



**Management Analysis of the Financial Situation and
Operating Results for the Three-month periods ended
May 31, 2013 and 2012**

**Consolidated Interim Financial Statements (Unaudited)
For the Three-month periods ended May 31, 2013 and
2012**



MANAGEMENT DISCUSSION AND ANALYSIS OF THE FINANCIAL SITUATION AND OPERATING RESULTS FOR THE THREE-MONTH PERIOD ENDED MAY 31, 2013

INTRODUCTION

This management's discussion and analysis ("MD&A") comments on the financial results and the financial situation of Neptune Technologies & Bioresources Inc. ("Neptune" or the "Corporation") including its subsidiaries, Acasti Pharma Inc. ("Acasti") and NeuroBioPharm Inc. ("NeuroBioPharm" or "NeuroBio"), for the three-month period ended May 31, 2013. This MD&A should be read in conjunction with our consolidated interim financial statements for the three-month period ended May 31, 2013. Additional information on the Corporation, as well as registration statements and other public filings, are available on SEDAR at www.sedar.com or on EDGAR at www.sec.gov/edgard.shtml.

In this MD&A, financial information for the three-month period ended May 31, 2013 is based on the consolidated interim financial statements of the Corporation, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. In accordance with its terms of reference, the Audit Committee of the Corporation's Board of Directors reviews the contents of the MD&A and recommends its approval to the Board of Directors. The Board of Directors approved this MD&A on July 15, 2013. Disclosure contained in this document is current to that date, unless otherwise noted.

Unless otherwise indicated, all references to the terms "we", "us", "our", "Neptune", "enterprise" and "Corporation" refer to Neptune Technologies & Bioresources Inc. and its subsidiaries. Unless otherwise noted, all amounts in this report refer to Canadian dollars. References to "CAD", "USD" and "EUR" refer to Canadian dollars, US dollars, and the Euro, respectively. Disclosures of information in this report has been limited to that which Management has determined to be "material", on the basis that omitting or misstating such information would influence or change a reasonable investor's decision to purchase, hold or dispose of the Corporation's securities.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain information that may constitute forward-looking information within the meaning of Canadian securities laws and forward-looking statements within the meaning of U.S. federal securities laws, both of which we refer to as forward-looking information. Forward-looking information can be identified by the use of terms such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue” or other similar expressions concerning matters that are not statements about the present or historical facts. Forward-looking information in this MD&A includes, but is not limited to, information or statements about:

- Neptune’s ability to generate revenue through the successful execution of its action plan to resume operations and progressively supply customer demand until such time that Neptune is able to resume production, which plan is described under “Business Overview” (the “Plan”);
- Neptune’s ability to enter into third party supply and production agreements on terms favourable to Neptune, and the ability of Neptune to maintain sufficient inventory levels and meet customer demand as a result of these third party supply and production agreements;
- Neptune’s ability to reconstruct an operational production facility in Sherbrooke, Québec, the timing and cost of completion of the reconstruction project, and the amount of production capacity for krill oil at the facility;
- Neptune’s ability, and the ability of its distribution partners, to continue to successfully commercialize krill oil products and to maintain a market share position for krill oil products, and the ability of Neptune’s subsidiaries, Acasti and NeuroBio, to commercialize other product candidates in the United States and elsewhere;
- Neptune’s ability to continue to invest in product development and clinical trials, including supporting the pharmaceutical development of its two subsidiaries, Acasti and NeuroBio;
- plans of Neptune’s subsidiaries, Acasti and NeuroBio, to conduct new clinical trials for product candidates, including the timing and results of these clinical trials;
- Neptune’s ability to maintain and defend its intellectual property rights in NKO® and EKO™ and in its product candidates;
- Neptune’s ability to obtain financing, on terms favourable to Neptune, in order to provide additional capital sources for the reconstruction of an operational production facility;
- Neptune’s ability to recover all available insurance proceeds relating to the incident at its production plant under its various insurance policies;
- Neptune’s ability to use the net proceeds from its public offering closed on October 2, 2012 for the purposes identified in Neptune’s prospectus dated September 19, 2012 (the “Public Offering”); and
- Neptune’s expectations regarding its financial performance, including its revenues, expenses, gross margins, liquidity, capital resources and capital expenditures.

Although the forward-looking information is based upon what we believe are reasonable assumptions, no person should place undue reliance on such information since actual results may vary materially from the forward-looking information. Certain key assumptions made in providing the forward-looking information include the following:

- the generation of any material revenue prior to having an operational production facility assumes that Neptune will be able to enter into third-party arrangements for the supply or production of krill oil products;
- sales objectives for its krill oil products assume that Neptune will be able to maintain customer relationships and that demand for its products will continue;
- plans for the reconstruction of an operational production facility, the timing of such reconstruction and the anticipated use of the proceeds from the Public Offering assume that Neptune will be able to recover in full the amounts of its available insurance coverage, that it will be able to refinance its existing credit facility to provide additional capital sources that may be required for the reconstruction in excess of its insurance coverage and that no unexpected event will require uses of its cash for reasons other than the reconstruction of an operational production facility and the identified purposes for using the proceeds from the Public Offering;
- plans for the reconstruction of an operational production facility also assume that Neptune will obtain the required governmental approvals in a timely manner;

- expenses in product development or in supporting the pharmaceutical development of Neptune's two subsidiaries, Acasti and NeuroBio, assume that Neptune will not be required to use funds currently allocated to product development for the purpose of the reconstruction of an operational production facility or to cover costs or expenses arising out of unexpected events;
- Neptune's strategy to conclude partnerships and/or arrangements with strategic partners for the production of krill oil products assumes that Neptune will be able to identify third parties for that purpose, that such third parties will have the required resources to support the production of Neptune's products in a timely manner and that Neptune will be able to enter into agreements with such third parties on terms favourable to Neptune; and
- Neptune's Plan assumes that Neptune will be able to continue to meet the continued listing requirements of the NASDAQ Stock Market and the Toronto Stock Exchange.

In addition, the forward-looking information is subject to a number of known and unknown risks, uncertainties and other factors, including those described in this MD&A under the heading "Risks and Uncertainties" and under the heading "Risk Factors" in our latest annual information form, available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.shtml, many of which are beyond our control, that could cause actual results and developments to differ materially from those that are disclosed in or implied by the forward-looking information.

Consequently, all the forward-looking information is qualified by this cautionary statement and there can be no guarantee that the results or developments that we anticipate will be realized or, even if substantially realized, that they will have the expected consequences or effects on our business, financial condition or results of operations. Accordingly, you should not place undue reliance on the forward-looking information. Except as required by applicable law, Neptune does not undertake to update or amend any forward-looking information, whether as a result of new information, future events or otherwise. All forward-looking information is made as of the date of this MD&A.

Non-IFRS Financial Measures

"Adjusted EBITDA" is a non-IFRS financial measure and is defined as EBITDA prior to recognizing share-based compensation costs, foreign exchange gains or losses and other items that do not impact the core operating performance of the Corporation, such as impairment losses and the recognition or derecognition of deferred tax asset and investment tax credits from prior periods. Share-based compensation costs are a component of employee remuneration and can vary significantly with changes in the market price of the Corporation's shares. Foreign exchange gains or losses are a component of finance income or finance costs and can vary significantly with currency fluctuations from one period to another. In addition, other items that do not impact core operating performance of the Corporation may vary significantly from one period to another. As such, adjusted EBITDA provide improved continuity with respect to the comparison of the Corporation's operating results over a period of time. Our method for calculating adjusted EBITDA may differ from that used by other corporations.

BUSINESS OVERVIEW

On November 8, 2012, an explosion and fire destroyed Neptune's production plant located in Sherbrooke, Québec, Canada.

On November 26, 2012, Neptune announced its action plan going forward to resume operations and progressively supply customer demands until such time as Neptune is able to resume production.

Neptune's initial primary focus was concentrated on supporting its employees and the families affected by the incident, and supporting them through the tragedy. Neptune has been providing its employees with counselling services to ensure that they have access to appropriate support under these circumstances.

Quickly following the incident, Neptune established five recovery committees composed of senior management and key employees to coordinate employee assistance, the action plan and business aspects: (1) human resources & communications, (2) sales & marketing, (3) plant reconstruction, (4) finance and (5) a strategic committee overseeing potential strategic opportunities and coordinating the efforts of all committees. While this tragic incident had and still has a significant impact on Neptune's operations, Neptune believes it remains a viable business and is committed to recovering from the incident, which will be pursued through the implementation of the Plan going forward aiming to meet the following key milestones and targets:

- resuming its nutraceutical operations and certain levels of sales of its krill oil products to customers in the short term;
- maintaining key customer relationships and market share, particularly until production of NKO® and EKO™ can reach pre-incident levels;
- reconstructing an operational plant using the expansion facility, adjacent to the former plant, that was under completion and certain existing equipment in the expansion, which expansion and equipment do not appear to have suffered considerable damages from the incident;
- pursuing partnerships and/or arrangements with one or more strategic partners for the outsourcing of production for krill oil products, both as an interim measure to ensure certain levels of production prior to its new plant being fully operational and as a longer-term strategy to diversify sources and means of production; and
- prudently managing its financial resources while continuing its product development and clinical trials, including defending its patents and intellectual property and supporting as planned the pharmaceutical development of its two subsidiaries, Acasti and NeuroBio, whose short term operations have not been interrupted as a result of the incident.

Plant Reconstruction and Insurance

As a central part of the Plan, Neptune plans to rebuild an operational production facility by overhauling the expansion facility, adjacent to the former plant, that was under construction and certain existing equipment in the expansion, which expansion and equipment do not appear to have suffered considerable damages from the incident, though additional construction and certain other equipment acquisitions will be required to bring the facility to an operational state. On May 28, 2013, Neptune announced that it has commenced the reconstruction project, using the expansion facility. In addition to receiving the necessary permits to begin work, the Corporation has engaged an engineering firm and architect and has also recently hired a new plant manager. Upon completion, which is expected before the end of Neptune's current fiscal year, the facility is expected to have the capacity to produce more than 150,000 kilograms of NKO® per year. Neptune intends to cooperate with the relevant governmental authorities (including with respect to workers' safety and the environment) and the Sherbrooke plant reconstruction will be subject to such governmental authorities supporting the reconstruction plan to allow for the operation of the new plant in a timely manner.

The cost and length of time to complete the reconstruction is being determined. However, we have been able to make the following assessments thus far:

- Neptune has insurance coverage in place covering among other things property damage, business interruption and general liability up to specified amounts and subject to limited deductibles and certain exclusions, and has notified its insurers of the incident. Definitive information on specific amounts recovered will be provided when Neptune's insurance claims are settled. Due to the extent of the damage and ongoing investigation, the amount recoverable under our insurance policies and the collection of such amounts, if any, will most likely take several months.
- As the initial intended use of the expansion facility has changed, modifications and additional purchases to replace equipment lost in the incident will be required to bring the facility to an operational state. As previously disclosed, the initial \$21 million cost of the expansion project was revised to approximately \$30 million (and could be of a maximum of \$35 million in current discussions with a potential financial partner). The increased cost is expected to be funded predominantly by insurance recoveries associated with the incident, including approximately \$6.7 million received to date (this amount includes \$0.7 million received after the end of fiscal year 2013). The balance of such costs are expected to be funded through a refinancing of Neptune's existing credit facility put in place to fund a portion of its previously planned expansion, which refinancing Neptune intends to seek at a later stage of its reconstruction plan, as well as through a portion of Neptune's working capital (see "Finance, Use of Public Offering Proceeds and Investor Communication" below). Neptune had already received in connection with the expansion an interest free loan and a commitment for a governmental grant.
- Neptune is planning that its new production plant would have when operational an annual production capacity of approximately 150,000 kilograms of krill oil per year. Neptune's future plans may contemplate additional production capacity of krill oil per year and it is expected that a significant portion of Neptune's future production capacity will be provided through partnerships and/or arrangements with third-party manufacturers. See "Operations and Arrangements with Strategic Partners" below.
- Timing of the reconstruction is still uncertain and will depend on a range of factors, including the length and results of the investigation currently underway to determine the cause of the incident and cooperation of governmental

authorities with respect to the reconstruction plan. The necessary permits to begin rebuilding Neptune's production plant were recently received. Based on a number of factors, including the aforementioned, Neptune cannot determine at this time the exact amount of time it will take to finalize the construction of a fully operational production facility. As an estimate subject to change, and based on the incomplete information currently in hand, Neptune currently expects that the new plant may be operational by the end of its current fiscal year.

Operations and Arrangements with Strategic Partners

A top priority of Neptune's Plan is to maintain key customer relationships and market share even in advance of having an operational production plant. To this end, Neptune is deploying a strategy that includes the following over the next several months:

- Neptune intends to pursue partnerships and/or arrangements with one or more strategic partners for the outsourcing of production of krill oil products, both as an interim measure to ensure certain levels of production prior to its plant being fully operational and as a longer-term strategy to diversify sources and means of production. Outsourced production is being considered in any one or more of Neptune's markets, in Canada, the United States, Europe and/or Asia. Any plans to outsource Neptune's production would take into account a number of factors including (1) the technique of production permitted within the premises, (2) space available for the purchase of equipment, (3) the amount of available time a third party would allocate to the production of krill oil products, and (4) the ability to negotiate definitive agreements on terms in the best interests of Neptune. Two strategic partners for the outsourcing of production of krill oil products are now being evaluated and a choice should be made by the end of the second quarter of Neptune's current fiscal year. Neptune is working hard to bring its overall production capacity back online before the end of its current fiscal year.
- Neptune plans and has received orders for certain levels of sales of krill oil products to customers in the short term, with sales expected to continue in the current fiscal year. Neptune currently has inventory of krill oil products allowing it to make sales during a limited period of time. Neptune intends to continue making sales over the coming months, mainly through arrangements with partners.
- Neptune's plans for operations and product sales during a transition period until its new plant is operational or longer term production arrangements are concluded with one or more strategic partners may help in balancing cash flows and more importantly are meant to serve the strategic objectives of maintaining key customer relationships and market share. However, Neptune's operations for the foreseeable future, particularly during an initial transition period, are expected to yield significantly lower sales margins compared to the usual sales margins prior to the incident.
- Up to the incident, Neptune's growth in production has come, and was planned to come in the future, from expansion at its Sherbrooke plant. Neptune's strategic aim to outsource some of its production serves short term strategic imperatives since Neptune will not directly benefit from a production plant for an interim period of time, but is intended to also mark a longer term strategic shift from a one-plant production model to more diversified sources of production.
- Neptune intends to continue the development of its Neptune Krill Oil® portfolio of products and to maintain and defend its patents and its intellectual property rights in NKO® and EKO™ and its product candidates. It will also continue to maintain and develop its intellectual property portfolio and to protect it against infringement by third parties.

