ANNUAL INFORMATION FORM

MEDWELL CAPITAL CORP.
(the "Corporation")

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2011

March 21, 2012

TABLE OF CONTENTS

CORPORATE STRUCTURE

Name, Address and Incorporation

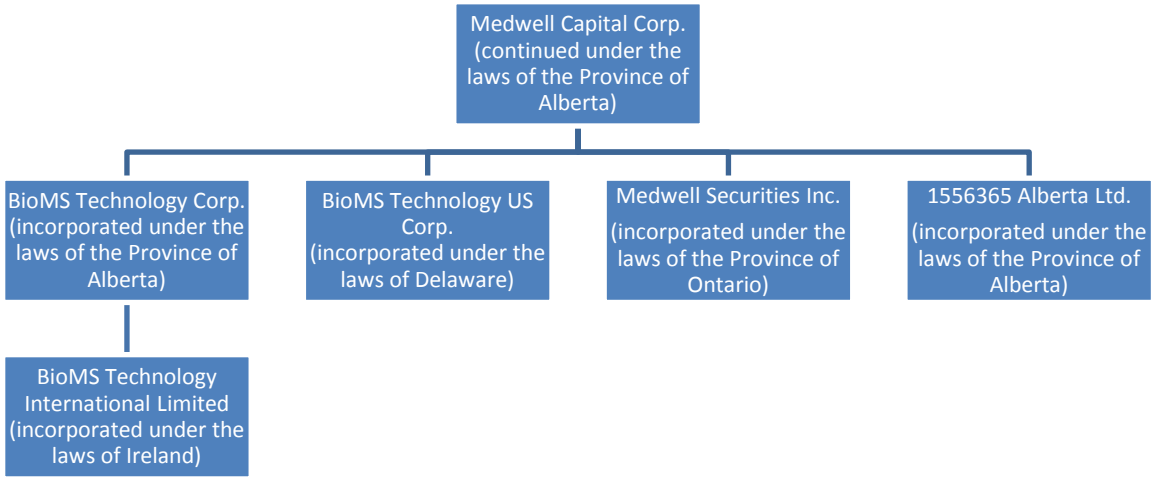
Medwell Capital Corp. ("the Corporation" or "Medwell") was incorporated pursuant to the provisions of the *Company Act* (British Columbia) on December 15, 1998, under the name "576693 BC Ltd.". The Corporation changed its name to "EPS Capital Corp." on February 9, 2000, and to BioMS Medical Corp. on July 30, 2001. On July 6, 2010, the Corporation changed its name to Medwell Capital Corporation. The Corporation was continued to the Province of Alberta on July 31, 2001, and the Corporation is now governed by the *Business Corporations Act* (Alberta). The head office of the Corporation is located at 6030 – 88 Street, Edmonton, Alberta T6E 6G4. The registered office of the Corporation is located at 2900 Manulife Place, 1080 – 101 Street, Edmonton, Alberta, T5J 3V5.

Inter-corporate Relationships

The Corporation has five (5) subsidiaries, BioMS Technology Corp. ("BioMS Tech"), BioMS Technology U.S. Corp. ("BioMS U.S."), BioMS Technology International Limited ("BioMS International"), Medwell Securities Inc. ("MSI") and 1556365 Alberta Ltd.

MSI was incorporated under the laws of the Province of Ontario on November 25, 2008, under the name Firstport Capital Corp. and on November 15, 2010, changed its name to Medwell Securities Inc. BioMS Tech was incorporated under the laws of the Province of Alberta on December 31, 1998, under the name 812867 Alberta Ltd., changed its name to Rycor Technology Investments Corp. on January 19, 2000, and changed its name to BioMS Technology Corp. on May 6, 2004. BioMS U.S. was incorporated pursuant to the laws of Delaware on April 10, 2006. BioMS International was incorporated pursuant to the laws of Ireland on August 31, 2005. 1556365 Alberta Ltd. was incorporated under the laws of the Province of Alberta on September 1, 2010. All of the issued and outstanding common shares of MSI, BioMS Tech, BioMS U.S. and 1556365 Alberta Ltd. are owned by the Corporation. All of the issued and outstanding common shares of BioMS International are owned by BioMS Tech.

The corporate structure of the Corporation and its 100% wholly owned subsidiaries is as follows:



Refer to "General Development of the Business".

GENERAL DEVELOPMENT OF THE BUSINESS

Description of the Business and Three Year History

Medwell is an investment and advisory firm which directly invests in and advises companies on strategy and technology development. Medwell's investments are primarily in the healthcare sector and comprise investments in equity, debt and convertible securities, which are acquired for capital appreciation and shorter-term gains.

Medwell sees an undercapitalized healthcare sector, with many North American companies facing less than one year's operating capital and reduced management expertise. The Corporation has and continues to evaluate numerous opportunities that could potentially benefit from its access to capital resources, and management expertise. The majority of the Corporation's investment in the healthcare sector is in two companies to which Medwell has nominated directors. The Corporation also has a contract to provide clinical, regulatory and corporate advisory services to one of the companies.

In the past year the Corporation undertook a corporate reorganization in which it terminated a number of employees and reduced the scope of the investment banking, technology and corporate consulting services it provides. As part of the reorganization, Medwell Securities Inc. ("MSI"), which provided investment banking advisory services, terminated its employees and voluntarily surrendered its registration with the Ontario Securities Commission ("OSC") as an Exempt Market Dealer ("EMD") on December 29, 2011.

Investment Approach and Policy

The Corporation will invest in equity, debt, convertible securities or other instruments of other corporations or entities, and primarily in the healthcare sector.

Investments in the healthcare sector may involve healthcare, medical, or biopharmaceutical product development, sales, distribution or services.

Medwell will generally target investments that offer a potential increase in value and which have an identifiable opportunity for an investment exit within a 3 to 5 year time horizon. The basis for a potential increase in value can derive from a number of factors, including: possession of unique proprietary technology or strong competitive positioning in the market; opportunity for development of a technology through pre-clinical or clinical studies; development or growth in revenues; licensing, merger and acquisitions events; or other value-creating corporate or industry developments. The investments may be acquired and held for short or medium term gain or long-term capital appreciation.

Medwell's investments will be in compliance with securities regulations. When making equity investments in corporations, Medwell will primarily target ownership positions less than 20% in investee companies, and/or where it may place one or more nominees on the boards of directors and/or contract with the investee companies to provide strategic counsel in areas such as clinical, regulatory, quality assurance, manufacturing, pre-marketing, partnering, financing and capital structure, potential acquisitions and exit strategies.

Investment Evaluation Process

Medwell evaluates securities of an issuer using an evaluation method consistent with the method used to evaluate securities of other issuers in the industry. In selecting securities for our portfolio, we will consider various factors in relation to any particular issuer, including:

a) inherent value of its assets or intellectual property;
b) proven management, clearly-defined management objectives and strong technical and professional support;
c) future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
d) anticipated rate of return and the level of risk;
e) financial performance;
f) ownership structure;
g) potential follow on opportunities and use of advisory services; and
h) exit strategies and criteria.

Governance Process

a) The Board of Directors of Medwell ("Board") will appoint an Investment Committee in consultation with the CEO, pursuant to a Charter of the Investment Committee. The Board, or a sub-committee of the Board, will act in the capacity of the Investment Committee in the absence of its appointment.
b) The Board will determine the amount of money available to be invested from time to time ("Investment Capital"), and at a minimum will review the amount on an annual basis.
c) The Investment Committee will generally oversee the investment process, and will determine authority limits on investments by management.
d) Decisions involving the making, managing and divesting of investments will generally be the responsibility of management, which will act pursuant to the Investment Policy, guidelines provided by the Investment Committee, and standard operating procedures.

Investment Restrictions

The Corporation conducts its investment activities within the general parameters of the investment objectives and strategy but subject to certain specific restrictions. In pursuing the strategy, the Corporation will not:

(i) purchase securities of any issuer of which more than 5% of the issued and outstanding voting securities are beneficially owned, either directly or indirectly, by an officer or director of Medwell, or by any person who is a substantial security holder of Medwell or by any person who is a consultant to Medwell, or any combination thereof and such officer, director, substantial security holder or consultant must disclose his or her interest to us and, in the case of a director, abstaining from voting on any directors' resolution approving the investment;

(ii) purchase securities from or sell or loan securities to any person who is an officer or director of Medwell, or a substantial security holder of Medwell, or any person who is a consultant to Medwell;

(iii) purchase securities of any "open" or "closed-end" investment funds;

(iv) engage in the business of underwriting securities;

(v) purchase or sell commodities or futures contracts; or

(vi) purchase or sell mortgages.

For the purposes of the foregoing restrictions on our investment activities:

> "substantial security holder" means a person or corporation or group of persons or corporations which own beneficially, either individually or together, or directly or indirectly, voting securities to which are attached more than 10% of the voting rights attached to all of the voting securities of Medwell for the time being outstanding; and
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> "voting securities" means any security other than a debt security of an issuer carrying the voting rights either under all circumstances or under some circumstances that have occurred and are continuing.

