.

An explanation of how the transition from previous GAAP to IFRS has affected the Corporation's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

23. Transition to IFRS (continued):

Reconciliation of equity

					March 1, 2010
	Note	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
Assets					
Current assets:					
Cash		$ 412,822	$ –	$ –	$ 412,822
Trade and other receivables		68,389	–	–	68,389
Tax credits receivable		402,257	–	–	402,257
		883,468	–	–	883,468
Equipment		29,851	–	–	29,851
Intangible asset	(d)	–	8,159,524	–	8,159,524
Total assets		$ 913,319	$ 8,159,524	$ –	$ 9,072,843
Liabilities and Equity					
Current liabilities:					
Trade and other payables		$ 309,254	$ –	$ –	$ 309,254
Payable to parent corporation		382,125	–	–	382,125
Convertible redeemable shares		4,052,000	–	–	4,052,000
Derivative financial liabilities	(f)	–	233,790	–	233,790
Total liabilities		4,743,379	233,790	–	4,977,169
Equity					
Share capital		7,738,587	–	–	7,738,587
Deficit	(a)	(11,568,647)	7,925,734	–	(3,642,913)
Total equity		(3,830,060)	7,925,734	–	4,095,674
Total liabilities and equity		$ 913,319	$ 8,159,524	$ –	$ 9,072,843

23. Transition to IFRS (continued):

Reconciliation of equity

					February 28, 2011
	Note	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
Assets					
Current assets:					
Cash		$ 322,183	$ –	$ –	$ 322,183
Short-term investments		2,507,747	–	–	2,507,747
Receivable from corporation under common control		12,381	–	–	12,381
Trade and other receivables		192,440	–	–	192,440
Tax credits receivable		241,300	–	–	241,300
Prepaid expenses		14,431	–	–	14,431
		3,290,482	–	–	3,290,482
Equipment		37,909	–	–	37,909
Intangible asset	(d)	–	7,502,380	–	7,502,380
Total assets		$ 3,328,391	$ 7,502,380	$ –	$ 10,830,771
Liabilities and Equity					
Current liabilities:					
Trade and other payables		$ 510,605	$ –	$ –	$ 510,605
Payable to parent corporation		435,310	–	–	435,310
Royalties payable to parent corporation	(g)	–	–	128,020	128,020
Convertible redeemable shares	(g)	–	–	4,052,000	4,052,000
		945,915	–	4,180,020	5,125,935
Convertible redeemable shares	(g)	4,052,000	–	(4,052,000)	–
Royalties payable to parent corporation	(g)	128,020	–	(128,020)	–
Total liabilities		5,125,935	–	–	5,125,935
Equity					
Share capital	(f)	12,038,795	136,106	–	12,174,901
Contributed surplus	(e)	105,763	75,311	–	181,074
Deficit	(a)	(13,942,102)	7,290,963	–	(6,651,139)
Total equity		(1,797,544)	7,502,380	–	5,704,836
Total liabilities and equity		$ 3,328,391	$ 7,502,380	$ –	$ 10,830,771

23. Transition to IFRS (continued):

Reconciliation of comprehensive loss for the year ended February 28, 2011

	Note	Canadian GAAP	IFRS adjustments	IFRS reclassifications	IFRS
Revenue from research contracts		$ 28,402	$ –	$ –	$ 28,402
General and administrative expenses	(h)	(733,116)	–	(875,632)	(1,608,748)
Research and development expenses, net of tax credit of $86,128	(h)	(1,429,710)	–	(108,459)	(1,538,169)
Royalties to parent corporation	(h)	(132,830)	–	132,830	–
Amortization	(d), (h)	(13,043)	(657,144)	670,187	–
Stock-based compensation	(e), (h)	(105,763)	(75,311)	181,074	–
Results from operating activities		(2,386,060)	(732,455)	–	(3,118,515)
Finance income	(f)	11,775	273,456	–	285,231
Finance costs	(f)	(1,402)	(175,772)	–	(177,174)
Foreign exchange gain		2,232	–	–	2,232
Net finance income		12,605	97,684	–	110,289
Net loss and total comprehensive loss for the period		$(2,373,455)	$ (634,771)	$ –	$(3,008,226)
Basic loss per share		$ (0.05)			$ (0.06)
Diluted loss per share		(0.05)			(0.06)

There are no material differences between the statement of cash flows presented under IFRS and the statement of cash flows under previous Canadian GAAP.

23. Transition to IFRS (continued):

Notes to the reconciliations:

(a) Reconciliation of deficit:

	March 1, 2010	February 28, 2011
Deficit under Canadian GAAP	$(11,568,647)	$(13,942,102)
Adjustments:		
Intangible asset (d)	8,159,524	7,502,380
Valuation of Series II warrants (f)	(233,790)	(136,106)
Share-based payments (e)	–	(75,311)
Deficit under IFRS	$ (3,642,913)	$ (6,651,139)

(b) Reconciliation of equity:

	March 1, 2010	February 28, 2011
Equity under Canadian GAAP	$(3,830,060)	$ (1,797,544)
Adjustments:		
Intangible asset (d)	8,159,524	7,502,380
Valuation of Series II warrants (f)	(233,790)	–
Equity under IFRS	$ 4,095,674	$ 5,704,836

(c) Reconciliation of comprehensive loss:

	Year ended February 28, 2011
Comprehensive loss under Canadian GAAP	$ (2,373,455)
Adjustments:	
Intangible asset (d)	(657,144)
Share-based payments (e)	(75,311)
Series II warrants (f)	(175,772)
Gain on expiry of warrants (f)	273,456
Net loss under IFRS	$ (3,008,226)

23. Transition to IFRS (continued):

Notes to the reconciliations (continued):

(d) Intangible assets:

Under IFRS, there are no special recognition requirements for related party transactions, therefore the acquisition from Neptune of the license to use its intellectual property is subject to the requirements of IAS 38 *Intangible Assets*.