Human Resources

Despite the loss of its operating production facility, Neptune has retained approximately 30 of its Sherbrooke employees (10 full-time and 20 part-time) employed to work on the reconstruction of an operational production facility. Neptune has been forced in the circumstances to temporarily layoff over 70 employees in Sherbrooke and at its Laval head office. The duration of the layoff has not been determined and is dependent on Neptune's ability to resume production at a new operational production facility. Neptune has also set up a charitable fund to provide assistance to the employees and families most affected by the incident. The fund is active and has permitted the payment of certain employee salaries on an interim basis after the incident. As of now the fund serves immediate and urgent needs of the families of the victims, but in the longer term Neptune wishes that it remain in place and contribute to helping employees in need. Neptune has set up a non-profit organization that assists in collecting and redistributing donations.

Senior management and employees of Neptune took salary reductions of at least 20% for an interim period during Plan implementation. These salary reductions may be paid in full or in part at a later date upon, among other things, a successful implementation of the Plan and improved financial results of Neptune. Neptune granted incentive stock compensation as a means of retention, partially offsetting salary reductions and as long-term incentive for management and key employees. Neptune expects the decrease of its workforce and reductions in salary to save approximately 45% of its labour costs while such measures are in place.

Finance, Use of Public Offering Proceeds and Investor Communication

On October 2, 2012, Neptune announced the closing of its Public Offering for gross proceeds of approximately US\$34.1 million. If Neptune is able to execute its Plan successfully and recover sufficient amounts under its insurance policies, in addition to its cost cutting measures, Neptune believes that the proceeds of the Public Offering can ultimately be deployed, over a longer period of time than initially planned given the incident, in substantially the same allocation as was disclosed in connection with the Public Offering, except that the amount of approximately \$US5.0 million initially allocated to the expansion of its Sherbrooke plant may now otherwise be used towards the production of krill oil products, either in connection with the reconstruction of an operational production facility or partnerships and/or arrangements with strategic partners for the production of krill oil products. To date, a relatively small portion of the net proceeds from the Public Offering intended to be used to support Acasti in the development and validation of CaPre® and other product candidates and to support NeuroBio in the development and validation of its product candidates has been disbursed.

Incident Investigation and Environment

Neptune continues to cooperate with the governmental authorities for the ongoing investigation to determine the cause of the incident. Until completion of the investigation, Neptune cannot provide any further information regarding the cause of the incident. Neptune continues to work with appropriate governmental agencies on the cleanup efforts at the site. On November 16, 2012, Neptune received from the Québec Ministry of Environment a notice alleging environmental non-compliance relating to specific equipment acquisitions by Neptune and its plant expansion. Further to wrong assertions in the media that such notice may relate to acetone levels, Neptune clarified in media statements that the notice received had nothing to do with the level or the compliance of the total amount of acetone stored on the Sherbrooke plant site and indicated that the total amount of acetone stored inside and/or outside the plant as of and including the date of the incident were in conformity with the certificate of authorization issued by the Québec Ministry of Environment in 2002. Neptune is cooperating with the Ministry of Environment with the view to settle the notice alleging non-compliance. Neptune also provided to the Ministry of Environment a dismantling and cleaning plan for the destroyed plant, accompanied by an environmental monitoring program for soil, surface water and groundwater.

Activities of Neptune's Subsidiaries - Acasti and NeuroBioPharm

As previously disclosed, the day-to-day operations and business of Acasti have not been interrupted. CaPre®, currently Acasti's only prescription drug candidate, is currently being evaluated in two Phase II clinical trials in Canada, an open-label and a double-blind study. All required material for both trials had already been produced. Both CaPre® and ONEMIA®, Acasti's product marketed in the United States as a "medical food", were stored in U.S. facilities outside Neptune's affected plant. Acasti has to source additional quantities of krill oil for the continued production of ONEMIA™ and its planned Phase III clinical trials for CaPre®. Prior to the incident at Neptune's production plant, Acasti acquired all of its krill oil for the production of CaPre® and ONEMIA® from Neptune. However, due to the incident, Acasti is currently acquiring its krill oil through purchases in the open market in order to meet production requirements for ONEMIA® and is seeking a third party to both supply krill oil on an interim basis and provide manufacturing services for the production of CaPre® in accordance with current good manufacturing practices regulations imposed by the U.S. Food and Drug Administration (the "FDA"). Acasti intends to acquire its krill oil supply from Neptune upon the recommencement of Neptune's krill oil production. Acasti will continue to be dependent on the support of Neptune as its controlling shareholder.

Although it is at a much earlier stage of development, NeuroBio intends to stick to its business plan and to continue its research and development activities, although milestones and the start of commercialization may be delayed. The development of NeuroBio's product candidates was delayed by the November 2012 incident at Neptune's Sherbrooke plant. The preclinical and

clinical studies that were planned to start late 2012 - early 2013 were postponed. Preclinical studies that were in progress were not interrupted. NeuroBio will also continue to be dependent on the support of Neptune as its controlling shareholder.

NEPTUNE

In the first quarter, Neptune attended the 25th Annual ROTH OC Growth Stock Conference in California from March 17 to 20, 2013. Neptune also took that opportunity to present on Tuesday March 19, at the Ritz Carleton Hotel in Dana Point, California in front of a large number of buy-side investors.

On April 10, 2013, Neptune announces that it was moving forward with its international patent strategy and was not affected by the action by the European Patent Office's Technical Appeal Board to dismiss Neptune's appeal related to one of its European patents, specifically EP 1417211. The Board was solely concerned with the issue of flavonoids in krill extracts. Importantly the Board did not address phospholipid compositions, which form a large part of Neptune's extensive international patent portfolio. This European patent relates to an extract containing specific flavonoids. Europe is the only jurisdiction where Neptune's patent portfolio includes flavonoids in the independent claims. In fact, this European patent was one of the first patents obtained by Neptune and reflected an initial market study indicating that flavonoids could eventually be commercially important and sought after by consumers. Neptune's later market analysis showed that omega-3 phospholipids are more important for consumers. As such, all of Neptune's subsequent composition patent applications were drafted accordingly, taking into account the importance of phospholipids. Therefore, the decision by the Board will not impact in any way the ongoing disputes in the U.S. and elsewhere, including Neptune's recent filing with the U.S. International Trade Commission.

On April 15, 2013, Neptune announced that the U.S. International Trade Commission had voted to institute an investigation of alleged patent infringements by Aker BioMarine AS; Aker BioMarine Antarctic USA, Inc.; Aker BioMarine Antarctic AS; Enzymotec Limited; Enzymotec USA, Inc.; Olympic Seafood AS; Olympic Biotec Ltd.; Avoca, Inc.; Rimfrost USA, LLC and Bioriginal Food & Science Corp. (collectively the "Respondents"). The investigation was instituted on the basis of a complaint filed with the ITC by Neptune earlier this year. The complaint alleged violations by the respondents regarding the importation into the United States and sale of certain omega-3 extracts and products from marine or aquatic biomass that infringe certain Neptune patents. Neptune requested that the ITC issue an exclusion order and cease and desist order to ban the importation and sale of infringing extracts and products. According to the notice issued by the ITC, a target date for completing the investigation was set to be within 45 days after institution of the investigation.

On May 15, 2013, Neptune announced that the class action lawsuit filed against Neptune and certain of its officers on December 19, 2012 by Robbins Geller Rudman & Dowd LLP in the United States District Court for the Southern District of New York was voluntarily dismissed by the plaintiffs, without prejudice. No payment was made by any of the defendants in connection with the dismissal. The complaint alleged that the defendants violated the Securities Exchange Act of 1934. More specifically, it alleged that between December 12, 2011 and November 8, 2012 the defendants issued materially false and misleading statements regarding the Company's business, operations and financial prospects.

On May 28, 2013, Neptune announced that the reconstruction of its production facilities in Sherbrooke, Quebec, Canada started. Neptune's plant was destroyed following an explosion on November 8, 2012, although the adjacent expansion project that was underway at the time suffered limited damage. The Corporation plans to reconstruct an operational plant by overhauling the expansion facility that was under construction. In addition to receiving the necessary permits to begin work, the Corporation has engaged an engineering firm and architect and has also recently hired a new plant manager. Due to the ability to expedite things, reconstruction is starting earlier than originally anticipated in the Corporation's May 22, fiscal year 2013 results release. Upon completion, which is expected before the end of the current fiscal year, the facility is expected to have the capacity to produce more than 150,000 kilograms of Neptune krill oil (NKO®) per year.

ABOUT THE SUBSIDIARIES

Acasti Pharma Inc.

During the three-month period ended May 31, 2013, Acasti made progress in its research and pharmaceutical product development, advancing with its prescription drug candidate, CaPre[®], while expanding its commercialization efforts for its medical food Onemia[™]. The following is a summary of the period's highlights.

In December 2012, Acasti reported that it had entered into a prepayment agreement with Neptune pursuant to which Acasti has exercised its option under its license agreement dated August 7, 2008 entered into between Acasti and Neptune to pay in advance all of the future royalties payable under the license agreement.

Clinical Trials Update

During the fiscal year ended February 29, 2012, Acasti initiated two Phase II clinical trials: (i) the "TRIFECTA trial", a prospective randomized double-blind placebo controlled clinical study designed to evaluate the safety and efficacy of CaPre[®] for the management of moderate to severe hypertriglyceridemia, for which the first patients were enrolled in October 2011, and (ii) the "COLT trial", a prospective randomized open-label clinical trial designed to assess the safety, efficacy and dose response of CaPre[®] for patients with moderate to high hypertriglyceridemia, for which the first patients were enrolled in December 2011. Acasti's clinical trials' recruitment has continued and progressed during the three-month period ended May 31, 2013.

In March, preliminary clinical data from 157 patients enrolled in the COLT trial who have completed four weeks of treatment with 0.5, 1, 2 or 4 grams of CaPre[®] per day were assessed and CaPre[®] achieved a clinically important and statistically significant triglyceride reduction of up to 23% ($p < 0.05$) as compared to the normal standard of care. The study assesses the effectiveness of CaPre[®] in patients based on a real-life, routine - clinical setting since the standard of care may be any treatment the treating physicians considered as appropriate and included life-style modification as well as lipid modifying agents such as statins and fibrates, that most of the patients analysed (i.e. 86%) had baseline triglycerides between 200 and 500mg/dl (2.28 to 5.7 mmol/L) and that no serious adverse events were reported. To date, the results of this preliminary analysis suggest that CaPre[®] is safe and effective for the treatment of patients with triglyceride levels ranging from 200 to 500 mg/dL.

On May 22, 2013, Acasti has announced that the recruitment for the COLT trial has been completed and that a final report on the trial is expected this summer.

Onemia[™]

During the three-month period ended May 31, 2013, Acasti furthered its business development and direct commercialization activities in the U.S. for its medical food Onemia[™]. Physicians initiated and/or continued their recommendations of Onemia[™] for patients diagnosed with cardiometabolic disorders. Acasti expects continued sales of Onemia[™] to provide short-term revenues that will contribute, in part, to finance Acasti's research and development projects while establishing Acasti's omega-3 phospholipids product credentials.

NeuroBioPharm Inc.

Development of NeuroBioPharm's product candidates was initiated during the fiscal year ended February 28, 2009. NeuroBioPharm's product candidates are MPL VI, MPL VII, MPL VIII and MPL IX and their respective indication and stage of development is summarized in the table below:

Product	Channel	Indication	Stage of development	Launch Year (Calendar Year)
MPL VI	Medical Food	Prevention of cognitive decline	Preclinical	n/a
MPL VII	Medical Food	Memory, concentration and learning disorders	Preclinical	2014
MPL VIII	Medical Food	ADHD	Preclinical	2014
MPL IX	Prescription Drug	Neurological disorders	Preclinical	n/a

In 2009, NeuroBioPharm completed a pre-clinical study in collaboration with NeuroCode AG, (Wetzlar, Germany), a team of recognized experts dedicated to specific profiling of active pharmaceutical ingredients by means of electroencephalographic (“EEG”) power spectra of conscious free moving rats. The objectives of the trial were (a) to determine the nature and extent of effect of the new NeuroBioPharm medical food candidate NKPL (a highly concentrated phospholipid extract that was a precursor for NeuroBio’s products) on the electrical activity of the brain, and (b) to characterize the EEG effects in relation to standard central nervous system drugs. At the lowest daily dose of 250mg, NKPL showed a significant effect strongly resembling (by 80% and 100%) the activity of methylphenidate or Ritalin®, a drug recognized as the gold standard for the treatment of Attention Deficit Hyperactivity Disorder (“ADHD”). This set of data suggests that NKPL may be an effective treatment for children with ADHD and a safe alternative to Ritalin®.

In 2010-2011, NeuroBioPharm completed a clinical trial evaluating the effect of the medical food (a Neptune Krill Oil derivative) in patients with moderate Alzheimer disease. The trial was conducted in multiple sites in different provinces in Canada. NeuroBioPharm intends to conduct research on the mechanisms of action to better target patients who may benefit from treatment.

During 2012, preclinical mechanistic studies were initiated on behavioral cognitive impacts to support NeuroBioPharm’s pipeline. NeuroBioPharm initiated work to develop a preclinical model to assay the levels of production of neurotransmitters in different parts of the brain. The model is intended to test the various product candidates of NeuroBioPharm to confirm certain mechanisms of action, measure behavioral impact on ADHD and select the best possible applications for NeuroBioPharm’s products.

NeuroBioPharm also progressed in establishing preclinical and clinical protocols for the study of mechanisms of action and demonstration of the health benefits of its product candidates. However, some developments of NeuroBioPharm were delayed by the incident that occurred in November 2012 at Neptune’s Sherbrooke plant.

The prospective observational study on ADHD and the prospective observational study on memory, concentration and learning disorders that were planned to start late 2012 - early 2013 were postponed until the fall of 2013. Preclinical studies that were in progress, including the development of the model capable of determining different neurotransmitters in different parts of the brain, were not interrupted. While NeuroBio intends to stick to its business plan and to continue its research and development activities, milestones and the start of commercialization may be delayed. NeuroBio has decided to prioritize the development of applications on ADHD.

Two clinical phase II studies are in preparation with MPL VII and MPL VIII and NeuroBio will decide in fall 2013, according to some preclinical results and the results of prospective observational studies, whether or not to launch the implementation of these clinical studies.