All investment decisions that involve the disbursement of greater than 10% of the Investment Capital of the Corporation will require approval of the Investment Committee. Management has discretion in respect of investments which involve the disbursement of less than 10% of the Investment Capital of the Corporation. Where investment policies and restrictions are based upon a percentage of our funds, such percentages are based upon the acquisition cost of our assets determined at the time of investment. Any subsequent change in any applicable percentage resulting from changing values of assets will not require disposing of any security. In the event that we propose to acquire convertible debt instruments for our portfolio, the investment policies and restrictions will be based on the assumption that the debt instruments have in fact been converted.

Valuation Policy

We value our investments in entities based on fair value unless circumstances exist that would require the equity method of accounting be used. Details of our investment valuations using each of these methods are provided below.

Investments Valued Using Fair Value Method

At the end of each financial reporting period, management estimates the fair value of investments (which are all held-for-trading) based on the criteria below and reflects such valuations in the consolidated financial statements.

(A) Publicly-traded investments (i.e., securities of issuers that are public companies):

1. Securities, including shares, options, and warrants which are traded on a recognized securities exchange and for which no sales restrictions apply are recorded at fair values based on quoted closing bid prices at the last day of the financial reporting period or the closing bid price on the last day the security traded if there were no trades on the last day of the financial reporting period.

2. Securities which are traded on a recognized securities exchange but which are escrowed or otherwise restricted as to sale or transfer are recorded at amounts discounted from market value to a maximum of 10%. In determining the discount for such investments, the Corporation considers the nature and length of the restriction.

3. For warrants which are not traded on a recognized securities exchange, no market value is readily available. When there are sufficient and reliable observable market inputs, a

valuation technique such as Black-Scholes is used; if no such market inputs are available, the warrants are valued at intrinsic value, which is equal to the higher of the closing bid price on the last day of the financial reporting period of the underlying security less the exercise price of the warrant, and zero.

(B) Private company investments (securities of issuers that are not public companies):

All privately-held investments are initially recorded at cost (other than options and warrants which are carried at nil), being the fair value at the time of acquisition. Thereafter, at the end of each financial reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below.

The determinations of fair value of the Company's privately-held investments at other than initial cost are subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable. Use of the valuation indicators described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these indicators may not be realized or realizable.

The following circumstances are used to determine if the fair value of a privately-held investment should be adjusted upward or downward at the end of reporting period. In addition to the events described below which may affect a specific investment, Medwell will take into account general market conditions when valuing privately-held investments in its portfolio. Absent the occurrence of any of these events, the fair value of the investment is left unchanged.

The fair value of a privately-held investment may be adjusted upward if:

1. There has been a significant subsequent equity financing provided by outside investors, at a valuation above the current fair value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place; or

2. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable.

Such events include, without limitation:

i. receipt by the investee company of regulatory approvals from the United States Food and Drug Administration, Health Canada or similar approvals, which allow the investee company to proceed with its project(s);

ii. filing by the investee company of a technical report in respect of its technology;

iii. release by the investee company of positive results, which either proves or greatly expands their prospects; and

iv. important, positive management changes by the investee company that we believe will have a very positive impact on the investee company's ability to achieve its objectives and build value for shareholders.

The fair value of a privately-held investment may be adjusted downward if:

1. There has been a significant subsequent equity financing provided by outside investors, at a valuation below the current fair value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;

2. the investee company is placed into receivership or bankruptcy;

3. based on financial information received from the investee company, it is apparent to the Corporation that the investee company is unlikely to be able to continue as a going concern; or

4. there have been significant corporate, political or operating events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and therefore its fair value. The amount of the change to the fair value of the investment is based on management's judgment and any value estimated may not be realized or realizable.

(C) Other investment instruments:

(i) Convertible debentures and convertible notes are carried as though converted to common shares.

(ii) Cumulative dividends expected to be received are included in the fair value of each investment.

Investments Valued Using Equity Method

Investments in which we have control, are accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter to reflect our pro rata share of income or loss of the equity accounted investment and any dividends received from the investment. Our share of net income or losses of such investments is included in our consolidated statements of operations.

Investments

Spectral Diagnostics Inc.

On December 17, 2009, the Corporation announced its participation in a syndicated investment financing in Spectral Diagnostics Inc. ("Spectral"). Under the terms of the financing Medwell acquired 30,000,000 units (the "Units") of Spectral at a price of $0.40 per Unit. Each Unit consists of one common share of Spectral and one-half of one common share purchase warrant ("Warrant"), each whole warrant entitling the holder thereof to acquire one common share of Spectral at a price of $0.60 per common share on or before March 2, 2014.

On March 28, 2011, the Corporation announced it acquired common shares and common share purchase warrants ("Warrants") of Spectral Diagnostics Inc. ("Spectral"), in a non-brokered, private transaction. Under the terms of the transaction, Medwell acquired 6,449,501 common shares of Spectral at a price of $0.27 per common share and 962,500 Warrants of Spectral at a price of $0.01 per warrant for an aggregate cost of $1,741,000. 462,500 of the Warrants entitled the holder thereof to acquire one common share of Spectral at a price of $0.47 per common share on or before June 19, 2011. 500,000 of the Warrants

entitle the holder thereof to acquire one common share of Spectral at a price of $0.60 per common share on or before March 2, 2014.

On September 9, 2011, Medwell and Spectral announced that the companies completed an arrangement, pursuant to a plan of arrangement (the "Arrangement"). Medwell acquired a further 33,333,333 Spectral common shares (the "Spectral Shares") for $10 million, at a subscription price of $0.30 per share, the gross proceeds of which will be used primarily to advance Spectral's Toraymyxin, a treatment for severe sepsis, through to the end of its U.S. Phase III EUPHRATES trial and data release.

Pursuant to the Arrangement, Medwell distributed 54,282,834 Spectral Shares to its shareholders. Each Medwell shareholder of record received approximately six-tenths (6/10ths) of a Spectral share for each Medwell share owned.

As at the date of this Annual Information Form ("AIF"), Medwell holds 15,200,000 Spectral Shares, representing approximately 13.4% of the issued and outstanding Spectral Shares (calculated on a non-diluted basis), and also holds 15,200,000 Spectral warrants, which are exercisable at $0.60 and expire on March 2, 2014.

On March 10, 2010, Kevin Giese and Laine Woollard, both of whom are directors of Medwell, were appointed to the Spectral Board of Directors. As part of the Arrangement, Kevin Giese was appointed as Chairman of the Board of Directors of Spectral. As long as Medwell owns in aggregate not less than 10% of the issued and outstanding Spectral Shares (calculated on a non-diluted basis), Medwell will be entitled to specify two of the board nominees in any management proxy circular of Spectral prepared and sent to the Spectral shareholders in respect of meetings at which directors are to be elected.

In connection with the December 17, 2009, financing, Medwell and Spectral agreed to enter into a three year $3 million services agreement whereby Medwell will provide clinical, regulatory and capital marketing consulting services to Spectral. On March 29, 2011, the compensation payable to Medwell under the services agreement with Spectral was increased to $1,500,000 per annum. Under the terms of the Arrangement the services agreement was amended and extended on its current terms to expire on the later of: (i) December 31, 2013; and (ii) the completion of the current EUPHRATES Clinical Trials.

Spectral is seeking United States Food and Drug Administration ("FDA") approval for iToraymyxin, ts lead theranostics product for the treatment for severe sepsis and septic shock. Toraymyxin is a therapeutic hemoperfusion device that removes endotoxin, which can cause sepsis, from the bloodstream. Spectral intends to commercialize Toraymyxin together with its Endotoxin Activity Assay (EAA™), the only FDA cleared diagnostic for the measurement of endotxin. Spectral's EUPHRATES trial is the world's first theranostics trial in the area of sepsis.

Toraymyxin has been approved for therapeutic use in Japan and Europe, and has been used safely and effectively in more than 80,000 patients to date. In March 2009, Spectral obtained the exclusive development and commercial rights in the U.S. for Toraymyxin, and in November 2010, signed an exclusive distribution agreement for this product in Canada. More than 250,000 patients are diagnosed with severe sepsis and septic shock in North America each year, representing a greater than $1 billion market opportunity for Spectral.

Mimetogen Pharmaceuticals Inc.

During 2011, Medwell acquired a total of 2,000,000 Class B preferred shares of Mimetogen at a price of $1.00 per share. Medwell has ownership and control over 14.75% of Mimetogen's issued and outstanding shares. On a fully diluted basis, Medwell has ownership and control of approximately 12.35% of all issued and outstanding shares of Mimetogen.

The Class B preferred shares accrue a fixed, cumulative and preferential dividend at a rate of 8% per annum and have priority over dividends to Class A preferred shares and the common shares of Mimetogen. The Class B preferred shares also contain conversion provisions to common shares of Mimetogen in the event of certain transactions.

