

BIOSENTA INC.
1120 Finch Avenue West, Suite 503
Toronto, Ontario M3J 3H7

ANNUAL MEETING OF SHAREHOLDERS OF BIOSENTA INC.
MANAGEMENT INFORMATION CIRCULAR

This management information circular (the "Circular") is furnished in connection with the solicitation by management of Biosenta Inc. (the "Company") of proxies to be used at the annual meeting of shareholders of the Company (the "Meeting") to be held at the time and place for the purposes set forth in the attached Notice of Meeting or any adjournments or postponements thereof.

The solicitation of proxies is intended to be primarily by mail but may also be made by telephone, electronic means of communication or in person by the directors and officers or regular employees of the Company. None of these individuals will receive extra compensation for such efforts. The cost of such solicitation will be borne by the Company. The information contained in this Circular is given as at July 15, 2014, except where otherwise indicated.

DISTRIBUTION OF MEETING MATERIALS

The Company has distributed, or made available for distribution, copies of the Notice of Meeting, Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or other intermediaries or their nominees for distribution to holders of Common Shares (as defined below) whose shares are held by or in custody of such intermediaries. Such intermediaries are required to forward such documents to Non-Registered Shareholders (as defined below). The solicitation of proxies from Non-Registered Shareholders will be carried out by the intermediaries or by the Company if the names and addresses of the Non-Registered Shareholders are provided by the intermediaries. The Company will reimburse reasonable expenses incurred by the intermediaries in connection with the distribution of these materials. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

APPOINTMENT AND REVOCATION OF PROXYHOLDERS

Registered Shareholders

If you are a registered shareholder of Common Shares of the Company, a form of proxy is enclosed with this Circular to enable you to appoint a proxyholder to vote on your behalf at the Meeting. If you do not intend to attend the Meeting in person, you can mark your voting instructions in the voting section of the proxy form. **The persons named as proxyholders in the enclosed form of proxy to represent registered shareholders at the Meeting are Bruce Lewis, the Chairman and a director of the Company, and Edward Korhonen, a director of the Company. A shareholder wishing to appoint some other person or company (who need not be a shareholder) to represent him, her or it at the Meeting, or any adjournment thereof, has the right to do so, and such right may be exercised by striking out the names of the specified persons in the enclosed form of proxy and inserting the name of the shareholder's nominee in the space provided or by completing another appropriate form of proxy and, in either**

case, delivering the form of proxy to the Secretary of the Company c/o Heritage Transfer Agency Inc., 4 King Street West, Suite 1320, Toronto, Ontario M5H 1B6 on or before 4 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or by delivering it to the Chairman of the Meeting on the day of the Meeting prior to commencement of the Meeting. Such a shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and instruct him or her on how the shareholder's voting securities are to be voted. In any case, the proxy should be dated and executed by the shareholder (exactly as the shareholder's name appears on the proxy form) or his/her attorney authorized in writing, or if the shareholder is a company, by a duly authorized officer or attorney of the company.

To be used at the Meeting, properly completed and executed proxies must be delivered to the Secretary of the Company c/o Heritage Transfer Agency Inc., 4 King Street West, Suite 1320, Toronto, Ontario M5H 1B6 on or before 4 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or by delivering it to the Chairman of the Meeting on the day of the Meeting prior to commencement of the Meeting. The Company reserves the right to accept late proxies and waive the proxy cut-off, with or without notice, but is under no obligation to accept or reject any particular late proxy.

Voting By Non-Registered Shareholders

The information in this section is important to many shareholders as a substantial number of shareholders do not hold their Common Shares in their own name ("Non-Registered Shareholders").

Only registered shareholders as of the Record Date, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. Non-Registered Shareholders, including shareholders who hold Common Shares through an intermediary, should note that only proxies deposited by shareholders whose names appear on the share register of the Company may be recognized and acted upon at the Meeting. If the Company's Common Shares are shown on an account statement provided to a Non-Registered Shareholder by an intermediary, such as a bank, trust company, securities dealer or broker or trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans) such shares are likely registered in the name of the intermediary or in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either: (i) be given (typically by a facsimile, stamped signature) a form of proxy which has already been signed by the intermediary, which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deliver it to the Secretary of the Company c/o Heritage Transfer Agency Inc. as provided above; or (ii) more typically, be given a voting instruction form which is not signed by the intermediary, and which,

when properly completed and signed by the Non-Registered Shareholder and returned to the intermediary or its designated service company, will constitute voting instructions which the intermediary must follow. The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares which they beneficially own. **Non-Registered Shareholders should carefully follow the instructions of their intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

Revocation of Proxies by Registered Shareholders

Proxies given by registered shareholders for use at the Meeting may be revoked by submitting a new proxy to the Secretary of the Company c/o Heritage Transfer Agency Inc., 4 King Street West, Suite 1320, Toronto, Ontario M5H 1B6 on or before 4 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment or postponement thereof at which the proxy is to be used, or by delivering it to the Chairman of the Meeting on the day of the Meeting prior to commencement of the Meeting. Alternatively, a proxy may be revoked by an instrument in writing executed by the shareholder, or by his or her attorney authorized in writing or, if the shareholder is a company, by a duly authorized officer or attorney of the company, and returned to the Secretary of the Company c/o Heritage Transfer Agency Inc., at any time up to 4:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or to the Chairman of the Meeting at any time prior to the commencement of the Meeting. In addition, a proxy may be revoked by any other manner permitted by law.

If a registered shareholder revokes a proxy and does not replace it with another form of proxy deposited as set forth above, such shareholder may still vote their Common Shares in person at the Meeting. A shareholder having a right to attend and vote at the Meeting has the right to vote in person and if he does so, his proxy is nullified with respect to the matters such person votes upon. A revocation of proxy will not affect a matter on which a vote is taken before the revocation.