NeuroBioPharm intends to conduct a prospective observational study in preparation for a larger study. This prospective study, in children 6 to 16 years old with ADHD symptoms, is intended to better target people who can benefit from treatment and to better establish the assessment tools necessary to achieve the desired statistical power for future clinical study. This two-steps model reduces the risk associated with the realization of large-scale clinical trial, as well as costs associated with clinical developments of NeuroBioPharm.

NeuroBioPharm also intends to conduct a prospective observational study on memory, concentration and learning disorders. This observational study among people aged from 65 to 75 years old, would use an innovative method to quantify the learning speed in relation with the ability to focus. It will better prepare a larger scale study by establishing comparative values necessary for the establishment of statistical plan.

NeuroBioPharm estimates that it will first reach commercial production of its medical food products by the fourth quarter of calendar 2014. This timeline still depends on the ability of Neptune to resume operations. NeuroBioPharm further estimates that about \$280 will be invested for completing or initiating preclinical/clinical studies during 2013 and 2014 for supporting the efficacy and safety of its product candidates.

Selected consolidated financial information

The following tables set out selected financial information for the three-month periods ended May 31, 2013 and 2012. This information is based on the Corporation's unaudited consolidated interim financial statements and accompanying notes for the three-month period ended May 31, 2013 and 2012 and should be read in conjunction with the notes thereto.

(In thousands of dollars, except per share data)

	Three-month period ended May 31,	
	2013 (Unaudited) \$	2012 (Unaudited) \$
Revenue from sales	6,090	6,148
Adjusted EBITDA ¹	(3,938)	142
Net loss	(5,415)	(1 695)
Net loss attributable to the owners of the Corporation	(4,466)	(983)
Net loss per share:		
Basic	(0.07)	(0.02)
Diluted	(0.07)	(0.02)
Total assets	65,430	48 632
Working capital ²	38,094	21 650
Total equity	53,505	32 785
Loans and borrowings (incl. current portion)	1,912	6 106
Key ratios (% of revenue):		
Gross profit	10%	59%
Selling expenses	9%	9%
General and administrative expenses	76%	48%
Research and development expenses	26%	29%
Adjusted EBITDA	(65%)	2%

¹ The Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by IFRS requirements, the results are unlikely to be comparable to similar measurements presented by other public corporations. Neptune obtains its Adjusted EBITDA measurement by adding to net income (loss), finance costs, depreciation and amortization, income taxes, foreign exchange gains and losses, loss from sale of property, plant and equipment and impairment of property, plant and equipment, and impairments and other costs and insurance recoveries related to the plant explosion, incurred during the fiscal year. Neptune also excludes the effects of non-monetary transactions recorded, such as share-based compensation, changes in the fair value of derivatives and the recognition or derecognition of investment tax credits from prior years for accounting purposes, for its Adjusted EBITDA calculation.

² The working capital is presented for information purposes only and represents a measurement of the Corporation's short-term financial health mostly used in financial circles. The working capital is calculated by subtracting current liabilities from current assets. Because there is no standard method endorsed by IFRS, the results may not be comparable to similar measurements presented by other public corporations.

RECONCILIATION OF NET INCOME (NET LOSS) TO ADJUSTED EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (Adjusted EBITDA)

A reconciliation of the Adjusted EBITDA is presented in the table below. The Corporation uses adjusted financial measures to assess its operating performance. Securities regulations require that corporations caution readers that earnings and other measures adjusted to a basis other than IFRS do not have standardized meanings and are unlikely to be comparable to similar measures used by other corporations. Accordingly, they should not be considered in isolation. The Corporation uses Adjusted EBITDA to measure its performance from one period to the next without the variation caused by certain adjustments that could potentially distort the analysis of trends in our operating performance, and because the Corporation believes it provides meaningful information on the Corporation's financial condition and operating results.

Neptune obtains its Consolidated Adjusted EBITDA measurement by adding to net income (net loss), finance costs, depreciation and amortization, income taxes, foreign exchange gains and losses, loss from sale of property, plant and equipment and impairment of property, plant and equipment, and impairments and other costs and insurance recoveries related to the plant explosion, incurred during the fiscal year. Neptune also excludes the effects of certain non-monetary transactions recorded, such as share-based compensation, changes in fair value of derivatives and the recognition or derecognition of investment tax credits from prior years for accounting purposes, for its Adjusted EBITDA calculation. The Corporation believes it is useful to exclude these items as they are either non-cash expenses, items that cannot be influenced by management in the short term, or items that do not impact core operating performance. Excluding these items does not imply they are necessarily nonrecurring.

Reconciliation of non-IFRS financial information

(expressed in thousands of dollars, except per share data)

	Three-month period ended May 31,	
	2013	2012
	\$	\$
Net loss	(5,415)	(1,695)
Add (deduct):		
Depreciation	74	188
Finance costs, excluding change in fair value of derivatives	3	37
Stock-based compensation	2,097	1,621
Foreign exchange loss (gain)	3	(232)
Insurance recoveries	(700)	-
Change in fair value of derivatives	-	223
Adjusted EBITDA	(3,938)	142

SELECTED CONSOLIDATED QUARTERLY FINANCIAL DATA**(expressed in thousands, except per share amounts)**

As explained in other sections, the Corporation revenues are presently being generated by the nutraceutical segment. In the current fiscal year, up to and including the third quarter, the nutraceutical segment was profitable. The cardiovascular and neurological segments conduct research activities and have incurred losses since inception. Quarterly data are presented below.

Fiscal year ending February 28, 2014

	Total \$	First Quarter \$	Second Quarter \$	Third Quarter \$	Fourth Quarter \$
Revenue	6,090	6,090			
Adjusted EBITDA ¹	(3,938)	(3,938)			
Net loss	(5,415)	(5,415)			
Net loss attributable to the owners of the Corporation	(4,466)	(4,466)			
Basic loss per share	(0.07)	(0.07)			
Diluted loss per share	(0.07)	(0.07)			

Fiscal year ended February 28, 2013

	Total \$	First Quarter \$	Second Quarter \$	Third Quarter \$	Fourth Quarter \$
Revenue	25,864	6,148	8,098	7,027	4,591
Adjusted EBITDA ¹	(5,797)	142	(703)	(629)	(4,607)
Net loss	(19,962)	(1,695)	(4,683)	(12,437) ²	(1,147) ²⁻³
Net loss attributable to the owners of the Corporation	(16,770)	(983)	(3,895)	(11,668) ²	(224) ²⁻³
Basic loss per share	(0.31)	(0.02)	(0.08)	(0.21)	(0.01)
Diluted loss per share	(0.31)	(0.02)	(0.08)	(0.21)	(0.01)

Fiscal year ended February 29, 2012

	Total \$	First Quarter \$	Second Quarter \$	Third Quarter \$	Fourth Quarter \$
Revenue and other income	19,124	4,284	4,353	5,120	5,367
Adjusted EBITDA ¹	(2,593)	(167)	(908)	(743)	(775)
Net loss	(4,593)	(1,259)	(1,768)	(1,433)	(133)
Net (loss) profit attributable to the owners of the Corporation	(1,928)	(838)	(1,075)	(506)	491
Basic loss per share	(0.04)	(0.02)	(0.02)	(0.01)	(0.01)
Diluted loss per share	(0.04)	(0.02)	(0.02)	(0.01)	(0.01)

1 The Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by IFRS requirements, the results are unlikely to be comparable to similar measurements presented by other public corporations. Neptune obtains its Adjusted EBITDA measurement by adding to net income (loss), finance costs, depreciation and amortization, income taxes, foreign exchange gains and losses, loss from sale of property, plant and equipment and impairment of property, plant and equipment, and impairments, other costs and insurance recoveries related to the plant explosion, incurred during the fiscal year. Neptune also excludes the effects of non-monetary transactions recorded, such as share-based compensation, changes in the fair value of derivatives and the recognition or derecognition of deferred tax asset and investment tax credits from prior years for accounting purposes, for its Adjusted EBITDA calculation.

2 Includes impairments and costs related to the plant explosion of \$8,464 and \$1,627 respectively in the third and fourth quarters.

3 Includes insurance recoveries of \$6,000.

SEGMENT DISCLOSURES

The Corporation has three reportable operating segments structured in three distinct legal entities: the first involves the production and commercialization of nutraceutical products (Neptune), the second is for the development and commercialization of pharmaceutical products for cardiovascular diseases (Acasti) and the third is for the development and commercialization of pharmaceutical products for neurological diseases (NeuroBioPharm).

For the three-month period ended May 31, 2013, all revenues were generated by the nutraceutical segment, with the exception of a relatively minor amount of sales of Acasti's medical food product. The continuity of all operations of the consolidated group is presently supported by Neptune revenues and recent financings in both Neptune and Acasti. Acasti's operations are at the commercialization stage for the prescription medical food product Onemia™ and at the Phase II clinical trial for its lead prescription drug candidate, CaPre®. NeuroBioPharm is in the early stages of developing omega-3 phospholipids medical foods, over-the-counter products and prescription drugs.

At this moment, Neptune's krill oil products are currently sold in the nutraceutical market. In the case of Acasti and NeuroBioPharm, no products are presently generating revenues, except Onemia™, which generated revenues of \$6 in the quarter ended May 31, 2013.

The consolidated cash flows are explained in the following section. Except as described below, significant consolidated cash flows are consistent with those of the nutraceutical segment.

Selected financial information by segment is as follows:

(Expressed in thousands)

The following table show selected financial information by segments (net of inter segments eliminations):

Three-month period ended May 31, 2013

	Nutraceutical	Cardiovascular	Neurological	Total
	\$	\$	\$	\$
Revenues from external sales	6,084	6	-	6,090
Adjusted EBITDA	(2,663)	(1,084)	(191)	(3,938)
Net loss	(3,379)	(1,624)	(412)	(5,415)
Total assets	59,240	5,251	939	65,430
Working capital	32,801	4,470	823	38,094
Adjusted EBITDA calculation				
Net loss	(3,379)	(1,624)	(412)	(5,415)
add (deduct):				
Depreciation and amortization	73	1	-	74
Finance costs	2	1	-	3
Stock-based compensation	1,335	541	221	2,097
Foreign exchange loss (gain)	6	(3)	-	3
Insurance recoveries	(700)	-	-	(700)
Adjusted EBITDA	(2,663)	(1,084)	(191)	(3,938)

Three-month period ended May 31, 2012

	Nutraceutical	Cardiovascular	Neurological	Total
	\$	\$	\$	\$
Revenues from external sales	6,135	13	-	6,148
Adjusted EBITDA	1,289	(888)	(259)	142
Net profit (loss)	48	(1,384)	(359)	(1,695)
Total assets	39,010	8,382	1,240	48,632
Working capital	13,067	7,532	1,051	21,650
Adjusted EBITDA calculation				
Net profit (loss)	48	(1,384)	(359)	(1,695)
add (deduct):				
Depreciation and amortization	186	2	-	188
Finance costs	36	1	-	37
Stock-based compensation	991	530	100	1,621
Foreign exchange gain	(195)	(37)	-	(232)
Change in fair value of derivatives	223	-	-	223
Adjusted EBITDA	1,289	(888)	(259)	142

OPERATING RESULTS**Revenue**

Revenue for the first quarter amounted to \$6,090, representing a decrease of 1% compared to \$6,148 for the three-month period ended May 31, 2012. Given that Neptune's plant was not in operation during the last quarter, revenues for the first quarter ended May 31, 2013 were largely generated from sales of krill oil acquired by the Corporation through short term temporary arrangements that have allowed Neptune to rebuild some inventory of krill oil products, resulting in much lower margins. Neptune has maintained most of its market share by supplying the market with a commodity krill oil and this is expected to continue until the Corporation is capable of resuming production and selling its premium product NKO®.

Gross Profit

Gross profit is calculated by deducting the cost of sales from revenue. Cost of sales consists primarily of costs incurred to manufacture products. It also includes related overheads, such as depreciation of property, plant and equipment, certain costs related to quality control and quality assurance, inventory management, sub-contractors and costs for servicing and commissioning.

The following table shows gross profit in dollars as well as a percentage of revenue for the three-month periods ended May 31, 2013 and May 31, 2012:

	Three Months Ended May 31,	
	2013	2012
Gross profit	605	3,614
Gross profit as % of revenue	10%	59%

Gross profit for the first quarter ended May 31, 2013 amounted to \$605 or 10% of revenue compared to \$3,614 or 59% of revenue for the same period in 2012. The decrease in gross margin was primarily due to the November 8, 2012 incident since most revenues were largely generated from sales of krill oil acquired by the Corporation through short term temporary arrangements generating much lower margins. Nevertheless, the Corporation managed to double its gross margin from the preceding quarter going from 5% in the fourth quarter of the previous year to 10%.

Selling Expenses

Selling expenses for the three-month periods ended May 31, 2013 and May 31, 2012 were as follows:

	<u>Three Months Ended May 31,</u>	
	2013	2012
Selling expenses	529	571
Selling expenses as % of revenue	9%	9%

Selling expenses amounted to \$529 or 9% of revenue in the first quarter ended May 31, 2013 compared to \$571 or 9% of revenue for the corresponding period in 2012. The decrease in the first quarter was largely due to the reduction of marketing and selling efforts following the November 8, 2012 incident at the Sherbrooke plant. The Corporation is now reviewing its selling and marketing approach and will put in place a new strategy that will be implemented in conjunction with the resumption of production.

General and Administrative Expenses

G&A expenses for the three-month periods ended May 31, 2013 and May 31, 2012 were as follows:

	<u>Three Months Ended May 31,</u>	
	2013	2012
General and administrative expenses	4,647	2,963
General and administrative expenses as % of revenue	73%	48%

G&A expenses amounted to \$4,647 or 73% of revenue in the first quarter ended May 31, 2013, compared to \$2,963 or 48% of revenue for the corresponding period in 2012, an increase of \$1,684 compared to the corresponding period in 2012. The increase over 2012 is explained in part by increased stock-based compensation expense of \$476 for the three-month period ended May 31, 2013. The increase in the first quarter was also attributable to warehouse costs of \$479, resulting from the fact that no production took place at the Sherbrooke plant and alternative supply was established and needed to be stored and therefore, there was no attribution of warehouse costs in the cost of goods sold in the comparative period. Finally, legal fees were up \$629 from comparative period of last year due to an increase in the cost related to defending of our intellectual property.