Mimetogen is a private company focused on developing the use of peptidomimetics as a novel approach to treating diseases with high unmet medical needs. The underlying technology was developed at McGill University and the Lady Davis Institute for Medical Research in Montréal. Mimetogen is currently developing novel therapeutic approaches for ophthalmic indications including dry eye disease, glaucoma and other degenerative diseases of the retina and also possesses a pipeline of lead compounds for non-ophthalmic indications (such as neurodegenerative disease and pain).

Mimetogen's lead drug candidate for the treatment of dry eye disease, MIM-D3, is a small molecule mimetic of nerve growth factor ("NGF"). NGF is a naturally occurring protein in the eyes that is responsible for the maintenance of corneal nerves and epithelium, mucin and tear production. In contrast to most other products in development or on the market, MIM-D3 is designed to quickly and directly improve the quality of the tears produced by the eyes whilst reducing clinical signs and symptoms such as chronic dryness and grittiness. Dry eye disease is estimated to be a $1 billion US market for which there is currently only one FDA-approved treatment.

Dry eye disease is one of the most common ophthalmic problems, with an estimated 30 million people in North-America suffering from it and a worldwide prevalence closely paralleling that of the United States. Dry eye is a chronic multifactorial disease of the tears, the ocular surface and the adjacent neurological tissue that results in symptoms of discomfort, visual disturbance and tear film instability that may lead to permanent damage and scars to the ocular surface.

Novation Pharmaceuticals Inc.

On June 11, 2010, the Corporation purchased an unsecured convertible debenture in Novation Pharmaceuticals Inc. ("Novation"), a private company, in the amount of $250,000. The debenture matures on June 10, 2012, and simple interest accrues on the outstanding principal amount at 6% per annum. Medwell Director Gordon Politeski is the beneficial owner of approximately 17% of the issued and outstanding shares of Novation and is also a member of the Novation Board of Directors.

Novation focuses on discovering and developing small-molecule therapeutics that modulate messenger RNA ("mRNA") to treat a broad range of diseases. Novation scientists discovered that it is possible to modulate the stability of mRNA with orally available small molecules, an observation that led directly to the development of their proprietary drug discovery technology, called Quest.

Bioniche Life Sciences Inc.

On December 15, 2010, the Corporation completed its participation in the prospectus offering of Bioniche Life Sciences Inc. ("Bioniche"). Medwell acquired 172,414 common shares of Bioniche at a price of $1.45 per common share.

Bioniche Life Sciences Inc. is a research-based, technology-driven Canadian biopharmaceutical company focused on the discovery, development, manufacturing, and marketing of proprietary products for human and animal health markets worldwide. The fully-integrated company employs 217 skilled personnel and has three operating divisions: Human Health, Animal Health, and Food Safety. The Company's primary goal is to develop proprietary cancer therapies supported by revenues from marketed products in human and animal health.

Stonegate Agricom Ltd.

On April 23, 2010, the Corporation completed its participation in the initial public offering of Stonegate Agricom Ltd. ("Stonegate"). Medwell acquired 250,000 units of Stonegate at a price of $1.00 per unit. Each unit consists of one common share of Stonegate and one-half of one common share purchase warrant, each whole warrant entitling the holder to acquire one common share of Stonegate at a price of $1.50 per common share on or before April 22, 2013. The common shares of Stonegate began trading on the TSX under the symbol ST and the warrants under the symbol ST.WT on April 28, 2010.

Stonegate is engaged in the business of acquiring, exploring and developing agricultural nutrient projects and is undertaking to explore and assess the potential for the development of its two principal assets, the Mantaro phosphate project located in Peru (the ‘‘Mantaro Project’’) and the Paris Hills phosphate project located in Bear Lake County, Idaho (the ‘‘Paris Hills Project’’). Stonegate has a 100% interest in both these projects.

Canadian Overseas Petroleum Ltd.

On November 29, 2010, the Corporation completed its participation in the prospectus offering of Canadian Overseas Petroleum Ltd. ("COPL"). Medwell acquired 500,000 units of COPL at a price of $0.50 per unit. Each unit consists of one common share of COPL and one-half of one common share purchase warrant, each whole warrant entitling the holder to acquire one common share of COPL at a price of $0.65 per common share on or before November 28, 2013. The common shares of COPL began trading on the TSX Venture Exchange under the symbol XOP.R on December 1, 2010.

COPL is focused on the oil and gas business in the UK North Sea. Management of COPL has direct geological, geophysical and engineering experience in the UK North Sea as a number of COPL’s senior management were previously employed at Oilexco Incorporated, which itself was focused on the UK North Sea. COPL has identified a number of prospects, including some which are relatively lower risk appraisal and development projects, and others that are relatively higher risk exploration projects with the potential for a high impact on the Company’s asset base.

Previous Business

Dirucotide

Prior to becoming an investment company, the Corporation was a research and development company conducting clinical trials for a treatment for multiple sclerosis ("MS").

Pursuant to an agreement dated December 14, 2000, (the "MBP8298 License Agreement") between BioMS Tech and the Governors of the University of Alberta (the "U of A Governors"), BioMS Tech obtained an exclusive worldwide license to medical technology developed at the Multiple Sclerosis Patient Care and Research Clinic at the University of Alberta for the treatment of MS.

The MBP8298 License Agreement grants BioMS Tech an exclusive worldwide license to make, use, sell and sub-license a synthetically prepared 17 amino acid portion of the human myelin basic protein named MBP8298 and to manufacture, use, distribute and sell products derived from MBP8298. The MBP8298 License Agreement has an initial term of 14 years, commencing December 14, 2000, with automatic renewals for successive 10-year terms, to a maximum of 10 such renewal terms. If BioMS Tech obtains full marketing regulatory approval in at least one jurisdiction in the world for the use of all or any part of MBP8298, BioMS Tech can require the University of Alberta to transfer all of its right, title, estate and interest in MBP8298 to BioMS Tech for no further consideration.

The University of Alberta may terminate the MBP8298 License Agreement if BioMS Tech fails to obtain regulatory approval for the use of all or any part of MBP8298 in any jurisdiction in the world within 14 years from December 14, 2000, provided that the University of Alberta pays to BioMS Tech the fair market value of MBP8298 at that time.

Pursuant to an agreement dated August 1, 2000, between BioMS Tech and AutoImmune Inc. ("AutoImmune") of Pasadena, California, (the "AutoImmune License Agreement") BioMS Tech obtained an exclusive worldwide license to certain patents owned by AutoImmune (the "AutoImmune Patents") for use in MS patients by non-mucosal injection. The AutoImmune Patents address and describe technology related to MBP8298. The last patent expires March 17, 2017. On July 7, 2010, the Corporation entered into a Termination, License and Release Agreement which released the Corporation from any additional payments with respect to the August 1, 2000, license agreement and granted the Corporation an exclusive, paid up, irrevocable worldwide license to certain patents and patent applications in the filed of injection to non-mucosal sites for the treatment of multiple sclerosis in exchange for a one time payment.

The Corporation conducted four clinical trials with MBP8298, which the Corporation named Dirucotide. The MAESTRO-01 trial was a pivotal Phase II/III, multi-centre, double blind, placebo-controlled trial designed to evaluate the safety and efficacy of Dirucotide in patients with secondary progressive multiple sclerosis ("SPMS"). MAESTRO-01 enrolled 611 patients at 47 sites across Canada and Europe.

MAESTRO-01 received nine positive safety reviews by the Data Safety Monitoring Board ("DSMB"), which included a pre-planned safety interim analysis on the first 200 patients. Interim analysis of efficacy and safety from the first 200 patients to complete MAESTRO-01 was reviewed by the independent DSMB in August 2008 at which time the DSMB recommended that the trial continue to completion.

The final trial results were released July 27, 2009; the primary and secondary endpoints were not met in the trial.

In February 2007, the Corporation initiated MAESTRO-02, an open-label follow-on to its MAESTRO-01 pivotal phase II/III clinical trial of Dirucotide for the treatment of SPMS. Eligible patients who had successfully completed the blinded, placebo controlled MAESTRO-01 trial, could choose to receive Dirucotide on an un-blinded basis in MAESTRO-02 regardless of whether they were previously on placebo or drug. The trial was to primarily evaluate the long-term safety of Dirucotide. Approximately 95% of the eligible patients that had successfully completed the MAESTRO-01 trial enrolled in the follow on study. This trial was discontinued after the results of the MAESTRO-01 trial were announced on July 27, 2009.

In January 2007, approval was received from the United States Food and Drug Administration (the "FDA") for the initiation of the MAESTRO-03 trial, a pivotal Phase III multi centre, double blind, placebo controlled trial designed to evaluate the safety and efficacy of Dirucotide in patients with SPMS in the United States. MAESTRO-03 completed full enrolment in August 2008 of 510 patients at 67 clinical trial sites in the U.S.

