



AQUARIUS SURGICAL TECHNOLOGIES INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON FRIDAY, NOVEMBER 22, 2019

AND

MANAGEMENT INFORMATION CIRCULAR

This information is provided in connection with the solicitation by the management of Aquarius Surgical Technologies Inc. (the "Corporation") of proxies to be voted at the Annual Meeting of the Shareholders of the Corporation to be held on Friday, November 22, 2019 at 20 Toronto Street, Second Floor, Toronto, Ontario M5C 2B8, at 12:00 Noon (Toronto time).

AQUARIUS SURGICAL TECHNOLOGIES INC.

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CORPORATE PROFILE

Board of Directors

David J. Hennigar, Bedford, Nova Scotia	Director, Chairman
N. Gary Van Nest, Toronto, Ontario	Director
Gordon Willox, Newmarket, Ontario	Director
Dr. Robert Francis, Toronto, Ontario	Director
Dr. Stanley Swierzewski III, Holyoke, MA, USA	Director

Corporate Officers

N. Gary Van Nest, Toronto, Ontario	Acting Chief Executive Officer
Gordon Willox, Newmarket, Ontario	Managing Director
Lorne S. MacFarlane, Dartmouth, Nova Scotia	Chief Financial Officer
Christopher H. Freeman, King City, Ontario	Secretary

Corporate Office

89 Scollard Street
Toronto, ON M5R 1G4
Tel.: (902) 496-7594
Fax: (902) 484-7599

Corporate Information and Stock Exchange Listing

Stock Exchange Listing:	Canadian Securities Exchange; (www.thecse.com) Ticker symbol ASTI
Bankers:	Canadian Imperial Bank of Commerce, Woodbridge, Ontario
Lawyers:	C. H. Freeman, Barrister & Solicitor, King City, Ontario
Auditors:	RSM Canada LLP, Toronto, Ontario
Transfer Agent & Registrar:	TSX Trust Company, Toronto, Ontario



AQUARIUS SURGICAL TECHNOLOGIES INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general meeting (the “**Meeting**”) of holders of common shares of Aquarius Surgical Technologies Inc. (the “**Corporation**” or “**ASTI**”) will be held at 20 Toronto Street, Second Floor, Toronto, Ontario M5C 2B8, on Friday, the twenty-second day of November, 2019, at 12:00 Noon (Toronto time) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the twelve month periods ended March 31, 2018 and 2019 together with the reports of the auditors thereon;
2. to elect five (5) directors;
3. to re-appoint RSM Canada LLP auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
4. to transact any such other business as may properly come before the Meeting or any adjournment(s) thereof.

Particulars of the foregoing matters are set forth in the accompanying Management Information Circular (the “Circular”). The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (“Notice-and-Access Provisions”) for this Meeting.

Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders of the Corporation by allowing the Corporation to post the Circular and any additional materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a hard copy of the Circular.

The Corporation will not use procedures known as 'stratification' in relation to the use of Notice-and-Access Provisions.

Please review the Circular carefully and in full prior to voting in relation to the matters set out above as the Circular has been prepared to help you make an informed decision on such matters. The Circular is available under the Corporation's profile on SEDAR at www.sedar.com. Any Shareholder who wishes to receive a paper copy of the Circular, should contact the Corporation's transfer agent, TSX Trust at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Fax: (416) 595-9593, toll-free: 1-866-393-4891. A Shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

DATED at Halifax, Nova Scotia the 4th day of October 2019.

BY ORDER OF THE BOARD OF DIRECTORS

David J. Hennigar
Chairman

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the provided form of proxy. All instruments appointing proxies to be used at the Meeting or at any adjournment thereof must be deposited with TSX Trust, Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not later than 48 hours (excluding Saturdays, Sundays and holidays) preceding the time fixed for the Meeting or any adjournment thereof.

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to shareholders who own their shares beneficially through an intermediary, see "Non-Registered Shareholders" in the accompanying management information circular.



AQUARIUS SURGICAL TECHNOLOGIES INC.
MANAGEMENT INFORMATION CIRCULAR

as of October 4, 2019 unless otherwise indicated

PERSONS MAKING THE SOLICITATION

This management information circular (“Information Circular”) is furnished in connection with the solicitation by the management of Aquarius Surgical Technologies Inc. (the “Corporation”) of proxies to be used at the annual general and special meeting (the “Meeting”) of holders of common shares of the Corporation, to be held on Friday, November 22, 2019, at 12:00 Noon (Toronto time) at 20 Toronto Street, Second Floor, Toronto, Ontario M5C 2B8 or at any adjournment(s) thereof for the purposes set out in the accompanying notice of meeting (the “Notice of Meeting”).

The costs incurred in the preparation and mailing of both the form of proxy and this Information Circular will be borne by the Corporation. In accordance with National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation. The record date to determine the registered shareholders entitled to receive the notice of Meeting is October 4, 2019 (the “Record Date”).

