INNOVOTECH INC.

Annual Information Form
For the year ended
December 31, 2009

Dated: March 16, 2010

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This Annual Information Form contains forward-looking statements, including statements that may contain words such as "anticipate," "estimate," expect," "project," "intend," "plan," "believe" and similar expressions and statements relating to matters that are not historical facts. Forward-looking statements, including our belief as to the potential of bioFILM PA™ a diagnostic tool, our expectations for the success of Agress™, our seed treatment technology and our expectations as to the success of our research and development program and contract research contracts in 2009 and beyond, future financial position, business strategy and plans for future operations, and statements that are not historical facts, involve known and unknown risks and uncertainties, which could cause our actual results to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, among others, the need for and availability of funds and resources to pursue research and development projects, the ability to successfully commercialize the bioFILM PA™ susceptibility tray as a diagnostic tool, the ability to commercialize Agress™ or find a suitable joint venture associate to assist in this process, uncertainties related to the research, development and manufacturing of Seed Treatment, uncertainties related to competition, changes in technology, the regulatory process and general changes to the economic environment. Investors should consult our quarterly and annual filings with the Canadian commissions for additional information on risks and uncertainties relating to the forward-looking statements. Forward-looking statements are based on assumptions, projections, estimates and expectations of management at the time such forward-looking statements are made, and such assumptions, projections, estimates and/or expectations could change or prove to be incorrect or inaccurate. Investors are cautioned against placing undue reliance on forward-looking statements. We do not undertake to update these forward-looking statements.

CORPORATE STRUCTURE

Name, Address and Incorporation

Innovotech Inc. (“Innovotech”, “Company” or “Corporation”) is a corporation which amalgamated with its wholly-owned subsidiary MBEC BioProducts Inc. pursuant to the Alberta Business Corporation Act (the ABCA). The registered office of the Corporation is located at 1500 Manulife Place, 10180 - 101 Street, Edmonton, Alberta, T5J 4K1. The head office of the Corporation is located at Suite 101, 2011 – 94 Street, Edmonton, Alberta, T6N 1H1 and its main telephone number and website are (780) 448-0585 and www.innovotech.ca respectively. www.innovotech.ca is a textual reference only and the information contained on the website is not a part of this Annual Information Form and is not incorporated by reference in this Annual Information Form.

Inter-corporate Relationships

The Corporation has no inter-corporate relationships.

GENERAL DEVELOPMENT OF THE BUSINESS

Recent History

Innovotech was incorporated under the ABCA on January 31, 2001 and commenced trading on the TSX Venture Exchange on Wednesday, May 28, 2003 as a Capital Pool Corporation.

On July 2, 2004, Innovotech completed a Qualifying Transaction by acquiring a private company, MBEC BioProducts Inc. (“MBEC”) of Calgary, which became its wholly owned subsidiary.

On January 11, 2005, the TSX Venture Exchange approved the private placement of 1,111,111 common shares in Innovotech at $0.18 per share for total proceeds of $200,000 by First Yellowhead Equities Inc.

On June 30, 2006, Innovotech amalgamated with its wholly owned subsidiary MBEC and continued operating under the name Innovotech.

On September 25, 2006, The TSX Venture Exchange approved a non-brokered offering of 2,894,739 units at a price of $0.19 per unit for gross proceeds of $550,000 by way of private placement. Each unit was comprised of one common voting share and one common share purchase warrant. Each whole warrant entitled the holder to purchase one (1) additional Common Share at a price of $0.28 per Common Share for a period of two (2) years following the date of closing.

On December 27, 2007, the Corporation closed a non-brokered offering of 2,999,998 units at a price of $0.60 per unit for gross proceeds of $1,799,999 by way of private placement. Each unit was comprised one Common Share and one-half share (½) Common Share purchase warrant. Each whole warrant entitled the holder to purchase one (1) additional Common Share at a price of $0.75 per Common Share for a period of one (1) year following the date of closing. The TSX Venture Exchange approved this private placement on January 3, 2008.

As at March 10, 2009, 1,297,661 warrants were exercised for total proceeds of $973,247. 202,338 warrants have expired without being exercised.

BUSINESS OF THE CORPORATION

Innovotech is a biotechnology product development company focused on developing products offering a novel approach to the treatment of biofilm based microbial infections. It also engages in contract research in the same technology field.

Recent Corporate Developments

As of March 31, 2009, the Company enacted a planned change to its senior management structure. Dr. Wolfgang Muhs relinquished the position of Chief Executive Officer, but remains as Chairman of the Board and continues in a part-time consulting capacity with the Company. Mr. Ken Boutilier assumed the role of Chief Executive Officer. Other positions remained unchanged.

In the third quarter of 2009, the Company successfully passed its annual ISO Certification Audit. The ISO 13485 quality system was implemented in September 2008 and this was the first annual review. The audit was conducted by Intertek Group plc. This standard of the International Organization for Standardization (ISO) is designed for manufacturers of medical devices. The Company believes that meeting this standard will enhance its product development capability for its current product, bioFILM PA™, and any of its related products that may be developed in the future. The ISO standard gives Innovotech full control

of the supply chain for this and other products, including choice of component manufacturers and raw material suppliers.

On December 18, 2008, Innovotech signed a Manufacturing Agreement with TREK Diagnostics of Cleveland, OH, USA, for the manufacture of key components of the bioFILM PA™ kit.

On June 18, 2008, the Company signed a North American marketing / distribution agreement with BioSurface Technologies Corporation of Bozeman, Montana, for the MBEC Assay research tool. BioSurface focuses exclusively on biofilms and has a strong reputation in the biofilm research community.

Background on Biofilms

Microbial biofilms are best described as protected communities of microorganisms. The impact of biofilm infections on human health is significant and well captured in a recent statement by the US National Institutes of Health that "up to 80% of all human infections are caused by biofilms." Furthermore the U.S. Centers for Disease Control and Prevention (CDC) stated in 2000 that "virtually all chronic, recurrent and medical device related infections are caused by biofilms".

There is more reported evidence that, in biofilm state, organisms can be up to 1000 times more resistant to antibiotics and disinfectants than they are in a free-floating state. (Infection Research, Dr. Kristen Kerksiek September 2008).

The problems resulting from this situation are most apparent in human medicine, where diagnostics or antibiotics are not routinely tested against biofilms and consequently not approved to treat biofilm infections. The same magnitude of problem exists in agriculture and industrial applications, but receives less attention as biofilms are less well recognized in these fields.

The Company believes that many current approaches to microbiology will have to be re-evaluated and possibly re-invented with the advancing knowledge of the impact of biofilms on our world.

Core Technology

The Company's core technologies, the MBEC Assay™ and the BEST Assay™, are exclusively licensed worldwide from the University of Calgary and protected by several patents as described under "Intellectual Property".

The MBEC Assay™ is a relatively inexpensive high throughput screening system for the growth and subsequent susceptibility testing of biofilms in the laboratory. Its design is such that it can be used for a wide range of biofilm research and development, however most researchers use it to evaluate molecules for their antimicrobial potential. The MBEC Assay™ is sold worldwide to researchers, both in academia and within companies to enhance their knowledge of biofilms and techniques to deal with them. This will lead to expanded

awareness of biofilms and will assist the Company in the commercial acceptance of its future products. The Company also uses the MBEC Assay™ in its Contract Research business.

The BEST Assay™ is used exclusively in the Company's Contract Research business as a tool to test antimicrobial coatings on surfaces for the prevention of attachment of microorganisms, a key initial step in the formation of biofilms. This testing is of critical importance to implant medical device manufacturers (producers of catheters, joint replacements and other such devices) as biofilm infections are a leading cause of morbidity in patients receiving implants.

Contract Research

Innovotech conducts a Contract Research business for a growing list of clients including the largest medical device companies in the world. The majority of clients are seeking assistance in regulatory applications with US Food & Drug Administration (FDA) and other similar agencies, whereas Innovotech develops scientific reports to justify product claims contained in the regulatory filing. The balance of clients typically includes antimicrobial development companies with an interest in how well potential products work in eradicating biofilms. This is a niche expertise for the Corporation that will grow as knowledge of biofilms grows. While the impact of revenue generated from its contract research business cannot be overlooked, even more important is the knowledge of biofilm needs in the market which is gained from this activity. Such information is invaluable to Innovotech for the development of new products. See *Market for Contract Research* on page 17. Until the Company starts to generate income from its own products, contract research will continue to be the major contributor of revenue.