The DSMB had conducted three reviews of the data from the MAESTRO-03 trial and recommended that the trial continue. This trial was discontinued after the results of the MAESTRO-01 trial were announced on July 27, 2009.

In November 2006, the Corporation initiated enrolment in the MINDSET-01 trial, a placebo controlled, multi-center, Phase II clinical trial of Dirucotide for the treatment of relapsing-remitting MS ("RRMS"). The MINDSET-01 trial completed enrolment in May 2007 with 218 patients at 24 sites in Europe. This trial was designed to have patients undergo a l5 month double blinded period, followed by an additional 12 month open-label active treatment extension period.

On January 30, 2009, the Corporation announced that the MINDSET-01 study top line results from the l5 month double blind treatment period showed that Dirucotide did not meet its primary endpoint, annualized relapse rate or associated secondary magnetic resonance imaging ("MRI") endpoints. Dirucotide did meet certain secondary endpoints related to the progression of the disease, including mean change from baseline in the EDSS and the MS Functional Composite ("MSFC") score. The EDSS is a method of quantifying disability in MS, while the MSFC evaluates additional functional parameters. Measuring changes in EDSS and MSFC were primary and secondary outcomes in the ongoing phase III SPMS trials. This open label extension period of this trial was discontinued after the results of the MAESTRO-01 trial were announced on July 27, 2009.

On December 17, 2009, the Corporation announced that it will explore a compassionate access and research program with limited financial commitment, but that it will not pursue further late stage clinical trials with dirucotide in MS. The Corporation intended to divest of all of its interest in Dirucotide through an endowment to an organization that intended to pursue the compassionate access and research program. The intended endowment included all drug product, licenses and patents, appropriate books and records to allow program to continue and a commitment of $750,000. The final negotiations regarding the scope of the research and development program are not yet complete and the timing of the payment is uncertain. During the year ended December 31, 2011, $152,000 (2010 - $NIL) was utilized to maintain storage, patents and licences and regulatory filings. Once the development scope is finalized, the Corporation will transfer the remaining $598,000 to the organization.

The data from all four trials showed that Dirucotide was generally well tolerated. The most common side effects reported were redness and burning sensation at the injection site. No patients withdrew due to adverse events.

On December 17, 2007, the Corporation and BioMS Tech entered into a global licensing and development agreement (the "Licensing and Development Agreement") with Eli Lilly and Company ("Lilly") granting Lilly exclusive worldwide rights to Dirucotide. Under the terms of the agreement, Lilly and the Corporation would collaborate on the development of Dirucotide and would also share in certain development costs with Lilly being responsible for future development, manufacturing and marketing activities. The transaction closed on January 25, 2008, when all conditions were removed, with the receipt of an upfront payment of $87.4 million (US $87 million). In September 2008, the Corporation received a development milestone payment of $10.8 million (US $10 million) as a result of the positive interim analysis for the MAESTRO-01 clinical trial received from the DSMB for the SPMS indication. On September 2, 2009, the Licensing and Development Agreement between the Corporation and Lilly was terminated. All commercial rights to dirucotide were returned to Medwell, and Medwell has continued to oversee the termination of the clinical trials.

The upfront payment and development milestone received were non-refundable and the Corporation has no further commitments or obligations pursuant to the agreement.

Employees and Third Party Collaborations

As of December 31, 2011, the Corporation had 5 employees and contract personnel and 3 full time equivalents.

Intellectual Property

With respect to Dirucotide (formerly known as MBP8298), BioMS Tech has, on an exclusive worldwide basis, certain patent rights from the University of Alberta and AutoImmune, Inc. These patents include claims on composition, delivery and method of use. The relevant issued patents expire between 2012 and 2017, depending on the patents and jurisdictions. In total, BioMS Tech has licenses to over 100 patents issued in over 30 countries. These patents form part of the intended endowment provided to an organization for the continued compassionate access and research program.

Risk Factors

The following trends, commitments, events or uncertainties, presently known to management and reasonably expected to have a material effect on the Corporation's business, financial condition or results of operations, should be read carefully. The risk factors described below are not the only ones that will be faced by the Corporation. Other risks and uncertainties, including those management of the Corporation does not currently consider material, may impair the Corporation's business. The risk factors discussed below may materially adversely affect the business, financial condition, operating results, cash flow and overall success of the Corporation. The order in which risk factors appear is not intended as an indication of the relative weight or importance thereof. Such information is presented as of the date hereof and is subject to change, completion or amendment without notice.

Portfolio Exposure

Given the nature of our activities, our results of operations and financial condition are dependent upon the market value of the securities that comprise our portfolio. Market value can be reflective of the actual or anticipated operating results of our portfolio companies and/or the general market conditions that affect the sectors in which we invest. Our investment activities are currently concentrated primarily in the healthcare industry. Additionally, as at December 31, 2011, our investment portfolio consisted of six (6) investments, of which two represents more than 90% of the portfolio, which we believe exhibit potential for growth and positive cash flows but which may not ever mature or generate the returns we expect or may require a number of years to do so. Biotechnology, healthcare and technology companies may never achieve commercial discoveries and production. This may create an irregular pattern in our revenues (if any) and an investment in our securities may only be suitable for investors who are prepared to hold their investment for a long period of time. Macro factors such as fluctuations in commodity prices and global political and economical conditions could have an adverse effect on one or more investments to which we are exposed, thereby negatively impacting one or more of our portfolio companies concurrently. Company-specific risks, such as the risks associated with clinical operations generally, could have an adverse affect on one or more of our portfolio companies at any point in time. Company-specific and industry-specific risks which materially adversely affect our portfolio investments may have a materially adverse impact on our operating results

Concentration of Investments

Other than as disclosed in this AIF, there are no restrictions on the proportion of our funds and no limit on the amount of funds that may be allocated to any particular investment, industry or sector. We may participate in a limited number of investments and, as a consequence, our financial results may be substantially adversely affected by the unfavourable performance of a single investment, or sector. Completion of one or more investments may result in a highly concentrated investment by us in a particular company, business, industry or sector. As at December 31, 2011, two investments represent more than 90% of our portfolio.

Private Issuers and Illiquid Securities

In addition to our portfolio investments in public issuers, we invest in securities of private issuers. Investments in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. These limitations may impair our ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk. There can be no assurance that a public market will develop for any of our private company investments or that we will otherwise be able to realize a return on such investments.

The value attributed to securities of private issuers will be the cost thereof, subject to adjustment in certain circumstances (see the section in this AIF entitled "Valuation Policy"), and therefore may not reflect the amount for which they can actually be sold. Because valuations, and in particular valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within a short period of time and may be based on estimates, determinations of fair value may differ materially from the values that would have resulted if a ready market had existed for the investments.

We also invest in illiquid securities of public issuers. A considerable period of time may elapse between the time a decision is made to sell such securities and the time we are able to do so, and the value of such securities could decline during such period. Illiquid investments are subject to various risks, particularly the risk that we will be unable to realize our investment objectives by sale or other disposition at attractive prices or otherwise be unable to complete any exit strategy. In some cases, we may be prohibited by contract or by law from selling such securities for a period of time or otherwise be restricted from disposing of such securities. Furthermore, the types of investments made may require a substantial length of time to liquidate.

We may also make direct investments in publicly-traded securities that have low trading volumes. Accordingly, it may be difficult for us to make trades in these securities without adversely affecting the price of such securities

Trading Price of Common Shares Relative to Profit and/or Net Asset Value

We are neither a mutual fund nor an investment fund and due to the nature of our business and investment strategy and the composition of our investment portfolio, the market price of our common shares, at any time, may vary significantly from our net asset value per share. This risk is separate and distinct from the risk that the market price of our common shares may decrease.

Available Opportunities and Competition for Investments

The success of our operations will depend upon: (i) the availability of appropriate investment opportunities; (ii) our ability to identify, select, acquire, grow and exit those investments; and (iii) our ability to generate funds for future investments. We can expect to encounter competition from other entities having investment objectives similar to ours, including institutional investors and strategic investors. These groups may compete for the same investments as us, may be better capitalized, have more personnel, have a longer operating history and have different return targets than us. As a result, we may not be able to compete successfully for investments. In addition, competition for investments may lead to the price of such investments increasing which may further limit our ability to generate desired returns.

There can be no assurance that there will be a sufficient number of suitable investment opportunities available to us to invest in or that such investments can be made within a reasonable period of time. There can be no assurance that we will be able to identify suitable investment opportunities, acquire them at a reasonable cost or achieve an appropriate rate of return. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns from investments will be diminished to the extent that we are unable to find and make a sufficient number of investments.

Share Prices of Investments

Our investments in securities of public companies are subject to volatility in the share prices of the companies. There can be no assurance that an active trading market for any of the subject shares is sustainable. The trading prices of the subject shares could be subject to wide fluctuations in response to various factors beyond our control, including, quarterly variations in the subject companies' results of operations, changes in earnings (if any), estimates by analysts, conditions in the industry of the subject companies and general market or economic conditions. In recent years equity markets have experienced extreme price and volume fluctuations. These fluctuations have had a substantial effect on market prices, often unrelated to the operating performance of the specific companies. Such market fluctuations could adversely affect the market price of our investments.