Revocation of Proxies by Non-Registered Shareholders

Non-registered shareholders should contact the intermediary through which they hold Common Shares in order to obtain instructions regarding the procedures for the revocation of any voting instructions that they previously provided to their intermediary.

VOTING OF PROXIES

The persons named in the enclosed form of proxy have indicated their willingness to represent, as proxyholders, the shareholders who appoint them. Each shareholder may instruct his or her proxyholder how to vote his, her or its Common Shares by completing the blanks in the form of proxy. Common Shares represented by properly executed proxy forms in favour of the persons designated on the enclosed form of proxy will be voted or withheld from voting on any poll in accordance with instructions made on the form of proxy, and, if a shareholder specifies a choice as to any matters to be acted on, such shareholder's Common Shares shall be voted accordingly. **If a shareholder does not specify how to vote on a particular matter, the proxyholder is entitled to vote the shareholder's Common Shares as he or she sees fit. If a shareholder's proxy form does not specify how to vote on any particular matter and the shareholder has authorized the named proxyholders to act as its proxyholder, such shareholder's Common Shares will be voted in favour of (a) management's nominees for election as directors and (b) the appointment of McGovern, Hurley, Cunningham, LLP as auditors. For more**

information on these issues, please the section entitled "Particulars of Matters to be Acted Upon at the Meeting".

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any such amendments, variations or other matters which are not now known to management, should properly come before the Meeting, the Common Shares represented by the proxies hereby solicited will be voted thereon in such manner as such persons then consider proper.

RECORD DATE

The Company has set the close of business on July 15, 2014 as the record date (the "Record Date") for the Meeting. Only registered shareholders of Common Shares of record as at the Record Date are entitled to receive notice of, attend and to vote at the Meeting except to the extent that any shareholder transfers any of his, her or its Common Shares subsequent to the Record Date. In such case, a transferee of those Common Shares shall be entitled to vote at the Meeting if he or she produces properly endorsed certificates for such Common Shares or otherwise establishes that he, she or it owns the Common Shares and has demanded not later than ten (10) days before the Meeting that his or her name be included in the list of shareholders eligible to vote at the Meeting.

VOTING SHARES AND THE PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Class A Shares ("Common Shares"), Class B Shares and Class C Shares. Holders of Class A Shares are entitled to notice and to one vote for each Common Share at meetings of shareholders. As if July 15, 2014, the Company had 83,767,820 issued and outstanding Common Shares and has no issued or outstanding Class B Shares or Class C Shares.

To the knowledge of the directors and executive officers of the Company, and based upon the Company's review of the records maintained by Heritage Transfer Agency Inc. and insider reports filed with the System for Electronic Disclosure by Insiders ("SEDI"), as at the Record Date, the following shareholders beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company:

<u>NAME & ADDRESS</u>	<u>NUMBER & CLASS OF SHARES</u>	<u>PERCENTAGE OF CLASS</u>
CDS & Co. Toronto, Ontario ⁽¹⁾	29,949,109 Common Shares	35.7%
Marcus Martin Parry Sound, Ontario ⁽²⁾	10,500,000 Common Shares	12.6%

- (1) Information as to the beneficial ownership of Common Shares of the Company registered to CDS & Co. is not within the knowledge of the Company. The information in the table has been extracted from the register of shareholders maintained by the registrar and transfer agent for the Company's Common Shares.
- (2) Mr. Martin is a director of the Company.

QUORUM AND VOTING

The quorum for the transaction of business at a meeting of shareholders is any two shareholders present in person or by proxy. All matters that are scheduled to be voted upon at the Meeting are ordinary resolutions. Ordinary resolutions are passed by a simple majority, meaning that if more than half the votes cast are in favour, then the resolution passes. If votes are withheld, they are not counted in determining the number of votes cast.

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

To the knowledge of management and the directors of the Company, no director or executive officer of the Company, nor any person who held such position since the beginning of the last completed financial year of the Company, no nominee nor any respective associate or affiliate of the foregoing persons has any material interest, direct indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company has adopted a compensation program intended to attract, hold and inspire the performance of members of senior management in order to develop its business and foster growth of the Company. Given the early stage of the Company's development in its line of business, the board of directors of the Company (the "**Board**") has responsibility for developing and monitoring the Company's overall approach to compensation issues and implementing and administering a system of compensation which reflects such practices.

Subject to contractual arrangements with executives, which are approved by the Board, the Board is responsible for setting the annual salary, bonus and other benefits, direct and indirect, of the Chief Executive Officer and other Named Executive Officers. In determining appropriate terms of executive employment contracts, the Board considers, among other matters, the objective to (a) retain executives critical to the success of the business of the Company and enhancement of shareholder value, (b) providing fair and competitive compensation and (c) balancing the interests of management and shareholders. Given the size of the Company and its current stage of development the Board has not developed a formal process to consider the risks associated with the Company's compensation policies; rather, the Board considers the risks on a case by case basis before entering into any employment arrangements, making changes to employment arrangements or granting discretionary employment compensation.

The Named Executive Officer compensation program is designed to reward Named Executive

Officers for: (i) increasing shareholder value; (ii) achieving corporate performance that meets the Company's strategic and business plans; (iii) improving operations; and (iv) executing on corporate strategy.

The compensation of Named Executive Officers consists of three basic elements which is intended to provide executives, in totality, a balanced compensation package, which consists of: (i) guaranteed cash (base salary) (ii) annual performance bonus (short-term cash incentives) and (ii) incentive stock options (long-term incentive compensation). As the Company is in the early stages of the development of its business, it has yet to generate any material revenue and must rely exclusively on funds raised from equity financing which the Board considers in respect of making compensation decisions.