APPOINTMENT OF PROXYHOLDERS, VOTING AND REVOCATION OF PROXIES

Appointment

The person named in the accompanying instrument of proxy (the “Management Designee”) has been selected by the directors of the Corporation and has indicated his willingness to represent as proxy the shareholder who appoints him. **Each shareholder has the right to appoint a person or company (who need not be a shareholder) other than the Management Designee to attend and to vote and act for and on behalf of such person at the Meeting.** In order to do so the shareholder may insert the name of such person in the blank space provided in the instrument of proxy, or may use another appropriate form of proxy. Shareholders are invited to attend the Meeting. Registered shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and send it to the Registrar and Transfer agent of the Corporation, TSX Trust, (“TSXT”) Attn: Proxy Dept., 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1, or by fax to 416-595-9593, or cast their vote online at www.voteproxyonline.com, by 12:00 noon (Toronto time) on Wednesday, November 20, 2019, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) prior to the time at which the Meeting is reconvened. Non-registered shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. The Chairman of the Meeting may refuse to recognize any instrument of proxy received after such time.

Voting

Common shares represented by any properly executed proxy in the accompanying form will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given by the shareholder. **In the absence of such direction, the common shares will be voted IN FAVOUR of the matters set forth herein.**

The accompanying instrument of proxy confers discretionary authority on the Management Designee with respect to amendments or variations to matters identified in the accompanying Notice of Meeting or other matters that may properly come before the Meeting or any adjournment(s) thereof. As of the date hereof, management of the Corporation is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment(s) thereof, then the Management Designee intends to vote in accordance with the judgment of management of the Corporation.

Revocation

In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder's attorney, who is authorized in writing, to or at TSXT's office at any time up to and including the second last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) thereof.

ADVICE TO BENEFICIAL HOLDERS

Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's Registrar and Transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those common shares will, in all likelihood, *not* be registered in the shareholder's name. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by his broker (or the agent of the broker) is substantially similar to the proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

All references to shareholders in this Information Circular and the accompanying form of proxy and the accompanying Notice of Meeting are to registered shareholders unless specifically stated otherwise.

REGISTERED SHAREHOLDERS

Registered holders of common shares as shown on the shareholders' list prepared as of the Record Date will be entitled to vote such shares at the Meeting on the basis of one vote for each common share held, except to the extent that the person has transferred the ownership of any of his or her common shares after the Record Date, and the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the common shares, and demands, not later than ten days before the Meeting, or such shorter period before the Meeting that the by-laws of the Corporation may provide, that his or her name be included in the list before the Meeting, in which case the transferee will be entitled to vote his or her common shares at the Meeting.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of common shares ("Common Shares") and unlimited number of special shares, issuable in series, of which 1,532,901 Series "A" Special shares (which are non-voting and are non-transferable) have been authorized. At the date hereof, the Corporation had issued and outstanding 21,121,039 Common Shares and 1,226,321 Series "A" Special Shares.

The Corporation will make a list of all persons who are registered holders of Common Shares on October 4, 2019 (the "Record Date") and the number of Common Shares registered in the name of each person on the date. Each shareholder is entitled to one vote for each Common Share registered in his name as it appears on the list, except to the extent that such shareholder has transferred any of his shares after the Record Date and the transferee of those shares produces properly enclosed share certificates or otherwise establishes that he owns the shares and demands, not later than ten days before the meeting, that his name be included in the list. In such case the transferee will be entitled to vote his shares at the meeting.

To the knowledge of the directors and officers of the Corporation, the following is the only person that as of the date hereof, beneficially owned or exercised control or direction, directly or indirectly, over securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the meeting.

Name	Number of Common Shares Owned, Controlled or Directed	% of Outstanding Common Shares
David J. Hennigar	8,991,248 ⁽¹⁾	42.57% ⁽¹⁾
Gordon S. Willox	4,597,704 ⁽²⁾	21.76% ⁽²⁾

(1) Includes 8,352,832 Common Shares owned of record by Forest Lane Holdings Limited, 169,721 Common Shares held by Scotia Financial Corporation Limited and 164,000 Common Shares held by The Plane Tree Corporation, companies controlled by David J. Hennigar. Excluded from this amount are the holdings of the immediate family of David J. Hennigar, who beneficially own in the aggregate 178,547 Common Shares or 0.85% of the outstanding Common Shares.

(2) Gordon Willox also holds 1,226,321 Series "A" Special Shares, which are both non-voting and non-transferable, and may be converted into Common Shares upon the Corporation achieving certain specific financial future milestones, or will be redeemed at \$0.0001 per shares in the event that such milestones are not achieved as described in the Corporation's financial statements for the year ended March 31, 2019, filed on SEDAR at www.sedar.com.

PRESENTATION OF FINANCIAL STATEMENTS

The comparative financial statements of the Corporation for the financial years ended March 31, 2018 and 2019, together with the auditor's reports thereon, will be presented to the shareholders at the Meeting, but no vote by the shareholders with respect thereto is proposed to be taken. The audited financial statements of the Corporation for the financial years ended March 31, 2018 and 2019, together with the auditor's reports thereon, have all been filed and are available with the Corporation's documents on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

The articles of the Corporation provide that the board shall consist of a minimum of three and a maximum of eleven directors, to be elected annually. At the meeting, shareholders will be asked to re-elect five directors (the "Nominees"). The following table provides the names of the Nominees and information concerning them. The persons in the enclosed form of proxy intend to vote **for** the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. Each director elected will hold office until his successor is elected at the next annual meeting of the Corporation, or any adjournment thereof, or until his successor is elected or appointed.