Dependence on Management

We are dependent upon the efforts, skill and business contacts of key members of management, for among other things, the information and deal flow they generate during the normal course of their activities and the synergies which exist amongst their various fields of expertise and knowledge. Accordingly, our continued success will depend upon the continued service of these individuals who are not obligated to remain employed with us.

The loss of the services of any of these individuals could have a material adverse effect on our revenues, net income and cash flows and could harm our ability to maintain or grow our existing assets and raise additional funds in the future.

No Guaranteed Return

There is no guarantee that an investment in our securities will earn any positive return in the short term or long term. The task of identifying investment opportunities, monitoring such investments and realizing a significant return is difficult. Many organizations operated by persons of competence and integrity have been unable to make, manage and realize a return on such investments successfully. Our past performance provides no assurance of our future success.

Due Diligence

The due diligence process that we undertake in connection with investments may not reveal all facts that may be relevant in connection with an investment. Before making investments, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment.

Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

History of operating losses

Since inception, the Corporation has incurred significant losses each year. The accumulated deficit from inception to December 31, 2011, is $160.5 million. Unless the Corporation is able to generate sufficient revenue or capital appreciation on its investments, it will continue to incur losses from operations and may not achieve or maintain profitability.

Cash flow/ Revenue

The Corporation generates revenue and cash flow primarily from our proceeds from the disposition of investments, interest earned on cash and cash equivalents and consulting fees. The availability of these sources of income and the amounts generated from these sources are dependent upon various factors, many of which are outside of our direct control.

Our liquidity and operating results may be adversely affected if our access to the capital markets is hindered, whether as a result of a downturn in the market conditions generally or to matters specific to us, or if the value of our investment declines, resulting in capital losses for us upon disposition. The ability to generate revenue from consulting fees depends on a variety of factors, some of which may be beyond the control of the Corporation, including a weak biotech sector, and revenues may not be sufficient to meet ongoing operating costs. In the event that the Corporation should directly or indirectly market a product there can be no assurance that it can do so profitably.

Volatility of share price

The market price of our common shares has been and may continue to be subject to wide fluctuations in response to factors such as actual or anticipated variations in our consolidated results of operations, changes in financial estimates by securities analysts, general market conditions and other factors.

Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations may adversely affect the market price of our common shares. The purchase of our common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Our common shares should not be

purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in our common shares should not constitute a major portion of an investor's portfolio.

Need for additional capital and access to capital markets

The Corporation anticipates that it will have sufficient resources to meet its obligations. The development or investment into additional technologies by the Corporation may require a significant infusion of additional funds. Further financing may dilute the current holdings of shareholders and may thereby result in a loss for shareholders.

There can be no assurance that the Corporation will be able to obtain adequate financing, or financing on terms that are reasonable or acceptable for these or other purposes, or to fulfill the Corporation's obligations. Failure to obtain such additional financing could result in delay or indefinite postponement of further investment or development on the Corporation's technologies and investments.

Non-controlling Interests

Our investments include equity securities of companies that we do not control. These securities may be acquired by us in the secondary market or through purchases of securities from the issuer. Any such investment is subject to the risk that the company in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests.

If any of the foregoing were to occur, the values of our investments could decrease and our financial condition, results of operations and cash flow could suffer as a result.

Conflicts of interest

The directors and officers of the Corporation are shareholders, directors and officers of other corporations. Conflicts may arise between their duties to the Corporation and their duties to such other corporations. All such conflicts will be dealt with pursuant to the provisions of the applicable corporate legislation.

Shareholder control

Some of the Corporation's existing shareholders can exert control over, and may not make decisions that are in the best interests of all shareholders. If certain shareholders act together, they may be able to exert a significant degree of influence over the Corporation's management and affairs and over matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions.

In addition, this concentration of ownership may facilitate or delay or prevent a change in control of the Corporation and might affect the market price of the Common shares, even when a change may or may not be in the best interests of all shareholders. The interests of this concentration of ownership may not always coincide with the Corporation's interests or the interests of other shareholders and accordingly, they could cause the Corporation to enter into transactions or agreements which it would not otherwise consider.

Attraction and retention of key employees and consultants

The Corporation depends highly upon its management staff and third party scientific and business consultants, the loss of whose services might impede the achievement of the Corporation's business objectives. There can be no assurance that the Corporation will be able to attract and retain such personnel, consultants and contractors on acceptable terms given the competition among numerous

pharmaceutical companies, universities and other research institutions for experienced personnel. The failure to retain such personnel or consultants, or to develop or otherwise acquire the required expertise could adversely affect prospects for the Corporation's success.

Licenses and Patents

The Corporation's success may, to the extent it in-licenses or invests in certain technology depend in part on an ability to obtain licenses and patents, protect its trade secrets and operate without infringing the exclusive rights of other parties. There is no guarantee that any license or patent that will be granted to the Corporation or entity it invests in ("Technology Holder") will bring any competitive advantage to the Technology Holder, that its license and patent protection will not be terminated, surrendered, revoked or otherwise impaired or not contested by third parties, or that the licenses and patents of competitors will not be detrimental to the Technology Holder's commercial activities. It cannot be assured that competitors will not independently develop products similar to the Technology Holder's products, that they will not imitate the Technology Holder's products or that they will not circumvent licenses and patents granted to the Technology Holder

Product liability claims and uninsured risks

The administration of drugs to humans, whether in clinical trials or commercially, can result in product liability claims whether or not the drugs are actually at fault or causing an injury. Furthermore, the products of the Corporation may cause, or appear to cause, adverse side effects (including death) or potentially dangerous drug interactions that the Corporation may not learn about or fully understand until the drug has been administered to patients for some time. As the products of the Corporation were used more widely and in patients with varying medical conditions, the likelihood of adverse drug reactions or unintended effects may increase. The Corporation routinely indemnifies third parties such as clinical trial sites for related trial risks. The Corporation currently carries product liability insurance as a component of the clinical trial insurance policy it has in place. If the Corporation or one of its investment companies succeeds in developing new pharmaceutical products, the sale of such products may expose the Corporation to potential liability resulting from the use of such products.

Such liability might result from claims made directly by consumers or by regulatory agencies, pharmaceutical companies or others selling products. The Corporation has obtained insurance coverage, but there can be no assurance that it will be sufficient to protect the Corporation against product liability or all related risks. The obligation to pay any product liability claim in excess of the insurance the Corporation acquired, or the recall of any of its products, could have a material adverse affect on the business, financial condition and future prospects of the Corporation.

During research and development, the use of pharmaceutical products, such as Dirucotide, is limited principally to clinical trial patients under controlled conditions and under the care of expert physicians.

The Corporation had Dirucotide manufactured by third parties, and the drug is transported between various parties. The drug may fail in its manufacture, or be lost or destroyed or handled or reconstituted improperly and rendered unusable for its intended use, for which the Corporation may have to assume responsibility for the attendant financial loss and with an inability to seek or obtain recourse from third parties or recover losses through insurance.

Future legal proceedings

As a the Corporation was a biological technology company, the Corporation may become, in the ordinary course of its business, a party to litigation including, among others, claims in respect of indemnifications the Corporation has extended to third parties (such as clinical sites) in the normal course of business; matters alleging employment discrimination, product liability, patent or other intellectual property rights infringement, patent invalidity or breach of commercial contract.

As an investment company, the Corporation may additionally become, in the ordinary course of its business, a party to litigation arising from its business and investment activities. In general, litigation claims can be expensive and time consuming to bring and to defend against and could result in settlements for damages that could significantly impact the Corporation's results of operations and financial condition.

Insurance coverage may not be sufficient and the Corporation may be exposed to lawsuits and other claims related to its prior or current business, investment activities and product candidates in clinical studies and product liability which could increase expenses, harm our reputation, and keep management from growing the business.

The use of human therapeutic products, including Dirucotide, involves an inherent risk of product liability claims and adverse publicity. Clinical studies involve trials on humans. These studies create a risk of liability for side effects to participants resulting from an adverse reaction to the product candidates being tested or resulting from negligence or misconduct. While the Corporation currently maintains insurance related to the completed clinical trials, it cannot assure you that this insurance will continue to be available on commercially reasonable terms. Any claims might also exceed the amounts of this coverage. If the Corporation is unable to obtain insurance at reasonable rates or otherwise protect itself against potential liability proceedings, it may be required to slow down any future development or investment. The obligation to pay indemnities from clinical trials following complaints could have a material adverse effect on the business, financial condition, and results of operations. Claims against the Corporation, regardless of their merit or potential outcome, may also result in severe public relations problems that could seriously damage the Corporation’s reputation and business viability.

