



AQUARIUS SURGICAL TECHNOLOGIES INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON TUESDAY, DECEMBER 10, 2024

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 Tuesday, December 10, 2024 at 20 Toronto Street, Second Floor, Toronto, Ontario M5C 2B8, at 3:00 pm (Toronto time).



AQUARIUS SURGICAL TECHNOLOGIES INC.

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AQUARIUS SURGICAL TECHNOLOGIES INC.

NOTICE OF ANNUAL GENERAL 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 Tuesday, the tenth day of December, 2024, at 3:00 pm (Toronto) for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the years ended March 31, 2024, 2023 and 2022 together with the reports of the auditors thereon;
2. to elect four (4) directors;
3. to appoint 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.sedarplus.ca. 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: 1-866-600-5869. 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 31st day of October, 2024.

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 31, 2024, 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 meeting (the “Meeting”) of holders of common shares of the Corporation, to be held on Tuesday, December 10, 2024, at 3:00 p.m. (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 31, 2024 (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. 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 matter 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 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 the office of TSX Trust 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. At the date hereof, the Corporation had issued and outstanding 27,599,172 Common Shares and *nil* special shares.

The Corporation will make a list of all persons who are registered holders of Common Shares on the Record Date, and the number of Common Shares registered in the name of each person on that 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	13,770,917 ⁽¹⁾	49.89% ⁽¹⁾

(1) Includes Common Shares owned of record by Forest Lane Holdings Limited, The Plane Tree Corporation and Hennigar Joint Partner Trust (2022), companies and a trust controlled by David J. Hennigar.

PRESENTATION OF FINANCIAL STATEMENTS

The comparative financial statements of the Corporation for the financial years ended March 31, 2024, 2023 and 2022, 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, 2024, 2023 and 2022, together with the auditor's reports thereon, have all been filed and are available with the Corporation's documents on SEDAR at www.sedarplus.ca.

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 elect four 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/her successor is elected at the next annual meeting of the Corporation, or any adjournment thereof, or until his/her 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	Executive, Chairman of Thornridge Holdings Limited.	13,770,917 ⁽²⁾
Dr. Stanley Swierzewski III ⁽¹⁾ Holyoke, MA, USA	Director	Since 2017	Associate Clinical Professor of Urology, Tufts University, Boston	100,000
Dr. Rajiv Singal ⁽¹⁾ Toronto, Ontario	Director	Since 2022	Interim Chief of Surgery, Michael Garron Hospital, Toronto	100,000
Charlotte Janssen ⁽¹⁾ Toronto, Ontario	Director	Since 2022	Lawyer, principal of Janssen Law Professional Corporation	215,646

(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.

David J. Hennigar, B.Com., M.B.A - Mr. Hennigar is Chairman of Thornridge Holdings Limited, a director of High Liner Foods Inc., Chairman and a director of Landmark Global Financial Corporation, Aquarius Surgical Technologies Inc., Metalo Manufacturing Inc., and Grand River Ironsands Incorporated, and is a director of MedX Health Corp. and SolutionInc Technologies Limited.

Dr. Stanley Swierzewski III – Stanley J. Swierzewski, III, M.D. serves as Associate Clinical Professor of Urology at Tufts University School of Medicine in Boston. Dr. Swierzewski founded Healthcommunities.com, Inc. in 1998 and serves as its Chairman and Director. He founded and served as Co-director of the Continence Center at the Lahey Clinic in Burlington, Massachusetts. He directs the Continence Center at Holyoke Hospital in Holyoke, Massachusetts, and is in private practice full time at Hampden Urological Associates. He completed his urological residency at the University of Michigan Medical Center in Ann Arbor, where he received numerous awards for his research publications. He received his bachelor's degree in business administration from the University of Massachusetts. He earned his medical degree from Tufts University School of Medicine in Boston.