Name and Municipality of Residence	Position with Corporation	Period of Service as a Director	Present Occupation if Different from the Office Held ⁽³⁾	Number of Common Shares beneficially owned or Over which Control is exercised ⁽⁴⁾
David J. Hennigar ⁽¹⁾ Bedford, Nova Scotia	Chairman and Director	Since 1992	Chairman of Thornridge Holdings Limited.	8,991,248 ⁽²⁾
N. Gary Van Nest Toronto, Ontario	C.E.O. and Director	Since 1989	President of Sinalta Investments Ltd. (investment holding company)	67,085
Gordon S. Willox Newmarket, Ontario	Managing Director and Director	Since March 17, 2017	Managing Director of Surgical Lasers Inc.	4,597,704 ⁽²⁾
Dr. Robert Francis ⁽¹⁾ Toronto, Ontario	Director	Since March 17, 2017	Founder and Chairman Emeritus of Medcan Clinic, Toronto	Nil
Dr. Stanley Swierzewski III ⁽¹⁾ Holyoke, MA, USA	Director	Since March 17, 2017	Associate Clinical Professor of Urology, Tufts University, Boston	Nil

(1) Member of the Audit Committee.

(2) Refer to "Voting Securities and Principal Holders Thereof" for further details of the nature of such share ownership.

(3) Except as otherwise indicated, all of the Nominees have held the indicated positions for the past five years.

(4) The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective Nominees individually.

The undernoted Nominees are also Directors of the following public companies:

David J. Hennigar – High Liner Foods Incorporated; Landmark Global Financial Corporation; MedX Health Corp; Metalo Manufacturing Inc., and SolutionInc Technologies Limited.

N. Gary Van Nest – Landmark Global Financial Corporation and MedX Health Corp.

Corporate Cease Trading Orders and Bankruptcies

No Director or executive officer is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a Director, chief executive officer or chief financial officer of any company (including a personal holding company), that:

- (a) was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 – Continuous Disclosure Obligations) that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer other than:

- (i) Mr. Hennigar and Mr. Van Nest (1) were directors of Landmark Global Financial Corporation Limited at the time Landmark Global Financial Corporation Limited had a temporary, now permanent cease trade order in place from May 7, 2012 for failing to file annual financial statements on time, (2) were Directors of MedX Health Corp. at the time MedX Health Corp. had a management cease trade order in place from January 21, 2010 to February 26, 2010 for failing to hold its fiscal 2008 annual general meeting within the timeframes required by applicable corporate law and Exchange policy and a management cease trade order in place from May 6, 2010 to June 30, 2010 for failing to file its annual financial statements, Certification of filings under Multilateral Instrument 52-109 and its Management, Discussion and Analysis for the year ending December 31, 2009 on or before the prescribed deadline of April 30, 2010;
 - (ii) Mr. Hennigar was a director of SolutionInc Technologies Limited at the time SolutionInc Technologies Limited had a temporary cease trade order, issued by the British Columbia Securities Commission, in place from August 9, 2011 to August 24, 2011 for failing to file annual financial statements on time; has a cease trading order in place issued by the British Columbia Securities Commission on October 6, 2011 for failing to file June 30, 2011 quarterly financial statements on time and has a cease trading order in place issued by the Alberta Securities Commission on January 4, 2012 for failure to file September 30, 2011 quarterly financial statements on time.
 - (iii) Mr. Hennigar and Mr. Van Nest were directors of Aquarius Coatings Inc. when its shares were suspended from trading on the TSX-Venture Exchange on November 3, 2014, for failing to comply with TSX Venture Exchange requirements in connection with the disposition by Aquarius Coatings Inc. of the assets of the coatings division of Aquarius Coatings Inc. The listing of shares was subsequently transferred to the NEX Board of the TSX-V, and on June 21, 2017 the shares were de-listed from the NEX Board and were listed on the CSE..
- (b) was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 – Continuous Disclosure Obligations) that was issued after the Director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer

No Director, executive officer, shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company thereof,

- (a) is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director or executive officer of any company (including a personal holding company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the trustee, executive officer or shareholder; or
- (c) has been subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

IF ANY OF THE ABOVE NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

The board of directors as a whole makes the determination as to the appropriate level of remuneration for the directors and officers of the Corporation. Remuneration is assessed and determined by taking into account such factors as the size of the Corporation and the level of compensation earned by directors and officers of companies of comparable size and industry. None of the Corporation's independent directors were paid any compensation for their service for the fiscal years ended March 31, 2019, and 2018. Since the re-organization of the Board effective March 17, 2017, the current compensation for outside directors provides for payment of a fee of US\$1,000 for each meeting of the Board or Committee thereof attended as a member, either in person or by telephone. Outside directors are also entitled to reimbursement of expenses reasonably incurred in connection with the carrying out of their duties as directors of the Corporation.

The Corporation does not have any share-based incentive plans but has a Stock Option Plan which has been in effect since its approval by shareholders on November 21, 2016 (the "2016 Stock Option Plan").

Directors also participate in the 2016 Stock Option Plan. There were a total of 300,000 options granted to outside directors of the Corporation during the year ended March 31, 2017

There were no options exercised by directors and therefore no value actually received upon exercise of options under incentive plans during the year ending March 31, 2019. As at March 31, 2019, the value of unexercised in-the-money options was \$Nil.

Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers; see "Compensation of Executive Officers".