Product Development

The Corporation currently has two development and commercialization programs which it is pursuing in house: 1) bioFILM PA™ is an antimicrobial susceptibility kit for human health care, and 2) Agress™, an agricultural seed treatment aimed at bacterial and fungal biofilm infections. Each of these represents a platform from which many products could evolve.

bioFILM PA™ Antimicrobial Susceptibility Kit

bioFILM PA™ addresses a large unmet need in a subset of the human diagnostic market known as *in vitro* susceptibility testing that allows doctors, through a laboratory test, to determine which antibiotics to use to treat an infection.

The current technology involves taking a fluid sample from the site of the infection, such as a wound, burn, or infected lung, that will contain quantities of the microorganisms causing the infection. The organisms are grown in the laboratory and then exposed to varying concentrations of antibiotics to identify those agents that are the most effective at combating them. This test is appropriate for infections in which organisms are in a free-floating, fast growth phase such as sepsis and flesh-eating disease. However when an organism is in a

biofilm state, as it is in over 80% of human infections, it is usually very resistant to antibiotics and the data from the standard laboratory test just described are not reliable.

The unique feature of Innovotech's bioFILM PA™ technology is that it allows the microbial sample to be grown as a biofilm in the laboratory prior to testing with antibiotics. This more closely mimics the conditions of a biofilm infection in the human body. In addition, bioFILM PA™ provides guidance on the selection of combinations of antibiotics. Doctors frequently use combinations of antibiotics in treating biofilm infections but without guidance from a laboratory test.

In-vitro diagnostic kits such as bioFILM PA™ are classified by Health Canada and other international regulators as Class II Medical Devices. This classification regards these kits as safe, as they do not enter the human body and are only used to determine the susceptibility of microorganisms to registered antibiotics. Based on this classification, clinical trials are not required as part of the regulatory package. However, the Company believes that market penetration would be greatly accelerated if some form of clinical outcome data were available. Clinical outcome data looks for measurable patient benefits resulting from a treatment that relate either to a patient's quality of life or the cost of treatment. For example, in cystic fibrosis lung disease, a common positive outcome measure is an improvement in lung function. The associated financial benefits of this may be a reduction of days stayed in hospital, or in extreme cases, a delay in lung transplantation due to the improvement in lung function. When health systems in Canada evaluate new products, these financial measures are a part of the criteria that are used. The cost of a new technology will be compared to the savings that it produces through clinical outcomes. Reduction in the cost of treatment is an important part of the evaluation of new technology in medicine in other countries as well. As such, Innovotech has entered into several evaluations to gather this information.

While knowledge of biofilms is growing quickly within the worldwide healthcare community, the Company understands that acceptance of biofilm products is at an early stage. As such, the launch of bioFILM PA™ is targeted at the most widely known biofilm disease, cystic fibrosis (CF) lung infections. Through targeting this niche, the Company feels that awareness and acceptance of bioFILM PA™ will follow more quickly for other related infections, such as ventilator-associated pneumonia. Broader acceptance of innovation in healthcare is driven through adoption by knowledge leaders in the field. The Company has engaged with these opinion leaders on several fronts to accelerate the acceptance of bioFILM PA™:

1. The Hospital for Sick Children and St. Michael's Hospital, Toronto; Dr. Felix Ratjen, Dr. Elizabeth Tullis.
2. Capital Health Authority, Edmonton; Dr. Robert Rennie and Dr. Neil Brown
3. 14 Cystic Fibrosis Clinics in Canada
4. United States and European Union Cystic Fibrosis experts

In communication with the US Food & Drug Administration (FDA), the FDA expressed an interest in reviewing the biofilm novelty of the bioFILM PA™ kit but suggested that the kit be submitted using only single antibiotics. The Company is researching the market acceptance of this type of product while continuing dialogue with the FDA. In parallel, the

Company will use its resources to initially seek regulatory approval of bioFILM PA™ in other markets, such as the European Union, where regulatory requirements are more similar to those in Canada.

bioFILM PA™ is used in infections caused by the bacteria Pseudomonas aeruginosa. The Company intends to develop subsequent products: bioFILM SA™, to address *Staphylococcus* sp. infections in catheters, dialysis equipment and artificial joints and bioFILM CA™, to address fungal and yeast infections that are common problems in healthcare. The Company believes that acceptance of bioFILM PA™ by hospitals worldwide will assist in the rapid adoption of these new products.

The market for these products is significant, but dependent on doctors understanding that biofilms are the cause of chronic, recurrent and medical device related infections. Although over 35 million susceptibility tests are conducted in the world annually, as discussed previously many of these tests provide little benefit as they do not test biofilms. Susceptibility tests that showed results against biofilms could replace many of the current susceptibility tests that are performed, as doctors become more aware of the weaknesses of the present tests. Those practitioners who have not used susceptibility tests because of their understanding of their serious deficiencies could become new users of Innovotech's susceptibility tests. The Company believes that the worldwide market for the bioFILM™ family of products is in the $US 200 million range. Of this total, the cystic fibrosis market is estimated to be $US 50 million and the ventilator-associated pneumonia market $US 35 million.

Efforts in support of market acceptance of bioFILM PA™

The company initiated a clinical evaluation of bioFILM PA™ in partnership with the Hospital for Sick Children and St. Michael's Hospital in late 2008. Principal Investigators are Drs. Elizabeth Tullis, Director Cystic Fibrosis Clinic, St Michael's Hospital, Valerie Waters, Infectious Disease Specialist, The Hospital for Sick Children, and Yvonne Yau, Medical Microbiologist, The Hospital for Sick Children. The 3 year, randomized, double blinded study will evaluate bioFILM PA™ against current practices in the selection of antibiotics for CF lung infections.

In early 2009, the Company offered an "introductory trial" of bioFILM PA™ to 14 CF clinics in Canada. Feedback from the offer revealed that the diagnostic laboratories in these hospitals had difficulty fitting the test into their staffing schedules. For this reason, the Company contracted a third party laboratory to serve the needs of CF clinics across North America. Clinics in the US or Canada can now routinely send in bacterial samples (isolates), have them tested using Innovotech's bioFILM PA™, and quickly receive results electronically.

In July 2009, the Company, in conjunction with the University of Alberta, held a Press Conference announcing results of a three-year evaluation of bioFILM PA™ by the University of Alberta Hospital CF Clinic. The results demonstrated value in the use of bioFILM PA™ in managing cystic fibrosis patients with chronic lung infections. In all case reports a significant benefit was seen from using bioFILM PA™, often after doctors thought they had

run out of options with both conventional susceptibility diagnostics and antibiotic treatment. Benefits demonstrated included:

1. A prolonged, unexpected symptom-free period after lung transplantation.
2. Improved lung function resulting in easier breathing.
3. Quicker recovery resulting in decreased hospital stays.
4. Reduced antibiotic usage because the proper antibiotics were chosen immediately.

The press conference was reported on by at least 10 major newspapers across Canada and many smaller newspapers. Links for more Press Conference information are provided below:
http://www.cf-test.ca/?p=89 (Melanie's story)
http://www.cf-test.ca/?p=83 (Press Conference)

The Company initiated a program to improve patient awareness of bioFILM PA™. The Press Conference was the initiation of this program. In addition, the Company also started a blog site as part of a social media marketing approach and has held tours of Innovotech for interested CF groups.

In January 2010, the Company received its first Canadian order for bioFILM PA™ kits from a hospital outside Alberta.

The biofilm susceptibility testing program received partial support from the Alberta Heritage Foundation for Medical Research and the Industrial Research Assistance Program (IRAP).

Agress™ Agriculture Seed Treatment

Biofilm diseases are as prevalent in agriculture as they are in humans and often cause much larger economic impact. For example, Fusarium head blight infestations in the USA are estimated to have caused over $7 billion in crop losses between 1993 and 2001 (Agribusiness and Applied Economics Report, No. 538, July 2004). Other diseases such as bacterial blight and potato ring rot are widespread and often as devastating.

Crops of importance in the agricultural world fall into two broad categories; commodity crops including wheat, corn, canola, soy and pulses (lentils and peas) and high-value crops including fruits, vegetables and potatoes. The disease pressure in a particular geographic region as well as the value of the crop will determine the extent to which agricultural antimicrobial products are used.

The agricultural industry is dominated by large multinational companies such as Dow, BASF, Syngenta, Monsanto, Dupont and others. Smaller, regional or crop/disease specific companies are active in every market and provide niche opportunities for new products.

Agricultural products for microorganisms exist in 3 broad categories:

1. Foliar sprays (sprayed on leaves once a plant has emerged).
2. Seed treatments (to protect a plant during germination until it has emerged from the soil).
3. Others (including disinfectants for storage containers, tools and implements).