In addition, certain drug retailers require minimum product liability insurance coverage as a condition of purchasing or accepting products for distribution. If any of the Corporation’s product candidates are approved for sale through a compassionate use program, it is the intention to obtain adequate product liability insurance before the product candidates are made available. Failure to satisfy these insurance requirements could impede the ability or that of any potential distributors of the product candidates to achieve distribution of these product candidates, which could have a material adverse effect on the Corporation’s business, financial condition, and results of operations.

The Corporation may need to significantly increase the size of its organization, and may experience difficulties in managing growth.

The Corporation had 5 employees and contract personnel and 3 full time equivalents as of December 31, 2011. In order to continue its investment activities and consulting arrangements, it may need to increase operations, including expanding the employee base.

The future financial performance and ability to commercialize products and to compete effectively will depend, in part, on the ability to manage any future growth effectively.

The Corporation has not paid, and does not intend to pay any cash dividends on its common shares and therefore the shareholders may not be able to receive a return on their shares unless they sell them.

The Corporation has never paid dividends on its common shares and does not expect to pay dividends in the foreseeable future. If the Corporation generates earnings in the future, it expects that they will be retained to finance further growth. The Board of Directors will determine if and when dividends should be declared and paid in the future based on the financial position and other factors relevant at the particular time.

Until the Corporation pay dividends, which it may never do, you will not be able to receive a return on your investment in the Corporation's common shares unless you sell them, which you may only be able to do at less than the price you paid for them.

DIVIDENDS

The Corporation has not declared or paid any dividends or distributions on its common shares or other securities since its incorporation and it is not contemplated that any dividends will be paid in the immediate or foreseeable future. Currently the Corporation anticipates that it will retain any funds to finance expansion and development of its business. Any future determination to pay dividends or distributions will be at the discretion of the Corporation's board of directors and will depend upon the results of operations, financial condition, current and anticipated cash needs, contractual restrictions, restrictions imposed by applicable law and other factors that the board of directors deem relevant.

DESCRIPTION OF CAPITAL STRUCTURE

Share Capital

On August 26, 2011, at the Annual General and Special Meeting, the shareholders of the Corporation approved the Arrangement with Spectral. On August 29, 2011, the Court of Queen's Bench of Alberta approved the Arrangement. The Arrangement became effective September 9, 2011, and as part of the Arrangement the authorized share capital of Medwell was reorganized as follows:

The following share classes were removed from the authorized share capital of the Corporation:

Class B voting, common shares,
Classes C and D non-voting, common shares, and
Classes E, F, G, H and I non-voting, redeemable, retractable, preferred shares

The Class A voting, common shares of the Corporation were removed from the authorized share capital of the Corporation and the issued Class A voting common shares were exchanged for new voting common shares of the Corporation on a one for one basis. This exchange resulted in a charge to share capital of $13.6 million which represents the fair value of the 54,282,834 Spectral shares distributed to Medwell shareholders as part of the Arrangement.

As a result of the Arrangement the Corporation is authorized to issue an unlimited number of:

Voting common shares, without nominal or par value, and
Non-voting preferred shares.

The Corporation had 91,008,923 common shares issued and outstanding as at February 24, 2012.

Other Securities

As of February 24, 2012, the Corporation had no other securities outstanding other than the common shares and stock options.

Options to Purchase Securities – Stock Option Plan

The Corporation has a Stock Option Plan dated May 7, 2002, and subsequently amended on April 27, 2005, January 5, 2006, and May 9, 2008, (the "Plan") pursuant to which the Board of Directors of Medwell may grant stock options ("Options") to purchase up to a maximum of 12,000,000 Common shares of Medwell. The Plan provides that the terms of the Options and the Option price shall be fixed by the Directors subject to the price restrictions and other requirements imposed by the TSX Venture Exchange (the "TSXV"). The Plan also provides that no Option shall be granted to any person except upon recommendation of the Directors of Medwell, and only directors, officers, employees, consultants and other persons who provide ongoing services to the Corporation or its subsidiaries may receive Options. Options granted under the Plan may not be for a period longer than ten (10) years and the exercise price must be paid in full upon exercise of the Option.

During the fiscal year ended December 31, 2011, there were 2,687,500 Options granted under the terms of the Plan. On June 25, 2010, the Corporation's disinterested shareholders approved an amendment to consolidate 10,436,500 previously granted Options on a 0.75:1 ratio and to amend the exercise price to $0.50. As part of the Arrangement, the Corporation's disinterested shareholders approved an amendment to reduce the exercise price of Options held by non-insiders of the Corporation as follows:

a) 1,995,125 Options with an exercise price of $0.50 per Class A common share were reduced to $0.24 per common share;
b) 415,000 Options with an exercise price of $0.37 per Class A common share were reduced to $0.178 per common share; and
c) 817,500 Options with an exercise price of $0.295 per Class A common share were reduced to $0.142 per common share.

As at December 31, 2011, 9,501,375 Options or 75% out of the authorized 12,000,000 Options had been granted leaving 2,948,625 Options or 25% available for future grants. Under the terms of the Plan, any Options which are exercised do not replenish the Option pool and shall not again be made available to be granted pursuant to the provisions of the Plan herein. To date there have been 105,000 options exercised which are no longer available to be granted.

On January 1, 2012, 912,500 Options expired and were added to the number of Options available to be granted under the terms of the Plan. On January 3, 2012, an additional 3,305,000 Options were granted under the terms of the Plan. As at February 24, 2012, 11,893,875 Options or 99% out of the authorized 12,000,000 Options have been granted leaving 1,125 options or 1% available for future grants.

Any common shares subject to an Option which for any reason are cancelled or terminated without having been exercised in accordance with the terms of the Plan shall again be available for grants under the Plan. No fractional shares shall be issued and the Board may determine the manner in which fractional share values shall be treated.

The purpose of the Plan is to assist directors, officers, employees, consultants and other persons who provide ongoing services to Medwell and any of its subsidiaries to participate in the growth and development of Medwell. The total number of common shares which may be granted to any one optionee, including any one insider and such insider's associates, at any time shall not exceed 5% of the issued and outstanding common shares of the Corporation.

The number of common shares that may be issuable to insiders at any time, or that may be issued to insiders within any one year period in each case under the Plan and when combined with all of the

Corporation's security based compensation arrangements, may not exceed 10% of the Corporation's total issued and outstanding common shares. The granting of Options is administered by the Medwell Board, subject to the policies of the TSXV.

The Directors may amend or discontinue the Plan at any time without shareholder approval upon receipt of the approval of the TSXV, provided that no such amendment or discontinuance may, without the consent of any affected optionee, alter or impair any Option previously granted to such optionee under the Plan. Any amendment to any provision of the Plan shall be subject to approval, if applicable and if required, by any regulatory body having jurisdiction over the securities of the Corporation.

All Options granted pursuant to the Plan are personal to the optionee and are not assignable or otherwise transferable except: (i) to a "permitted assign" as that term is defined in Multilateral Instrument 45-105 (Trades to Employees, Senior Officers, Directors and Consultants) as the same may be amended, supplemented and/or replaced from time to time; or (ii) by will or the laws of descent and distribution.

At the time of grant of an Option, the Directors fix the date or dates on which the optionee is entitled to exercise part or all of such Option.

The Options are in full force and effect and exercisable only so long as the optionee continues to be an eligible person and if the optionee ceases to be an eligible person under the Plan for any reason including, without limitation, death, for a maximum period of twelve months after the optionee ceases to be an eligible person.

MARKET FOR SECURITIES

Trading Price and Volume

The common shares of the Corporation were listed and traded under the symbol "MWC" on the Toronto Stock Exchange ("TSX") until February 4, 2011. Effective February 7, 2011, the common shares of the Corporation were listed on the TSXV under the symbol "MWC". The following table sets forth the price range and trading volume of the Corporation's common shares on the TSX (January 2011) and the TSXV (February 2011 to December 2011) on a monthly basis for the year 2011:

MONTH	HIGH ($)	LOW($)	VOLUME
December	0.14	0.10	2,033,200
November	0.12	0.10	4,637,400
October	0.11	0.09	6,164,000
September	0.29	0.09	3,344,00
August	0.26	0.18	4,173,100
July	0.26	0.23	1,505,00
June	0.23	0.18	5,516,200
May	0.22	0.19	666,800

April	0.23	0.19	1,162,100
March	0.29	0.21	2,695,600
February	0.26	0.21	2,180,200
January	0.31	0.25	1,645,900

DIRECTORS AND OFFICERS

Name, Address and Occupation of Directors

The following table sets forth the name, municipality of residence and principal occupation(s) for the past 5 years of each director of the Corporation.

