

**THIS AMENDING AGREEMENT** made as of the 12<sup>th</sup> day of July, 2011

**B E T W E E N:**

**MEDWELL CAPITAL CORP.**, a corporation continued under the laws of Alberta ("**Medwell**")

- and -

**SPECTRAL DIAGNOSTICS INC.**, a corporation amalgamated under the laws of Ontario ("**Spectral**")

**WHEREAS** the Parties entered into an arrangement agreement dated June 28, 2011 (the "Arrangement Agreement") pursuant to which they agreed, among other things, to complete the Plan of Arrangement;

**AND WHEREAS** the Parties desire to amend the Arrangement Agreement and the Plan of Arrangement;

**NOW THEREFORE THIS AGREEMENT WITNESSETH THAT** in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

1. Capitalized terms not otherwise defined herein have the meaning given in the Arrangement Agreement.
2. The Arrangement Agreement is hereby amended by deleting the Plan of Arrangement contained at Schedule A to the Arrangement Agreement in its entirety and replacing it with Schedule A attached hereto.
3. In all other respects the Arrangement Agreement and Plan of Arrangement shall remain unamended and in full force and effect.
4. On and after the date of this Amending Agreement, any reference to "this Agreement" in the Arrangement Agreement and any reference to the Arrangement Agreement in any other agreements will mean the Arrangement Agreement as amended by this Amending Agreement.
5. This Amending Agreement constitutes the entire agreement among the Parties with respect to the amendments contemplated in this Amending Agreement and except to the extent restated in this Amending Agreement, supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, the purpose of which were to amend the Arrangement Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in implementing the amendments contemplated by this Amending Agreement.
6. This Amending Agreement becomes effective when executed by all of the Parties. After that time, it is binding upon and enures to the benefit of the Parties and their respective successors and permitted assigns.
7. This Amending Agreement is governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable in Alberta.

8. This Amending Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together constitute one and the same instrument.

**IN WITNESS WHEREOF** the Parties have executed this Agreement.

**MEDWELL CAPITAL CORP.**

By: (Signed) Kevin Giese

Name: Kevin Giese

Title: President and Chief Executive Officer

**SPECTRAL DIAGNOSTICS INC.**

By: (Signed) Tony Businkas

Name: Tony Businkas

Title: Executive Vice President and Chief  
Financial Officer

**SCHEDULE "A"**  
**PLAN OF ARRANGEMENT – MEDWELL CAPITAL CORP.**

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, capitalized terms used herein and not otherwise defined have the respective meanings ascribed to them below or otherwise as set forth in the Arrangement Agreement.

**"Arrangement Agreement"** means the arrangement agreement dated June 28, 2011, as amended as of July 12, 2011 between Medwell and Spectral, as it may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms; and

**"Insider"** has the meaning ascribed to that term in the *Securities Act* (Alberta).

**"Medwell Articles"** means the articles of continuance of Medwell.

**"Medwell Non-Insider Options"** means Options held by Persons who are not Insiders of Medwell and entitle them to purchase 1,995,125 Medwell Shares at a price of \$0.50 per Medwell Share, 415,000 Medwell Shares at a price of \$0.37 per Medwell Share and 817,500 Medwell Shares at a price of \$0.295 per Medwell Share.

**"Medwell Notes"** means non-interest bearing, unsecured promissory notes of Medwell, with each whole Medwell Note having a principal amount equal to the fair market value of one Spectral Share at the time of issuance of such note, and which note is repayable only by the delivery of one Spectral Share.

**"Medwell Stock Option Plan"** means the amended and restated stock option plan of Medwell dated May 17, 2002, as amended April 27, 2005, January 5, 2006 and May 9, 2008.

**"New Medwell Common Shares"** means a new class of shares consisting of an unlimited number of voting common shares of Medwell, which have the terms and conditions set out in the attached Appendix "A".

**"New Medwell Preferred Shares"** means a new class of shares consisting of an unlimited number of preferred shares of Medwell, which have the terms and conditions set out in the attached Appendix "A".

**"Note Distribution Amount"** means the quotient obtained when 18,133,333 is divided by the number of Medwell Shares that are issued and outstanding immediately prior to the Effective Time.

**"Old Medwell Class "A" Shares"** means the voting Class "A" shares in the capital of Medwell.

**"Old Medwell Other Shares"** means, collectively, (i) the voting Class "B" Shares in the capital of Medwell; (ii) the non-voting Class "C" Shares in the capital of Medwell; (iii) the non-voting Class "D" Shares in the capital of Medwell; (iv) the Class "E", Class "F" and Class G non-voting

redeemable retractable preferred Shares in the capital of Medwell; and (v) the Class "H" and Class "I" non-voting redeemable retractable preferred Shares in the capital of Medwell.