Products tend to be a combination of active agents (anti-bacterial, anti-fungal) held within a formulation that is designed to maximize the performance of the active agents.

Multiple active agents are typically combined in order to confer a broader spectrum of activity to a product. For instance, in seed treatment, other additives in formulations may increase the adhesion of the active agents to the seed surface thereby increasing protection to the seed after planting, or facilitate shipping, storage or application in the field.

Agriculture companies sell their products to farmers or in the case of seed treatments, to a group of intermediaries, who will customize the formulations of active agents on specific crops in direct response to disease pressure in a particular growing season or region. Many companies will provide an "emergence guarantee" (a guarantee that a certain percentage of seed that are planted will produce a sprout) to farmers as an incentive to purchase their seeds.

The need has emerged in recent years for a new anti-bacterial product. This need has been driven by concerns of bacterial resistance to the traditional treatment-of-choice, agricultural streptomycin, and the fact that newer agents that have been approved and are designed to replace streptomycin don't work well.
Agress™ is a breakthrough seed treatment with effectiveness against both fungal and bacterial crop diseases. It has an outstanding environmental safety profile and is cost-competitive with current products used in seed treatment. The active ingredient is a highly charged form of silver that is effective in very low concentrations. In one regulatory study looking at the residual amount of silver remaining in the soil after treatment with Agress™, silver levels were measured at a level lower than the background concentration of silver normally found in soil.

Regulatory

Agricultural crop treatments undergo a high level of scrutiny by regulatory agencies for toxicity and environmental impact. This scrutiny can make the approval process long and expensive. While the Company's main interest in Agress™ comes from its effectiveness, environmental profile and cost structure, it was aware that silver and many silver compounds have been accepted as generally safe by the US Environmental Protection Agency (EPA) in their published "Red Book".

Innovotech has filed Agress™ for approval with the Pest Management Regulatory Agency (PMRA) of Health Canada and the US EPA, in October 2007 and November 2007 respectively, as a seed treatment for bacterial diseases of both pulse crops (beans and peas) and soybean. The Company has also embarked on a vigorous research program to extend the scope of Agress™ to a wide range of diseases in economically viable crops that will form the basis for an expansion of claims application to regulatory agencies once the initial application is approved. This research will allow the Company to determine the full market potential of Agress™. The crop types of greatest interest to Innovotech, based on market value, are canola, corn, vegetables and fruits.

The PMRA requested extensive safety tests for Agress™. The Company argued that these tests should be waived given the wealth of existing published scientific papers on the safety of silver and silver compounds. In February 2010, PMRA responded with a statement that a complete package of new scientific data would need to be assembled under a new application.

The Company received notification from the EPA in February 2010 requesting additional scientific data on the safety of Agress™ in several areas as part of Innovotech's current application. Although the Company has initial data in the requested areas, assembly of the complete response to the EPA will take several months as one of the studies requested is of a longer duration. The EPA has indicated that upon receipt and acceptance of the new data, the final review will be completed in less than two months. Thus the Company is targeting for EPA approval in late 2010.

The Company will address the PMRA documentation once its EPA response is underway.

Crop Trials

In addition to the broad crop and disease scope that Agress™ possesses, the Company is aware of the growing concern among regulatory agencies of bacterial resistance caused by large scale use of agricultural streptomycin. Innovotech research has shown that Agress™ is comparable, in effectiveness, cost, and application ease, to agricultural streptomycin in many applications, and therefore could be a viable replacement.

- The Company contracted an agricultural research project to Agriculture and Agri-Food Canada (AAFC) Summerland Research Station to determine the effectiveness of Agress™ and other silver products developed by Innovotech, as agents against fire blight, a bacterial disease affecting fruit trees around the world. The initial stage of the work was completed on schedule in the second quarter of 2009 and showed that Agress™ offers a viable alternative to streptomycin, particularly against strains of the bacteria which have developed resistance against streptomycin (approximately 50% of the strains found in the Okanagan Valley of Canada.

- In proof of concept experiments with tomatoes, Innovotech was able to demonstrate that Agress™ is suitable for a foliar spray treatment as well as a seed treatment. This was done through work on tomato spot and tomato canker, devastating bacterial diseases affecting both greenhouse and field tomatoes. In these experiments, Agress™ was able to control the diseases better than industry standard treatments. Work will now be undertaken to move this from the proof-of-concept stage to a larger replicated study.

- During the 2009 growing season, Innovotech conducted internal field/greenhouse trials that showed the following results:
    - Agress™ outperformed copper-based seed treatments in a grower-sized bean field study and demonstrated performance comparable to Streptomycin for both yields and emergence.
    - Agress™ was found to work effectively on potatoes as a seed treatment (fungal)

- Agress™ was found to work effectively as a dry bean foliar spray (bacterial blights).

Other

The Company has Non-disclosure Agreements or Evaluation Agreements in place with many of the leading multinational agricultural chemical companies. Through 2009, the Company has received inquiries from many agricultural firms expressing an interest in Agress™. The Company has provided data packages and/or met with these firms to determine how Agress™ fits in their product portfolio. The Company is also considering marketing partnerships with companies that have a more regional focus.

The agriculture seed treatment program is partially supported by the following agencies: Alberta Ingenuity Fund, Alberta Agriculture Funding Consortium. The Consortium funders are Alberta Agricultural Research Institute and Alberta Crop Industry Development Fund Ltd.

Other Product Development

Given recent concerns about food safety, the Company has initiated development of a series of photo-activated compounds for potential use in meat processing facilities and other food sanitation applications. Photo-activation is a process whereby compounds, upon exposure to light and oxygen, create a reaction that is able to kill microorganisms. The compounds that Innovotech has developed are based on common food dyes that have already been approved for human consumption by regulatory agencies. A regulatory application was filed for two products as "sanitizers" with the Canadian Food Inspection Agency (CFIA) in January 2010.

Innovotech is also conducting exploratory research in other product applications of silver (Agress™ and others) in agriculture including foliar sprays that control diseases of leaves and stems, and as a surface disinfectant for tools, equipment and storage facilities.

Several silver compounds from the Company's research program have shown promise for use as antimicrobial coatings for medical devices. The Company has several Material Transfer Agreements in place with medical device companies that have expressed interest in this potential new product application.

The understanding of biofilms has grown dramatically in the past five years. While still an emerging field, there is now an abundance of research directed at solving biofilm problems in human medicine, agriculture and industry. Innovotech is well positioned to meet this need through the simplicity and cost-effectiveness of its products, their safety, the risk-reducing attributes of its product development process and the solutions-focus of its vibrant contract research business.

Intellectual Property

The Company's core technology, MBEC Assay™ and BEST Assay™, is exclusively licensed from the University of Calgary. This core technology is protected by United States and related international patents as described below:

Patent	Filing Date	Inventor	Title
US 6,599,714	13/03/1996	Ceri et al.	Method of Growing and Analyzing a Biofilm
US 6,326,190	18/01/2000	Ceri et al.	Biofilm Assay
US 6,410,256	19/07/2000	Ceri et al.	Method of Making Biofilm
US 6,051,423	31/07/2000	Ceri et al.	Biofilm Assay
US 6,596,505	17/04/2001	Ceri et al.	Apparatus and Method for Testing Effects of Materials and Surface Coatings on the Formation of Biofilms
US 7,041,476	27/03/2002	Ceri et al.	Method of Assaying the Susceptibility of Biofilms to Anti-microbial Agents
US 6,599,696	02/05/2002	Ceri et al.	Effects of Materials and Surface Coatings on Encrustation and Biofilm Formation
US 11/305,428 (pending)	15/12/2005	Ceri et al.	Biofilm Incubation

In addition, the Company has filed patents to protect technology developed within its research and development programs as described below:

Patent (pending)	Filing Date	Inventor	Title
CA 2,458,110	19/02/2004	Olson et al.	Compositions & Methods for Preserving Plant Material
CA/2006/001226	24/07/2006	Olson et al.	Improved Devices and Methods for the Analysis of Biofilm
CA/2006/001218	24/07/2006	Olson et al.	Device and Method for Selections of Agents with Efficacy Against Biofilm
CA/2007/001149	27/06/2007	Olson et al.	Compositions and Methods for Preserving Plant Material
US 11/913,161	31/10/2007	Olson et al.	A Disinfectant Composition
US 11/913,160	31/10/2007	Olson et al.	Compositions and Methods for Treating Microorganisms
US 11/913,158	31/10/2007	Olson et al.	Compositions & Methods for Preserving Plant Material
AU 2007262576	14/01/2009	Olson et al.	Methods & Compositions for Treating Biofilms
CN 200780027487.0	20/01/2009	Olson et al.	Methods & Compositions for Treating Biofilms
EP 07763818.7	09/01/2009	Olson et al.	Methods & Compositions for Treating Biofilms
KR 10-2009-7001314	21/01/2009	Olson et al.	Methods & Compositions for Treating Biofilms
NZ 574158	13/01/2009	Olson et al.	Methods & Compositions for Treating Biofilms
ZA 2009/00140	07/01/2009	Olson et al.	Methods & Compositions for Treating Biofilms
CA 2,616,526	22/01/2008	Olson et al.	Improved Devices and Methods for the Analysis of Biofilm
US 11/996,480	22/01/2008	Olson et al.	Improved Devices and Methods for the Analysis of Biofilm
CA 2,616,559	22/01/2008		Device and Method for Selections of Agents with Efficacy Against Biofilm
US 11/996,478	22/01/2008	Olson et al.	Device and Method for Selections of Agents with Efficacy Against Biofilm
CN 20068030645	22/02/2008	Olson et al.	Device and Method for Selections of Agents with Efficacy Against Biofilm
EP 6761179.8	22/01/2008	Olson et al.	Device and Method for Selections of Agents with

			Efficacy Against Biofilm
KR 1/2008-7004354	22/02/2008	Olson et al.	Device and Method for Selections of Agents with Efficacy Against Biofilm
CA/2008/001109	09/06/2008	Olson et al.	Compositions and Methods for Increasing Seed Germination
CA	04/12/2009	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
AU	18/12/2009	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
CN	Not yet available	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
EP 08757239.2	25/01/2010	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
IL	Not yet available	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
KR	Not yet available	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
NZ 582118	17/12/09	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
US 12/663,118	04/12/2009	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
ZA 2009/09214	05/01/2010	Olson et al.	Compositions & Methods Comprising High Valency Silver for Increasing Seed Germination
CA/2008/001928	27/10/2008	Olson et al.	Natural Photodynamic Agents and Their Uses
US 61/286,119	14/12/2009	Olson, et al.	Articles of Manufacture with Improved Anti-microbial Properties

Registered patents have a life of 20 years from the date of approval.

The Corporation owns 32 registered and/or pending trademarks or applications also in the United States and Canada.

Alberta Heritage for Medical Research

The Corporation entered into a Technology Commercialization Agreement with Alberta Heritage Foundation for Medical Research ("AHFMR") on May 1, 2006. Under this agreement, total funding of $150,000 was provided for the development of the Company's diagnostic product candidate, the bioFILM PA™ antimicrobial susceptibility kit. The funding is repayable to the AHFMR as a royalty in an amount equal to 5% of annual gross product sales commencing with the year ending December 31, 2008 and continuing until the total funding received is repaid. Total royalties repaid shall not exceed the total funding advanced. A small royalty was paid to AHFMR in 2009 resulting from sale of product to a United States client.

Government Regulations

The development, manufacturing and ultimate marketing of the Corporation's products are subject to regulations relating to demonstrating the safety and efficacy of these products as established by the authorities in the jurisdiction where a product will be marketed.

For drugs, diagnostics and medical devices, these activities are regulated under the Food and Drugs Acts (Canada) and are enforced by Health Canada. In the United States, these products are regulated by the Federal Food, Drug and Cosmetic Act and are enforced by the Food and Drug Administration ("FDA"). Agricultural products, including seed treatments are regulated by Pest Management Regulatory Agency of Health Canada ("PMRA") in Canada and the Environmental Protection Agency ("EPA") in the United States.

MARKETS

Market for bioFILM PA™ Antimicrobial Susceptibility Kit

The bioFILM™ System is intended as a replacement for the currently available MIC (minimum inhibitor concentration) test, where biofilm infections are involved. It is estimated that 35 million MIC tests are conducted in the world annually. The National Institutes of Health (U.S.) has stated that over 80% of all human infections are caused by organisms in a biofilm state.

The first product from the *bioFILM*™ antimicrobial susceptibility system platform is the *bioFILM PA*™ kit, a diagnostic susceptibility test to assist physicians in the selection of antibiotics to treat infections caused by *Pseudomonas aeruginosa* biofilms. Common biofilm diseases involving *Pseudomonas aeruginosa* bacteria include Cystic Fibrosis lung infections, ventilator-acquired pneumonias and infections of burn wounds.

Groups at high risk for these biofilm infections include:

Cystic Fibrosis patients:	There are 30,000 patients in the United States ("US"), 70,000 worldwide of which 80% will ultimately be infected by a biofilm infection caused by P*seudomonas aeruginosa.* (CDC morbidity and mortality, vol.53 (RR13) 2004)
Burn patients:	There are 50,000 severe burn hospitalizations each year in the US with 10,000 from burn related infections. (American Burn Association 2005 Report)
ICU patients:	Four to five million ICU admissions each year in the US. These patients are at risk of ventilator assisted pneumonia and urinary tract infections. (Journal of Critical Care, Vol. 19, no 3 (September 2004)

The market for these products is significant, but dependent on doctors understanding that biofilms are the cause of chronic, recurrent and medical device related infections. Although over 35 million susceptibility tests are conducted in the world annually, as discussed previously many of these tests provide little benefit as they do not test biofilms. Susceptibility tests that showed results against biofilms could expand the market greatly. The Corporation believes that the worldwide market for the bioFILM™ family of products is in the $US 200 million range. Of this total, the cystic fibrosis market is estimated to be $US 50 million and the ventilator-associated pneumonia market $US 35 million.

Market for Agress™ Crop Protection Product

Naturally occurring bacteria and fungi are present on the surface of crop seed, where, during germination and emergence, they can have a negative effect on plant growth. Seed treatment products are used to minimize this effect. The Company's regulatory application is for a seed treatment addressing bacterial blights of pulse crops. While the potential market for this product in North America is quite small (approximately $3 million), once approved, it will allow reasonably rapid regulatory approval expansion into other crops (corn, potatoes, fruits and vegetables), other applications (foliar) and other diseases (fungal). The global seed treatment market is approximately $4 billion, and the global foliar spray market is approximately $20 billion.

Crop protection products are evolving to a "total protection" approach whereby one product provides complete protection for the crop application through the inclusion of bactericides, fungicides, insecticides and other components (nutrients). This evolution suggests that Agress™, rather than entering the market as an individual product, would be a component of many products. The Company views this situation as favourable as it allows Agress™ to have maximum penetration into markets and balances revenue over many crop areas.

The "total protection" evolution also makes it more difficult for the Company to forecast market potential of Agress™, as royalties to the Company would be based on incremental revenue from an existing combination product rather than from the sale of a single active ingredient product. Current information suggests that companies will place a premium price on these "total protection" products as they are more convenient, offer application savings, and provide greater assurance of higher yields for the grower.

Market for MBEC Assay™

The MBEC Assay™ is a high-throughput screening system for the growth of biofilms and subsequent susceptibility testing of agents against biofilm growth. It is sold to over 100 industrial and academic customers worldwide. Academic researchers use this technology to explore and answer fundamental questions about biofilms. Commercial organizations use this technology to develop new products with improved effectiveness against biofilms.

Market for BEST Assay™

The BEST Assay™ represents a further development of the MBEC Assay™, specifically designed for the testing of adhesion of biofilms to solid surfaces. The assay has proven its value in the development of biofilm resistant coatings. The Corporation makes the assay available to its clients either through its Contract Research activity or through specific license agreements.

Market for Contract Research

Innovotech has worked with many of the industries affected by biofilm problems. Currently, the largest client segment is implant medical device manufacturers, including a number of the largest catheter companies in the world, who use antibacterial coatings on their products to

minimize biofilm formation. Innovotech conducts a full range of testing for these clients from initial efficacy testing, to comprehensive scientific protocols used to validate product claims made to regulatory agencies. Innovotech used its capabilities to assist a client in obtaining the first ever Food & Drug Administration granted "anti-adherence" claim for a catheter. Other clients include antibiotic and disinfectant developers, wound healing companies and others. As the awareness of biofilm disease increases, the Company is of the opinion that the market for its contract research should increase.

Scientific Knowledge

Innovotech's scientific team has over 50 years of combined expertise in researching and resolving microbial biofilm problems. The scientific team has over 300 scientific publications and over 30 patents.

Competition

The Corporation at present has few direct competitors for its products but as the biotechnology industry is subject to rapid and substantial technological changes, there can be no assurance that development by others may not render the Corporation's products or technologies non-competitive.

Facilities and Human Resources

The Company's newly renovated 3,200 sq. ft. facility is located in the Edmonton Research Park. By securing this space, the Company has been able to work in a state of the art facility which facilitates its future growth, and in a location which is recognized as a Canadian biotechnology centre.