Name and Municipality of Residence	Principal Occupation During Last Five Years	Director Since
Kevin A. Giese Edmonton, Alberta	President and Chief Executive Officer of the Corporation	1999
Laine M. Woollard Q.C.[1,2] Edmonton, Alberta	Senior Legal Counsel, Technology Commercialization, University of Alberta	2001
John Wetherell, JD, PhD. [1] Escondido, California	Partner in the law firm of Pillsbury Winthrop Shaw Pittman LLP	2002
Gordon Politeski [1,2] Half Moon Bay, British Columbia	Founding President and CEO of Biomira, retired	2006
Will Sawchyn, CA[1,2] Edmonton, Alberta	Canadian Controller, Caterpillar Mining Canada ULC (January 2009 – Present); VP Finance and Administration, TEC Edmonton (January 2007 – December 2009); Director Strategic Valuation EPCOR Utilities Inc. (May 2004 – December 2006)	2011

1. member of Governance Committees
2. member of Audit Committee

Directors are elected annually or may, pursuant to section 111(1) of the *Business Corporations Act* (Alberta), be appointed by a quorum of directors to fill a vacancy among the directors, for a term expiring at the close of the next annual general meeting of shareholders.

Name, Address and Occupation of Officers

The following table sets forth the name, position held with the Corporation and principal occupation for the past five years of each officer of the Corporation.

Name and Municipality of Residence	Position Held	Principal Occupation During Last Five Years
Kevin A. Giese Edmonton, Alberta	President and Chief Executive Officer of the Corporation	President and Chief Executive Officer of the Corporation
Brent Johnston, CA [(1)] Edmonton, Alberta	Chief Financial Officer of the Corporation	Director of Finance of the Corporation; Chief Financial Officer ViRexx Medical Corp.; and Finance Manager EPCOR Utilities Inc.
Tony Hesby Edmonton, Alberta	Executive Vice-President of the Corporation	Executive Vice-President of the Corporation
Michael Kennedy Vancouver, British Columbia	Secretary	Partner in the law firm of Anfield Sujir Kennedy & Durno
Brenda Brown Sherwood Park, Alberta	Vice President Clinical Operations	Vice President Clinical Operations of the Company; and Director of Clinical Operations for the Company from Sept. 2005 to January 2011.
Steve Demas Toronto, Ontario	Vice President Clinical Alliance	Vice President Clinical Alliance; and self employed consultant from Dec. 2006 to January 2009.

(1) Mr. Johnston was the Chief Financial Officer of ViRexx Medical Corp. ("ViRexx") from November 1, 2007 to September 14, 2008. On November 21, 2008, ViRexx announced its intention to make a proposal to creditors and effectively merge operations through acquisition by Paladin Labs (TSX:PLB). A court application was made to the Court of Queen's Bench of Alberta on December 11, 2008 for approval of an Order for Reorganization through a proposal under the *Bankruptcy and Insolvency Act* (Canada) and under the *Alberta Business Corporations Act*.

As of the date of this AIF, the directors and officers of the Corporation as a group, beneficially own, directly or indirectly, or exercise control or direction over, 3,845,308 common shares which, as of the date of this AIF, represents 4.2% of the issued and outstanding common shares of the Corporation.

Conflicts of Interest

Some of the directors or officers of the Corporation are also shareholders, directors, officers and/or promoters of other reporting and non-reporting issuers. As of the date of this AIF and to the knowledge of the directors and officers of the Corporation, there are no existing conflicts of interest between Corporation and any of the directors or officers. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta).

AUDIT COMMITTEE INFORMATION

The responsibilities and duties of the Audit Committee are set out in the Committee's Terms of Reference, the text of which is attached as Schedule A to this AIF.

Composition of the Audit Committee

The current members of the Audit Committee are Will Sawchyn, Gordon Politeski and Laine M. Woollard.

Each member of the Audit Committee has been determined by the Board to be "independent" and "financially literate" as such terms are defined under Canadian securities laws. The following is a description of the education and experience of each member of the Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee:

Mr. Will Sawchyn received a Bachelor of Commerce (graduating with distinction) degree from the University of Saskatchewan in 1991. He received his designation as a Chartered Accountant two years later while working with the Auditor General of Canada in Ottawa. Mr. Sawchyn's career has spanned the areas of business acquisition and integration, strategic planning, business development and operations. He has served as a director on the boards of early stage companies including Pionetics Inc., a clean-tech venture-backed company, and he has acted as a limited partner representative with Nth Power, a venture capital investment funds. Currently Mr. Sawchyn holds the role as Canadian Controller at Caterpillar Mining Canada ULC.

Mr. Laine Woollard has degrees in Pharmacy and Pharmaceutical Science, passing the Pharmaceutical Examining Board of Canada examinations in 1983, and in Law, having become a Member of the Alberta Bar in 1987. Mr. Woollard has been corporate counsel and practiced in the field of technology commercialization since 1990, joining the University of Alberta in 1994. He has served on the Board of Directors of six for-profit corporations and is familiar with the details of interpreting financial statements.

Mr. Gordon Politeski graduated from the University of Saskatchewan with a B.Sc. Chemistry/Biology (Pre-Med). He was the founding President and CEO of Biomira, now retired. Mr. Politeski sat and continues to sit on the Board of a number of private companies in Canada and the USA in a variety of capacities including that of chairman, chairman of the corporate governance committee and member of the audit committee.

Pre-Approval Policies

The Corporation's Audit Committee Terms of Reference requires that the Audit Committee pre-approve all audit and non-audit services to be provided by the Corporation's auditors.

External Audit Service Fee

The following table provides information about the fees billed to the Corporation for professional services rendered by the Corporation's external auditors, during fiscal 2011 and 2010:

		2011	2010
Audit fees		$45,000	$42,000
Audit related fees		$51,923	$55,500
Tax fees		$ 6,500	$ 7,200
Other fees		$ 24,931	$ -
	TOTAL	$128,354	$104,700

Audit Fees

Audit fees consist of fees for the audit of the Corporation's annual financial statements or services that are normally provided in connection with statutory and regulatory filings.

Audit-Related Fees

Audit-related fees for 2011 consist of reviews of quarterly financial statements. Audit related fees for 2010 consist of work performed in respect of and reviews of quarterly financial statements.

Tax Fees

Tax fees related primarily to the preparation of the Corporation's tax returns.

Other Fees

Other fees for 2011 consist of work performed for the assistance with transition to International Financial Reporting Standards.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed herein and under the headings *"Management and Employment Contracts and Indemnification Provisions in the Event of Termination of Named Executive Officers"*, and *"Indebtedness of Directors and Senior Officers"* in the Corporation's Information Circular dated July 21, 2011, which is available on the SEDAR website at www.sedar.com, no director or executive officer of the Corporation, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the common shares of the Corporation nor any of their associates or affiliates, has any material interest, direct or indirect, in any transaction entered into during the past three financial years of the Corporation or during its current financial year which has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares of the Corporation is Computershare Trust Company of Canada at it principal offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

The only contracts material to the Corporation, which were entered into in the last financial year, or before the last financial year and which are still in effect, are the following:

1. Arrangement Agreement dated June 28, 2011, as amended July 12, 2011, between the Corporation and Spectral.

2. MBP8298 License Agreement dated December 14, 2000 between the Corporation and the Governors of the University of Alberta.

Particulars of the above contracts are disclosed under the heading "General Development of the Business".

INTEREST OF EXPERTS

The Corporation's auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors' report dated February 24, 2012, in respect of the Corporation's consolidated financial statements as at December 31, 2011, and 2010, and for each of the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on the SEDAR website at www.sedar.com. Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation's information circular dated July 21, 2011, for its Annual General and Special Meeting held on August 26, 2011. Additional financial information is provided in the Corporation's comparative financial statements and MD&A for the year ended December 31, 2011.

SCHEDULE A

MEDWELL CAPITAL CORP.

AUDIT COMMITTEE - TERMS OF REFERENCE (MANDATE)

(Approved by Board – May 11, 2009)

A. OVERVIEW AND PURPOSE

The Audit Committee (the "Committee") is appointed by, and responsible to the Board of Directors (the "Board"). The Committee approves, monitors, evaluates, advises and makes recommendations, in accordance with these terms of reference, on matters affecting the external and internal audits**,** risk management matters, the integrity of financial reporting and the accounting control policies and practices of the Corporation. The involvement of the Committee in overseeing the financial reporting process, including assessing the reasonableness of management's accounting judgments and estimates and reviewing key filings with regulatory agencies is an important element of the Corporation's internal control over financial reporting. The Committee has oversight responsibility for the performance of both the internal auditors (if any) and the external auditors. The Committee also ensures the qualifications and independence of the external auditors. The Committee has oversight of the Corporation's compliance with legal and regulatory requirements.

It is not the duty of the Committee to plan or conduct audits, or to determine that the Corporation's financial statements are complete, accurate, and in accordance with generally accepted accounting principles.

B. MEMBERSHIP

The members of the Committee shall be composed of at least three independent directors, appointed by the Board, all of whom must be financially literate and at least one member shall have accounting or related financial management expertise and be an audit committee financial expert. For greater clarity, the Board has adopted the definitions or attributes of independent director and financial literacy as set out in Multilateral Instrument 52-110 of the Canadian Securities Administrators and the attributes of audit committee financial expert as defined in Item 401(h) of SEC Regulation S-K.