"**Options**" means options to purchase Medwell Shares granted pursuant to the Medwell Stock Option Plan or any other stock option plan of Medwell.

"**paid-up capital**" has the meaning ascribed to such term for purposes of the Tax Act.

"**Share Distribution Amount**" means the quotient obtained when 36,149,501 is divided by the number of Medwell Shares that are issued and outstanding immediately prior to the Effective Time.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time.

## 1.2 **Certain Rules of Interpretation**

In this Plan of Arrangement:

- (a) **Currency** - Unless otherwise specified, all references to money amounts are to lawful currency of Canada.
- (b) **Headings** - The insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.
- (c) **Including** - Where the word "including" or "includes" is used in this Plan of Arrangement, it means "including (or includes) without limitation".
- (d) **Number and Gender** - In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and *vice versa*, and words importing gender include all genders.
- (e) **Statutory References** - A reference to a statute includes all rules and regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supersedes any such statute or any such regulation or rule.
- (f) **Time** - Time is of the essence in every matter or action contemplated hereunder. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next business day if the last day of the period is not a business day.

## **ARTICLE 2 EFFECT OF THE ARRANGEMENT**

### 2.1 **Arrangement Agreement**

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

### 2.2 **Binding Effect**

This Plan of Arrangement will become effective at the Effective Time and will be binding at and after the Effective Time on:

- (a) Medwell;
- (b) all of the Medwell Shareholders;
- (c) the registrar and transfer agent in respect of the Medwell Shares;
- (d) Spectral;
- (e) the registrar and transfer agent in respect of the Spectral Shares; and
- (f) the Escrow Agent.

### **ARTICLE 3 ARRANGEMENT**

#### **3.1 Events Occurring Within the Plan**

Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur, except as otherwise expressly noted, two minutes apart and in the following order without any further authorization, act or formality required on the part of any Person, except as expressly provided herein:

- (a) The authorized share capital of Medwell shall be reorganized as follows:
  - (i) the Old Medwell Other Shares shall be removed as classes of authorized shares from the share capital of Medwell, and the Medwell Articles shall be amended accordingly;
  - (ii) the New Medwell Common Shares and the New Medwell Preferred Shares shall be created, and the Medwell Articles shall be amended accordingly;
  - (iii) each issued and outstanding Old Medwell Class "A" Share shall be exchanged, and shall be deemed to be exchanged with Medwell (without any action on the part of the holder of the Old Medwell Class "A" Share) in consideration for:
    - (A) one New Medwell Share,
    - (B) the Share Distribution Amount of a Spectral Share, and
    - (C) the Note Distribution Amount of a Medwell Note,

provided that the aggregate number of Spectral Shares and Medwell Notes received by each former holder of Old Medwell Class "A" Shares in exchange for all Old Medwell Class "A" Shares held by such holder pursuant to the exchange described in this paragraph (a)(iii) shall be rounded down to the nearest whole number of Spectral Shares and Medwell Notes and no compensation will be paid to such former holder of Old Medwell Class "A" Shares in respect of such fractional Spectral Shares and Medwell Notes;

- (iv) upon the exchange described in paragraph (a)(iii), each Old Medwell Class "A" Share shall thereupon be cancelled;
  - (v) each former holder of Old Medwell Class "A" Shares shall cease to be the holder of such Old Medwell Class "A" Shares so exchanged and such holder's name shall be removed from the central securities register of Medwell in respect of such shares at such time;
  - (vi) each former holder of Old Medwell Class "A" Shares shall be and shall be deemed to be the holder of the New Medwell Common Shares, free and clear of any lien, exchanged for the Old Medwell Class "A" Shares on the Effective Date and shall be entered in the central securities register of Medwell as the holder thereof;
  - (vii) each certificate which immediately prior to the Effective Time represented any Old Medwell Class "A" Shares shall be deemed after the Effective Time to represent New Medwell Common Shares, as contemplated by Section 3.1(a)(iii) and the terms of this Plan of Arrangement; and
  - (viii) the stated capital of Medwell in respect of the issued and outstanding New Medwell Common Shares will be equal to the amount, if any, by which the aggregate paid-up capital in respect of the Old Medwell Class "A" Shares immediately prior to the exchange described in paragraph (a)(iii) above exceeds the aggregate fair market value of the Spectral Shares and Medwell Notes received by the former holders of Old Medwell Class "A" Shares in connection with paragraph (a)(iii) above.
- (b) The Medwell Articles shall be amended to provide that meetings of the shareholders of Medwell may be held outside Alberta.
  - (c) Medwell shall subscribe for such number of Spectral Shares (rounded down to the nearest whole Spectral Share) as is equal to the quotient obtained when \$10,000,000 is divided by \$0.30 and Spectral shall issue to Medwell such number of fully paid and non-assessable Spectral Shares.
  - (d) The Medwell Notes shall be redeemed and Medwell shall satisfy in full its obligations under such Medwell Notes by delivering to the holders of such Medwell Notes one Spectral Share for each whole Medwell Note held by them, and each such Medwell Note shall thereupon be cancelled.
  - (e) Following the events outlined above in this Article 3.1, the authorized share capital of Medwell shall consist of the New Medwell Common Shares and the New Medwell Preferred Shares.
  - (f) The by-laws of Medwell shall be amended to provide that, in the case of an equality of votes at a meeting of the board of directors of Medwell, the chairman of the board shall be entitled to a second or casting vote.
  - (g) The exercise price of the Medwell Non-Insider Options will be deemed to be reduced as follows:
    - (i) the 1,995,125 Medwell Non-Insider Options with an exercise price of \$0.50 per Old Medwell Class "A" Share shall have their exercise price reduced to \$0.24 per New Medwell Common Share;