Research and Development Expenses

R&D expenses, net of tax credits, for the three-month periods ended May 31, 2013 and May 31, 2012 were as follows:

	<u>Three months Ended May 31,</u>	
	2013	2012
Research and development expenses, net of tax credits	1,584	1,778
Research and development expenses, net of tax credits as % of revenue	26%	29%

R&D expenses amounted to \$1,584 or 26% of revenue in the first quarter ended May 31, 2013 compared to \$1,778 or 29% of revenue for the corresponding period in 2012, a decrease of \$194 compared to the same period in 2012. The decrease of \$194 in the three-month period is mainly attributable to the decrease in patent maintenance fees for an amount of \$474 partially offset an increase of \$284 in the R&D expenses in the cardiovascular segment.

Finance Costs

Finance costs for the three-month periods ended May 31, 2013 and May 31, 2012 were as follows:

	<u>Three Months Ended May 31,</u>	
	2013	2012
Finance costs	3	259
Finance costs as % of revenue	1%	4%

Finance costs amounted to \$3 or 1% of revenue in the first quarter ended May 31, 2013 compared to \$259 or 4% of revenue for the corresponding period in 2012, a decrease of \$256 compared to the same period in 2012. This decrease is primarily attributable to the re-evaluation of the fair value of derivative financial instruments in the last year's first quarter ended May 31, 2012. The decrease is also attributable to the reimbursement of the long term debt on the Sherbrooke plant following the November 8, 2012 incident.

Foreign Exchange Gain (Loss)

Foreign exchange gain (loss) for the three-month periods ended May 31, 2013 and May 31, 2012 were as follows:

	Three months Ended May 31,	
	2013	2012
Foreign exchange (loss) gain	(3)	232
Foreign exchange (loss) gain as % of revenue	(1%)	4%

Foreign exchange loss amounted to (\$3) or (1%) of revenue in the first quarter ended May 31, 2013 compared to a gain of \$232 or 4% of revenue for the corresponding period of 2012, a decrease of \$235 compared to the same period in 2012. The decrease in the first quarter foreign exchange gain is mainly attributable the conversion in Canadian dollars of a large portion of the US proceed at a disadvantageous conversion rate.

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)

Adjusted EBITDA decreased by \$4,080 for the three-month period ended May 31, 2013 to (\$3,938) compared to \$142 for the three-month period ended May 31, 2012. The decrease for the three-month period ended May 31, 2013 is mainly attributable to the lower gross margin resulting from the November 8, 2012 incident at the Sherbrooke plant. In addition to the first quarter reduced gross margin impact, the decrease in adjusted EBITDA for the first quarter ended May, 31 2013 is attributable to the \$629 increase in patent expenses and the \$479 increase in warehouse costs.

Net loss

The Corporation realized a consolidated net loss for the three-month period ended May 31, 2013 of (\$5,415) compared to (\$1,695) for the three-month period ended May 31, 2012. The increase for the three-month period ended May 31, 2013 is mainly attributable to the lower gross margin resulting from the November 8, 2012 incident at the Sherbrooke plant. In addition to the first quarter reduced gross margin impact, the increase in the net loss for the first quarter ended May 31, 2013 is attributable to the \$629 increase in legal expenses to defend patents and the \$479 increase in warehouse costs. Finally, the increase in the net consolidated loss is also attributable to the increase in stock-based compensation expense of \$476 for the three-month period ended May 31, 2013.

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

During the three-month period ended May 31, 2013, the operating activities generated a decrease in liquidities of \$9,015, compared to a decrease of \$2,125 for the corresponding period ended May 31, 2012. The difference in the cash flows from the operating activities is mainly attributable to the higher loss for the three-month period ended May 31, 2013 over the corresponding period of 2012. The decrease in liquidities is also caused by the changes in non-cash operating working capital items, primarily by an increase in trade and other receivables of \$2,643 and inventories by \$4,234 partially offset by an increase in accounts payable of \$881.

Investing Activities

During the three-month period ended May 31, 2013, the investing activities generated a decrease in liquidities of \$872. This decrease is mainly due to an increase in the acquisition of property, plant and equipment for \$1,451, related primarily to the plant reconstruction in Sherbrooke and the acquisition of short-term investments for \$5,087, partially offset by the maturity of short-term investments for \$5,543. In 2012, investing activities generated an increase in liquidities of \$1,315, primarily from the

maturity of short-term investments of \$3,339, partially offset by an increase in the acquisition of property, plant and equipment for \$1,873.

Financing Activities

During the three-month period ended May 31, 2013, the financing activities generated an increase in liquidities of \$81 mainly due to the proceed from exercise of options for \$60. During the three-month period ended May 31, 2012, financing activities generated an increase in liquidities of \$550, primarily from the increase in loans and borrowings for \$3,037 as well as the proceed from exercise of options for \$218. This increase was partially offset by the repayment of loans and borrowings for \$1,392 and the deferred financial expenses for \$1,295.

Overall, as a result of cash flows from all activities, the Corporation decreased its cash by \$9,834 for the three-month period ended May 31, 2013.

At May 31, 2013, the Corporation's liquidity position, consisting of cash and short-term investments, was \$18,238.

Also, at May 31, 2013, the Corporation had an authorized operating line of credit of \$200 for foreign exchange contracts.

The Corporation believes that its available cash and short-term investments, expected interest income, expected insurance recoveries, research collaborations and licensing agreements, research tax credits, loans and borrowings, funds available under our line of credit and access to capital markets should be sufficient to finance the Corporation's operations and capital needs during the ensuing fiscal year. However, in light of the uncertainties associated with the plant explosion, regulatory approval process, clinical trial results, the ability of the Corporation to resume production of and continue to successfully commercialize nutraceutical products and to maintain a market share position for krill oil products, and the Corporation's ability to secure additional licensing, partnership and/or other agreements, further financing may be required to support the Corporation's operations in the future.

OFF BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

There were no material changes that affected our contractual obligations and off balance sheet arrangements during the three-month period ended May 31, 2013.

COMMITMENTS AND CONTINGENCIES

Contingencies:

On or around January 27, 2010, the Corporation and Acasti filed a Motion for the Issuance of a Permanent Injunction before the Quebec Superior Court against US Nutraceuticals LLC (d.b.a. Valensa), a US based corporation. Neptune and Acasti are seeking *inter alia* an injunction ordering Valensa to amend some patent applications filed by Valensa to add Neptune as co-owner, or in the alternative to have Valensa assign these patent applications to Neptune, as well as punitive damages, loss of profit and loss of business opportunity for an amount currently established at \$3,000.

On September 28, 2011, Valensa filed its Defence wherein it denied Neptune/Acasti's allegations and requested a dismissal of the Motion. Valensa also filed a Cross-Demand but only against Neptune, wherein it alleged breach of contract and damages in the amount of \$2,300. The Corporation denies all material allegations made by Valensa. The case is currently pending and no trial dates have been set. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

On October 4, 2011, the Corporation filed a Complaint in the US District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antarctic USA Inc., and Schiff Nutrition International Inc. (Aker et al.) for the infringement of the Corporation's US patent 8,030,348 and for damages. On December 19, 2011, Aker et al. filed Counterclaims denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. The proceedings have been stayed due to the reexamination of the patent and no trial dates have been set. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

In addition, on October 2, 2012, the Corporation filed a Complaint in the US District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antarctic USA Inc., Aker Biomarine Antarctic AS, Schiff Nutrition Group Inc., and Schiff Nutrition International Inc. (Aker et al.) for the infringement of the Corporation's US patent 8,278,351 and for damages. On February 5, 2013, Aker et al. filed Counterclaims denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

On October 4, 2011, the Corporation filed a Complaint in the US District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC, and Azantis Inc. for the infringement of the Corporation's US patent 8,030,348 and for damages. On December 30, 2011, Enzymotec USA Inc. filed a Counterclaim denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. On December 30, 2011, Mercola.com Health Resources, LLC and Azantis Inc. filed a Counterclaim denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. The proceedings have been stayed due to the reexamination of the patent and no trial dates have been set. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

In addition, on October 2, 2012, the Corporation filed a Complaint in the US District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC for the infringement of the Corporation's US patent 8,278,351 and for damages. On January 14, 2013, Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC filed a Counterclaim denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

On December 22, 2011, the Corporation received a motion filed by the University of Sherbrooke, the worldwide registered owner of patents relating to the extraction process (the "Patents") licensed to the Corporation, asking the Court to order the transfer and force the Corporation to take ownership of the Patents. On June 26, 2013, the University and Neptune reached an agreement wherein *inter alia*, the parties have agreed to dismiss the case.

On December 20, 2012, the Corporation filed a claim for the revocation of Aker Biomarine ASA's standard patent (2008231570) and four innovation patents before the Australian Federal Court. The Corporation is seeking a declaration that all the claims in Aker's patents, are, and at all materials times have been, invalid. The Aker patents claim a krill oil composition and methods of extraction that lack novelty and are, in the Corporation's opinion, not patentable inventions since the Corporation marketed its NKO krill oil product many years before Aker filed its patents in Australia.

On January 29, 2013, the Corporation filed a Complaint under Section 337 of the US Tariff Act of 1930 with the United States International Trade Commission alleging that Aker BioMarine AS, Aker BioMarine Antarctic USA, Inc., Aker BioMarine Antarctic AS, Enzymotec Limited, Enzymotec USA, Inc., Olympic Seafood AS, Olympic Biotec Ltd., Rimfrost USA, LLC, Bioriginal Food & Science Corp. and Avoca, Inc., a division of Pharmachem Laboratories Inc. are engaging in unfair trade practices by, at least, the importation, sale for importation, and sale after importation of certain krill-based products, namely krill paste and krill oils, that directly or indirectly infringe one or more claims of Neptune's U.S. Patents No. 8,278,351 and 8,383,675. The investigation was officially instituted on April 11, 2013 and the hearing is set to begin on December 10, 2013.

On March 6, 2013, the Corporation filed a Complaint in the US District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antarctic USA Inc., Aker Biomarine Antarctic AS, Schiff Nutrition Group Inc., and Schiff Nutrition International Inc. (Aker et al.) for the infringement of the Corporation's US patent 8,383,675 and for damages. This proceeding has not yet been stayed but will most likely be pending a determination from the United States International Trade Commission regarding the Corporation's request filed on January 29, 2013.

On March 6, 2013, the Corporation filed a Complaint in the US District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC for the infringement of the Corporation's US patent 8,383,675 and for damages. This proceeding has not yet been stayed but will most likely be pending a determination from the United States International Trade Commission regarding the Corporation's request filed on January 29, 2013.

On March 6, 2013, the Corporation filed a Complaint in the US District Court for the District of Delaware against Rimfrost USA, LLC, Avoca, Inc., and Olympic Seafood AS for the infringement of the Corporation's US patents 8,030,348, 8,287,351 and

8,383,675, and for damages. This proceeding has not yet been stayed but will most likely be pending a determination from the United States International Trade Commission regarding the Corporation's request filed on January 29, 2013.

On April 2, 2013, the Corporation received a motion filed by G.S.C. Communication Inc. against the Corporation and Entreprises Laliberté Division Électricité Inc. The motion was filed as a result of the November 8, 2012 plant explosion and the plaintiff is seeking monetary relief for the costs of the plaintiff's tools destroyed during the fire. The case is currently pending and is currently handled by the Corporation's insurers. No trial dates have been set.

The Corporation is subject to laws and regulations concerning the environment and to the risk of environmental liability inherent in its activities relating to past and present operations. Management believes, based on current information, that environmental matters will not have a material adverse effect on the Corporation's financial condition.

Commitments:

In September 2011, Neptune announced the conclusion of a memorandum of understanding ("MOU") with Shanghai KaiChuang Deep Sea Fisheries Co., Ltd. ("SKFC") to form a 50/50 joint venture named Neptune-SKFC Biotechnology, which would manufacture and commercialize Neptune's krill products in Asia. The initial cost and total value of the project, which includes the construction of a production facility and development of a commercial distribution network for Asia, as well as other details of this arrangement are currently being reviewed by the parties. SKFC is 43% owned by Shanghai Fisheries General Corporation ("SFGC"), a large fishing conglomerate owned by the Government of China. SFGC is specializing in pelagic fishing, fishing vessels, fishing machinery, fresh grocery and storage services. It is present in more than 10 countries and employs more than 4,000 employees. SKFC also has the largest fleet of vessels of krill harvesting in the Antarctic Ocean. The MOU is subject to further negotiations and to approval by the boards of each party as well as by Chinese regulators.

In December 2011, the Corporation announced the start of an expansion project at its Sherbrooke plant. The cost of the expansion project has been revised to approximately \$30,000 following the November 8, 2012 incident. It is expected to be funded primarily by a Federal and Provincial government grant and interest-free loan, certain investment tax credits, a secured credit facility, insurance recoveries and a portion of Neptune's working capital. The financing is actually in the form of an interest-free loan in the amount of \$3,500 with a ten-year term, and a \$3,000 government grant. Most of these financing amounts remain to be disbursed.

Since the explosion that occurred on November 8, 2012, the Corporation plans to rebuild an operational production facility using the Phase I plant expansion facility that was under construction.

In the normal course of business, a Corporation's subsidiary has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products.

The Corporation's subsidiary initiated research and development projects that will be conducted over a 12- to 24-month period for a total initial cost of \$4,436, of which an amount of \$2,979 has been paid to date. As at May 31, 2013, an amount of \$55 is included in "Trade and other payables" in relation to these projects.

SUBSEQUENT EVENTS

Prepayment agreement:

On December 4, 2012, the Corporation announced that has entered into a prepayment agreement with a subsidiary, Acasti, pursuant to which the subsidiary exercised its option under the exclusive technology license agreement to pay in advance all of the future royalties' payable under the license agreement.

The value of the prepayment, determined with the assistance of outside valuations specialists, using the pre-established formula set forth in the license agreement, amounts to approximately \$15,500, which will be settled by the subsidiary through the issuance of 6,750,000 Class A shares, issuable at a price of \$2.30 per share, upon the exercise of a warrant delivered to the Corporation at the signature of the prepayment agreement.

The prepayment and the issuance of the shares to the Corporation were approved by the TSX Venture Exchange and of the disinterested shareholders of the subsidiary at the annual meeting of shareholders of the subsidiary held on June 27, 2013.