Dr. Rajiv Singal. Dr. Singal is currently the Interim Chief of Surgery at Michael Garron Hospital in Toronto (“MGH”). He was previously the Head, Division of Urology, Department of Surgery at MGH from 2001 until 2012. Dr Singal also holds the rank of Associate Professor within the Department of Surgery at the University of Toronto. He supervises the Clinical Endourology Fellowship program at MGH under the umbrella of the University of Toronto and also teaches undergraduate and postgraduate medical trainees. He has supervised the Clinical Endourology Fellowship since 2003. His clinical interests include the surgical management of urinary stones, minimally invasive and robotic urological surgery and the surgical treatment of genitourinary malignancies including prostate and kidney cancer. Dr Singal started the Davinci robotic surgical program at MGH in 2012 and leads that program jointly with Sunnybrook Hospital. Dr. Singal is a graduate of the University of Toronto School of Medicine in 1990 (9T0). He joined the surgical staff at MGH in December 1995 and has been in active practice at the hospital since July 1996. Dr. Singal has held various leadership positions at MGH including President of the Medical Staff Association in 2003-4 and has served on various committees over the years including Chair of the Infection Control and Laser Safety Committees. He has published several articles in his areas of interest. Dr. Singal is a principal investigator in several ongoing clinical research studies for diseases of the prostate. Dr Singal also has an active interest in global health inequity as it relates to scaling urologic surgical services in the developing world. He has worked in Malawi, Kenya, Uganda, Jamaica and China.

Charlotte Janssen. Ms. Janssen is a practicing lawyer specializing in the provision of commercial advice to business owners worldwide. Prior to establishing her own firm in 1996 she worked with Baker & McKenzie in Toronto and internationally and with a retired partner of Baker & McKenzie in Toronto. Her areas of practice include corporate-commercial, finance, real estate, wills and trusts. She serves as a director of numerous private companies and community

organizations and is past chair and council member of the International Law Section of the Canadian Bar Association and Ontario Bar Association. She holds a Bachelor of Arts (Honours) degree from the University of Manitoba, a Master of Arts Degree from Carleton University and a juris doctor in law from the University of Toronto.

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.

Charlotte Janssen – Metaguest.AI Incorporated.

Corporate Cease Trading Orders and Bankruptcies

Other than as described below, to the best of management's knowledge, no proposed director is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity,

- (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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 his assets;
- (d) 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 likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Mr. Hennigar is a director of Landmark Global Financial Corporation whose shares were subjected to a Cease-trade Order effective May, 2012 for failure to file financial information. Mr. Hennigar is a director of Metalo Manufacturing Inc., whose shares were subjected to a Cease-trade Order effective November 3, 2023, for failure to file financial information.

Personal Bankruptcies

To the best of management's knowledge, no proposed director has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

Unless a proxy specifies that the shares it represents should be withheld from voting in the election of directors, the proxy holders named in the accompanying proxy intend to use it to vote FOR election of the above nominees as directors of the Corporation.

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 received any compensation for their service for the fiscal years ended March 31, 2023, and 2022. Since the re-organization of the Board effective March 17, 2017, the compensation for outside directors provides for accrual 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; accrued fees are not payable unless and until the Board so resolves. 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. No accrued directors' fees have been approved for payment by the Board.

The Corporation has a Stock Option Plan which has been in effect since its approval by shareholders on November 21, 2016 (the "**2016 Stock Option Plan**") which was amended in 2022. Directors are entitled to participate in the 2016 Stock Option Plan.