Compensation of Executive Officers

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Corporation for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Corporation, despite the amount of compensation of that individual, (ii) each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

"Executive Officer" is defined by the legislation to mean (i) the chair of the Corporation, (ii) a vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a vice-president of the Corporation in charge of a principal business unit, division or function such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

The board of directors of the Corporation as a whole determines the level of compensation in respect of the senior executives of the Corporation and its subsidiaries. There were no long-term incentive awards made to the Named Executive Officers of the Corporation during the most recently completed financial year. There are no pension plan benefits in place for the named executives and none of the Named Executive Officers, senior officers or directors of the Corporation or its subsidiaries is indebted to the Corporation.

During the Corporation's financial years ended March 31, 2018 and 2019, the Corporation had three Named Executive Officers: N. Gary Van Nest, (Acting Chief Executive Officer), Gordon S. Willox, (Managing Director) and Lorne S. MacFarlane, (Chief Financial Officer). The aggregate cash compensation (including salaries, fees, directors fees, commissions, bonuses paid for services rendered during the three most recently completed financial years, bonuses paid for services rendered in the previous year, and any compensation other than bonuses earned during the three most

recently completed financial years, the payment of which was deferred) paid to the Named Executive Officers (or corporations controlled by Named Executive Officers), in the capacity of Named Executive Officers, for the three most recently completed financial years, was as set out in the undernoted table.

Summary Compensation Table

Name and Principal Position	Annual Compensation					Long Term Compensation	
	Year Ended March 31	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Total (\$)	Securities Under Option #	All Other Compensation (\$)
Gordon S. Willox Managing Director (from March 17, 2017)	2019	\$210,000	nil	\$18,000	\$228,000	nil	nil
	2018	\$210,000	nil	\$18,000	\$228,000	nil	nil
	2017	\$17,500	nil	\$1,500	\$19,000	350,000	nil
N. Gary Van Nest (Acting Chief Executive Officer from March 17, 2017)	2019	\$72,000	nil	nil	\$72,000	nil	nil
	2018	\$76,000	nil	nil	\$76,000	nil	nil
	2017	\$5,000	nil	nil	\$5,000	600,000	nil
Lorne S. MacFarlane Chief Financial Officer	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
	2017	nil	nil	nil	nil	50,000	nil
David J. Hennigar Acting Chief Executive Officer (to March 17, 2017)	2019						
	2018						
	2017	nil	nil	nil	nil	100,000	nil

Compensation Discussion and Analysis

The services of Gordon Willox, as Managing Director, are provided by CAST Laser, Inc., (“CAST”) a company owned by Mr. Willox, which provides consulting services to Surgical Lasers Inc. pursuant to the terms of a Consulting Agreement dated as of March 1, 2017. That consulting agreement provides for a fee of \$210,000 per year, payable in monthly instalments, together with reimbursement of reasonable and proper business expenses incurred by CAST in connection with rendering services to the Corporation. The Consultancy Agreement with CAST is for a term of five years commencing March 1, 2017, and may be terminated upon the terms as set out therein. At expiration the Consultancy Agreement with CAST may be renewed for a further period if terms for such continuation are mutually agreed.

The services of N. Gary Van Nest, as Acting Chief Executive Officer, are provided to the Corporation by Sinalta Investments Ltd., (“Sinalta”) a corporation owned by him, pursuant to an agreement which, during the fiscal year to March 31, 2017, provided for fees of \$60,000 per year, payable at the rate of \$5,000 per month. From April 1, 2017, the agreement with Sinalta provides for fees at the rate of \$1,000 per day, or \$500 per half day during which the services of Mr. Van Nest are required, subject to a maximum of \$10,000 per month. In addition Sinalta is reimbursed in respect of out-of-pocket disbursements incurred in connection with Mr. Van Nest carrying out his duties as Acting Chief Executive Officer. This agreement with Sinalta is for an indefinite period, and may be terminated on one month’s written notice expiring at the end of any calendar month.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out those securities of the Corporation which have been authorized for issuance under the Corporation’s Stock Option Plan as at March 31, 2019:

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants & rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security-holders ⁽¹⁾	1,460,000	\$1.00	1,540,000
Equity compensation plans not approved by security-holders	Nil	\$ Nil	Nil
TOTAL AS AT MARCH 31, 2019	1,460,000	\$1.00	1,540,000

⁽¹⁾ Reference is made to the disclosure regarding the Corporation's Stock Option Plan in Note 11 to the Consolidated Financial Statements for the Year Ended March 31, 2019 available on the SEDAR website at www.sedar.com.

At the Corporation's November 21, 2016 Annual and Special General Meeting the shareholders approved the 2016 Stock Option Plan, whereby a maximum of 3,000,000 shares were reserved for issuance under the Plan.

The 2016 Stock Option Plan is currently the only equity-based compensation arrangement pursuant to which securities may be issued from the treasury of the Corporation. The major features of the 2016 Stock Option Plan, can be summarized as follows:

- The maximum number of Common Shares that may be reserved for issuance for all purposes under the 2016 Stock Option Plan shall not exceed 3,000,000 common shares.
- Any Common Shares subject to a share option which for any reason is cancelled or terminated without having been exercised will again be available for grant under the 2016 Stock Option Plan. The Board has the authority under the 2016 Stock Option Plan to establish the option price at the time each share option is granted.
- The option issue price may not be lower than the market price.
- Options granted under the 2016 Stock Option Plan must be exercised no later than 10 years after the date of grant or as otherwise determined by the Board.