As a result, on July 12, 2013, Acasti issued to the Corporation 6,750,000 Class A shares increasing the ownership interest of Neptune in Acasti by 3%. Changes in ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Shares and call-options granted:

On June 21, 2013 (the "Grant Date"), the Corporation granted to board members, executive officers, employees and consultants a total of (i) 1,191,000 Restrictive Share Units (the "NTB RSUs") under the Corporation Equity Incentive Plan (the "Plan"); (ii) 1,965,000 Acasti call-options, each call-option allowing its holder to purchase one (1) class "A" shares of common stock that the Corporation holds in Acasti share capital (the "Acasti Call-Options") at an exercise price of CDN\$3.00 and expiring on June 21, 2016; (iii) 1,915,000 NeuroBio call-options, each call-option allowing its holder to purchase one (1) class "A" subordinate-voting shares that the Corporation holds in NeuroBio share capital (the "NeuroBio Call-Options") at an exercise price of CDN\$1.00 and expiring on June 21, 2016 (together the "Awards").

The Awards granted above will vest automatically overtime based on a specific rate (ranging between 10% to 50% every three-month or six-month anniversary from the Grant Date, as the case may be) depending on each holder's category, but sixty percent (60%) of such awards will be released only upon achievement of the performance objectives identified by the Corporation. Performance objectives are based in part on the Company's specific and global goals, but also on each holder's individual performance.

NTB RSUs granted above remain subject to the final approval of the Plan by the Toronto Stock Exchange. The Awards granted above also include a number of NTB RSUs granted to a director and a consultant, 25% of such number vested on as of the Grant Date for past services.

These awards will be classified as equity over the vesting period.

FINANCIAL POSITION

The following table details the important changes to the statement of financial position (other than equity) at May 31, 2013 compared to February 28, 2013:

Accounts	Increase (Reduction) (In Thousands of dollars)	Comments
Cash	(9,833)	Refer to "liquidity and capital resources"
Short-term investments	(552)	Maturity of short-term investments
Trade and other receivables	2,649	Extended terms for products launches
Inventories	4,234	Purchase of large quantities of raw material in anticipation of plant re-opening
Property, plant and equipment	871	Cost related to plant reconstruction net of grant applied
Trade and other payables	590	Extended terms to plant reconstruction suppliers

See the statement of changes in equity for details of changes to the equity accounts from May 2012.

PRIMARY FINANCIAL RATIOS

	May 31, 2013	February 28, 2013	May 31, 2012
Working Capital Ratio (current assets / current liabilities) ¹	5.03	5.71	2.88
Solvency Ratio (Loans and borrowings / Total equity) ²	0.04	0.03	0.19

¹ The Working Capital Ratio is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by IFRS requirements, the results may not be comparable to similar measurements presented by other public corporations.

² The Solvency Ratio is presented for information purposes only and represents a financial performance measurement tool mostly used in financial circles. Because there is no standard method endorsed by IFRS requirements, the results may not be comparable to similar measurements presented by other public corporations.

The Corporation's Working Capital Ratio decreased at May 31, 2013 compared to February 28, 2013 and increased from May 31, 2012 mainly due to the October 2012 Public Offering. The Corporation's solvency ratio increased at May 31, 2013 compared to February 28, 2013 and decreased from May 31, 2012, as a result of additional equity received from the October 2012 Public Offering.

RELATED PARTY TRANSACTIONS

Under the terms of an agreement entered into with a corporation controlled by an officer and director of the Corporation (who is also a shareholder of the Corporation), the Corporation is committed to pay royalties of 1% of its revenues in semi-annual instalments, for an unlimited period. The annual amount disbursed cannot exceed net earnings before interest, taxes and amortization of the Corporation on a non-consolidated basis. For the three-month period ended May 31, 2013, total royalties included in operating expenses amounted to \$60 (three-month period ended May 31, 2012 - \$61). As at May 31, 2013, the balance due to this corporation under this agreement amounts to \$317 (February 28, 2013 - \$257). This amount is presented in the consolidated interim statement of financial position under "Accounts payable and accrued liabilities".

Refer to note 15 of the interim consolidated financial statements for related party disclosures related to key management personnel compensation.

On December 4, 2012, the Corporation announced that it had entered into a prepayment agreement with one of its subsidiaries, Acasti, pursuant to which the subsidiary exercised its option under its exclusive technology license agreement dated August 7, 2008 entered into between Acasti and Neptune to pay in advance all of the future royalties payable under the license agreement. See "Subsequent Events – Prepayment Agreement".

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The consolidated interim financial statements are prepared in accordance with IFRS. In preparing the consolidated interim financial statements for the three-month period ended May 31, 2013, management made estimates in determining transaction amounts and statement of financial position balances. Certain policies have more importance than others. We consider them critical if their application entails a substantial degree of judgement or if they result from a choice between numerous accounting alternatives and the choice has a material impact on reported results of operation or financial position. The following sections describe the Corporation's most significant accounting policies and the items for which critical estimates were made in the consolidated interim financial statements and should be read in conjunction with the notes to the consolidated interim financial statements for the three-month period ended May 31, 2013.

On March 1, 2013, the Corporation adopted the following new accounting standards issued by the IASB:

- (a) IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), which builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of a parent company. IFRS 10 also provides additional guidance to assist in the determination of control where this is difficult to assess;

(b) IFRS 13, *Fair Value Measurement* (“IFRS 13”), which defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 does not determine when an asset, a liability or an entity’s own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value (with limited exceptions). IFRS 13 requires additional information to be presented in quarterly financial statements, as presented in note 12 on the Corporation’s condensed interim consolidated financial statements.

The impact of the adoption of these standards and amendments did not have a significant impact on the Corporation’s condensed interim consolidated financial statements.

USE OF ESTIMATES AND JUDGMENT

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, 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 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 judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- Impact of plant explosion including recognition of future insurance recoveries and related contingencies, which required judgement in evaluating whether the Corporation has the unconditional right to receive insurance recoveries and whether it is probable that economic benefits will be required to settle any contingencies;
- Assessing the recognition of contingent liabilities, which required judgement in evaluating whether it is probable that economic benefits will be required to settle matters subject to litigation.

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

- Utilization of tax losses and investment tax credits;
- Reasonable assurance of grant recognition and compliance with conditions of grant agreements;
- Measurement of derivative financial liabilities and stock-based compensation; and
- Collectability of trade receivable.

Also refer to notes 2(d) and 3 of the consolidated annual financial statements.

Also, the Corporation uses its best estimate to determine which 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.

DISCLOSURE CONTROLS, PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Neptune, including the Chief Executive Officer and Chief Financial Officer, have designed disclosure controls as at May 31, 2013 and procedures to provide reasonable assurance that material information relating to the Corporation, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared, and information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Also, management of Neptune, have designed internal control over financial reporting as at May 31, 2013 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the three-month period ended May 31, 2013, the Chief Executive Officer and the Chief Financial Officer evaluated whether there were any material changes in internal control over financial reporting pursuant to National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. They individually concluded that there was no change during the three-month period ended May 31, 2013 that affected materially or is reasonably likely to affect materially the Corporation's internal controls over financial reporting and disclosure controls and procedures.

RISKS AND UNCERTAINTIES

Investing in securities of the Corporation involves a high degree of risk. Prospective investors should carefully consider the risks and uncertainties described in our filings with securities regulators, including those described under the heading "Risk Factors" in our latest annual information form, available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.shtml.

Additional risks and uncertainties, including those of which the Corporation is currently unaware or that it deems immaterial, may also adversely affect the Corporation's business, financial condition, liquidity, results of operation and prospects.

ADDITIONAL INFORMATION

Updated and additional Corporation information is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.shtml.

As at July 15, 2013, the total number of common shares issued by the Corporation and in circulation was 60,778,619 and Corporation common shares were being traded on the TSX under the symbol "NTB" and on NASDAQ Capital Market under the symbol "NEPT". There were also 1,000,002 warrants, 7,934,168 options, 2,170,000 Acasti call-options and 2,222,500 NeuroBioPharm call-options outstanding as at the same date. Each warrant and each option is exercisable into one common share. In addition, Acasti had 5,288,750 options, 5,364,850 Series 4 warrants and 750,000 Series 6 & 7 warrants outstanding. NeuroBioPharm had 461,250 options and 5,997,758 series 2011-1 warrants, 3,450,075 series 2011-2 warrants and 8,050,175 series 2011-3 warrants outstanding at this date.

/s/ Henri Harland

Henri Harland
President and Chief Executive Officer

/s/ André Godin

André Godin
Chief Financial Officer

Consolidated Interim Financial Statements of
(Unaudited)

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

For the three-month periods ended May 31, 2013 and 2012

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Consolidated Interim Financial Statements
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

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Notice:

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

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Consolidated Interim Statements of Financial Position
(Unaudited)

As at May 31, 2013 and February 28, 2013

	May 31, 2013	February 28, 2013
Assets		
Current assets:		
Cash	\$ 5,068,877	\$ 14,902,459
Short-term investments	13,168,869	13,720,719
Trade and other receivables	12,239,837	9,590,945
Tax credits receivable	927,873	442,221
Prepaid expenses	207,615	139,656
Inventories (note 4)	15,943,578	11,709,613
	47,556,649	50,505,613
Property, plant and equipment	16,347,897	15,476,660
Intangible assets	1,525,288	1,510,528
Total assets	\$ 65,429,834	\$ 67,492,801
Liabilities and Equity		
Current liabilities:		
Trade and other payables	\$ 8,623,720	\$ 7,985,215
Advance payments (note 9)	835,541	849,659
Loans and borrowings (note 11)	3,833	5,060
	9,463,094	8,839,934
Deferred lease inducements (note 10)	553,987	48,854
Loans and borrowings (note 11)	1,908,225	1,865,981
Total liabilities	11,925,306	10,754,769
Equity:		
Share capital (note 6)	83,645,691	83,561,499
Contributed surplus	19,898,325	18,143,149
Deficit	(49,924,026)	(45,457,773)
Total equity attributable to equity holders of the Corporation	53,619,990	56,246,875
Non-controlling interest (note 7)	(4,331,590)	(3,396,506)
Subsidiary warrants and options (note 6)	4,216,128	3,887,663
Total equity attributable to non-controlling interest	(115,462)	491,157
Total equity	53,504,528	56,738,032
Commitments and contingencies (note 14)		
Subsequent events (note 16)		
Total liabilities and equity	\$ 65,429,834	\$ 67,492,801

See accompanying notes to unaudited consolidated interim financial statements.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Consolidated Interim Statements of Earnings and Comprehensive Loss
(Unaudited)

Three-month periods ended May 31, 2013 and 2012

	May 31, 2013	May 31, 2012
Revenue from sales	\$ 6,090,036	\$ 6,148,474
Cost of sales	(5,484,678)	(2,539,575)
Gross profit	605,358	3,608,899
Other income – revenue from royalties	2,261	4,656
Other income – insurance recoveries (note 5)	700,000	–
Selling expenses	(529,479)	(571,252)
General and administrative expenses	(4,647,488)	(2,963,297)
Research and development expenses, net of tax credits of \$123,086 (2012 - \$195,467)	(1,584,383)	(1,777,915)
Results from operating activities	(5,453,731)	(1,698,909)
Finance income	44,652	32,098
Finance costs	(2,569)	(259,475)
Foreign exchange (loss) gain	(3,515)	231,780
Net finance income	38,568	4,403
Net loss and comprehensive loss for the period	\$ (5,415,163)	\$ (1,694,506)
Net loss and comprehensive loss attributable to:		
Owners of the Corporation	\$ (4,466,253)	\$ (983,341)
Non-controlling interest	(948,910)	(711,165)
Net loss and comprehensive loss for the period	\$ (5,415,163)	\$ (1,694,506)
Basic and diluted loss per share	\$ (0.07)	\$ (0.02)
Basic and diluted weighted average number of common shares	60,101,469	49,736,487

See accompanying notes to unaudited consolidated interim financial statements.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Consolidated Interim Statements of Changes in Equity
(Unaudited)

Three-month periods ended May 31, 2013 and 2012

	Attributable to equity holders of the Corporation						Attributable to non-controlling interest			Total equity
	Share capital		Warrants	Contributed surplus	Deficit	Total	Subsidiary warrants and options	Non-controlling interest	Total	
	Number	Dollars								
Balance at February 28, 2013	60,079,730	\$ 83,561,499	\$ -	\$ 18,143,149	\$ (45,457,773)	\$ 56,246,875	\$ 3,887,663	\$ (3,396,506)	\$ 491,157	\$ 56,738,032
Net loss and comprehensive loss for the period	-	-	-	-	(4,466,253)	(4,466,253)	-	(948,910)	(948,910)	(5,415,163)
	60,079,730	83,561,499	-	18,143,149	(49,924,026)	51,780,622	3,887,663	(4,345,416)	(457,753)	51,322,869
Transactions with owners, recorded directly in equity										
<i>Contributions by and distribution to owners</i>										
Share-based payment transactions	-	-	-	1,768,228	-	1,768,228	328,465	-	328,465	2,096,693
Share options exercised (note 8)	40,000	84,192	-	(24,192)	-	60,000	-	-	-	60,000
Total contributions by and distribution to owners	40,000	84,192	-	1,744,036	-	1,828,228	328,465	-	328,465	2,156,693
<i>Change in ownership interests in subsidiaries that do not result in a loss of control</i>										
Exercise of subsidiary warrants and options by third parties	-	-	-	11,140	-	11,140	-	13,826	13,826	24,966
Total changes in ownership interest in subsidiaries	-	-	-	11,140	-	11,140	-	13,826	13,826	24,966
Total transactions with owners	40,000	84,192	-	1,755,176	-	1,839,368	328,465	13,826	342,291	2,181,659
Balance at May 31, 2013	60,119,730	\$ 83,645,691	\$ -	\$ 19,898,325	\$ (49,924,026)	\$ 53,619,990	\$ 4,216,128	\$ (4,331,590)	\$ (115,462)	\$ 53,504,528

See accompanying notes to unaudited consolidated interim financial statements.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Consolidated Interim Statements of Changes in Equity, Continued
(Unaudited)