- (ii) the 415,000 Medwell Non-Insider Options with an exercise price of \$0.37 per Old Medwell Class "A" Share shall have their exercise price reduced to \$0.178 per New Medwell Common Share; and
- (iii) the 817,500 Medwell Non-Insider Options with an exercise price of \$0.295 per Old Medwell Class "A" Share shall have their exercise price reduced to \$0.142 per New Medwell Common Share.

#### **ARTICLE 4 PAYMENTS AND DELIVERABLES**

##### **4.1 Payment of Consideration by Medwell and Delivery of Securities**

On or before the Effective Date, in satisfaction of its obligations under this Plan of Arrangement:

- (a) Pursuant to events contemplated in Section 3.1(a) hereof, Medwell shall deliver certificates representing an aggregate of 36,149,501 fully paid and non-assessable Spectral Shares to the Escrow Agent for the benefit of the Medwell Shareholders;
- (b) Pursuant to subscription by Medwell for the Spectral Shares contemplated in Section 3.1(c) hereof:
  - (i) Medwell shall pay the sum of \$10,000,000 to the Escrow Agent for the benefit of Spectral; and
  - (ii) Spectral shall deliver to the Escrow Agent certificates representing such number of fully paid and non-assessable Spectral Shares (rounded down to the nearest whole Spectral Share) as is equal to the quotient obtained when \$10,000,000 is divided by \$0.30.

##### **4.2 Delivery of Consideration by the Escrow Agent**

Promptly following the Effective Date, in satisfaction of its delivery obligations under, and pursuant to, this Plan of Arrangement and the Escrow Agreement, the Escrow Agent shall:

- (a) pay the sum of \$10,000,000 to or to the order of Spectral in respect of the events contemplated in Section 3.1(c);
- (b) distribute certificates representing the fully paid and non-assessable Spectral Shares to the Medwell Shareholders in respect of the events contemplated in Sections 3.1(a) and (d); and
- (c) distribute certificates representing the fully paid and non-assessable Spectral Shares to Medwell in respect of the events contemplated in Sections 3.1(c) and (d).

##### **4.3 Withholding Taxes**

Medwell (and the Escrow Agent on behalf of Medwell) shall be entitled to deduct and withhold from any amount payable hereunder, all Taxes which Medwell (and the Escrow Agent on behalf of Medwell), are required or are entitled to deduct and withhold under the Tax Act, the Code and/or under any provision of any applicable Law. Any such withheld amounts shall be timely remitted by Medwell (and the Escrow Agent on behalf of Medwell), to the appropriate Governmental Authority. To the extent

that such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Plan of Arrangement as having been paid to the person to whom such amounts would otherwise have been paid.

## **ARTICLE 5 AMENDMENTS**

### **5.1 Amendments**

Medwell reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time provided that any such amendment, modification or supplement must be contained in a written document that is:

- (a) filed with the Court and, if made following the Medwell Meeting, approved by the Court;
- (b) communicated to Medwell Shareholders in the manner required by the Court (if so required); and
- (c) approved by Spectral, acting reasonably.

### **5.2 Effectiveness of Amendments Made Prior to or at the Fund Meeting**

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Medwell at any time prior to or at the Medwell Meeting (provided that Spectral shall have consented thereto, acting reasonably) with or without any other prior notice or communication, and, if so proposed and accepted by the Medwell Shareholders voting at the Medwell Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

### **5.3 Effectiveness of Amendments Made Following the Medwell Meeting**

- (a) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Medwell Meeting shall be effective only if: (i) it is consented to by each of Medwell and Spectral (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by some or all of the Medwell Shareholders voting in the manner directed by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date if consented to by each of Medwell and Spectral (in each case, acting reasonably), provided that it concerns a matter which, in the reasonable opinion of Medwell and Spectral, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic or financial interests of any Medwell Shareholder.

