

6. Income tax expense (continued):

As at December 31, 2013, the Corporation has unused federal investment tax credits which expire from time to time as follows:

2017	\$	133,652
2018		150,798
2019		1,623,342
2020		1,935,046
2021		1,295,097
2022		3,296,237
2023		1,840,597
2024		647,624
	\$	10,922,393

The Corporation has research and development expenditures not deducted at the end of the year, to be deducted over an indefinite period for an amount of \$3,692,188.

Movement in deferred tax balances during the year	Deferred Income Taxes
Balance at January 1, 2012	\$ 13,967,981
Recognized in profit and loss	(5,978,691)
Recognized directly in equity	690,085
Recognized in other comprehensive income	(6,250)
Balance at December 31, 2012	\$ 8,673,125
Recognized in profit and loss	(8,257,300)
Recognized directly in equity	2,337,670
Recognized in other comprehensive income	1,031,520
Balance at December 31, 2013	\$ 3,785,015

Cash taxes paid in the year total \$1,344,166 (2012 - \$709,173).

7. EQUIPMENT:

Equipment consists of leasehold improvements, furniture and fixtures, and computer equipment. The amounts are net of accumulated depreciation of \$169,278 (December 31, 2012 - \$153,931). During the year ended December 31, 2013, the Corporation acquired assets with a cost of \$15,290 (2012 - \$9,835).

8. SHARE CAPITAL:

Issued Common Shares	Number of Shares	Amount
Balance at January 1, 2012	19,475,210	\$ 200,822,160
Issued by short form prospectus in June 2012	2,515,000	49,042,500
Short form prospectus costs in June 2012	-	(2,756,123)
Income tax benefit of share issue costs	-	690,085
Issued after management RSU vesting	290,650	3,447,800
Options exercised in the period	50,625	607,500
Fair value of options exercised in the period	-	65,650
Shares issued in lieu of dividends on RSUs	5,157	96,600
Balance at December 31, 2012	22,336,642	\$ 252,016,172
Issued by short form prospectus 2013	5,888,000	160,036,300
Short form prospectus costs 2013	-	(9,350,714)
Income tax benefit of share issue costs	-	2,337,670
Issued by private placement	181,821	5,000,000
Issued after director RSU vesting	46,250	486,672
Options exercised in the period	241,021	2,332,603
Fair value of options exercised in the period	-	378,873
Canceled under plan of arrangement	(40)	-
Balance at December 31, 2013	28,693,694	\$ 413,237,576

The Corporation has authorized, issued and outstanding, 28,693,694 voting common shares as at December 31, 2013.