The Company's short term incentive program provides the Named Executive Officers with the opportunity to receive annual discretionary cash bonuses based on individual and corporate performance over the past financial year. The bonus program is primarily designed to align the financial interests and personal motivation of the Named Executive Officers with the interest of the Company which are represented by operational and financial goals. The bonus program is also designed to motivate Named Executive Officers to achieve personal goals that will benefit the Company's operations and execution of corporate strategy.

As the Company is in the growth and development stage of its business, the Company did not pay any bonuses to Named Executive Officers in the most recently completed financial year.

The incentive stock option portion of the executive compensation arrangements is designed to provide the Named Executive Officers of the Company with a long term incentive in developing the Company's business and to align the long term interest of the Named Executive Officers and shareholders. To this end, the Company has a stock option plan for directors, officers, employees and consultants of the Company (the "Plan"). The Plan was approved by shareholders of the Company at its annual and special meeting held May 24, 2012. Participation in the Plan is considered to be a critical component of compensation that incents the Named Executive Officers to create long-term shareholder value. The Plan is also considered to be a critical element in attracting, motivating and retaining senior executives, directors, officers, employees and consultants of the Company by providing such persons the opportunity, through share options, to acquire an economic interest in the Company so as to align the interests of those persons with the long term interests of the Company and its shareholders. Options granted under the Company's stock option plan are approved by the Board, after consideration of, among other factors, the necessity and appropriateness of granting options in the specific circumstances to the prospective grantee, the Company's overall performance and whether the Company has met targets set out in the Company's strategic and business plan as well as the level of responsibility and individual performance of the Named Executive Officer. In considering any grant of options under the stock option plan the Board considers previous grants of options, whether the Named Executive Officer has other material relationships with the Company and the overall alignment of the Named Executive Officer's interests with those of the Company's shareholders.

The Plan is a "rolling" stock option plan reserving for issuance a maximum number of Common Shares equal to 10% of the Company's issued and outstanding Common Shares from time to time (including shares issuable under all other equity compensation plans of the Company). Options may not be granted that would result in the aggregate number of shares that may be issued under the Plan, together with all other equity compensation plans, exceeding 10% of the Company's

issued and outstanding Common Shares at the time of granting of options. In the event that any outstanding option expires, is cancelled, cash settled or otherwise terminated, any rights to acquire Common Shares allocable to the unexercised or unvested portion of such options are again available for issuance under the Plan. The Plan also contains restrictions on the number of Common Shares which may be issued under the Plan to any one person within specified time frames.

For options granted under the Plan: (A) If a grantee's (other than a consultant's) service or employment with the Company terminates: for any reason other than cause, unless the grant agreement provides otherwise, any vested options as of the termination date of service or employment expire the earlier of (a) the expiry date for such option and (b)(i) in the event of death, six (6) months from the grantee's death and (ii) 90 days from the termination date of service or employment. Subject to Board determination otherwise, all unvested options immediately terminate upon the date of termination or service. In the event of termination for cause, all vested and unvested options shall be cancelled and forfeited immediately on the termination date of the grantee's service or employment. (B) If a consultant's consulting agreement or arrangement with the Company terminates by reason other than cause, unless the grant agreement provides otherwise, any vested options as of the date of termination of the consulting agreement or arrangement terminate on the date that is the earlier of (a) 30 days from the termination date and (b) the expiry date of such option. Subject to Board determination otherwise, all unvested options immediately terminate upon the date of termination or service. In the event of a termination for cause, any options, whether vested or unvested, are cancelled and forfeited immediately on the termination date of the consulting agreement or arrangement.

Subject to applicable law and any applicable regulatory requirements, the Board may, in its discretion, at any time prior to or following the events contemplated above, permit the exercise and/or vesting of any or all options held by a grantee in the manner and on the terms authorized by the Board, provided that the Board will not, in any case, authorize the exercise of an option beyond the maximum term permitted by the Plan.

Upon the Company entering into an agreement relating to, or otherwise becoming aware of, a transaction which, if completed, would result in a change of control, the Board may (a) accelerate the vesting of any or all outstanding options with effect immediately prior to the completion of the transaction resulting in the change of control with any unexercised options terminating thereafter; and/or (b) cause the conversion or exchange of any outstanding options into or for options, rights or other securities of substantially equivalent value (or greater value) in any entity participating in or resulting from a change of control; and/or (c) immediately prior to the change of control, cancel outstanding options and make payment of the excess of the fair market value of the Common Shares over the exercise price of the options and cancelling any options where the exercise price exceeds the fair market value of Common Shares.

The Plan contains provisions for adjustment in the number of securities issuable thereunder in the event of the subdivision, consolidation, reclassification or change of shares, a merger or certain other business transactions affecting the Company's capitalization.

The Company maintains a group insurance policy pursuant to which employees, consultants and directors may receive certain benefits under the group insurance policy.

The Company has not established a defined benefit pension plan or a defined contribution pension plan.

An NEO or director of the Company is not excluded from purchasing financial instruments, including prepaid variable contracts, equity swaps, collars or units of exchange that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly or indirectly by the NEO or director.

Summary Compensation Table

The following table sets forth information regarding all compensation earned by each of the Named Executive Officers for services provided to the Company for the periods ended September 30, 2013, 2012 and 2011. Other than as set out in the table below, the Company did not have any other Named Executive Officers during the financial year ended September 30, 2013.