As of March 16, 2010, Innovotech has eighteen (18) full time employees, one (1) permanent part-time employee and three (3) part-time consultants. Six hold Doctorate degrees, 3 hold Master degrees and the remainder hold undergraduate or technical school diplomas. There are sixteen (16) employees employed in research and product development, three (3) full-time and three (3) part-time employees in finance, administration, corporate affairs and business development.

Risk Factors

Product Liability Claims

The Company's current products carry a low liability risk. The MBEC Assay™ is a research tool and therefore, by definition, does not require liability insurance. bioFILM PA™ is a Class II in vitro diagnostic device, which, by definition, is of low risk to human patients. The Company has liability insurance in place for bioFILM PA™. Nevertheless, if a significant product liability claim was made this could adversely affect the financial outlook of the Company.

Additional Financing

The Company believes that its available cash from financing activities, current revenue from contract research and product sales are sufficient to support the present operations of Innovotech Inc. The Company will continue to seek grant support for its Research and Development programs where they are available.

The Company generates revenue through contract research and the sale of its products: the MBEC Assay™ and bioFILM PA™. It also offsets its research and development costs through grant funding. These sources of revenue reduce the Company's dependency on financial markets. However, when the Company chooses to raise capital it will do so through equity offerings, exercise of warrants or options by the holders, collaborative arrangements or other business arrangements that meet the criteria set by the Board of Directors of the Company. The Company's future viability will be dependent on its product pipeline and the identification of new products. There is no assurance that funds will be available as needed as accessing funds for early stage biotechnology companies is challenging and is also dependent on outside factors, many of which are outside the Company's control.

Contract Research

Innovotech must continually find new contract research customers or new contract research projects with present customers. The risk is that Innovotech may not find such continuing sources of contract research revenue. In addition, revenue from contract research could be affected by Canadian – U.S. currency exchange rates given that a significant portion of the Company's contract research business is from U.S. clients.

Development Partnerships or Collaborations

The Company may seek partners or collaborations to help defray the costs of the development of its programs and the commercialization of its products. Although the Company has been successful to date in funding programs, there is no assurance that the Company will be able to identify potential partners and, if not successful, may be required to reduce the scope of or delay certain research programs.

Technological Developments

The biotechnology industry is subject to rapid change, introduction of many potential products, regulatory requirements and constantly evolving industry standards. Although the Company has been successful in its development programs for new products to date, it may not be successful in introducing these potential products to the markets on a timely basis.

Management of Growth

While the Company has managed its growth effectively to date, future growth, if any, may cause a significant strain on management, operational, financial and other resources. The Company's ability to effectively manage growth will require implementation and improvement of its scientific, operational, financial and management information systems

and to increase the number of, and to train, manage and motivate employees. These demands may require the addition of new management personnel and the development of additional expertise by management. Any increase in resources devoted to research, product and business development without a corresponding increase in scientific, operational, financial and management information systems could have a material adverse effect on performance. The failure of the management team to effectively manage growth could have a material adverse effect on business, financial condition and results of operations.

Government Regulations

Securing regulatory approval for the marketing of our products by regulatory agencies is a long and expensive process, which can delay or prevent product development and marketing. Approval to market products may be for limited applications or may not be received at all.

While the Company has secured ISO13485:2003 for its medical device, bioFILM PA™, the Company may have to comply with other regulations and guidelines required by regulatory authorities of the countries in which Innovotech wishes to market its products. Additionally, certain customers may require the manufacturing facilities contracted by the Company to adhere to additional manufacturing standards. Compliance with these quality system regulations (ISO, GMP (Good manufacturing practices) and other) requires manufacturers to expend time, money and effort in production, and to maintain precise records and quality control to ensure that the product meets applicable specifications and other requirements. If the manufacturing facilities contracted by the Company fail to comply with these requirements, the facilities may become subject to possible regulatory action and manufacturing at the facility could consequently be suspended. The Company may not be able to contract suitable alternative or back-up manufacturing facilities on acceptable terms.

Regulatory agencies may also require the submission of any lot of a particular product for inspection. If the lot product fails to meet the authority's requirements, then the authority could take any of the following actions: (i) restrict the release of the product; (ii) suspend manufacturing of the specific lot of the product; (iii) order a recall of the lot of the product; or (iv) order a seizure of the lot of the product. The Company is subject to regulation by governments in many jurisdictions and, if the Company does not comply with healthcare, agriculture, manufacturing and environmental regulations, among others, the Company's existing and future operations may be curtailed, and the Company could be subject to liability.

In addition to the regulatory approval process, the Company may be subject to regulations under local, provincial, state, federal and foreign law, including requirements regarding occupational health, safety, laboratory practices, environmental protection and hazardous substance control, and may be subject to other present and future local, provincial, state, federal and foreign regulations.

Competition

Technological competition in innovative industries is intense and the Company expects competition to increase. Other companies may be conducting research on similar products

which may compete with the Company's product. These potential competitors may be more established, benefit from greater name recognition and have substantially greater financial, technical and marketing resources than the Company. In addition, these potential competitors may have significantly greater experience in undertaking research, obtaining regulatory approvals and manufacturing and marketing such products. Accordingly, the Company's competitors may succeed in manufacturing and/or commercializing products more rapidly or effectively, which could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company anticipates that it will face increased competition in the future as new products enter the market and advanced technologies become available. There can be no assurance that existing products or new products developed by the Company's competitors will not be more effective, or be more effectively manufactured, marketed and sold, than any that may be developed or sold by the Company.

Patents and Proprietary Rights

The Company's success will depend, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the rights of third parties. The Company has patents in the United States and Canada and has filed applications for patents under the Patent Cooperation Treaty, allowing it to file in other jurisdictions. The Company's success will depend, in part, on its ability to obtain, enforce and maintain patent protection for its technology in Canada, the United States and other countries. The Company cannot be assured that patents will issue from any pending applications or that claims now or in the future, if allowed under issued patents, will be sufficiently broad to protect its technology. In addition, no assurance can be given that any patents issued to or licensed by the Company will not be challenged, invalidated, infringed or circumvented, or that the rights granted thereunder will provide continuing competitive advantages to the Company.

From time to time management may make a determination that superior economic gain may be attained by perpetually protecting an invention as a trade secret rather than disclosing it in a patent application. Inventions held as trade secrets can be independently discovered by others. In addition, the contractual agreements by which we protect our unpatented technology and trade secrets may be breached. If technology similar to ours is independently developed or our contractual agreements are breached, our technology will lose value and our business will be irreparably harmed.

The patent positions of biotechnology firms, including the Company, are generally uncertain and involve complex legal and factual questions. In addition, it is not known whether any of the Company's current research endeavours will result in the issuance of patents in Canada, the United States, or elsewhere, or if any patents already issued will provide significant proprietary protection or will be circumvented or invalidated. Since patent applications in the United States and Canada are maintained in secrecy until at least 18 months after filing of the original priority application, and since publication of discoveries in the scientific or patent literature tends to lag behind actual discoveries by several months, the Company cannot be certain that it or any licensor was the first to create inventions claimed by pending patent applications or that it was the first to file patent applications for such inventions. Loss of

patent protection could lead to generic competition for these products, and others in the future, which would materially and adversely affect the financial prospects for these products and the Company. Similarly, since patent applications filed before October 2000 in the United States are maintained in secrecy until the patents issue or foreign counterparts, if any, publish, the Company cannot be certain that it or any licensor was the first creator of inventions covered by pending patent applications or that it or such licensor was the first to file patent applications for such inventions. There is no assurance that the Company's patents, if issued, would be held valid or enforceable by a court or that a competitor's technology or product would be found to infringe such patents.

Accordingly, the Company may not be able to obtain and enforce effective patents to protect its proprietary rights from use by competitors, and the patents of other parties could require the Company to stop using or pay to use certain intellectual property, and as such, the Company's competitive position and profitability could suffer as a result.

In addition, the Company may rely on licenses under patents or other proprietary rights of third parties. No assurance can be given that any licenses required under such patents or proprietary rights will be available on terms acceptable to the Company, or that our existing licenses or new licenses, if obtained, will not terminate, or that they will be renewed. We cannot assure that these licenses will remain in good standing or that the technology we have licensed under these agreements has been adequately protected or is free from claims of infringement of the intellectual property rights of third parties. Pursuant to the terms of the licenses and any agreements we may enter into in the future, we are and could be obligated to exercise diligence in bringing potential products to market and to make license payments and certain potential milestone payments that, in some instances, could be substantial. We are obligated and may in the future be obligated, to make royalty payments on the sales, if any, of product candidates resulting from licensed technology and, in some instances, may be responsible for the costs of filing and prosecuting patent applications. Because we require additional funding, we may not be able to make payments under current or future license agreements, which may result in our breaching the terms of any such license agreements. Any breach or termination of any license could have a material adverse effect on our business, financial condition, and results of operations.