Under previous Canadian GAAP, the transfer of the license to the Corporation from its parent corporation in October 2008 was measured at the carrying amount. No value was attributed to the license as the intellectual property being licensed had a carrying amount of nil in the books of Neptune since it was internally generated.

In accordance with IAS 38, the transaction was treated as a separate acquisition of an intangible asset and was initially recognized at cost, being the fair value of convertible redeemable shares of $9,200,000 issued in consideration for the purchase.

The Corporation amortizes the cost of the license over its estimated useful life, resulting in a net adjustment to deficit and assets at the date of transition of $8,159,524. Amortization caused an increase in general and administrative costs of $657,144 during the year ended February 28, 2011.

(e) Share based payment - equity instruments:

As permitted by IFRS 1, the Corporation elected to apply the exemptions for share-based payments for equity instruments granted after November 7, 2002 that vested before the transition to IFRSs.

In some cases, stock-based awards vest in installments over a specified vesting period. Under IFRS, when the only vesting condition is service from the grant date to the vesting date of each tranche awarded, each installment of the award is accounted for as a separate share-based payment arrangement, otherwise known as graded vesting. In addition, under IFRS, forfeitures are estimated at the time of the grant, which is revised if subsequent information indicates that actual forfeitures are likely to differ from the estimate. Under previous Canadian GAAP, the Corporation accounted for stock-based awards that vested in installments as a single award with a vesting period based on the last vesting tranche of the award. In addition, forfeitures were not considered at the time of grant but accounted for as they occurred, as permitted under Canadian GAAP.

Under previous Canadian GAAP, no expense was recognized for share-based awards pending shareholders' approval, unless approval was assured. Under IFRS, share-based awards are recognized when the services are received and may result in the recognition of an expense prior to the grant date. The entity estimates the grant-date fair value of the equity instruments for the purpose of recognizing the services from the service commencement date until grant date by assuming that the end of the reporting period is the grant date. Until the grant date has been established, the entity revises the earlier estimates so that the amounts recognized for services received are based on the grant-date fair value of the equity instruments. This revision is treated as a change in estimate and the impact on the share-based payment expense is adjusted in each period accordingly.

The effects of those differences were an increase to contributed surplus and stock-based compensation expense in the amount of $75,311 for the year ended February 28, 2011.

(f) Warrants:

The Corporation issued warrants that are still outstanding at the date of transition. Under previous Canadian GAAP, these warrants were equity-classified, recorded at their initial fair value in shareholder's equity and were not re-measured subsequently. Under IFRS, the Corporation determined that all warrants issued by the Corporation met the criteria for equity classification, with the exception of the Series II warrants. These warrants are not equity-classified under IFRS as the settlement alternatives for these warrants also provide for a cash-settlement option for the issuer. As a result, the warrants are classified as a liability and accounted as freestanding derivative financial instruments with changes in fair value recognized in income at each reporting date.

The Corporation valued the Series II warrants at the date of transition, at each subsequent interim reporting date, and immediately before settlement, using an option valuation model. The estimated fair value is recorded in the statement of financial position in "Derivative financial liabilities". Because the warrants had a nil carrying amount in equity under previous GAAP, the only reclassification from equity upon transition was to charge the estimated fair value of $233,790 to deficit at that date.

23. Transition to IFRS (continued):

Notes to the reconciliations (continued):

(f) Warrants (continued):

Subsequent changes in the estimated fair value of the Series II warrants through to expiry were recorded as adjustments to finance costs in the statement of comprehensive income. Consequently, a fair value increase of $175,772 was recognized as adjustments for the year ended February 28, 2011. During the period, 36% of the warrants were exercised. As a result, an additional $136,106, corresponding to the fair value of the warrants at the time of their exercise, was recorded in share capital. On November 17, 2010, the remainder of these warrants expired unexercised resulting in a gain on expiry of warrants in the amount of $273,456.

(g) Classification of royalties payable to parent corporation and convertible redeemable shares:

Under previous Canadian GAAP, a short-term obligation which is scheduled to mature within one year from the balance sheet date should be excluded from current liabilities, only if the debtor intends to refinance the obligation on a long-term basis and such intent is supported by an ability to consummate the financing and, if the creditor has waived its right to demand payment for more than one year from the balance sheet date.

Under IFRS, an entity classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting date, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorized for use.

Under previous GAAP, convertible redeemable shares and royalties payable to parent corporation were classified as long-term financial liabilities as at February 28, 2011 as a result of events that occurred in March 2011 (note 11(a)). As a result, both the royalties payable to parent corporation and the convertible redeemable shares have been reclassified to current liabilities in the comparative IFRS statements of financial position.

(h) Presentation of statement of operations:

As the Corporation has elected to present expenses recognized in comprehensive loss using a classification based on their function with the Corporation, royalties to parent corporation, amortization and stock-based compensation expense were reallocated to general and administrative expenses and research and development expenses.

Exhibit 99.47

Consent of Independent Auditors

The Board of Directors
Acasti Pharma Inc.

We consent to the use in this registration statement on Form 40-F of Acasti Pharma Inc. (the "Company") of our report dated May 9, 2012 with respect to the financial statements of the Company, which comprise the statements of financial position as at February 29, 2012, February 28, 2011 and March 1, 2010, the statements of earnings and comprehensive income (loss), changes in equity and cash flows for the years ended February 29, 2012 and February 28, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information, contained in this registration statement on Form 40-F of the Company. Our report contains an other matter paragraph that states that the Company experienced continued net losses since inception and the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

/s/ KPMG LLP
Montréal, Canada
July 24, 2012