Name, Principal and Position	Year	Salary (\$)¹	Share Based Awards (\$)	Option Based Award (\$)²	Non-Equity Incentive Plan Compensation (\$)	Pension Value	All Other Compensation (\$)³	Total Compensation (\$)
Bruce Lewis Chairman ¹	2013	250,000	-	-	-	-	18,000	268,000
	2012	250,000	-	⁷	-	-	18,000	268,000
	2011	270,833	-	224,000	-	-	19,500	514,333
Edward Pardiak, Consultant ⁴	2013	198,000	-	-	-	-	-	198,000
	2012	180,000	-	-	-	-	-	180,000
	2011	167,153	-	-	-	-	-	167,153
Marcus Martin, Consultant ⁵	2013	180,000	-	-	-	-	18,000	198,000
	2012	180,000	-	-	-	-	-	180,000
	2011	73,500	-	-	-	-	-	73,500
Louis Nagy, Chief Financial Officer ⁶	2013	64,800	-	-	-	-	-	64,800
	2012	16,275	-	45,000	-	-	-	61,275
	2011	-	-	-	-	-	-	-

¹Mr. Lewis was the President and Chief Executive Officer of the Company until February 27, 2014 and is also a director for which he did not receive any compensation for the financial year ended September 30, 2013, 2012 and 2011. The Company entered into an employment agreement with Mr. Lewis in August 2011. (See "Termination of Employment, Change of Responsibilities and Employment Contracts" below). As of March 27, 2014 Mr. Lewis resigned as Chief Executive Office and became Chairman of the Board in a non-executive capacity.

²Grant date and fair value date calculation are based on the Black-Sholes Option Pricing Model. Option pricing models require the use of highly subjective estimates an assumption including the expected stock price volatility. Changes in the underlying assumption can materially affect the fair value estimates and, therefore, in management's opinion existing models do not necessarily provide a reliable measure of the fair value of the Corporation's share and option based awards. Measurement inputs to the model include share price on the measurement date, exercise price, expected volatility (140%), weighted average expected life of the options (5 years), expected dividends (nil) and the risk-free interest rate (1.77%).

³Represents total value of perquisites including car allowance.

⁴Mr. Pardiak is also a director for which he did not receive any compensation for the financial year ended September 30, 2013 and 2012. In fiscal 2012 and 2011 the consulting fees paid to Mr. Pardiak and his associates were in respect of scientific, engineering and technical services provided to the Company. (See "Interest of Informed Persons in Material Transactions"). Mr. Pardiak will cease to be a Director effective August 21, 2014.

⁵Mr. Martin is also a director for which he did not receive any compensation for the financial year ended September 30, 2013 and 2012. In fiscal 2012 and 2011 the consulting fees paid to Mr. Martin were in respect of scientific, engineering and technical services provided to the Company. (See "Interest of Informed Persons in Material Transactions").

⁶Mr. Nagy was appointed Chief Financial Officer on August 23, 2012. Mr. Nagy is not an employee of the Company. Mr. Nagy is retained as the Chief Financial Officer pursuant to a management agreement entered into between the Company, a company owned and controlled by Mr. Nagy and Mr. Nagy. Pursuant to the terms of the management agreement, fees payable are based on time and subject to a monthly cap. (See "Termination of Employment, Change of Responsibilities and Employment Contracts" below). Mr. Nagy ceased to be CFO effective March 27, 2014.

⁷Mr. Lewis was granted 1,750,000 options having an exercise price of \$0.20, a term of five years and vest 25% on the grant date and 25% on the anniversary of the grant date until fully vested August 16, 2014.

⁸Mr. Nagy was granted 300,000 options having an exercise price of \$0.20, a term of five years and vest as to 1/3 of the number of options granted on October 1, 2013 and 1/3 on each of October 1, 2014 and October 1, 2015. As of March 27, 2014, all options were allowed to vest and Mr. Nagy exercised the entire balance.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets out, for each Named Executive Officer, information concerning the value vested or earned on incentive plan awards during the most recently completed financial year.

Name	Option-based awards - Value vested during the year ¹ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Bruce Lewis Chairman	Nil	-	-
Louis Nagy, Chief Financial Officer ⁵	Nil	-	-

¹ The amount indicated is the aggregate value that would have been realized if the options had been exercised on the vesting date.

Termination of Employment, Change of Responsibilities and Employment Contracts

On March 27, 2014, Mr. Lewis resigned as President and CEO and became the non-executive Chairman of the Board of Directors. In lieu of cash salary, Mr. Lewis was granted \$100,000 in shares at 15 cents per share of 666,667 common shares. The employment contract with Mr. Lewis was terminated and no new contract has been entered into.

Also on March 27, 2014, Mr. Chris Bilz was appointed as President and CEO of the Company. The terms of the contract include a base annual salary of \$150,000, participation in the Company's benefits plan, and the potential for an annual bonus determined at the discretion of the Board of Directors based on meeting certain annual sales targets. The Company may terminate the contract at any time with cause and without cause upon payment of 6 month's salary in the first year or upon 12 month's salary thereafter. The contract also includes a substantial Confidentiality and Non-Solicitation Agreement.

On March 27, 2014 Mr. Nagy resigned as the Chief Financial Officer of the Company. Immediately following, Mr. Chris Carl, a Director of Bassett Financial Corporation ("BFC") was appointed as interim CFO. BFC provides a range of financial services for the Company and invoices \$6,000 per month for these services. This constitutes a month-to-month agreement and no other benefits, or termination fees are payable.

Director Compensation

Prior to the most recently completed financial year, directors were not paid a retainer, per meeting fees or expense reimbursement in connection with their service as directors. Effective in the 2012 financial year, the Board approved a policy to reimburse directors for reasonable out-of-pocket expenses in connection with attending meetings of the Board and in providing service to the Company. Option were granted in 2012 and no additional options were granted in 2013. The directors are eligible to participate in the Company's benefit plans.