The following table sets out all options-based awards outstanding for each Executive Officer as at March 31, 2019:

Option-based Awards				
Executive Officer	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date(s)	Value of unexercised in-the-money options
N. Gary Van Nest Acting C.E.O.	600,000	\$1.00	March 31, 2022	Nil
Gordon S. Willox Managing Director	350,000	\$1.00	March 31, 2022	Nil
Lorne S. MacFarlane C.F.O.	50,000	\$1.00	March 31, 2022	Nil

There were no options exercised by executive officers and therefore no value actually received upon exercise of options under incentive plans during the years ending March 31, 2018 or 2019. As at March 31, 2019, the value of unexercised in-the-money options was \$Nil.

Long Term Incentive Plan

The Corporation did not have a long-term incentive plan during the financial year ended March 31, 2019, or any prior year.

Pension, Retirement Plans and Payments Made Upon Termination of Employment

The Corporation did not provide compensation, monetary or otherwise, during the most recently completed financial periods, to any person who now or previously has acted as a Named Executive Officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change in control of the Corporation, its subsidiaries or affiliates.

Employment Contracts

Other than as described herein, the Corporation did not pay any additional compensation to the Named Executive Officers, the Executive Officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full time employees) during the last completed financial year.

REAPPOINTMENT AND REMUNERATION OF AUDITOR

At the Meeting, the shareholders will be called upon to approve the reappointment of RSM Canada LLP Chartered Accountants (which is the new name of Collins Barrow Toronto LLP) (“**RSM**”) as auditor of the Corporation to hold office until the close of the next annual meeting of shareholders, and to authorize the Board to establish its remuneration.

The Board recommends that shareholders vote **FOR** the reappointment of RSM as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor. **Unless the shareholder directs that his, her or its common shares are to be withheld from voting in connection with the reappointment of the auditor, the persons named in the enclosed form of proxy will vote FOR the reappointment of RSM as auditor of the Corporation and the authorization of the Board to fix the remuneration of the auditor.** A majority of the votes cast by shareholders at the Meeting is required to approve the reappointment of the auditor and to authorize the directors to fix the remuneration of the auditor.

Fees paid to RSM Canada LLP in respect of their audits of the fiscal years ended March 31, 2019, 2018 and 2017, respectively are as follows:

<i>Fees</i>	2019	2018	2017
Audit fees	\$40,000	\$50,000	\$50,000
Tax fees	\$nil	\$nil	\$nil
Total	\$40,000	\$50,000	\$50,000

The audit fees disclosed above were for professional services for the audits of the Corporation’s annual consolidated financial statements for the periods noted.

The Corporation relies on the exemption described in Part 6.1 (“Venture Issuers”) of Multilateral Instrument 52-110.

STATEMENT OF CORPORATE GOVERNANCE AND AUDIT COMMITTEE CHARTER

Refer to **Appendix “A”** for disclosure of the Corporation’s Corporate Governance Policies and **Appendix “B”** for a copy of the Corporation’s Audit Committee Charter.

INDEBTEDNESS OF OFFICERS AND DIRECTORS OF THE CORPORATION

As at March 31, 2019 no individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, and no proposed nominee for election as a director for the Corporation, and no associate of any such director, executive officer or proposed nominee is, or at any time in the most recently completed financial year, has been indebted to the Corporation or any of its subsidiaries, with the exception of Gordon Willox, who, jointly and severally with his wholly-owned company CAST Laser, Inc. (“CAST”) was indebted to the Corporation in the amount of \$224,907 as at March 31, 2019. That indebtedness accrues interest at 6% per year, payable monthly, is payable on demand, and is now secured by a joint and several promissory note dated July 30, 2019,

signed by CAST and Gordon Willox and guaranteed by Forest Lane Holdings Limited (a corporation controlled by David Hennigar), and an Assignment of Receivables by CAST in favour of the Corporation.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as disclosed (a) in this Information Circular, specifically the debt and security arrangements described above at “Indebtedness of Officers and Directors of the Corporation” above and at Note 8(A) to the Financial Statements for the years ended March 31, 2019 and 2018, and (b) the continuing financial support provided by Forest Lane Holdings Limited described at Note 8(B) to the Financial Statements for the years ended March 31, 2019 and 2018, no informed person of the Corporation, proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director had any material interest, direct or indirect, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE

The Corporation currently maintains no Directors’ and Officers’ Liability Insurance.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Management is not aware of any other matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

GENERAL

All matters to be brought before the Meeting require a simple majority of the votes cast at the Meeting by the holders of common shares for approval of the matter.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. The Corporation will provide to any person or company, upon request to the Corporation, one copy of the Corporation’s most recently filed annual financial statements and MD&A and any interim financial statements and associated MD&A of the Corporation that have been filed for any period after the end of its most recently completed financial year. The Corporation may require the payment of a reasonable charge when a request is made by someone who is not a holder of common shares. Requests should be made in writing to the Corporation’s office at 311-380 Bedford Highway, Halifax, Nova Scotia, B3M 2L4.

BOARD APPROVAL

The directors of the Corporation have approved the contents and sending of this Information Circular.