There were no options exercised by directors and therefore no value actually received upon exercise of options under incentive plans during the years ending March 31, 2024, March 31, 2023 or March 31, 2022. As at March 31, 2024, 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 financial year ended March 31, 2024, the Corporation had two Named Executive Officers: Michael Machika, (Acting Chief Executive Officer), Lorne S. MacFarlane, (Chief Financial Officer) and Brian Wagner, (Vice President, Sales, for SLI US Inc.). 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 & Principal Position	Financial Year	Salary & Consulting Fee	Bonus	Other Annual Compensation	Securities Under Options & SARs Granted †	Restricted Shares or Restricted Share Units	LTIP Payouts
Michael Machika Acting CEO (since February 2023)	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
Lorne S. MacFarlane Chief Financial Officer	2024	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
Brian Wagner VP SLI US Inc. †	2024	US\$150,000	Nil	Nil	Nil	Nil	Nil
	2023	US\$18,750	Nil	Nil	\$12,000 ‡	Nil	Nil
N. Gary Van Nest (Acting CEO until February, 1 2023)	2023	\$70,000	Nil	Nil	Nil	Nil	Nil
	2022	\$84,000	Nil	Nil	Nil	Nil	Nil

† Mr. Wagner commenced employment with SLI US Inc. on November 15, 2022.

‡ The Value shown in the column **Securities Under Options & SARs Granted** is calculated by application of the Black-Scholes Formula as described at Note 9 to the Corporation's audited Financial Statements for the year ended March 31, 2024, which is not indicative of any actual value in monetary terms.

Compensation Discussion and Analysis

The services of Michael Machika are provided through Salumatics Inc., pursuant to a Management Agreement. Salumatics Inc. is deemed to be a related party to the Corporation by virtue of common directors. Mr. Machika does not receive any separate compensation from Salumatics Inc. by reason of performing his duties as an Executive Officer of the Corporation.

Brian Wagner is employed by SLI US Inc., a Delaware corporation which is a wholly-owned subsidiary of Surgical Lasers Inc., since November 15, 2022, at a base salary of US\$150,000 per year, under which he is also eligible for a performance-based bonus determined at the discretion of the Board of Directors. Mr. Wagner received a grant of 1,500,000 stock options, exercisable for a period of five years, vesting as to 250,000 options on November 1, 2022, and 250,000 vesting at six-monthly intervals thereafter. Mr. Wagner is also entitled to reimbursement of expenses, including vehicle expenses, incurred by him on behalf of SLI US Inc.

SHARE-BASED AWARDS

The Company does not have any share-based incentive plans other than its Incentive Stock Option Plan. The following table sets out all options-based awards outstanding for each Named Executive Officer as at March 31, 2024:

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
Michael Machika	Nil	N/A	N/A	Nil
Lorne S. MacFarlane	Nil	N/A	N/A	Nil
Brian Wagner	1,500,000	\$0.05	November 15, 2027	Nil

There were no options exercised by Named Executive Officers during the years ended March 31, 2024, 2023 or 2022, and therefore no value actually received upon exercise of options under incentive plans during either of the years ended March

31, 2024, 2023 or 2022. As at March 31, 2024, the value of unexercised in-the-money options held by Named Executive Officers was \$nil

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, 2024:

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⁾	1,500,000	\$0.05	2,500,000
Equity compensation plans not approved by security-holders	Nil	\$ Nil	Nil
TOTAL	1,500,000	\$0.05	2,500,000

⁽¹⁾ Reference is made to the disclosure regarding the Corporation's Stock Option Plan in Note 9 to the Consolidated Financial Statements for the Year Ended March 31, 2024, available on the SEDAR website at www.sedarplus.ca.

At the Corporation's November 21, 2016 Annual and Special General Meeting the shareholders approved an Incentive Stock Option Plan (the "**2016 Stock Option Plan**"), whereby a maximum of 3,000,000 shares were reserved for issuance. The number of shares reserved for issuance under the 2016 Stock Option Plan was increased to 4,000,000 effective February 16, 2022.

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 4,000,000 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.

As at March 31, 2024 there were 1,500,000 options-outstanding for any Executive Officer

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, 2024, 2023 or 2021. As at March 31, 2024, there were no outstanding options.

Long Term Incentive Plan

The Corporation did not have a long-term incentive plan during the financial year ended March 31, 2024, 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.