Director Compensation Table for the Financial Year Ended September 30, 2013

The following table sets forth the compensation paid to or earned by directors (other than directors for whom disclosure is made in table labeled "Summary Compensation Table"), in any capacity, during the financial year ended September 30, 2013.

Name, Principal and Position	Fees Earned (\$)	Share Based Awards (\$)	Option Based Award (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	Other Compensation (\$) ¹	Total Compensation (\$)

1 Directors participate in the Company's benefit plan.

Incentive Plan Awards - Value Vested or Earned During the Year

No Options were issued in the 2013 financial year and all previous awards had fully vested prior to 2013.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company's employee stock option plan, which was approved by shareholders of the Company at the annual and special meeting held May 24, 2012, provides that the Company may issue options over a number of Common Shares that, together with all other equity compensation plans of the Company, provides for issuance of a maximum number of Common Shares equal to 10% of the number of issued and outstanding Common Shares from time to time. In addition to securities issuable under the Plan, options were issued, or may be issuable, to certain principals of a former consultant to the Company pursuant to the terms of a purported consulting agreement entered into during the financial year ended September 30, 2011. On March 7, 2012, the Company announced that it had commenced legal proceedings against the consultant and certain of its principals for a declaration that such consulting agreement between the Company and the consultant is of no force or effect or alternatively that the consultant breached the terms of that agreement. The Company is seeking cancellation of the options previously issued or issuable to certain principals of the consultant and damages. The number of options issued or issuable to the consultant outside of the Plan reduces the number of options available for issuance under the Plan. The following table sets out equity compensation plan information as at the end of the financial year ended September 30, 2013, assuming the Plan is approved by shareholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽³⁾
Equity compensation plans approved by securityholders ¹	5,680,000	\$0.21	2,873,944
Equity compensation plans not approved by securityholders ²	Nil		-

- (1) The Company has a "rolling" employee stock option plan that provides for up to 10% of the issued and outstanding Common Shares to be available for grants under the Plan. The number of securities available for future issuance is based on the number of issued and outstanding Common Shares as of the date of this Circular being 85,539,444. Therefore the maximum number of common shares that may issued upon the exercise of stock options, together with all other equity compensation plans, is 8,553,944.
- (2) 1,000,000 options were issued, or may be issuable, to certain principals of a former consultant to the Company. The Company has commenced legal proceedings for a declaration that the purported consulting agreement is of no force or effect or alternatively that the consultant breached the terms of such agreement. The Company is seeking cancellation of such options issued or issuable and damages.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or who at any time during the most recently completed financial year was, a director, executive officer or employee of the Company, nor any proposed nominee for election as a director, nor any associate of the foregoing, is or was at any time during the financial year ended September 30, 2012 indebted to the Company. In addition, none of such person's indebtedness to any other entity has been the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below, to the knowledge of management and the directors of the Company, no informed person (as defined in NI 51-102) of the Company, any proposed director or associate or affiliate of any informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

Mr. Pardiak and certain of his associates were paid consulting fees aggregating to \$198,000 in the most recently completed financial year in respect of scientific, engineering and technical services provided to the Company. These services were provided pursuant to arrangements made with the Company and were approved by the Board.

Mr. Martin was paid consulting fees aggregating to \$180,000 in the most recently completed financial year in respect of scientific, engineering and technical services provided to the Company. These services were provided pursuant to arrangements made with the Company and were approved by the Board.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

The Meeting has been called for the Company's shareholders to consider and, if thought appropriate, to pass resolutions in relation to certain matters described below.

Election of Directors

The articles of incorporation of the Company, as amended, provides for a flexible number of directors, subject to a minimum of three (3) and a maximum of nine (9). Shareholders have authorized the Board by special resolution to fix the number of directors by resolution. The Company currently has six (6) directors. The Board has determined that an appropriate number of directors for the Company at this time is six (6) and has fixed the number of directors to be

elected at the Meeting at six (6).

The persons named below will be nominated for election as directors of the Company. Each director is elected annually and will hold office until the close of the next annual meeting of shareholders or until his successor is elected or appointed. The following table sets forth the name and residence of each of the nominees, whether each nominee is an “independent” director (as that term is defined in National Instrument 52-110 — *Audit Committees (“NI 52-110”)*), their respective principal occupations and information as to voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of them. All of the nominees are currently directors or officers of the Company.

Name, Province and Country of Residence and Position Held	Independent Director Yes/No	Principal Occupation for the Past Five Years	Director Since	Common Shares Beneficially Owned or Controlled⁽¹⁾
Bruce Lewis Ontario, Canada Director and Chairman	No	President and Chief Executive Officer of Biosenta Inc. Former director and officer of Timelycash Inc. until 2011.	June 30, 2008	8,255,021 ⁽²⁾
Marcus Martin Ontario, Canada Director	No	Consultant, Industrial Mineral Sector.	February 25, 2011	12,760,000
Chris Bilz Ontario, Canada	No	Chief Executive Officer and President of Biosenta, Independent Investor	Proposed Director	2,415,666
Edwin Korhonen ⁽³⁾ Ontario, Canada Director	Yes	Retired business executive. President of Northstar Multicorp Inc. from 1998 to 2011.	June 30, 2008	600,000 (2)
David Butler ⁽³⁾ Ontario, Canada Director	Yes	Retired business executive. Former owner of Marshall Fenn Ltd.	October 5, 2011	585,714 (2)
Matthew Bassett Ontario, Canada Director	No	Chief Executive Officer, Bassett Financial Corporation	March 27, 2014	7,500,000 ⁽⁴⁾

(1) Information about the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective nominees.

(2) Mr. Lewis also holds 1,750,000 options, Mr. Bilz holds 500,000 options, Mr. Korhonen also holds 400,000 options and Mr. Butler also holds 300,000 options to acquire Common Shares granted pursuant to the Plan.