If the Company does not obtain new licenses, or if any of the existing licenses are terminated or not renewed, it could encounter delays in introducing one or more of its products to the market while it attempts to design around such patents, or could find that the development, manufacture or sale of products requiring such licenses could be foreclosed. In addition, the Company could incur substantial costs in defending itself in suits brought against the Company on such patents or in suits in which the Company attempts to enforce its own patents against other parties.

Intellectual Property Litigation

The biotechnology industry has a history of patent and other intellectual property litigation, and these lawsuits likely will continue. In order to protect or enforce our intellectual property rights, we may have to initiate legal proceedings against third parties. We may also have to defend claims brought against us or any purchaser or user of our potential products asserting

that such product or process infringes intellectual property rights of third parties. Legal proceedings relating to intellectual property typically are expensive, take significant time and divert management's attention from other business matters. The cost of this litigation could adversely affect our business. Further, if we do not prevail in an infringement lawsuit brought against us, we might have to pay substantial damages, and we could be required to stop the infringing activity or obtain a license to use the patented technology. Such royalty or licensing agreements, if required, may not be available on terms acceptable to us, if at all. In the event a claim is successful against us and we cannot obtain a license to the relevant technology on acceptable terms, license a substitute technology or redesign our potential products to avoid infringement, our business, financial condition and operating results would be materially adversely affected.

Product Obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products characterize the pharmaceutical industry. The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render the Company's products obsolete, less competitive or less marketable. The process of developing the Company's products is complex and requires significant continuing development efforts and third party commitments. The Company's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect its business. The Company may be unable to anticipate changes in its potential customer requirements that could make the Company's existing technology obsolete. The Company's success will depend, in part, on its ability to continue to enhance its existing technologies, develop new technology that addresses the increasing sophistication and varied needs of the market, and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. The development of the Company's proprietary technology entails significant technical and business risks. The Company may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its businesses to evolving customer or medical requirements or preferences or emerging industry standards.

Key Personnel

The Company's ability to develop products will depend, to a great extent, on its ability to attract and retain highly qualified scientific personnel and to develop and maintain relationships with leading research institutions. Competition for such personnel and relationships is intense. There can be no assurance that we will be able to retain and attract qualified individuals currently or in the future on acceptable terms, or at all. The Company is highly dependent on the principal members of its management staff as well as its advisors and collaborators, the loss of whose services might impede the achievement of development objectives. The persons working with the Company are affected by a number of influences outside of the control of the Company. The loss of key employees and/or key collaborators may affect the speed and success of product development. In addition, we do not maintain "key person" life insurance on any officer, employee or collaborator.

Market Acceptance

The Company's primary activities to date have been pre-market. As such, the Company has little experience in selling or marketing products. If the Company relies on third parties to market its products, the commercial success of such product may be outside of its control. Moreover, there can be no assurance that the medical or agricultural communities will accept the Company's products, even if the Company's products prove to be safe and effective and approved by regulatory authorities. A failure to successfully market its products would have a material adverse affect on the Corporation's revenue.

SELECTED FINANCIAL INFORMATION

Selected Financial Information can be found in the Audited Financial Statements for the year ended December 31, 2008. These can be viewed on SEDAR at www.sedar.com

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis report can be viewed at www.sedar.com

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Corporation consists of an unlimited number of Common Shares each of which are entitled to one vote each. The total shares issued at March 16, 2010 were 24,082,271 Common Shares each entitled to one vote.

There were 1,094,405 stock options granted at December 31, 2009 of which 971,929 were fully vested.

Additional information on the capital structure of the Corporation can be found in the Audited Financial Statements for the Fiscal year ended December 31, 2009.

DIVIDENDS

The Corporation currently has no plans to pay dividends on its Common Shares. The payment of dividends on Common Shares in the future will depend on the Corporation's need to finance growth, the Corporation's financial position and any other factor which the Board of Directors of the Corporation may deem appropriate at that particular period.

MARKET FOR SECURITIES

The Corporation's common shares are listed for trading on the TSX Venture Exchange under the symbol "IOT".

For the fiscal year ended December 31, 2009 the following table sets forth the weighted average monthly price ranges and volume of trading of the common shares on the TSX Venture Exchange.

Period	High	Low	Close	Volume
Fiscal year 2009				
January	$0.81	$0.76	$0.77	21,500
February	$0.80	$0.73	$0.75	55,706
March	$0.84	$0.83	$0.84	88,000
April	$0.72	$0.72	$0.72	6,600
May	$0.80	$0.79	$0.80	25,800
June	$0.84	$0.82	$0.84	43,250
July	$0.88	$0.87	$0.88	40,010
August	$0.93	$0.91	$0.91	29,000
September	$0.90	$0.90	$0.90	5,500
October	$0.76	$0.76	$0.76	19,000
November	$0.72	$0.72	$0.72	11,000
December	$0.75	$0.65	$0.65	5,000

Escrowed Shares

Designation of Class	Number of Securities held in Escrow (1)	Percentage of Class
Common shares	565,105	2.35%

(1) As part of an Escrow Agreement dated April 16, 2004, 5,650,644 shares acquired by non-arm's length parties of the Corporation at July 2, 2004 are subject to an Escrow Agreement. Under this Escrow Agreement, amounts are released commencing with one-twentieth (1/20) of the escrowed shares balance and decreasing by one percentage each six months on the remaining balance for a period of six years from the date of a Qualifying Transaction of July 2, 2004.

DIRECTORS AND OFFICERS

Directors

The following table lists the Directors of Innovotech, their municipality of residence, as well as their principal occupation within the five (5) preceding years. Directors are re-elected annually.

Name and Municipality of Residence	Principal Occupation [1]	Director Since	Number of Common shares beneficially owned, directly or indirectly.
Wolfgang Muhs, Ph.D.[1] [5] Peachland, British Columbia, Canada	Chemist; Chairman of the Board of Innovotech Inc.	October 22, 2002	941,088
Gerard Tertzakian, Ph.D.[2][3] [5] Edmonton, Alberta, Canada	Chemist; President of Hannibal Ventures Inc. since 1992.	January 31, 2001	924,888
Bruce Hirsche, Q.C. [3][4][6] Edmonton, Alberta, Canada	Lawyer; Partner with Parlee McLaws LLP, Barristers and Solicitors, Edmonton, Alberta;	January 31, 2001	786,819
Kerry Brown, CA [2] [3] St. Albert, Alberta, Canada	Chartered Accountant; Chairman of the Board of Foundation Equity Corporation.	January 31, 2001	1,294,839
James Timourian, Ph.D.[3][4] [5] Edmonton, Alberta. Canada	Mathematician. President of Integral Chemistry Inc.	October 22, 2002	1,661,812
John Pinsent, CA [2] Edmonton, Alberta, Canada	Chartered Accountant; Founding Partner, St. Arnaud Pinsent Steman Chartered Accountants	January 1, 2008	Nil
Dr. Lorne Babiuk, Ph.D. [1] Edmonton, Alberta, Canada	Professor/Scientist; Vice President Research, University of Alberta	March 12, 2008	Nil

Notes:

(1) Each of the directors has been engaged in the same occupation for more than five years with the exception of the following:
Wolfgang Muhs – occupied the position of Chief Executive Officer/Chairman of the Board of Innovotech Inc. from May 2006 to March 2009 before becoming Chairman of the Board. Dr Muhs was Vice President of Rhodia Pharma Solutions from April 2004 to January 2006.Lorne Babiuk – Prior to becoming Vice President Research at the University of Alberta, Dr. Babiuk was a professor for the previous 34 years at the University of Saskatchewan.

(2) Member of the Audit Committee

(3) Member of Compensation Committee

(4) Member of Corporate Governance Committee

(5) Member of Environmental and Safety Committee

(6) In December 2004, Mr. Hirsche entered into a settlement agreement with the ASC concerning events which took place in 2001 involving the diligence exercised in regards to a private placement financing. The amount of $5,000 was paid. This settlement agreement can be viewed at www.albertasecurities.com.