The Chair of the Committee shall be designated by the Board.

Attendance by invitation at all or a portion of Committee meetings is determined by the Committee Chair or its members, and would normally include the Chief Financial Officer of the Corporation, representatives of the external auditors and such other officers or support staff as may be deemed appropriate.

C. DUTIES AND RESPONSIBILITIES

Financial Statements and Disclosures

1**.** Review, and recommend to the Board for approval, the annual audited financial statements.

2. Review, and recommend to the Board for approval, the following public disclosure documents:

   (a) the financial content of the annual report;

(b) the annual management information circular and proxy materials;

(c) the AIF, including the regulatory requirements for audit committee reporting obligations;

(d) the management discussion and analysis section of the annual report; and

(e) the year-end news release on the earnings of the Corporation.

3. Review and, if appropriate, to approve and authorize the release of the quarterly unaudited financial statements including management's discussion and analysis, the quarterly interim report to shareholders and the quarterly press release on earnings of the Corporation. However, in the event that there is a significant or extraordinary matter that, in the opinion of the Committee, should be reviewed by the Board before the release of such information then the matter shall be referred to the Board for review.

4. Review, and recommend to the Board for approval, all annual financial statements, reports of a financial nature, (other than quarterly unaudited financial statements), and the financial content of prospectuses or any other reports which require approval by the Board prior to submission thereof to any regulatory authority.

5 Review the CEO and CFO certification of annual and interim disclosure as required by the regulatory authorities.

6. Review with management on an annual basis, the Corporation's obligations pursuant to guarantees that have been issued and material obligations that have been entered into, and the manner in which these guarantees and obligations have been, or should be, disclosed in the financial statements.

7. Review and assess, in conjunction with management and the external auditor, at least annually or on a quarterly basis where appropriate or required:

(a) the appropriateness of accounting policies and financial reporting practices used by the Corporation, including alternative treatments that are available for consideration;

(b) any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation;

(c) any new or pending developments in accounting and reporting standards that may affect or impact on the Corporation;

(d) the impact of the Corporation's capital structure on current and future profitability, and any off-balance sheet structures; and

(e) the key estimates and judgements of management that may be material to the financial reporting of the Corporation.

8. At least annually, request the external auditor to provide their views on the quality (not just the acceptability) of the Corporation's annual and interim financial reporting. Such quality assessment should encompass judgements about the appropriateness, aggressiveness or conservatism of estimates and elective accounting principles or methods and judgements about the clarity of disclosures.

9. Review any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation, and the manner in which these matters have been disclosed in the financial statements.

External Auditor

10. Assess the performance and consider the annual appointment of external auditor for recommendation to the Board for ultimate recommendation for appointment by the shareholders.

11. Review, approve and execute the annual engagement letter with the external auditor, and ensure there is a clear understanding between the Board, the Committee, the external auditor and management that the external auditor reports directly to the shareholders and the Board through the Committee. The terms of the engagement letter or the annual audit plan should include, but not be limited to, the following:

(a) staffing;

(b) objectives and scope of the external audit work;

(c) materiality limits;

(d) audit reports required;

(e) areas of audit risk;

(f) timetable; and,

(g) the proposed fees.

12. Obtain and review a report from the external auditor at least annually regarding the auditor's independence and the profession's or audit firm requirements regarding audit partner rotation.

13. Approve, before the fact, the engagement of the external auditor for all non-audit services and the fees for such services, and consider the impact on the independence of the external audit work of fees for such non-audit services.

14. Review all fees paid to the external auditor for audit services and, if appropriate, recommend their approval to the Board.

15. Receive an annual certification from the external auditor that they participate in the public oversight program established by the Canadian Public Accountability Board (CPAB), and that they are in good standing with the CPAB.

16. Review a report from the external auditors describing (a) the firm's internal quality control procedures and (b) any material issues raised by the most recent internal quality control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years regarding the audits carried out by the external auditor together with any steps taken to deal with any such issues.

17. Receive and resolve any disagreements between management and the external auditor regarding all aspects of the Corporation's financial reporting.

18. Review with the external auditor the results of the annual audit examination including, but not limited to, the following:

(a) any difficulties encountered, or restrictions imposed by management, during the annual audit;

(b) any significant accounting or financial reporting issues;

(c) the auditor's evaluation of the Corporation's internal controls over financial reporting and management's evaluation thereon, including internal control deficiencies identified by the auditor that have not been previously reported to the audit committee;

(d) the auditor's evaluation of the selection and application of accounting principles and estimates, and the presentation of disclosures;

(e) the post-audit or management letter or other material written communications containing any findings or recommendations of the external auditor including management's response thereto and the subsequent follow-up to any identified internal accounting control weaknesses; and

(f) any other matters which the external auditor should bring to the attention of the Committee.

19. Meet with the external auditor at every meeting of the Committee or as requested by the auditor, without management representatives present; and to meet with management, at least annually or as requested by management, without the external auditor present.

20. When there is to be a change in the external auditor, review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Policy 31 and the planned steps for an orderly transition.

21. Review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors of the Corporation.

Internal Audit

22. Review on as periodic basis the need for an internal audit function, and assess the control systems in place that mitigate the need for an internal audit function.

Internal Controls

23. Obtain reasonable assurance, by discussions with and reports from management and the external auditor that the accounting systems are reliable, the system for preparation of financial data reported to the market is adequate and effective, and that the system of internal controls is effectively designed and implemented.

24. Review management's annual report on the effectiveness of internal controls and procedures, as well as quarterly and annual CEO and CFO certificates filed pursuant to securities regulations.

25. Review annually, or as required, the appropriateness of the system of internal controls and approval policies and practices concerning the expenses of the officers of the Corporation, including the use of the Corporation's assets.

26. Review and approve, on a quarterly after-the-fact basis, the expense accounts of the Executive Leadership Team ("ELT"). The ELT consists of Kevin Giese, Chairman of the Board of Directors, President and Chief Executive Officer and Tony Hesby, Chief Operating Officer and Executive Vice President of the Corporation.

Compliance/Risk/Fraud

27. Discuss with management the Corporation's major risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.

28. Discuss with management the Corporation's policies and procedures designed to prevent, identify and detect fraud.

29. Discuss with management the Corporation's policies and procedures designed to ensure an effective compliance and ethics program, including the Corporation's code of ethics.

30. Discuss with management and the general counsel any legal matters that may have a material impact on the financial statements or the Corporation's compliance requirements.

31. On an annual basis, review the adequacy of the Corporation's insurance program.

Other

32. Review, as required, any claims of indemnification pursuant to the by-laws of the Corporation.

33. On a quarterly basis, review all related party transactions as defined by the CICA Handbook and report thereon to the Board.

34. In accordance with the Corporation's Whistleblower Policy, review and determine the disposition of any complaints or correspondence received under the policy.

35. Review and determine the disposition of any complaints received from shareholders or any regulatory body.

36. Conduct an assessment, no less than every two years, as to the effectiveness of the Committee and provide a report thereon to the Board.

37. Receive comments from the external auditor on their assessment of the effectiveness of the Committee's oversight of internal control over financial reporting.

38 Review annually the terms of reference for the Committee and recommend any required changes to the Board.

39. Request such information and explanations in regard to the accounts of the Corporation as the Committee may consider necessary and appropriate to carry out its duties and responsibilities.

40. Consider any other matters which, in the opinion of the Committee or at the request of the Board, would assist the directors to meet their responsibilities.

41. Provide reports and minutes of meetings to the Board.

42. Engage independent counsel and other advisors as may be deemed or considered necessary, and determine the fees of such counsel and advisors.

D. MEETINGS

1. Regular meetings of the Committee are held at least four times each year.

2. Meetings may be called by the Committee Chair or by a majority of the Committee members, and usually in consultation with management of the Corporation.

3. Meetings are chaired by the Committee Chair or, in the Chair's absence, by a member chosen by the Committee from among themselves.

4. A quorum for the transaction of business at any meeting of the Committee is a minimum of two appointed members.

5. Management of the Corporation shall provide for the delivery of notices, agendas and supporting materials to the Committee members at least five (5) days prior to the meeting except in unusual circumstances.

6. Meetings may be conducted with members present, or by telephone or other communications facilities which permit all persons participating in the meeting to hear or communicate with each other.

7. A written resolution signed by all Committee members entitled to vote on that resolution at a meeting of the Committee is as valid as one passed at a Committee meeting.

8. A secretary for the Committee shall be appointed, and shall keep a record of minutes of all meetings of the Committee.

9. Minutes of the meetings of the Committee shall be distributed by the Secretary of the Corporation to all members of the Committee within seven (7) working days of each meeting, and shall be submitted for approval at the next regular meeting of the Committee.

10. Minutes of the Committee shall be provided to the Board of Directors.