(3) Member of the Audit Committee

(4) These shares are all held by Bassett Financial Corporation.

Bruce Lewis is the Chief Executive Officer and President of Biosenta Inc. Mr. Lewis has over 30 years of experience in providing organizational and operational leadership to a variety of organizations in the private and non-profit sectors. Bruce has previously served as the Chief Executive Officer of, among others, Card One Plus Ltd., a debit card operating company, The Tracker Corporation of America, a personal identification system operating globally, The Exact weight Scale Inc., a weight scale company.

Marcus Martin has over 50 years of experience as an engineer in the Industrial Minerals, Pulp & Paper and Aerospace Industries. Mr. Martin previously served as VP Engineering Abitibi Price, Smooth Rock Falls, Ontario Inc. Mr. Martin is a director of Great Lakes Nickel Ltd. Mr. Martin has been actively involved with development of the antimicrobial industrial filler potential of surface treated calcium hydroxide and its applications in various composite products. Mr. Martin is a co-inventor of certain intellectual property licensed to the Company.

Edwin Korhonen is a graduate of Queen's University with a BSc. in E.E. He is a member of the Professional Engineers of Ontario. He is the past president of Northstar Multicorp Inc., from 2008 to 2011. He had a long career in the package goods industry as President of Campbell Soups, Nabisco Brands and Maple Leaf Flour Mills. For the past 18 years he has been involved with smaller, early stage businesses. He has also served on the board of directors of the Queensway Hospital, including serving as Treasurer and Finance Committee Chairman. Mr. Korhonen is also currently a director of Surge Global Energy, Inc. and chairman of the audit committee. Mr. Korhonen is currently the Chairman of the Audit Committee of the Company.

David Butler is a retired business executive, the former owner of Marshall Fenn Ltd., a Toronto based integrated marketing company, and the MF Group of Companies which included Jeeves Travel Agency, MF Incentives Inc. and Newfound Communications. Mr. Butler grew MF Incentives into the United States, the United Kingdom, France, Australia and New Zealand. He is a former director of Tracker Corporation of America, Universal Medical History & Information, Inc., and Mercy International. Mr. Butler has served on the executive of the United Way in Oakville and volunteered with other agencies including the Canadian Cancer Society, the Heart and Stroke Foundation, Red Cross, Adult Cerebral Palsy Institute and the Salvation Army Red Shield Appeal. He served two terms on the board of directors of the Foundation of Guelph General Hospital and remains a member of the fund raising committee.

Matthew Bassett is a seasoned business professional and a proven entrepreneur with successes in both sole and joint ventures. Over his sixteen years in the financial services sector he has built a solid reputation. Initially Matthew started his career with Midland Walwyn and Canaccord. Over the last few years he served as the Chairman and Founder of Eaglecrest Capital and Eaglecrest Securities, which under his leadership, specialized in raising monies within the \$2 to \$10 million range for projects and for variety of small to mid-cap businesses. In the past he also held a major management role as President & CEO of Bassett Media Group. Matthew is a graduate of the University of Western Ontario and offers his time to many charitable foundations including having sat on Boards of the Canadian Hero Fund, Good Shepherd Ministries and Heart & Stroke Centre for Stroke Recovery.

Mr. Bilz has a wide range of business and entrepreneurial experience including 10 years experience with a Canadian bank in the wealth management and capital markets sectors and a private consulting practice that included the establishment of businesses and real estate investment interests in the United States.

Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority conferred in proxies in favour of the persons named in the form of proxy

shall be exercised to vote the Common Shares represented by such proxies for the election of such other nominee(s) as the proxyholder shall determine to be proper. The Company has been informed by each nominee that he is willing to stand for election and to serve as a director.

Unless a proxy specifies that the Common Shares that it represents should be withhold from voting in respect of the election of directors or voted in accordance with the specification in the proxy, the persons named in the enclosed form of proxy intend to vote FOR the election of the nominees whose names are set forth above at the Meeting or any adjournment or postponement.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, other than as described below, no proposed director,

(a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director 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;

(b) is, as at the date of this, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the 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;

(c) has, within the 10 years before the date of this Circular, 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 the assets of the proposed director;

(d) 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

(e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

By order of the Ontario Superior Court of Justice – Commercial List dated June 6, 2011, on an application brought under section 243 of the *Bankruptcy and Insolvency Act* (Canada) and section 101 of the *Courts of Justice Act* (Ontario), Soberman Inc. was appointed receiver over all of the assets, undertakings and property of Timelycash Inc. and The LTP Tracer Corporation. At the time of the making of the receivership order, Bruce Lewis, and in the one year prior to the making of the receivership order, Edwin Korhonen, were directors of Timelycash Inc., and Bruce Lewis was also an officer of Timelycash Inc.

Appointment of the Auditor

At the Meeting, shareholders will be asked to re-appoint the firm of McGovern, Hurley, Cunningham, LLP (“**McGovern**”), 300 - 2005 Sheppard Avenue East, Toronto, Ontario M2J 5B4 as auditor of the Company until the close of the next annual meeting of shareholder and to authorize the directors to fix their remuneration. McGovern has served as the auditor of the Company since 2012.

The following table sets out the aggregate fees billed by the Company’s external auditor in each of the last two fiscal years.