Officers

The name, municipality and principal occupation during the last five years of each of the officers of the Corporation are set forth in the following table:

Name and Municipality of Residence	Principal Occupation	Number of Common shares beneficially owned, directly or indirectly.
Wolfgang Muhs Peachland, British Columbia, Canada	Chairman of the Board from April 2009. Prior thereto: Chairman and Chief Executive Officer of Innovotech Inc. from May 2006; prior thereto Vice President Rhodia Pharma Solutions, from April 2004 to January 2006.	941,088
Kenneth Boutilier Edmonton, Alberta, Canada	President and Chief Executive Officer of Innovotech Inc. from April 2009. Prior thereto: President & Chief Operating Officer of Innovotech Inc.	977,885
James Timourian Edmonton, Alberta, Canada	Chief Financial Officer of Innovotech Inc.	1,661,812
Bruce Hirsche Edmonton, Alberta, Canada	Secretary of Innovotech Inc., Partner, Parlee McLaws LLP	786,819

As at March 16, 2010, as a group, the directors and officers of Innovotech Inc. held either directly or indirectly, or held control over, 6,587,331 or 27.35% of the common shares of the Corporation.

Audit Committee

The Board of Directors has appointed an Audit Committee consisting of Kerry Brown, CA (Chair), Gerard Tertzakian, Ph.D., and John Pinsent, CA. The Company believes that it complies with the requirements of the TSX Venture Exchange and securities regulations related to Audit Committees and its members.

AUDIT COMMITTEE

In accordance with Multilateral Instrument 52-110 – *Audit Committees*, information on the Company's Audit Committee is contained in Schedule A (Form 52-110 F1).

ADDITIONAL INFORMATION

Legal Proceedings

The Company is not aware of any material legal proceedings nor are they aware of any such proceedings being contemplated.

Interest of Management and Others in Material Transactions

Other than what may have been discussed herein, there are no material interests direct or indirect, of directors, executive officers, senior officers, or any direct or indirect shareholder of the Company who beneficially owns, or who exercises control over, more than 10% of the outstanding common shares or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Corporation.

Transfer Agent and Registrars

The transfer agent and registrar for the common shares is Olympia Trust Company at its office in Calgary, Alberta.

Material Contracts

Other than what has already been discussed herein, there are no other material contracts, other than contracts entered into in the normal course of business, which are material to the Company and have been entered into within the most recently completed financial year, or before the most recently completed financial year.

Interest of Experts

PricewaterhouseCoopers LLP, Edmonton, Chartered Accountants, have audited the financial statements for the year ended December 31, 2009.

As at the date hereof, the partners and associates of PricewaterhouseCoopers LLP have not as a group beneficially owned any of the outstanding common shares.

Other Additional Information

Additional information and filings relating to the Company may be found on SEDAR at www.sedar.com.

Upon request being made by any person to the secretary of the Company, the Company shall provide to that person the following:

a) when the securities of the Company are in the course of a distribution pursuant to which a short form prospectus or a preliminary short form prospectus has been filed in respect of the distribution of its securities:

    i) One copy of the Annual Information Form, together with one copy of any document or the pertinent pages of such documents incorporated by reference therein;

ii) One copy of the Company's comparative financial statements for the most recently completed financial year for which financial statement have been filed, together with the accompanying report of the auditors and one copy of any interim financial statements of the Company that has been filed, if any, for any period subsequent to the financial statements for the most recently completed financial year;

iii) One copy of the Management Proxy Information Circular of the Company in respect to its most recent Annual Meeting of Shareholders which involved the election directors; and

iv) One copy of any other documents referred to in (a), (i), (ii) and (iii) above; or

b) At any other time, one copy of any other documents referred to in (a), (i), (ii) and (iii) above. The Company may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.

Additional information, including Directors' and Officers' remuneration and indebtedness, principle holders of the Company's securities, options to purchase securities and interests of insider in material transactions, where applicable, is contained in the Company's Management Proxy Information Circular for the most recently held annual Meeting of Shareholders which involved the election of directors. Additional financial information is provided in the Company's comparative financial statement for the most recently completed financial year. A copy of these documents may be obtained upon request from the Secretary of the Company at the following address:

Innovotech Inc.
Attention: Mr. Bruce Hirsche, Q.C.
c/o Parlee McLaws LLP
Barristers and Solicitors
1500, 10180-101 Street
Edmonton, AB T5J 4K1
Phone: (780) 423-8540
Fax: (780) 423-2870

GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Information Circular.

"**ABCA**" means the *Business Corporations Act* (Alberta), including regulations promulgated thereunder.

"**Annual Information Form**" means this annual information form dated March 10, 2009.

"**ASC**" means the Alberta Securities Commission.

"**Biofilm"** means a cohesive community of microorganisms embedded within a mucopolysaccaride matrix.

"**Board**" means the board of Directors of the Corporation.

"**CEO**" or "**Chief Executive Officer**" means each individual who served as chief executive officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

"**CFO"** or "**Chief Financial Officer**" means each individual who served as chief financial officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

"**COO**" or "**Chief Operating Officer**" means each individual who served as chief operating officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

"**Control Person**" means a person or company that holds or is one of a combination of persons or companies that holds more than 20% of the voting securities of a an issuer, or a sufficient number of securities so as to materially affect the control of an issuer.

"**Corporation**" or "**Company**" or "**Innovotech**" means Innovotech Inc., a corporation amalgamated under the ABCA.

"**Director**" means a member of the Board.

"EPA" means Environmental Protection Agency.

"**FDA**' means Food and Drug Administration. The government agent responsible for approving and regulating food and drugs for commercial distribution in the United States.

"**HPFB**" means Health Products and Food Branch. The agency of Health Canada responsible for approving and regulating food and drug products for commercial distribution in Canada

"**Named Executive Officer**" means the following individuals: (a) each CEO, (b) each CFO, (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, and (d) each individual who would be an Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year-end.

"**NAFTA**" means North American Free Trade Agreement

"***Pseudomonas aeruginosa*"** means a gram negative bacterial pathogen that causes serious morbidity in immunocompromised and immunosuppressed patients, particularly cystic fibrosis patients, patients in intensive care units, cancer patients and patients infected with HIV.

"**PMRA**" means Pest Management Regulatory Agency

"**Registrar and Transfer Agent**" means Olympia Trust Company, the registrar and transfer agent of the Corporation as at the date hereof.

"**Related party**" means, in relation to a corporation, a promoter, officer, director, other insider or Control Person of that corporation (including an issuer) and any associates and affiliates of any of such persons. In relation to an individual, related party means any associates of the individual or any corporation of which the individual is a promoter, officer, director or Control Person.

"**Shareholder**" means a holder of Shares.

"**Shares**" or "**Common Shares**" means common shares issued for shareholders equity

"TSXV" means the TSX Venture Exchange.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

(Form 52-110F1)

1. AUDIT COMMITTEE'S CHARTER:

I. **Role**

The Audit Committee is a committee of the Board of Directors (the "Board"). Its role is to assist the Board in its oversight of the integrity of the financial and related information of the Corporation including its financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Audit Committee is appointed by the Board to review and monitor them.

While the Audit Committee shall have the responsibilities and powers set forth in this charter, it shall not be the duty of the Audit Committee to determine whether the Corporation's financial statements are complete, accurate, or in accordance with generally accepted accounting principles or to conduct audits. These are the responsibilities of management and the external auditor in accordance with their respective roles.

The responsibilities of a member of the Audit Committee shall be in addition to such member's duties as a member of the Board.

II. **Authority**

The Audit Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under this charter, the Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors. The Audit Committee shall also have unrestricted access to the Corporation's personnel and documents and will be provided with the resources to carry out its responsibilities. The Audit Committee shall have direct communication channels with the internal auditors (if any) and the external auditors to discuss and review specific issues as appropriate.

III. **Membership and Meetings**

The Audit Committee shall be composed of a minimum of three directors, all of whom shall be independent as that term is defined in Multilateral Instrument 52-110, Audit Committees ("M.I. 52-110") and any other applicable requirements of Canadian securities laws. A member of the Audit Committee shall automatically cease to be a member upon ceasing to be a director of the Corporation.

Members shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.

The Chairperson shall be appointed by the Board of Directors for a one-year term and may serve any number of consecutive terms.

Except as may be permitted by applicable securities laws and regulatory policies, all members of the Audit Committee must be ''financially literate'' i.e., have the ability to read and understand a balance sheet, an income statement and a cash flow statement. At least one member of the Audit Committee should be financially sophisticated in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background which results in the individual's sophistication. This individual must have the ability to analyze and interpret a full set of financial statements including the attached notes, in accordance with Canadian generally accepted accounting principles.