DATED as of the 4th day of October, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

David J. Hennigar
Chairman

APPENDIX “A” – CORPORATE GOVERNANCE POLICIES

Corporate Governance Policies

Board of Directors

The Board of Directors of the Corporation (the “Board”) are responsible for overseeing the management of the Corporation and the conduct of the Corporation’s affairs. During the financial years ended March 31, 2019 and 2018, and the majority of the year ended March 31, 2017, the Board consisted of five members, namely David Hennigar, N. Gary Van Nest, Gordon S. Willox, Dr. Robert Francis and Dr. Stanley Swierzewski III, (three (3) of whom (Mr. Hennigar, Dr. Francis and Dr. Swierzewski) are independent.. Directors are expected to attend Board Meetings and meetings of Committees on which they serve and to spend the time needed to properly discharge their responsibilities. There are occasions when the entire Board or entire Audit Committee is unable to attend formal Meetings; in such cases regular business is discussed among the Board members and the Chairman, and formal Resolutions are passed and signed by all Directors or Audit Committee members. The following Table gives details of the number of formal Meetings held in each financial period and the attendances of each of the Directors at such Meetings:

NAME OF DIECTOR	TO MARCH 31, 2019 (12 months)		TO MARCH 31, 2018 (12 months)		TO March 31, 2017 (12 months)	
	Board	Audit Comm.	Board	Audit Comm.	Board	Audit Comm.
David Hennigar	2/2	2/2	4/4	3/3	4/4	N/A
N. Gary Van Nest	2/2	N/A	4/4	N/A	4/4	4/4
Gordon Willox ⁽¹⁾	2/2	N/A	4/4	N/A	N/A	N/A
Dr. Robert Francis ⁽¹⁾	2/2	2/2	3/4	3/3	N/A	N/A
Dr. S. Swierzewski III ⁽¹⁾	0/2	0/2	2/4	2/3	N/A	N/A
J. Thomas MacQuarrie ⁽¹⁾					4/4	4/4
Michael G. Ryan ⁽¹⁾					3/4	3/4

(1) Effective March 17, 2017, Michael G. Ryan and J. Thomas MacQuarrie retired from the Board, Gordon Willox joined the Board and Dr. Robert Francis and Dr. Stanley Swierzewski joined the Board and the Audit Committee.

The Board facilitates its exercise of independent supervision over management by ensuring that the Board is comprised of a majority of independent directors.

During the years ended March 31, 2019, 2018 and 2017, in addition to being a director of the Corporation, David J. Hennigar was a Director of High Liner Foods Incorporated, Landmark Global Financial Corporation, MedX Health Corp., Metalo Manufacturing Inc. and SolutionInc Technologies Limited; and N. Gary Van Nest was a director of Landmark Global Financial Corporation and MedX Health Corp.

Information regarding other directorships held by nominees for election or re-election to the Board is set out under “Election of Directors”.

Orientation and Continuing Education

The Corporation does not have a formal orientation or continuing education program for directors. All of the current directors are intimately familiar with the Corporation’s business and activities. New directors are provided with access to recent, publicly filed documents of the Corporation and given copies of all Board minutes and corporate governance materials. New directors are encouraged to ask questions and communicate with management and employees to keep themselves current with industry trends and changes in corporate legislation.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and its management and ensures that it complies with applicable legal and regulatory requirements. The Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board does not have a nominating committee. Instead, the Board and management work together to identify new candidates for nomination, taking into account the qualifications of the proposed directors and the specific needs, expertise or vacancies required to be filled among the Board.

Audit Committee

The Corporation's Audit Committee is currently comprised of three (3) directors, David Hennigar (Chair), Dr. Robert Francis and Dr. Stanley Swierzewski III. All members of the Audit Committee are independent directors and are financially literate.

Assessments

The Board does not make regular formal assessments of the Board, its committees or its members. The Board satisfies itself on an informal basis, from time to time, that its members and its committees are performing effectively.

APPENDIX "B" AUDIT COMMITTEE CHARTER - AUDIT COMMITTEE CHARTER

1. Establishment of Committee

1.1 Establishment of the Audit Committee Confirmed

The establishment of the audit committee of the board of directors of Aquarius Surgical Technologies Inc. (the "Company") is hereby confirmed with the purpose, constitutions and responsibilities herein set forth.

1.2 Certain definitions in this mandate:

- (a) "Board" means the board of directors of Aquarius Surgical Technologies Inc.;
- (b) "Chair" means the chair of the Committee;
- (c) "Committee" means the audit committee of the Board;
- (d) "Director" means a member of the Board;
- (e) "External Auditor" means the person occupying the office of auditor of the Corporation in accordance with the Ontario *Business Corporations Act*;
- (f) "Internal Auditor" means the person responsible for the internal audit function with respect to Aquarius Surgical Technologies Inc.;
- (g) "Mandate" means this written mandate of the Committee and any such mandate for the Committee which the Board resolves from time to time shall be the mandate of the Committee; and
- (h) "Aquarius", "Corporation" or "ASTI" means Aquarius Surgical Technologies Inc.

2. Purpose and Objective

2.1 Purpose

The Committee's purpose is to assist the Board in the discharge of its obligations in connection with:

- (a) the integrity of the Company's financial statements;
- (b) the Company's compliance with legal and regulatory requirements;
- (c) the independent auditor's qualifications and independence; and
- (d) the integrity of the Company's internal control and management information systems.

2.2 Discharge of Responsibilities

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Sections 8 and 9 of this Mandate.