Three-month periods ended May 31, 2013 and 2012

	Attributable to equity holders of the Corporation						Attributable to non-controlling interest			Total equity
	Share capital		Warrants	Contributed surplus	Deficit	Total	Subsidiary warrants and options	Non-controlling interest	Total	
	Number	Dollars								
Balance at February 29, 2012	49,688,843	\$ 45,841,986	\$ 743,195	\$ 13,156,913	\$ (31,973,311)	\$ 27,768,783	\$ 1,676,653	\$ 3,178,566	\$ 4,855,219	\$ 32,624,002
Net loss and comprehensive loss for the period	-	-	-	-	(983,341)	(983,341)	-	(711,165)	(711,165)	(1,694,506)
	49,688,843	45,841,986	743,195	13,156,913	(32,956,652)	26,785,442	1,676,653	2,467,401	4,144,054	30,929,496
Transactions with owners, recorded directly in equity										
<i>Contributions by and distribution to owners</i>										
Warrants exercised	1,250	4,518	(1,205)	-	-	3,313	-	-	-	3,313
Share-based payment transactions	-	-	-	1,022,460	-	1,022,460	598,081	-	598,081	1,620,541
Share options exercised	117,000	296,512	-	(79,012)	-	217,500	-	-	-	217,500
Total contributions by and distribution to owners	118,250	301,030	(1,205)	943,448	-	1,243,273	598,081	-	598,081	1,841,354
<i>Change in ownership interests in subsidiaries that do not result in a loss of control</i>										
Exercise of subsidiary warrants and options by third parties	-	-	-	2,962	-	2,962	-	11,300	11,300	14,262
Total changes in ownership interest in subsidiaries	-	-	-	2,962	-	2,962	-	11,300	11,300	14,262
Total transactions with owners	118,250	301,030	(1,205)	946,410	-	1,246,235	598,081	11,300	609,381	1,855,616
Balance at May 31, 2012	49,807,093	\$ 46,143,016	\$ 741,990	\$ 14,103,323	\$ (32,956,652)	\$ 28,031,677	\$ 2,274,734	\$ 2,478,701	\$ 4,753,435	\$ 32,785,112

See accompanying notes to unaudited consolidated interim financial statements.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Consolidated Interim Statements of Cash Flows
(Unaudited)

Three-month periods ended May 31, 2013 and 2012

	May 31, 2013	May 31, 2012
Cash flows from operating activities:		
Net loss for the period	\$ (5,415,163)	\$ (1,694,506)
Adjustments:		
Depreciation of property, plant and equipment	65,961	178,665
Amortization of intangible assets	8,202	9,465
Stock-based compensation	2,096,693	1,620,541
Amortization of deferred lease inducements	(5,796)	(2,124)
Net finance income	(38,568)	(4,403)
Realized foreign exchange gain	24,425	168,010
Unrealized foreign exchange gain on advance payments	(1,031)	(15,882)
	(3,265,277)	259,766
Changes in non-cash operating items:		
Trade and other receivables	(2,643,394)	(619,555)
Tax credits receivable	(123,086)	(195,467)
Prepaid expenses	(67,959)	(108,329)
Inventories	(4,233,965)	(2,114,215)
Trade and other payables	820,885	490,985
Advance payments	(13,087)	111,074
Deferred lease inducements	510,929	50,978
	(5,749,677)	(2,384,529)
	(9,014,954)	(2,124,763)
Cash flows from investing activities:		
Interest received	140,635	18,649
Acquisition of property, plant and equipment	(1,451,379)	(1,873,367)
Acquisition of intangible assets	(16,980)	(168,464)
Maturity of short-term investments	5,543,200	3,338,500
Acquisition of short-term investments	(5,087,333)	-
	(871,857)	1,315,318
Cash flows from financing activities:		
Repayment of loans and borrowings	(1,228)	(1,392,117)
Increase in loans and borrowings	-	3,037,393
Deferred financial expenses	-	(1,295,067)
Proceeds from exercise of subsidiary warrants and options	24,966	14,262
Proceeds from exercise of warrants	-	3,313
Proceeds from exercise of options	60,000	217,500
Interest paid	(2,569)	(34,994)
	81,169	550,290
Foreign exchange (loss) gain on cash held in foreign currencies	(27,940)	63,770
Net decrease in cash	(9,833,582)	(195,385)
Cash, beginning of period	14,902,459	3,765,265
Cash, end of period	\$ 5,068,877	\$ 3,569,880
Supplemental cash flow disclosure:		
Non-cash transactions:		
Acquired property, plant and equipment included in accounts payable and accrued liabilities	\$ 736,585	\$ 4,008,338
Intangible assets included in accounts payable and accrued liabilities	23,465	29,436
Grant receivable applied against property, plant and equipment	5,498	-
Tax credit receivable applied against property, plant and equipment	362,566	-
Interest capitalized	42,244	-

See accompanying notes to unaudited consolidated interim financial statements.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

1. Reporting entity

Neptune Technologies & Bioressources 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 545, Promenade du Centropolis, Laval, Québec, H7T 0A3. The consolidated financial statements of the Corporation comprise the Corporation and its subsidiaries, Acasti Pharma Inc. ("Acasti") and NeuroBioPharm Inc. ("NeuroBioPharm"). The Corporation focuses on the research, development and commercialization of products derived from marine biomasses for the nutraceutical and pharmaceutical industries.

Neptune is a biotechnology corporation engaged primarily in the development, manufacture and commercialization of marine-derived omega-3 polyunsaturated fatty acids ("PUFAs"). Neptune produces omega-3 PUFAs through its patented process of extracting oils from Antarctic krill, which omega-3 PUFAs are then principally sold as bulk oil to Neptune's distributors who commercialize them under their private label primarily in the U.S., European and Australian nutraceutical markets. Neptune's lead products, Neptune Krill Oil (NKO[®]) and ECOKRILL Oil (EKO[™]), generally come in capsule form and serve as a dietary supplement to consumers.

The Corporation's subsidiaries are subject to a number of risks associated with the successful development of new products and their marketing, the conduct of clinical studies and their results, the meeting of development objectives set by the Corporation in its license agreements and the establishment of strategic alliances. The Corporation's subsidiaries will have to finance their research and development activities and their clinical studies. To achieve the objectives of their business plans, the Corporation's subsidiaries plan to establish strategic alliances, raise the necessary capital and make sales. It is anticipated that the products developed by the Corporation's subsidiaries 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 consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board (IASB), on a basis consistent with those accounting policies followed by the Corporation in the most recent audited consolidated annual financial statements, except as described in note 3. These condensed consolidated interim financial statements have been prepared under IFRS in accordance with IAS 34, *Interim Financial Reporting*. Certain information, in particular the accompanying notes, normally included in the consolidated annual financial statements prepared in accordance with IFRS, has been omitted or condensed. Accordingly, the condensed consolidated interim financial statements do not include all of the information required for full annual consolidated financial statements, and therefore, should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended February 28, 2013.

(b) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Equity warrants and stock options which are measured pursuant to IFRS 2, *Share-based payment*;
- Liabilities for warrants which are measured at fair value.

(c) Functional and presentation currency:

These consolidated interim financial statements are presented in Canadian dollars, which is the Corporation and its subsidiaries' functional currency.

(d) Use of estimates and judgements:

The preparation of the consolidated financial statements in conformity with IFRS 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.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

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 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 consolidated financial statements include the following:

- Impact of plant explosion including recognition of future insurance recoveries and related contingencies, which required judgement in evaluating whether the Corporation has the unconditional right to receive insurance recoveries and whether it is probable that economic benefits will be required to settle any contingencies;
- Assessing the recognition of contingent liabilities, which required judgement in evaluating whether it is probable that economic benefits will be required to settle matters subject to litigation.

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

- Utilization of tax losses and investment tax credits;
- Reasonable assurance of grant recognition and compliance with conditions of grant agreements;
- Measurement of derivative financial liabilities and stock-based compensation; and
- Collectability of trade receivable.

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 and basis of measurement applied in these condensed consolidated interim financial statements are the same as those applied by the Corporation in its consolidated financial statements for the year ended February 28, 2013, except as described below:

On March 1, 2013, the Corporation adopted the following new accounting standards issued by the IASB:

- (a) IFRS 10, *Consolidated Financial Statements* ("IFRS 10"), which builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of a parent company. IFRS 10 also provides additional guidance to assist in the determination of control where this is difficult to assess;
- (b) IFRS 13, *Fair Value Measurement* ("IFRS 13"), which defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value (with limited exceptions). IFRS 13 requires additional information to be presented in quarterly financial statements, as presented in note 12.

The impact of the adoption of these standards and amendments did not have a significant impact on the Corporation's condensed consolidated interim financial statements.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

4. Inventories:

	May 31, 2013	February 28, 2013
Raw materials	\$ 11,476,172	\$ 7,492,442
Work in progress	183,495	183,495
Finished goods	4,110,300	3,860,065
Spare parts	173,611	173,611
	\$ 15,943,578	\$ 11,709,613

For the three-month period ended May 31, 2013, the cost of sales of \$5,484,678 (\$2,539,575 for the three-month period ended May 31, 2012) was comprised of inventory costs of \$5,231,224 (\$2,468,503 for the three-month period ended May 31, 2012) which consisted of raw materials, consumables and changes in work in progress and finished goods, inventory writedown of \$188,656 (\$16,318 for the three-month period ended May 31, 2012) and other costs of \$64,798 (\$54,754 for the three-month period ended May 31, 2012).

5. Insurance recoveries:

During the three-month period ended May 31, 2013, the Corporation received insurance recoveries related to the plant explosion that occurred on November 8, 2012, for an amount of \$700,000 (\$6,000,000 for the year ended February 28, 2013), recorded as other income. These recoveries represent part of the total compensation that management expects to receive once the Corporation completes and settles its claims with its insurers.

6. Capital and other components of equity:

(a) Share capital:

Authorized capital stock:

Unlimited number of shares without par value:

- Common shares

Preferred shares, issuable in series, rights, privileges and restrictions determined at time of issuance:

- Series A preferred shares, non-voting, non-participating, fixed, preferential and non-cumulative dividend of 5% of paid-up capital, exchangeable at the holder's option under certain conditions into common shares (none issued and outstanding).

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

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

(b) Subsidiary warrants and options:

	May 31, 2013		February 28, 2013	
	Number outstanding	Amount	Number outstanding	Amount
Acasti Pharma Inc.				
Series 4 warrants	5,354,850	\$ 372,207	5,422,350	\$ 370,735
Options outstanding under stock-based compensation plan	5,292,500	3,240,471	5,216,250	2,915,611
Private placement warrants				
Series 6	375,000	306,288	375,000	306,288
Series 7	375,000	100,400	375,000	100,400
	11,397,350	4,019,366	11,388,600	3,693,034
NeuroBioPharm Inc.				
Series 2011-1 warrants	4,057,758	–	4,058,128	–
Series 2011-2 warrants	3,450,075	15,842	3,450,075	14,295
Series 2011-3 warrants	8,050,175	166,763	8,050,175	166,630
Options outstanding under stock-based compensation plan	461,250	14,157	461,250	13,704
	16,019,258	196,762	16,019,628	194,629
	27,416,608	\$ 4,216,128	27,408,228	\$ 3,887,663

The characteristics of the Acasti subsidiary warrants are as follows:

Series 4 allows the holder to purchase one Class A share of Acasti for \$0.25 per share until October 8, 2013 ⁽¹⁾.

Series 6 allows the holder to purchase one Class A share of Acasti for \$1.50 per share until February 10, 2015.

Series 7 allows the holder to purchase one Class A share of Acasti for \$1.50 per share until February 10, 2015 subject to the achievement of certain agreed upon and predefined milestones. 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).

⁽¹⁾ 67,500 warrants have been exercised during the period ended May 31, 2013 for consideration of \$16,875.

The characteristics of the NeuroBioPharm subsidiary warrants are as follows:

Series 2011-1 allows the holder to purchase one Class A share for \$0.40 per share until the earliest of the two following events: (i) fifteen (15) days after the listing of the Corporation's shares on a recognized stock exchange; or (ii) on April 12, 2014.

Series 2011-2 allows the holder to purchase one Class A share of NeuroBioPharm for \$0.47 per share until the earliest of the two following events: (i) fifteen (15) days after the listing to the corporation's shares on a recognized stock exchange; or (ii) on April 12, 2016.

Series 2011-3 allows the holder to purchase one Class A share of NeuroBioPharm for \$0.40 per share until April 12, 2016.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

7. Non-controlling interest:

(a) Acasti:

During the three-month period ended May 31, 2013, the Corporation's participation in Acasti changed as follows:

During the three-month period ended May 31, 2013, various holders of Acasti warrants and options exercised their right to purchase Class A shares, resulting in the issuance of 81,250 shares by Acasti and cash proceeds of \$20,313.

The distribution of the shareholdings of issued and outstanding Acasti's capital stock between the Corporation and other shareholders as at May 31, 2013 and February 28, 2013 is detailed as follows:

	May 31, 2013		
	Corporation	Other shareholders	Total
Class A shares	41,425,933	31,762,855	73,188,788
Votes and participation	57%	43%	100%

	February 28, 2013		
	Corporation	Other shareholders	Total
Class A shares	41,427,733	31,679,805	73,107,538
Votes and participation	57%	43%	100%

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

(b) NeuroBioPharm:

During the three-month period ended May 31, 2013, the Corporation's participation in NeuroBioPharm changed as follows:

During the three-month period ended May 31, 2013, various holders of NeuroBioPharm warrants and options exercised their right to purchase Class A shares, resulting in the issuance of 370 shares by NeuroBioPharm and cash proceeds of \$148.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

7. Non-controlling interest (continued):

(b) NeuroBioPharm (continued):

The distribution of the shareholdings of issued and outstanding NeuroBioPharm's capital stock between the Corporation and other shareholders as at May 31, 2013 and February 28, 2013 is detailed as follows:

	May 31, 2013		
	Corporation	Other shareholders	Total
Class A shares	6,501,000	2,002,242	8,503,242
Class B shares	2,475,000	25,000	2,500,000
Class G shares	17,325,000	175,000	17,500,000
Class H shares	25,740,000	260,000	26,000,000
	52,041,000	2,462,242	54,503,242

Votes	96%	4%	100%
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Participation	76%	24%	100%
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	February 28, 2013		
	Corporation	Other shareholders	Total
Class A shares	6,501,000	2,001,872	8,502,872
Class B shares	2,475,000	25,000	2,500,000
Class G shares	17,325,000	175,000	17,500,000
Class H shares	25,740,000	260,000	26,000,000
	52,041,000	2,461,872	54,502,872

Votes	96%	4%	100%
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Participation	76%	24%	100%
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Class A shares, voting (one vote per share), participating, without par value and a discretionary dividend.

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, subject to adjustment. 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 at a price equivalent to the amount paid for the shares, subject to adjustments.

Class G shares, non-voting, non-participating, without par value. Class G shares are convertible, at the holder's discretion or at the corporation's discretion on occurrence of a private placement or the listing of the corporation's shares, into Class A shares, on a one-for-one basis. Class G shares are redeemable at the holder's discretion at a price equivalent to the amount paid for the shares, subject to adjustments.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

7. Non-controlling interest (continued):

(b) NeuroBioPharm (continued):

Class H shares, voting (one vote per share), non-participating, without par value. Class H shares are convertible, at the holder's discretion or at the corporation's discretion on occurrence of a private placement or the listing of the corporation's shares, into Class A shares, on a one-for-one basis. Class H shares are redeemable at the holder's discretion at a price equivalent to the amount paid for the shares, subject to adjustments.