The Chairman of the Audit Committee shall be appointed by the Board and the Chairman shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. If the Chairman is absent from a meeting, then the remaining members of the Audit Committee shall appoint one of their members to act as Chairman. Subject to the requirements of this charter, the time(s), place and processes for calling meetings of the Audit Committee and the procedures at such meetings shall be determined by the Audit Committee.

Quorum of a meeting of the Audit Committee shall be the attendance of two (2) members thereof. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

A written resolution signed by all the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if it had been passed

at a meeting of the Audit Committee.

The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities regulations.

IV. **Responsibilities**

In carrying out its role, the Audit Committee SHALL:

A. General

1. Meet at least four times per year or, more frequently if circumstances or the obligations of the Audit Committee require;

2. Report to the Board on such matters as the Board may from time to time refer to the Audit Committee;

3. Annually review and reassess the adequacy of this charter and submit such evaluation to the Board and recommend any proposed changes to the Board for approval;

B. External Auditor

1. Require the external auditor to report directly to the Audit Committee and shall provide notice of each Audit Committee meeting to the external auditor;

2. Recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation and the compensation of the external auditor, and as necessary, review and approve the discharge of the external auditor. If the event of a change of external auditor, the Audit Committee shall review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period;

3. Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation;

4. Oversee the resolution of disagreements between management and the external auditor regarding financial reporting;

5. Pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditor and the fees for those services;

6. Take reasonable steps to confirm the independence of the external auditor, which shall include, but shall not be limited to:

   (a) ensuring receipt, at least annually, from the external auditor of a formal written statement delineating all relationships between the external auditor and the Corporation, including non-audit services provided to the Corporation, consistent with Section 5751 of the Canadian Institute of Chartered Accountants Handbook;

   (b) considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor; and

   (c) enquiring into and determining the appropriate resolution of any conflict of interest in respect of the external auditor;

7. Review and approve the Corporation's hiring policies regarding the hiring of partners, employees, and former partners and employees of the Corporation's existing and former external auditor;

C. Audit and Other Review Processes

1. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor;

2. Consider and review with the external auditor the matters required to be discussed by Section 5751 of the Canadian Institute of Chartered Accountants Handbook, as the same may be modified or supplemented from time to time;

3. Review and discuss with management and the external auditor, as appropriate, at the completion of the annual audit:

   (a) the Corporation's annual audited financial statements and related footnotes, including the accompanying management's discussion and analysis prior to their release;

   (b) the external auditor’s audit of the financial statements and its report thereon;

   (c) any significant changes required to be made in the external auditor’s audit plan;

   (d) any serious difficulties or disputes between management and the external auditor during the course of the external auditor's audit;

   (e) any related findings and recommendations of the external auditor together with management’s responses including the status of previous

recommendations; and

(f) any other matters related to the conduct of the external audit which are to be communicated to the Audit Committee by the external auditor under Canadian generally accepted auditing standards;

4. Review and discuss with management and the external auditor, as appropriate, at the completion of each interim period, the Corporation's interim financial statements including the accompanying management's discussion and analysis prior to their release;

5. Review and discuss with management and the external auditor, as appropriate, any annual and interim earnings guidance and other press releases containing information derived from the Corporation's financial statements prior to their release;

6. Ensure that the Corporation has satisfactory procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the Audit Committee shall periodically assess the adequacy of such procedures;

7. Review and discuss with management and the external auditor and others, as appropriate, the Corporation’s internal system of audit controls established by management and the Board and the effectiveness of such controls, and inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to the minimize such risks;

8. Review and discuss with management and the external auditor, as appropriate, the Corporation's financial reporting practices, including changes in, or adoptions of, accounting standards and principles and disclosure practices;

9. Review with management and the external auditor their qualitative judgments about appropriateness, not just the acceptability, of accounting principles and accounting disclosure practices used or proposed to be used, and particularly, the degree of aggressiveness or conservatism of the Corporation's accounting principles and underlying estimates;

10. Meet with the external auditor and management in separate sessions, as necessary or appropriate, to discuss any matters that the Audit Committee, the external auditor or management believe should be discussed privately with the Audit Committee, provided however that the Audit Committee may request any officer, director or employee of the Corporation, its outside legal counsel or other advisors to attend a meeting of the Audit Committee or to meet with any members of, or advisors to, the Audit Committee and to assist in any such discussions;

D. Public Disclosure Documents

1. Review all public disclosure documents, including but not limited to press releases, containing audited or unaudited financial information, any prospectuses, annual reports, annual information forms, and management's discussion and analysis prior to their public release or filing with securities regulators;

E. Risk Assessment

1. Assess significant risk areas and the Corporation's policies to manage risk including, without limitation, environmental risk, insurance coverage and other areas as determined by the Board from time to time; and

F. Procedures for Complaints

1. Establish procedures for the receipt, retention and treatment of any complaint received by the Corporation regarding accounting, internal accounting controls or auditing matters including procedures for the confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

2. COMPOSITION OF AUDIT COMMITTEE

Kerry Brown, CA, Chairman
Dr. Gerard Tertzakian
John Pinsent, CA

3. RELEVANT EDUCATION AND EXPERIENCE

Kerry Brown, C.A., Chairman. Mr. Brown is a Chartered Accountant with more than 24 years of experience. He obtained his Bachelor of Commerce degree from the University of Alberta in 1979 and his Chartered Accountant Certification from the Institute of Chartered Accountants of Alberta in 1982. He worked for Clarkson Gordon (now Ernst & Young) from 1981 to 1987 last serving as manager of the Entrepreneurial Services Group. Mr. Brown has been the Chairman of the Board of Foundation Equity Corporation since 1992, a venture capital company founded by Mr. Brown. Prior to that, he was managing director of Capital Markets West, a private venture capital company. Mr. Brown has also served over the past 20 years on the Boards of Directors and sometimes as Executive Officer and/or Chief Financial Officer for many other listed and non listed companies including McCoy Corporation (TSX), EquiTech Corporation (TSXV), Global Thermoelectric Inc. (TSX), Selient Inc. (TSXV), First Yellowhead Equities Inc., to name a few. He has the education and experience to:

(i) understand the accounting principles used by Innovotech to prepare its financial statements;

(ii) assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

(iii) prepare, audit, analyze or evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breath and complexity of issues that can reasonably be expected to be raised by Innovotech's financial statements or experience actively supervising one or more individuals engaged in such activities;

(iv) understand internal controls and procedures for financial reporting.

Dr. Gerard Tertzakian. Dr. Tertzakian is the President of Hannibal Ventures Inc., a private venture company which he wholly owns. From April 2004 to May 1, 2006, he served as President and Chief Executive Officer of Innovotech. He was a director and member of the compensation committee of Cytovax Biotechnologies Inc. from 1997 to 2004. He also served on the Board of Lacent Technologies Inc. from 2000 to 2004. From 2004 to date, he remains a member of the Board of Directors of Chenomx Inc. and TheraCarb Inc.

Mr. John Pinsent, C.A. Mr. Pinsent is a founding partner with St. Arnaud Pinsent Steman Chartered Accountants and former Assurance Senior Manager and Director of Technology with Ernst and Young LLP. Mr. Pinsent has more than twenty (20) years experience in both public practice and private industry. He obtained a Bachelor of Education in 1983 and a Bachelor of Commerce in 1985, both from the University of Alberta. He received his Chartered Accountants designation in 1996. Mr. Pinsent began articling with Ernst & Young LLP (then known as Clarkson Gordon Chartered Accountants). In 1986 he left public practice to pursue experience in industry and became the Controller and Vice President Finance of an Alberta based retail organization with annual sales in excess of $10 million. Mr. Pinsent returned to public practice with Ernst & Young in 1994 during which he obtained his Chartered Accountants Designation. In 2004 he left to become a founding partner with St. Arnaud Pinsent Steman Chartered Accountants.

He has the education and experience to:

(i) understand the accounting principles used by Innovotech to prepare its financial statements;

(ii) assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

(iii) prepare, audit, analyze or evaluate financial statements that present a breadth and level of complexity of accounting issues that are

generally comparable to the breath and complexity of issues that can reasonably be expected to be raised by Innovotech's financial statements or experience actively supervising one or more individuals engaged in such activities; and

(iv) understand internal controls and procedures for financial reporting.

External Auditors

Auditors Fees billed to the Company in:

Description	**Fiscal 2009**	**Fiscal 2008**
Audit Fees	$34,030	$45,984
Audit Related Fees	$4,800	$8,180
Tax Fees	$5,975	$5,550
Other Fees	-	$4,200
Total Fees	$44,805	$63,914

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

Other related fees in 2009 and 2008 consist of reviews of quarterly financial statements carried out by the Company's auditors and preparation of tax returns by the tax specialists.