3. Authority and Outside Advisors

The Board authorizes the Committee, within the scope of its responsibilities, to seek information it requires from any employee. The Board further authorizes the Committee to communicate directly with internal and external auditors in fulfillment of this mandate.

The Committee shall also have the authority to retain (and terminate) such outside legal, accounting or other advisors as it may consider appropriate and shall not be required to obtain the approval of the Board in order to retain or compensate such advisors. The Committee shall have sole authority to approve related fees and retention terms.

4. Committee Membership

4.1 Number of Members

The Committee shall consist of not fewer than three Directors.

4.2 Independence of Members

Unless otherwise determined by the Board and permitted by ML 52-110, the Committee shall be composed solely of Directors who a) Have no direct or indirect material relationship with the Corporation which could, in the view of the Board, reasonably interfere with the exercise of such Director's independent judgment; and b) Are otherwise independent as determined in accordance with ML 52-110.

4.3 Financial Literacy

- (a) Requirement - Each member of the Committee shall be financially literate.
- (b) Definition - "Financially literate" shall mean that the member is capable of understanding and interpreting financial statements and competent in the analysis of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues reasonably expected to be raised in the preparation and presentation of MMI's financial statements.

4.4 Accounting or Related Financial Experience

Members should have education and experience that is relevant to his or her responsibilities as an audit committee member including:

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (d) an understanding of internal controls and procedures for financial reporting; and
- (e) an understanding of audit committee functions.

4.5 Annual Appointment of Members

The members of the Committee shall be appointed by the Board. The appointment of members of the Committee shall take place annually at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

4.6 Vacancy

The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors. When such vacancy is the result of the death, disability or resignation of a member of the Committee and where the Board is required to fill such vacancy, the Committee member so appointed shall be exempt from the independence and financial literacy requirements in Sections 4.2 and 4.3 respectively until the later of (i) the next annual general meeting of the Corporation or (ii) the date that is six months from the day of vacancy was created.

5. **Committee Chair**

5.1 Board to Appoint Chair

The Board shall appoint the Chair from the members of the Committee (or if it fails to do so, the members of the Committee shall appoint the Chair from among its members). If, at any meeting, the Chair is not in attendance, then the Vice-Chair, if any, shall be responsible for chairing the meeting and for delivering a casting vote, as necessary.

5.2 Chair to be Appointed Annually

The designation of its Chair shall take place annually at the first meeting of the Board after a meeting of the members at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5.3 Casting Vote

In case of an equality of votes, the Chair in addition to his original vote shall have a second or casting vote.

6. **Committee Meetings**

6.1 Quorum

A quorum of the Committee shall be a majority of its members (present in person or by telephone). No business shall be transacted by the Committee except at a meeting at which a quorum of the Committee is present.

6.2 Secretary

The Secretary of the Committee will be the Secretary of the Board, unless otherwise appointed by the Chair. The Secretary may, but need not, be a member of the Committee.

6.3 Time and Place of Meetings

The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least quarterly. In addition, meetings may be called by any member of the Committee or by the External Auditor on not less than 72 hours' notice unless such notice is waived by all members of the Committee and by the External Auditor.

6.4 Right to Vote

Each member of the Committee shall have the right to vote on matters that come before the Committee.

6.5 Invitees

The External Auditor, the Chief Executive Officer and the Chief Financial Officer of Aquarius Surgical Technologies shall be entitled to receive notice of and to be heard at each meeting of the Committee, as non-voting observers. The Committee may additionally invite Directors, officers and employees of the

Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

6.6 Non-Management Sessions

As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee reviews the interim financial statements, the Committee shall meet separately with each of:

- (a) management; and
- (b) the External Auditor, for the annual audited financial statements.

In addition, at the conclusion of all other meetings of the Committee, the non-management directors shall meet without any member of management being present (including any Director who is a member of management). No minutes of the non-management sessions will be taken unless the Chair of the meeting requests in writing that the discussion be added to the meeting minutes.

7. Remuneration of Committee Members

7.1 Director Fees Only

No member of the Committee may accept, directly or indirectly, any fees from the Corporation or any of its subsidiaries other than directors' fees (which fees may include cash and/or shares options or other in-kind consideration ordinarily available to Directors, as well as all of the regular benefits that other Directors receive).

7.2 Other Payments

For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Corporation and its affiliates.

8. Duties and Responsibilities of the Committee

8.1 Financial and Related Information

- (a) Financial Reporting - The Committee shall only review annual and interim financial reports and related financial documents for release to the public after the Chief Financial Officer has certified that the financial statements provide full and complete disclosure and that no material undisclosed liabilities or contingencies exist.
- (b) Annual Financial Statements - The Committee shall review and discuss with management and the External Auditor, the Corporation's annual financial statements and related MD&A and report thereon to the Board before the Board approves those statements for release to the public.
- (c) Interim Financial Statements - The Committee shall review and discuss with management, the Corporation's interim financial statements and related MD&A before they are submitted to the Board of Directors for approval and release to the public.
- (d) Annual and Interim Earnings - The Committee shall review and discuss with management the press releases relating to the Corporation's annual and interim earnings before such press releases are publicly disclosed.
- (e) Accounting Treatment - The Committee shall review and discuss with management [and the External Auditor] on a timely basis:
 - (i) major issues regarding accounting policies, principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;
 - (ii) analyses prepared by management [and the External Auditor] setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative GAAP methods on the financial statements;