8. Share-based payment:

Description of the share-based payment arrangements:

At May 31, 2013 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 directors, officers, employees and consultants. The plan provides for the granting of common share options. The purchase price of the shares covered by the stock options granted under the plan is the closing price of the common shares listed on the TSX on the eve of the grant. The terms and conditions for acquiring and exercising options are set by the Board of Directors, as well as the term of the options which, however, cannot be more than five years or any other shorter period as specified by the Board of Directors, according to the regulations of the plan. The Corporation's stock-option plan allows the Corporation to issue a number of incentive stock options not in excess of 15% of the number of shares issued and outstanding. The total number of shares issued to a single person cannot exceed 5% of the Corporation's total issued and outstanding common shares, with the maximum being 2% for any one consultant.

Every stock option issuance in the stock option plan will be subject to conditions no less restrictive than a minimal vesting period of 18 months, with the vesting rights acquisition gradual and equal, at least on a quarterly basis.

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

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at March 1, 2013 and 2012	\$ 2.95	8,115,418	\$ 2.46	3,768,000
Granted	2.61	685,000	3.16	2,685,000
Forfeited	3.19	(162,750)	3.41	(43,750)
Expired	2.50	(70,000)	–	–
Exercised	1.50	(40,000)	1.86	(117,000)
Outstanding at May 31, 2013 and 2012	\$ 2.93	8,527,668	\$ 2.76	6,292,250
Exercisable at May 31, 2013 and 2012	\$ 2.78	4,189,314	\$ 2.24	1,993,664

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

8. Share-based payment (continued):

(a) Corporation 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 to employees during the three-month periods ended:

	Three-month period ended May 31, 2013	Three-month period ended May 31, 2012
Share price	\$2.46	\$2.85
Dividend	–	0.0234%
Risk-free interest	0.51%	1.28%
Estimated life	2.74 years	2.43 years
Expected volatility	75.04%	68.46%

The weighted average fair value of the options granted to employees during the three-month period ended May 31, 2013 is \$1.16 (2012 - \$1.11). The weighted average fair value of the options granted to non-employees during the three-month period ended May 31, 2013 is \$1.11 (2012 - \$1.22).

The weighted average share price at the date of exercise for options exercised during the three-month period ended May 31, 2013 was \$2.74 (2012 - \$3.21).

(b) Acasti Pharma stock-based compensation plan:

The subsidiary, Acasti, has established a stock-based compensation plan for directors, 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 this 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 10% of Acasti Class A shares held by public shareholders, as approved annually by such shareholders. On June 27, 2013, the subsidiary's shareholders approved the renewal of the Acasti stock option plan, under which the maximum number of options that can be issued is 7,317,128, corresponding to 10% of the shares outstanding as of the date of shareholders' approval. The terms and conditions for acquiring and exercising options are set by the subsidiary'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 subsidiary's total issued and outstanding shares, with the maximum being 2% for any one consultant.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

8. Share-based payment (continued):

(b) Acasti Pharma stock-based compensation plan (continued):

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

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at March 1, 2013 and 2012	\$ 1.55	5,216,250	\$ 1.15	3,347,500
Granted	2.27	115,000	2.10	2,155,000
Exercised	0.25	(13,750)	–	–
Forfeited	2.48	(25,000)	–	–
Outstanding at May 31, 2013 and 2012	\$ 1.57	5,292,500	\$ 1.52	5,502,500
Exercisable at May 31, 2013 and 2012	\$ 1.33	2,984,498	\$ 0.71	1,195,250

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 periods ended:

	Three-month period ended May 31, 2013	Three-month period ended May 31, 2012
Share price	\$2.21	\$2.10
Dividend	–	–
Risk-free interest	1.04%	1.33%
Estimated life	2.93 years	4.15 years
Expected volatility	81.11%	70.58%

The weighted average fair value of the options granted to employees during the three-month period ended May 31, 2013 is \$1.13 (2012 - \$0.99). No options were granted to non-employees.

The weighted average share price at the date of exercise for options exercised during the three-month period ended May 31, 2013 was \$2.43. No options were exercised during the three-month period ended May 31, 2012.

(c) NeuroBioPharm stock-based compensation plan:

On May 25, 2011, the Board of Directors approved the establishment of a stock option plan for directors, executive officers, employees and consultants of the NeuroBioPharm. The maximum number of Class A shares that may be issued under the plan is 600,000 Class A shares, with specified individual limits established for consultants, investor relations and individuals. The exercise price of the options will be determined by the Board of Directors but may not be lower than either (i) the price per share obtained in the latest arm's length private placement within the last year and (ii) the demonstration of value in one of the following ways: formal valuation; deferred expenditures incurred within the five previous years which have contributed to or can reasonably be expected to contribute to the development of the product or technology for which NeuroBioPharm intends to conduct a recommended research and development program in the following twelve months; net tangible assets; five times average cash flows; or some other determination of value acceptable to a recognized stock exchange where the securities of NeuroBioPharm are listed, if applicable. The life of the option will be a maximum of 10 years. The total number of shares issued to a single person cannot exceed 5% of the Corporation's total issued and outstanding common shares, with the maximum being 2% for any one consultant.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

8. Share-based payment (continued):

(c) NeuroBioPharm stock-based compensation plan (continued):

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 price of share options are as follows:

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at March 1, 2013 and 2012	\$ 0.50	461,250	\$ 0.50	496,250
Outstanding at May 31, 2013 and 2012	\$ 0.50	461,250	\$ 0.50	496,250
Exercisable at May 31, 2013 and 2012	\$ 0.50	461,250	\$ 0.50	248,134

No options were granted during the three-month periods ended May 31, 2013 and 2012.

(d) Other stock-based compensation:

From time to time, the Corporation awards incentive rights to employees over Series 4 warrants it owns in its subsidiary Acasti and Series 2011-2 and Series 2011-3 warrants it owns in its subsidiary NeuroBioPharm. The rights vest gradually. All are subject to the employees' continued service, or having reached four years of continued service for directors.

The number and weighted average exercise price of rights over Acasti warrants are as follows:

	Weighted average exercise price	Number of rights	Weighted average exercise price	Number of rights
Outstanding at March 1, 2013 and 2012	\$ 0.33	5,352,350	\$ 0.33	5,715,500
Exercised	0.31	(67,500)	0.27	(53,150)
Outstanding at May 31, 2013 and 2012	\$ 0.33	5,284,850	\$ 0.33	5,662,350
Exercisable at May 31, 2013 and 2012	\$ 0.33	5,284,850	\$ 0.30	5,001,100

No rights were granted during the three-month periods ended May 31, 2013 and 2012.

The weighted average share price at the date of exercise for rights exercised during the three-month period ended May 31, 2013 was \$2.34 (2012 - \$2.13).

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

8. Share-based payment (continued):

(d) Other stock-based compensation (continued):

The number and weighted average exercise price of rights over NeuroBioPharm warrants are as follows:

	Weighted average exercise price	Number of rights	Weighted average exercise price	Number of rights
Outstanding at March 1, 2013 and 2012	\$ 0.54	7,733,176	\$ 0.51	7,023,427
Granted	0.76	185,000	0.75	730,000
Forfeited	0.75	(95,000)	–	–
Outstanding at May 31, 2013 and 2012	\$ 0.53	7,823,176	\$ 0.53	7,753,427
Exercisable at May 31, 2013 and 2012	\$ 0.50	6,744,993	\$ 0.45	4,697,280

The fair value of rights over NeuroBioPharm warrants 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, 2013	Three-month period ended May 31, 2012
Share price	\$0.10	\$0.10
Dividend	–	–
Risk-free interest	0.74%	1.20%
Estimated life	2.80 years	2.91 years
Expected volatility	72.95%	74.44%

The weighted average fair value of the rights granted to employees during the three-month period ended May 31, 2013 is \$0.01 (2012 - \$0.01). The weighted average fair value of the rights granted to non-employees during the three-month period ended May 31, 2013 is \$0.01. No rights were granted to non-employees during the three-month period ended May 31, 2012.

On December 3, 2012, Neptune has granted incentive stock compensation as a means of retention, partially offsetting salary reductions and as long-term incentive for management and key employees. The call-options vest gradually over a period of two years. All are subject to the employees' continued service and a portion of these options are subject to non-market performance conditions. At May 31, 2013, the performance conditions had not been formally determined. Until such determination, the Corporation will remeasure to fair value those options at the end of each reporting period. These performance conditions were formally determined subsequently to period end on June 15, 2013.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

8. Share-based payment (continued):

(d) Other stock-based compensation (continued):

The number and weighted average exercise price of call-options on Acasti shares are as follows:

	Weighted average exercise price	Number of call-options	Weighted average exercise price	Number of call-options
Outstanding at March 1, 2013 and 2012	\$ 2.75	2,175,000	\$ -	-
Granted	2.75	10,000	-	-
Forfeited	2.75	(15,000)	-	-
Outstanding at May 31, 2013 and 2012	\$ 2.75	2,170,000	\$ -	-
Exercisable at May 31, 2013 and 2012	\$ -	-	\$ -	-

The fair value of call-options granted has been estimated according to the Black-Scholes option pricing model and based on the weighted average of the following assumptions for call-options granted during the three-month period ended May 31, 2013:

	Three-month period ended May 31, 2013
Share price	\$2.42
Dividend	-
Risk-free interest	1.00%
Estimated life	2.88 years
Expected volatility	80.97%

The weighted average of the fair value of the call-options granted to employees during the three-month period ended May 31, 2013 is \$1.17. No call-options were granted to non-employees.

The number and weighted average exercise price of call-options on NeuroBioPharm shares are as follows:

	Weighted average exercise price	Number of call-options	Weighted average exercise price	Number of call-options
Outstanding at March 1, 2013 and 2012	\$ 0.75	2,250,000	\$ -	-
Granted	0.75	10,000	-	-
Outstanding at May 31, 2013 and 2012	\$ 0.75	2,260,000	\$ -	-
Exercisable at May 31, 2013 and 2012	\$ -	-	\$ -	-

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

8. Share-based payment (continued):

(d) Other stock-based compensation (continued):

The fair value of call-options granted has been estimated according to the Black-Scholes option pricing model and based on the weighted average of the following assumptions for call-options granted during the three-month period ended May 31, 2013:

	Three-month period ended May 31, 2013
Share price	\$0.10
Dividend	–
Risk-free interest	1.00%
Estimated life	2.88 years
Expected volatility	183.33%

The weighted average of the fair value of the call-options granted to employees during the three-month period ended May 31, 2013 is \$0.07. No call-options were granted to non-employees.

(e) Equity incentive plan:

In January 2013, the Board of Directors approved an equity incentive plan for employees, directors and consultants of the Corporation subject to the approval of the Toronto Stock Exchange and approved by the shareholders of the Corporation on June 27, 2013. The plan provides for the issuance of restricted share units, performance share units, restricted shares, deferred share units and other share-based awards, under restricted conditions as may be determined by the Board of Directors. Upon fulfillment of the restricted conditions, as the case may be, the plan provides for settlement of the award through shares. At May 31, 2013, no instruments were issued by the Corporation under this plan (note 16 (b)).

9. Partnership and collaboration agreements:

In 2008, the Corporation received a first payment of €500,000 out of several payments scheduled under the terms of a partnership agreement. The agreement foresees the Corporation's commitment of developing a clinical research program and the development of products incorporating Neptune Krill Oil - NKO[®] in a dietary matrix. An amount of 62.5% of the initial payment is refundable only if the parties fail to meet certain development milestones, prior to the release of the products on the market. The extent of any reimbursement obligations are currently being discussed between Neptune and the partner, but no agreement has been reached. In addition, during the year ended February 28, 2011, the Corporation received an amount of €100,000 which was conditional to the Corporation receiving the Novel Food status as well as meeting positive organoleptic results as defined in an amendment to the partnership agreement between the two parties. No revenues have been recognized by the Corporation under this agreement. As at May 31, 2013, an amount of \$823,433 is included in "advance payments" in the consolidated statements of financial position (February 28, 2013 - \$824,464).

10. Deferred lease inducements:

In addition to deferred lease inducements recorded as at February 28, 2013, during the three-month period ended May 31, 2013, the Corporation reached an agreement with its landlord for additional lease incentives amounting to \$510,929, of which \$459,836 was received in cash and \$51,093 remains receivable. The incentives received will be recognized as a reduction of rent expense prospectively on a straight line basis over the remaining term of the lease.

11. Loans and borrowings:

During the period ended May 31, 2013, the operating line of credit was not renewed.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

12. Determination of fair values:

Financial assets and liabilities:

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.

The fair value of obligations under capital leases and of the refundable contributions obtained under a federal grant program is determined by discounting future cash flows using a rate that the Corporation can use for loans with similar terms, conditions and maturity dates. The fair value of these loans approximates the carrying amounts.

Derivatives over equity:

The fair value of the 2011 Private placement - US warrant is determined by using valuation models incorporating the following estimates and assumptions at the following dates:

	May 31, 2012
Valuation model	Black & Scholes
Dividend yield	—
Volatility	63.22%
Estimate life	0.42 year
Risk-free rate	0.18%

These warrants expired on November 3, 2012.