APPOINTMENT AND REMUNERATION OF AUDITORS

The auditors of the Corporation for the years ended March 31, 2024, 2023 and 2022 were Grant Thornton LLP (“**Grant Thornton**”). On October 2, 2024, Grant Thornton announced its intention to shift away from public company audits and accordingly the Audit Committee and Board of Directors are pursuing potential alternative auditors; as at the date of this Information Circular, no arrangements have been finalized for the formal resignation of Grant Thornton or appointment of a new auditor (“**New Auditor**”), however it is possible that those steps may take place prior to the Annual Meeting. If appointment of a new auditor is approved by the Audit Committee and the Board prior to the Meeting, the relevant notices in accordance with National Policy 51-102 will be filed on SEDAR. There has not been any disagreement between the Corporation and Grant Thornton, nor were there any reservations in the prior audited financial statements or reportable events. At the Meeting, shareholders will be called upon to approve the appointment of Grant Thornton, or such other auditor as has been approved by the Audit Committee and Board of Directors, 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 appointment of Grant Thornton or the New Auditor, as the case may be, 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 appointment of Grant Thornton or the New Auditor, as the case may be, 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 Grant Thornton in respect of their audits of the fiscal years ended March 31, 2024, 2023 and 2022, respectively are as follows:

<i>Fees</i>	2024	2023	2022
Audit fees	\$77,125	\$69,347	\$64,200
Tax fees	\$27,825	\$15,868	\$10,069
Total	\$105,000	\$85,217	\$74,269

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, 2024 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.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as disclosed (a) in this Information Circular, specifically “Compensation of Directors and Executive Officers”, the debt and security arrangements described above at “Indebtedness of Officers and Directors of the Corporation” above; (b) the continuing financial support provided by Forest Lane Holdings Limited described at Note 6(B) to the Financial Statements for the years ended March 31, 2024 and 2023; and (c) a Management Services Agreement pursuant to which Salumatics Inc., a corporation of which Messrs. Hennigar and Machika are directors and indirect shareholders, provides administrative and operational support services to Surgical Lasers Inc., 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.sedarplus.ca. 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 31st day of October, 2024.

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**”) is responsible for overseeing the management of the Corporation and the conduct of the Corporation’s affairs.

During the financial year ended March 31, 2024, the Board consisted of four members, namely David Hennigar, Dr. Stanley Swierzewski III, Charlotte Janssen and Dr. Rajiv Singal. All of whom 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. When conflicting schedules prevent the Board or Audit Committee from meeting, the business of the Board (and Audit Committee) is conducted by discussions among the members and recorded in formal written Resolutions. During the year ended March 31, 2024 there were two formal Meetings of each of the Board and the Audit Committee, and the business for two intended Meetings where schedules conflicted were formally recorded by formal written Resolutions. The following Table gives details of the number of Meetings held in each financial period and the attendances of each of the Directors at such Meetings:

NAME OF DIECTOR	TO MARCH 31, 2024 (12 months)			
	Board		Audit Committee	
	Meetings	Resolutions	Meetings	Resolutions
David Hennigar	2/2	2/2	2/2	2/2
Dr. S. Swierzewski III	1/2	2/2	1/2	2/2
Charlotte Janssen	2/2	2/2	2/2	2/2
Dr. Rajiv Singal	1/2	2/2	1/2	2/2

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 year ended March 31, 2024, 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 Charlotte Janssen was a director of Metaguest.AI Incorporated.

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, with the exception of Gordon Willox, who actively used his position as both an officer and director of the Corporation and Surgical Lasers Inc. to conduct and conceal the fraudulent and unethical conduct of himself and his associates up until the time of his removal in February, 2021, 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

During the fiscal years ended March 31, 2024, the Corporation's Audit Committee was comprised of four (4) directors, Charlotte Janssen, (Chair), David Hennigar, Dr. Stanley Swierzewski III and R. Rajiv Singal. 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 MI 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 MI 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 ASTT'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.