Category of Fees	Year Ended September 30, 2013	Year Ended September 30, 2012
Audit Fees	\$40,000	\$50,000
Audit-Related Fees	\$0	\$0
Tax Fees	\$2,500	\$2,500
All Other Fees	\$0	\$0

Unless a proxy specifies that the Common Shares that it represents should be withheld from voting on the re-appointment of the auditors, the persons named in the enclosed form of proxy intend to vote FOR the re-appointment of McGovern as auditors of the Company and the authorization of the directors of the Company to fix their remuneration.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Effective June 30, 2005, the Canadian Securities Administrators (“**CSA**”) adopted National Policy 58-201 — *Corporate Governance Guidelines* (the “**Policy**”) and National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (the “**Instrument**” and together with the Policy, the “**CSA Governance Rules**”). The CSA Governance Rules require that the Company set out the mandated disclosure required under the Instrument, with reference to the “best practices” set out in the Policy.

Specifically, the Policy sets out a series of guidelines for effective corporate governance. The guidelines address matters such as the constitution and independence of corporate boards, the function to be performed by boards and their committees and the effectiveness of their board members. The Instrument requires the disclosure by each required company of its approach to corporate governance with reference to the guidelines, as it is recognized that the unique characteristics of individual company will result in varying degrees of compliance.

The Board of Directors

For purposes of NI-58-101 an “independent director” is a director who has no direct or indirect material relationship with the Company. A “material relationship” is defined as a relationship that could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment.

The Board is currently comprised of six directors. The board has determined that of the current directors, Edwin Korhonen and David Butler are independent. Of the remaining directors, (a) Bruce Lewis is considered to be non-independent by virtue of his association with the Company (b) Marcus Martin and Edward Pardiak are considered to be non-independent by virtue of an intellectual property license agreement entered into with the Company and related agreements and (c) Matthew Bassett is considered to be non-independent by virtue of the financing agreement Bassett Financial Corporation, of which he is Chief Executive Officer, entered into with the Company.

Directorships

Bruce Lewis and Matthew Bassett are directors of Bassett Financial Corporation. Mr. Bassett is also a director of Bassett Media Group Corp.

Edwin Korhonen was a director of Surge Global Energy, Inc. through December, 2012.

Marcus Martin is a director of Great Lakes Nickel Limited.

None of the Company's other directors are directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

Orientation and Continuing Education

The Company does not provide formal continuing education to its directors. The Board's continuing education is typically derived from correspondence with the Company's solicitors to remain up to date in relevant corporate and securities law matters. In addition, historically, Board members have been nominated who are familiar with the Company and the nature of its business.

Ethical Business Conduct

The role of the Board is to oversee the conduct of the Company's business, to set corporate policy and to supervise management, which is responsible to the Board for the day-to-day conduct of business. However, given the size of the Company, all material transactions are addressed at Board level.

The Board discharges five specific responsibilities as part of its overall "stewardship responsibility".

These are:

- **Strategic Planning Process:** given the Company's size, the strategic plan is elaborated directly by management, with input from, and the assistance of, the Board;
- **Managing Risk:** the Board directly oversees most aspects of the business of the Company and thus does not require the elaboration of "systems" or the creation of committees to effectively monitor and manage the principal risks of all aspects of the business of the Company;
- **Appointing, Training and Monitoring Senior Management:** no formal system of selection, training and assessment of management has been established; however, the Board closely

monitors management's performance, which is measured against the overall strategic plan, through reports and regular meetings with management;

- **Communication Policy:** it is and always has been the unwritten policy of the Board to communicate effectively with its shareholders, other stakeholders and the public generally through statutory filings and mailings, as well as news releases. The Company's shareholders are provided the opportunity to make comments to the Board by telephone or written communications, or at shareholder meetings; and
- **Ensuring the Integrity of the Company's Internal Control and Management System:** given the involvement of the Board in operations, the reports from and the meetings with management, the Board is able to effectively track and monitor the implementation and operation of approved strategies.

Nomination of Directors

The Board performs the function of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Company's development and given the small size of the Board.

While there are no specific criteria for Board membership, the Company attempts to attract and maintain directors with business knowledge and industry experience related to the Company's emerging line of business and a particular knowledge in management and development or other areas such as finance which would assist in guiding the Company's officers in the performance of their roles.

Compensation

Directors do not currently receive any cash compensation in their capacities as directors, other than the Chairman of the Audit Committee who was paid a stipend in the most recently completed financial year, although they are all eligible to participate in the Plan and they are also eligible to participate in the Company's benefit plans.

Compensation of the President and Chief Executive Officer, who also serves as a director of the Company, is discussed in the section entitled Compensation Discussion and Analysis above.

Assessments

The Board assesses, on an annual basis, the contribution of the Board as a whole and of each of the individual directors, in order to determine whether each is functioning effectively.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Company's Audit Committee Charter is set out in Schedule "C" hereto.

Composition of the Audit Committee

NI 52-110 requires the Company, as a venture issuer, when it solicits proxies for the election of directors at a meeting of shareholders, to disclose certain information in its management information circular concerning the constitution of its Audit Committee and its relationship with its Independent Auditor.

The Company's Audit Committee is comprised of Edwin Korhonen, David Butler. As defined in NI 52-110 and disclosed above, each of Messrs. Korhonen, Butler and Gibbins are independent.

All members of the Company's Audit Committee are considered to be financially literate.

Edwin Korhonen is a graduate of Queen's University with a BSc. in E.E. He is a member of the Professional Engineers of Ontario. He is the past president of Northstar Multicorp Inc., from 2008 to 2011. He had a long career in the package goods industry as President of Campbell Soups, Nabisco Brands and Maple Leaf Flour Mills. For the past 18 years he has been involved with smaller, early stage businesses. He has also served on the board of directors of the Queensway Hospital, including serving as Treasurer and Finance Committee Chairman. Mr. Korhonen is also currently a director of Surge Holding, Inc. and chairman of the audit committee. Mr. Korhonen is currently the Chairman of the Audit Committee of the Company.