- (iii) the effect on the financial statements of the Corporation of regulatory and accounting initiatives and issues, as well as off-balance sheet transactions, structures, obligations (including contingent obligations) and other relationships of the Corporation with unconsolidated entities or other persons that have a material current or future effect on the financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses of the Corporation;
 - (iv) the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented;
 - (v) any financial information or financial statements in prospectuses and other offering documents;
 - (vi) the management certifications of the financial statements as may be required by applicable securities laws in Canada or otherwise, and all certifications and reports of any disclosure committee established by management from time to time;
 - (vii) any other relevant reports or financial information submitted by the Corporation to any governmental body or to the public.
- (f) Discussion of Accounting Treatments - The Committee shall have direct communication channels with the External Auditor to discuss and review specific issues as appropriate.
- (g) Disclosure of Other Financial Information - The Committee shall discuss with management and the External Auditor, if deemed necessary:
- (i) the types of information to be disclosed and the type of presentation to be made in connection with earnings press releases paying particular attention to any use of “pro forma” or “adjusted” non-IFRS information; and
 - (ii) financial information and earnings guidance (if any) provided to analysts and rating agencies; and
 - (iii) the public disclosure of any other financial information extracted from financial statements other than the public disclosure referred to in (a), (b) and (c).
- (h) Review of Communications - The Committee shall review with the External Auditor all material written communication between the External Auditor and management including, but not limited to, the management letter and any schedule of unadjusted differences.

8.2 External Auditor

- (a) Authority with Respect to External Auditor - As the representative of Aquarius Surgical Technologies Inc. shareholders, the Committee shall be directly responsible for overseeing the work of the External Auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. The Committee shall require the External Auditor to acknowledge in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.
- (b) Selection of External Auditor – The committee shall have sole responsibility for recommending to the Board the External Auditor to be nominated to the Corporation’s shareholders for appointment and whether at any time the incumbent External Auditor should be removed from office. The Committee shall not recommend an External Auditor who is not a participating audit firm as defined in National Instrument 52-108 – Auditor Oversight.
- (c) Compensation of External Auditor – The Committee shall have sole responsibility for recommending the compensation of the External Auditor to the Board.
- (d) Competency of External Auditor - Once each year (and otherwise as the Chair may consider appropriate) the Committee shall review with the External Auditor its performance and that of the lead audit partner and obtain and review a report by the External Auditor describing:
 - (i) the External Auditor's internal quality-control procedures;
 - (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the External Auditor's firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the External Auditor's firm, and any steps taken to deal with any such issues;
 - (iii) all material relationships between the External Auditor and the Corporation (for the purposes of assessing the auditor's independence); and

- (iv) to review annually with the External Auditor its performance and that of its lead audit partner.
- (e) Review of Audit Problems - The Committee shall review with the External Auditor any audit problems or difficulties and management's response.
- (f) Independence - The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process:
 - (i) The Committee shall require the External Auditor to submit on a periodic basis to the Committee, a formal written statement delineating all relationships between the External Auditor and Aquarius Surgical Technologies and that the Committee is responsible for actively engaging in a dialogue with the External Auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the External Auditor and for recommending that the Board take appropriate action in response to the External Auditors' report to satisfy itself of the External Auditors' independence; and
 - (ii) The Committee shall pre-approve any non-audit services provided by the External Auditor to Aquarius Surgical Technologies or any of its subsidiaries and may delegate such preapproval authority to one or more of its independent members. The pre-approval of all such non-audit services by any member to whom such authority has been delegated must be presented to the Committee at its first scheduled meeting following such preapproval.
 - (iii) The Committee shall review and approve hiring policies with respect to partners, employees and former employees of present and former External Auditors.

8.3 Management Response

The Committee shall obtain management's response to significant remarks or findings of the External Auditor and shall follow-up as required on the status of the implementation of corrective measures.

8.4 Related Party Transactions

The Committee shall review and approve all related party transactions in which the Corporation is involved or which the Corporation proposes to enter into.

8.5 Risk Assessment, Risk Management and Internal Control

The Committee shall gain an understanding of the Corporation business and shall discuss the Corporation major financial risk exposures and the steps management has taken to monitor and control such exposures. The Committee shall assess and evaluate management's internal control plan. The Committee shall obtain regular updates from management and legal counsel regarding compliance matters.

8.6 Other Matters

The Committee shall perform any other activities consistent with this Mandate, the Corporation's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

9. Whistle Blowing

9.1 Procedure

As soon as practicable following the release of rules implementing requirements with respect the procedures described in this Section 9.1, the Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

10. Reporting to the Board

10.1 Regular Reporting

The Committee shall report to the Board following each meeting of the Committee and at such other times as the Chair may determine to be appropriate (provided that the Committee shall report to the Board at least four times per year) and shall ensure that the Board is made aware of matters that may significantly affect the financial condition or affairs of the Corporation.

11. Evaluation of Committee Performance

11.1 Establish Process

In time, the Board shall establish a process for all committees of the Board for assessing the performance of such committees on a regular basis and, once established, the Committee shall follow such process in assessing its performance.

11.2 Amendments to Mandate

- (a) Review by Audit Committee - The Committee shall recommend to the Board on an annual basis, any amendments it considers desirable to this mandate.
- (b) Review by Board - The Board will review and reassess the adequacy of the Mandate on an annual basis and at such other times as it considers appropriate.