## **ARTICLE 6 FURTHER ASSURANCES**

### **6.1 Further Assurances**

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

## APPENDIX "A"

### TERMS AND CONDITIONS OF NEW MEDWELL COMMON SHARES AND THE NEW MEDWELL PREFERRED SHARES

The authorized share capital of Medwell Capital Corp. (the "Corporation") is as follows:

1. An unlimited number of common shares (the "Common Shares"), without nominal or par value, having attached thereto the rights, privileges, restrictions and conditions as set forth below:
  - a. Except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class, the holders of the Common Shares shall be entitled to receive notice of, to attend and to vote at every meeting of the shareholders of the Corporation and shall have one vote thereat for each Common Share so held.
  - b. Subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares of the Corporation, the Board of Directors of the Corporation may from time to time declare dividends on the Common Shares, and the Corporation shall, out of the monies of the Corporation properly applicable to the payment of dividends, pay such dividends to the holders of the Common Shares. For the purpose hereof, the holders of the Common Shares may receive such dividends as shall be determined from time to time by the Board of Directors, whose determination shall be conclusive and binding upon the Corporation and the holders of the Common Shares.
  - c. Subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares of the Corporation, in the event of a distribution of the remaining property of the Corporation on a liquidation, dissolution or winding-up of the Corporation or upon any distribution of the assets of the Corporation among shareholders being made (other than by way of dividend out of the monies properly applicable to the payment of dividends), the holders of the Common Shares shall be entitled, on a proportionate basis, to share equally.
2. An unlimited number of Preferred Shares, without nominal or par value, having attached thereto the rights, privileges, restrictions and conditions as set forth below:
  - a. The Board of Directors of the Corporation may from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may before issuance thereof be determined by the Board of Directors.
  - b. The Board of Directors of the Corporation may by resolution amend the articles of the Corporation (subject as hereinafter provided) to create any series of Preferred Shares and to fix, before issuance, the designation, rights, privileges, restrictions and conditions to attach to the Preferred Shares of each series, including, without limiting the generality of the foregoing, the rate, form, entitlement and payment of preferential dividends, the dates and place of payment thereof, the redemption price, terms, procedures and conditions of redemption, if any, voting rights and conversion rights (if any) and any sinking fund, purchase fund or other provisions attaching to the Preferred Shares of such series; and provided, however, that no shares of any series shall be issued until the Corporation has filed articles of amendment with the Registrar of Corporations, or such designated person in any other jurisdiction in which the Corporation may be continued.

- c. If any cumulative dividends or amounts payable on a return of capital in respect of a series of Preferred Shares are not paid in full, the shares of all series shall participate rateably in respect of accumulated dividends and return of capital.
- d. The Preferred Shares shall be entitled to preference over the Common Shares of the Corporation and any other shares of the Corporation ranking junior to the Preferred Shares with respect to the payment of dividends, if any, and in the distribution of assets in the event of a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, and may also be given such other preferences over the Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares as may be fixed by the resolution of the Board of Directors of the Corporation as to the respective series authorized to be issued.
- e. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to the priority of payment of dividends and in the distribution of assets in the event of a liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, exclusive of any conversion rights that may affect the aforesaid.
- f. No dividends shall at any time be declared or paid on or set apart for payment on any shares of the Corporation ranking junior to the Preferred Shares unless all dividends, if any, up to and including the dividend payable for the last completed period for which such dividend shall be payable on each series of the Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such shares of the Corporation ranking junior to the Preferred Shares, nor shall the Corporation call for redemption or redeem or purchase for cancellation or reduce or otherwise pay off any of the Preferred Shares (less than the total amount then outstanding) or any shares of the Corporation ranking junior to the Preferred Shares unless all dividends, if any, up to and including the dividend payable on each series of the Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.
- g. The Preferred Shares of any series may be purchased for cancellation or made subject to redemption by the Corporation out of capital pursuant to the provisions of the Business Corporations Act, if the Board of Directors of the Corporation so provide in the resolution of the Board of Directors relating to the issuance of such Preferred Shares, and upon such other terms and conditions as may be specified in the designations, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each such series as set forth in the said resolution of the Board of Directors and the articles of amendment of the Corporation relating to the issuance of such series.
- h. The holders of the Preferred Shares shall not, as such, be entitled as of right to subscribe for or purchase or receive any part of any issue of shares, bonds, debentures or other securities of the Corporation now or hereafter authorized.
- i. No class of shares may be created, or have its rights and privileges increased, to rank on a parity with, or in priority to, the Preferred Shares with regard to the rights and privileges thereof, and without limiting the generality of the foregoing, capital and dividends, without the approval of the holders of the Preferred Shares.

- j. Except where required by the Business Corporations Act, the holders of the Preferred Shares shall not, as such, be entitled to receive notice of, to attend or to vote at meetings of the shareholders of the Corporation.