David Butler is a retired business executive, the former owner of Marshall Fenn Ltd., a Toronto based integrated marketing company, and the MF Group of Companies that included Jeeves Travel Agency, MF Incentives Inc. and Newfound Communications. Mr. Butler grew MF Incentives into the United States, the United Kingdom, France, Australia and New Zealand. He is a former director of Tracker Corporation of America, Universal Medical History & Information, Inc., and Mercy International. Mr. Butler has served on the executive of the United Way in Oakville and volunteered with other agencies including the Canadian Cancer Society, the Heart and Stroke Foundation, Red Cross, Adult Cerebral Palsy Institute and the Salvation Army Red Shield Appeal. He served two terms on the board of directors of the Foundation of Guelph General Hospital and remains a member of the fund raising committee.

Audit Committee Oversight

There have been no recommendations of the Audit Committee since the commencement of the Company's most recently completed fiscal year that the Board has not adopted.

Reliance on Certain Exemptions

As the Corporation is a "venture issuer", it is relying on the exemptions provided by section 6.1 of NI 52-110 with respect Part 5 – Reporting Obligations of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

LEGAL PROCEEDINGS

On March 7, 2012, the Company announced that it had commenced legal proceedings against MVB Asset Management Inc. (“**MVB**”) and certain of its principals for a declaration that a consulting agreement between the Company and MVB is of no force or effect or alternatively that MVB breached the terms of that agreement. The Company is seeking cancellation of options previously issued or issuable to certain principals of MVB and damages. On April 23, 2012, the Company received MVB’s response to the claim made by the Company against MVB which included a counterclaim against the Company. The Board believes that MVB’s counterclaim is without merit. The Company will vigorously pursue its claims against MVB and its defense of the counterclaim.

TRANSFER AGENT AND REGISTRAR

Heritage Transfer Agency Inc. has been appointed as the Company’s registrar and transfer agent.

DIRECTORS’ AND OFFICERS’ INSURANCE AND INDEMNIFICATION

The Company has purchased insurance for the benefit of directors and officers of the Company against any liability incurred by them in their capacity as directors and officers, subject to certain limitations contained in the *Business Corporations Act* (Ontario). The premium for such insurance for the most recently completed financial year was \$16,740. The policy provides coverage to each director and officer of \$2 million, per claim and in the aggregate, in the policy year from January 30, 2014 to January 30, 2015, subject to certain exceptions and subject to a deductible of \$25,000 in respect of certain insured claims. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Company’s by-laws provide that the Company will indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Company’s request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including amounts paid to settle an action or to satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of the association with the Company or other entity if the individual acted honestly and in good faith with a view to the best interests of the Company or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Company’s request. If the Company becomes liable under the terms of its by-laws, the insurance coverage will extend to its liability subject to a deductible of \$25,000. The Company has also entered into contractual indemnification agreements with its directors and officers pursuant to which the Company has agreed to indemnify such persons.

ADDITIONAL INFORMATION

Additional information relating to the Company is filed on the System for Electronic Data Analysis and Retrieval (“SEDAR”) under the Company’s profile and can be accessed on the internet at www.sedar.com. Financial information is provided in the Company’s comparative financial statements and in its management discussion and analysis (“MD&A”) for its most recently completed financial year and interim periods since such time. Shareholders may request copies of such financial statements and MD&A by mailing a request to: 1120 Finch Avenue West, Suite 503, Toronto, Ontario M3J 3H7, Attention: President and Chief Executive Officer, telephone (416)

410-2019. Copies of the above documents will be provided, upon request, free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person or company not a securityholder of the Company who requests a copy of any such document. The foregoing documents are also available on SEDAR.

OTHER MATTERS

The directors of the Company are not aware of any other matters which they anticipate will come before the Meeting as of the date of the mailing of this Circular.

BOARD APPROVAL

The contents and sending of this Circular have been approved by the Board of Directors of the Company.

DATED this 15th day of July, 2014

On behalf of the Board of Directors of

BIOSENTA INC.

(signed) "Bruce Lewis"
Chairman

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Charter of the Audit Committee of the Board of Directors

I. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of the Company

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part III of this Charter.

II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the external auditors.

III. RESPONSIBILITIES

A. Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.

3. The Committee shall review the external auditors' audit plan, including scope, procedures and timing of the audit.
4. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
5. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within generally accepted accounting principles that were discussed with management, their ramifications, and the external auditors preferred treatment and material written communications between the Company and the external auditors.
6. The Committee shall pre-approve all non-audit services not prohibited by law to be provided by the external auditors.
7. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
8. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
9. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

B. Financial Accounting and Reporting Process

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with generally accepted accounting principles and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review management's discussion and analysis relating to annual and interim financial statements, earnings press releases, and any other public disclosure documents that are required to be reviewed by the Committee under any applicable laws prior to their being filed with the appropriate regulatory authorities.
3. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters,

deems appropriate.

4. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements other than earnings press releases, and periodically assess the adequacy of these procedures.
5. The Committee shall establish procedures for:
 - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall provide oversight to related party transactions entered into by the Company.

C. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

IV. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, securities laws, the listing requirements of the TSX Venture Exchange, the *Business Companies Act* (Ontario) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time, one of whom shall be designated by the Board to serve as Chair.
3. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
4. If within one-half of an hour of the time appointed for a meeting of the Committee, a

quorum is not present, the meeting shall stand adjourned to the same time on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one-half of an hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same time on the next business day following the date of such meeting at the same place. If at the second adjourned meeting a 'quorum' as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

5. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
6. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
7. Any member of the Committee may participate in a meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
8. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
9. The Committee may invite such officers, directors and employees of the Company and its subsidiaries as it may see fit, from time to time, to attend meetings of the Committee.
10. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