Included in finance costs is the change in fair value of these derivatives over equity:

	May 31, 2012
2011 Private placement - US	\$ 222,677

13. Operating segments:

The Corporation has three reportable segments structured in legal entities, as described below, which are the Corporation's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Corporation's CEO reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Corporation's reportable segments:

- *Neptune* produces and commercializes nutraceutical products.
- *Acasti Pharma Inc.* develops and commercializes pharmaceutical applications for cardiovascular diseases.
- *NeuroBioPharm Inc.* develops and commercializes pharmaceutical applications for neurological diseases.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Corporation's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Transfer pricing is based on predetermined rates accepted by all parties involved.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

13. Operating segments (continued):

Information about reportable segments is as follows:

Three-month period ended May 31, 2013:

	Nutraceutical	Cardiovascular	Neurological	Intersegment eliminations	Total
Revenue from external sales	\$ 6,083,648	\$ 6,388	\$ –	\$ –	\$ 6,090,036
Revenue from internal sales or internal research contracts	252,054	–	–	(252,054)	–
Insurance recoveries	700,000	–	–	–	700,000
Depreciation and amortization	(72,680)	(165,769)	(81,325)	245,611	(74,163)
Stock-based compensation	(1,335,119)	(540,930)	(220,644)	–	(2,096,693)
Finance income	47,555	10,222	–	(13,125)	44,652
Finance costs	(1,695)	(874)	(13,125)	13,125	(2,569)
Reportable segment loss	(3,113,907)	(1,965,108)	(581,759)	245,611	(5,415,163)
Reportable segment assets	77,996,813	11,324,634	3,920,590	(27,812,203)	65,429,834
Reportable segment liabilities	11,318,157	3,004,823	19,712,584	(22,110,258)	11,925,306

Three-month period ended May 31, 2012:

	Nutraceutical	Cardiovascular	Neurological	Intersegment eliminations	Total
Revenue from external sales	\$ 6,134,816	\$ 13,658	\$ –	\$ –	\$ 6,148,474
Revenue from internal sales or internal research contracts	78,191	–	–	(78,191)	–
Depreciation and amortization	(186,158)	(166,258)	(81,325)	245,611	(188,130)
Stock-based compensation	(990,954)	(529,627)	(99,960)	–	(1,620,541)
Finance income	38,024	7,199	–	(13,125)	32,098
Finance costs	(258,606)	(869)	(13,125)	13,125	(259,475)
Reportable segment profit (loss)	139,576	(1,575,980)	(503,713)	245,611	(1,694,506)
Reportable segment assets	53,691,415	15,112,556	4,547,270	(24,719,075)	48,632,166
Reportable segment liabilities	14,933,890	1,676,280	18,834,917	(19,598,033)	15,847,054

Differences between the sums of all segments and consolidated balances are explained primarily by the cardiovascular and neurological segments operating under licenses issued by the nutraceutical segment, the ultimate owner of the original intellectual property used in pharmaceutical applications. The intangible license assets of the pharmaceutical segments, their amortization charges and royalties are eliminated upon consolidation. Intersegment investments and balances payable or receivable explain further eliminations to reportable segment assets and liabilities.

The nutraceutical segment is the primary obligor of corporate expenses of the group. All material corporate expenses, except financing costs and certain common office expenses, are allocated to each reportable segment in a fraction that is commensurate to the estimated fraction of services or benefits received by each segment. These charges may not represent the cost that the segments would otherwise need to incur, should they not receive these services or benefits through the shared resources of the group or receive financing from the nutraceutical segment.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

14. Commitments and contingencies:

(a) Contingencies:

- (i) On or around January 27, 2010, the Corporation and Acasti filed a Motion for the Issuance of a Permanent Injunction before the Quebec Superior Court against US Nutraceuticals LLC (d.b.a. Valensa), a US based corporation. Neptune and Acasti are seeking *inter alia* an injunction ordering Valensa to amend some patent applications filed by Valensa to add Neptune as co-owner, or in the alternative to have Valensa assign these patent applications to Neptune, as well as punitive damages, loss of profit and loss of business opportunity for an amount currently established at \$3,000,000.

On September 28, 2011, Valensa filed its Defence wherein it denied Neptune/Acasti's allegations and requested a dismissal of the Motion. Valensa also filed a Cross-Demand but only against Neptune, wherein it alleged breach of contract and damages in the amount of \$2,300,000. The Corporation denies all material allegations made by Valensa. The case is currently pending and no trial dates have been set. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

- (ii) On October 4, 2011, the Corporation filed a Complaint in the US District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antarctic USA Inc., and Schiff Nutrition International Inc. (Aker et al.) for the infringement of the Corporation's US patent 8,030,348 and for damages. On December 19, 2011, Aker et al. filed Counterclaims denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. The proceedings have been stayed due to the reexamination of the patent and no trial dates have been set. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

In addition, on October 2, 2012, the Corporation filed a Complaint in the US District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antarctic USA Inc., Aker Biomarine Antarctic AS, Schiff Nutrition Group Inc., and Schiff Nutrition International Inc. (Aker et al.) for the infringement of the Corporation's US patent 8,278,351 and for damages. On February 5, 2013, Aker et al. filed Counterclaims denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

- (iii) On October 4, 2011, the Corporation filed a Complaint in the US District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC, and Azantis Inc. for the infringement of the Corporation's US patent 8,030,348 and for damages. On December 30, 2011, Enzymotec USA Inc. filed a Counterclaim denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. On December 30, 2011, Mercola.com Health Resources, LLC and Azantis Inc. filed a Counterclaim denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. The proceedings have been stayed due to the reexamination of the patent and no trial dates have been set. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

In addition, on October 2, 2012, the Corporation filed a Complaint in the US District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC for the infringement of the Corporation's US patent 8,278,351 and for damages. On January 14, 2013, Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC filed a Counterclaim denying any infringement, seeking the invalidity of the Corporation's patent, and seeking an award for costs and damages. No provision has been recorded by the Corporation as at May 31, 2013 for this matter.

- (iv) On December 22, 2011, the Corporation received a motion filed by the University of Sherbrooke, the worldwide registered owner of patents relating to the extraction process (the "Patents") licensed to the Corporation, asking the Court to order the transfer and force the Corporation to take ownership of the Patents. On June 26, 2013, the University and Neptune reached an agreement wherein *inter alia*, the parties have agreed to dismiss the case.

- (v) On December 20, 2012, the Corporation filed a claim for the revocation of Aker Biomarine ASA's standard patent (2008231570) and four innovation patents before the Australian Federal Court. The Corporation is seeking a declaration that all the claims in Aker's patents, are, and at all materials times have been, invalid. The Aker patents claim a krill oil composition and methods of extraction that lack novelty and are, in the Corporation's opinion, not patentable inventions since the Corporation marketed its NKO krill oil product many years before Aker filed its patents in Australia.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

14. Commitments and contingencies (continued):

(a) Contingencies (continued):

- (vi) On January 29, 2013, the Corporation filed a Complaint under Section 337 of the US Tariff Act of 1930 with the United States International Trade Commission alleging that Aker BioMarine AS, Aker BioMarine Antarctic USA, Inc., Aker BioMarine Antarctic AS, Enzymotec Limited, Enzymotec USA, Inc., Olympic Seafood AS, Olympic Biotec Ltd., Rimfrost USA, LLC, Bioriginal Food & Science Corp. and Avoca, Inc., a division of Pharmachem Laboratories Inc. are engaging in unfair trade practices by, at least, the importation, sale for importation, and sale after importation of certain krill-based products, namely krill paste and krill oils, that directly or indirectly infringe one or more claims of Neptune's U.S. Patents No. 8,278,351 and 8,383,675. The investigation was officially instituted on April 11, 2013 and the hearing is set to begin on December 10, 2013.
- (vii) On March 6, 2013, the Corporation filed a Complaint in the US District Court for the District of Delaware against Aker Biomarine ASA, Aker Biomarine Antartic USA Inc., Aker Biomarine Antartic AS, Schiff Nutrition Group Inc., and Schiff Nutrition International Inc. (Aker et al.) for the infringement of the Corporation's US patent 8,383,675 and for damages. This proceeding has not yet been stayed but will most likely be pending a determination from the United States International Trade Commission regarding the Corporation's request filed on January 29, 2013.
- (viii) On March 6, 2013, the Corporation filed a Complaint in the US District Court for the District of Delaware against Enzymotec Limited, Enzymotec USA Inc., Mercola.com Health Resources, LLC for the infringement of the Corporation's US patent 8,383,675 and for damages. This proceeding has not yet been stayed but will most likely be pending a determination from the United States International Trade Commission regarding the Corporation's request filed on January 29, 2013.
- (ix) On March 6, 2013, the Corporation filed a Complaint in the US District Court for the District of Delaware against Rimforst USA, LLC, Avoca, Inc., and Olympic Seafood AS for the infringement of the Corporation's US patents 8,030,348, 8,287,351 and 8,383,675, and for damages. This proceeding has not yet been stayed but will most likely be pending a determination from the United States International Trade Commission regarding the Corporation's request filed on January 29, 2013.
- (x) On April 2, 2013, the Corporation received a motion filed by G.S.C. Communication Inc. against the Corporation and Entreprises Laliberté Division Électricité Inc. The motion was filed as a result of the November 8, 2012 plant explosion and the plaintiff is seeking monetary relief for the costs of the plaintiff's tools destroyed during the fire. The case is currently pending and is currently handled by the Corporation's insurers. No trial dates have been set.
- (xi) The Corporation is subject to laws and regulations concerning the environment and to the risk of environmental liability inherent in its activities relating to past and present operations. Management believes, based on current information, that environmental matters will not have a material adverse effect on the Corporation's financial condition.

(b) Commitments:

- (i) In September 2011, Neptune announced the conclusion of a memorandum of understanding ("MOU") with Shanghai KaiChuang Deep Sea Fisheries Co., Ltd. ("SKFC") to form a 50/50 joint venture named Neptune-SKFC Biotechnology, which would manufacture and commercialize Neptune's krill products in Asia. The initial cost and total value of the project, which includes the construction of a production facility and development of a commercial distribution network for Asia, as well as other details of this arrangement are currently being reviewed by the parties. SKFC is 43% owned by Shanghai Fisheries General Corporation ("SFGC"), a large fishing conglomerate owned by the Government of China. SFGC is specializing in pelagic fishing, fishing vessels, fishing machinery, fresh grocery and storage services. It is present in more than 10 countries and employs more than 4,000 employees. SKFC also has the largest fleet of vessels of krill harvesting in the Antarctic Ocean. The MOU is subject to further negotiations and to approval by the boards of each party as well as by Chinese regulators.
- (ii) In December 2011, the Corporation announced the start of an expansion project at its Sherbrooke plant. The cost of the expansion project has been revised to approximately \$30,000,000 following the November 8, 2012 incident. It is expected to be funded primarily by a Federal and Provincial government grant and interest-free loan, certain investment tax credits, a secured credit facility, insurance recoveries and a portion of Neptune's working capital. The financing is actually in the form of an interest-free loan in the amount of \$3,500,000 with a ten-year term, and a \$3,000,000 government grant. Most of these financing amounts remain to be disbursed.

Since the explosion that occurred on November 8, 2012, the Corporation plans to rebuild an operational production facility using the Phase I plant expansion facility that was under construction.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

14. Commitments and contingencies (continued):

(b) Commitments (continued):

(iii) In the normal course of business, a Corporation's subsidiary has signed agreements with various partners and suppliers for them to execute research projects and to produce and market certain products.

The Corporation's subsidiary initiated research and development projects that will be conducted over a 12- to 24-month period for a total initial cost of \$4,436,000, of which an amount of \$2,979,000 has been paid to date. As at May 31, 2013, an amount of \$55,000 is included in "Trade and other payables" in relation to these projects.

15. Related parties:

Transaction with key management personnel:

Under the terms of an agreement entered into with a corporation controlled by an officer and director (which is also a shareholder of the Corporation), the Corporation is committed to pay royalties of 1% of its revenues in semi-annual instalments, for an unlimited period. The annual amount disbursed cannot exceed net earnings before interest, taxes and amortization of the Corporation on a non-consolidated basis. For the three-month period ended May 31, 2013, total royalties included in operating expenses amounted to \$60,380 (three-month period ended May 31, 2012 - \$61,265). As at May 31, 2013, the balance due to this corporation under this agreement amounts to \$317,115 (February 28, 2013 - \$256,734). This amount is presented in the consolidated statement of financial position under "Trade and other payables".

Key management personnel compensation:

The key management personnel of the Corporation are the members of the Board of Directors and certain officers. They control 4% of the voting shares of the Corporation.

Key management personnel compensation includes the following for the three-month periods ended May 31, 2013 and 2012:

	2013	2012
Short-term employee benefits	\$ 477,154	\$ 528,892
Share-based compensation costs	532,732	846,608
	\$ 1,009,886	\$ 1,375,500

16. Subsequent events:

(a) Prepayment agreement:

On December 4, 2012, the Corporation announced that it had entered into a prepayment agreement with a subsidiary, Acasti, pursuant to which the subsidiary exercised its option under the exclusive technology license agreement to pay in advance all of the future royalties payable under the license agreement.

The value of the prepayment, determined with the assistance of outside valuations specialists, using the pre-established formula set forth in the license agreement, amounts to approximately \$15,500,000, which will be settled by the subsidiary through the issuance of 6,750,000 Class A shares, issuable at a price of \$2.30 per share, upon the exercise of a warrant delivered to the Corporation at the signature of the prepayment agreement.

The prepayment and the issuance of the shares to the Corporation were approved by the TSX Venture Exchange and of the disinterested shareholders of the subsidiary at the annual meeting of shareholders of the subsidiary held on June 27, 2013.

As a result, on July 12, 2013, Acasti issued to the Corporation 6,750,000 Class A shares increasing the ownership interest of Neptune in Acasti by 3%. Changes in ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

NEPTUNE TECHNOLOGIES & BIORESSOURCES INC.

Notes to Consolidated Interim Financial Statements, Continued
(Unaudited)

For the three-month periods ended May 31, 2013 and 2012

16. Subsequent events (continued):

(b) Shares and call-options granted:

On June 21, 2013 (the "Grant Date"), the Corporation granted to board members, executive officers, employees and consultants a total of (i) 1,191,000 Restrictive Share Units (the "NTB RSUs") under the Corporation Equity Incentive Plan (the "Plan"); (ii) 1,965,000 Acasti call-options, each call-option allowing its holder to purchase one (1) class "A" shares of common stock that the Corporation holds in Acasti share capital (the "Acasti Call-Options") at an exercise price of CDN\$3.00 and expiring on June 21, 2016; (iii) 1,915,000 NeuroBio call-options, each call-option allowing its holder to purchase one (1) class "A" subordinate-voting shares that the Corporation holds in NeuroBio share capital (the "NeuroBio Call-Options") at an exercise price of CDN\$1.00 and expiring on June 21, 2016 (together the "Awards").

The Awards granted above will vest automatically overtime based on a specific rate (ranging between 10% to 50% every three-month or six-month anniversary from the Grant Date, as the case may be) depending on each holder's category, but sixty percent (60%) of such awards will be released only upon achievement of the performance objectives identified by the Corporation. Performance objectives are based in part on the Company's specific and global goals, but also on each holder's individual performance.

NTB RSUs granted above remain subject to the final approval of the Plan by the Toronto Stock Exchange. The Awards granted above also include a number of NTB RSUs granted to a director and a consultant, 25% of such number vested on as of the Grant Date for past services.

These awards will be classified as equity over the vesting period.