



CORPORATE GOVERNANCE

National Instrument 58-101, Disclosure of Corporate Governance Practices, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “Guidelines”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by BioteQ in adopting its written corporate governance policies (“Corporate Governance Policy”) and practices. The Company’s approach to corporate governance is set out below. BioteQ’s Board of Directors (the “Board”) is constantly engaged in an ongoing review of the Company’s corporate governance practices. The Board considers good corporate governance to be central to the effective and efficient operations of the Company.

Category

Corporate Practices

1. Board of Directors

The Board is responsible for the stewardship of the business and affairs of the Company and it reviews, discusses and approves various matters related to the Company’s operations, strategic direction and organizational structure to ensure that the best interests of the Company and its shareholders are being served. The Board meets at least three times during the year to review ongoing business of the Company. The Board also meets when matters arise that require consideration prior to the next regularly scheduled meeting.

(a) Independent supervision over management

The Board monitors management on a regular basis. Management of the Company is aware of the need to obtain Board approval for significant corporate or business transactions outside of the normal course of business. Less significant activities which can be addressed by management are often reported to the Board, with whom management has a good working relationship.

(b) Independent Directors

Management is nominating six individuals to the Company’s Board, all of whom are current directors of the Company. The Guidelines and the Company’s Corporate Governance Policy require that the Board must be comprised of a majority of individuals who qualify as “independent” directors under NI 52-110 which stipulates that a director is independent if he or she has no direct or indirect “material relationship” with the Company. Of the proposed nominees to the Company’s Board, one is considered not to be an independent director. The other five nominees are considered to be independent within the meaning of NI 52-110.

Mr. Marchant is considered not to be an independent director because he is employed by the Company and is a member of management as a result of being the Company’s Chief Executive Officer.

Each of Messrs. Dushnisky, Pelletier, Poling, Williamson, and Burton are independent directors as each is independent of management of the Company, is not subject to influence by any particular shareholder

of the Company and does not have any business employment or other relationships with the Company.

The Chairman of the Board, George W. Poling is an independent director. The Chairman's duties and responsibilities include:

- (a) to chair, when present, all meetings of the Company's shareholders;
- (b) to be the senior spokesman for the Board and to maintain its relations with management;
- (c) to assist the Board in the discharge of its duties;
- (d) to draft the administrative functions necessary for the Board to discharge its duties;
- (e) to ensure Board committees are working effectively; and
- (f) to lead the Board on monitoring and evaluating the performance of the Chief Executive Officer.

The independent directors hold regularly scheduled meetings without the non-independent directors and other members of management in attendance and are able to hold such meetings whenever they wish. During 2008, the directors held 1 such meeting.

The independent members of the Board believe that their majority on the Board, their sophistication and their knowledge of the Company's business are sufficient to facilitate the functioning of the Board independently of management and to provide for open and candid discussion among the independent directors.

The attendance record of the directors at meetings of the Board and its committees during 2008 was as follows:

Kelvin P.M. Dushnisky	7 of 10 meetings
P. Bradley Marchant	9 of 10 meetings
Clement A. Pelletier	10 of 10 meetings
George W. Poling	9 of 10 meetings
Kenneth F. Williamson	9 of 10 meetings
Ian Telfer ⁽¹⁾	0 of 0 meetings
Bruce Burton ⁽²⁾	5 of 5 meetings

Notes:(1) Ian Telfer resigned March 6, 2008; (2) Bruce Burton was appointed July 1, 2008

The shareholdings of each current director is disclosed in the Information Circular under the heading "Election of Directors".

(c) Directorships in other reporting issuers

The following directors of the Company are directors of other reporting issuers (or the equivalent) in a jurisdiction in Canada or in a foreign jurisdiction:

<u>Name</u>	<u>Reporting Issuer</u>
George W. Poling	Minterra Resources Corp. Trigon Uranium Corp. Quadra Mining Ltd.
Kenneth F. Williamson	Quadra Mining Ltd. Uranium One Inc. Goldcorp. Inc.
Kelvin P.M. Dushnisky	Blackstone Ventures Inc. Canwel Building Materials Income Fund Barrick Gold Corp.
P. Bradley Marchant	Pacifica Resources Ltd.
Bruce Burton	Titanium Corporation

2. Board Mandate

(a) Adoption of a strategic planning process

Each year the Board reviews the strategic business plan and corporate objectives of the Company including, approval of the annual operating plan and approval of capital expenditures, acquisitions, dispositions, investments and financings that exceed certain prescribed limits.

(b) Identification of principal risks, and implementing risk management systems

The Board and its Audit Committee identify the principal risks of its business and ensure the implementation of appropriate systems to manage such risks on an ongoing basis.

(c) Succession planning and monitoring senior management

The Board and the Compensation Committee are responsible for establishing processes for succession planning and appointing and monitoring the performance of senior executives.

- (d) Integrity of internal control and management information systems
- The Board has implemented structures and procedures to facilitate the functioning of the Board independently from management, such as maintaining a Chairman of the Board who is not otherwise an executive officer of the Company and appointing an independent chair of each committee of the Board. The Board has currently established four committees, the Audit Committee, the Compensation Committee, the Technical Committee and the Corporate Governance Committee. The Committees are comprised of non-management, independent directors, with the exception of the Technical Committee, on which the management is represented (by virtue of the Chief Executive Officer of the Company being a member).
- The Board and its Audit Committee are responsible for the supervision of the reliability and integrity of the accounting principles, practices and financial reporting. The Chief Executive Officer and the Chief Financial Officer are primarily responsible for ensuring that appropriate disclosure practices are followed by the Company and for ensuring that management has established an adequate system of internal controls and that it maintains practices and processes to ensure compliance with applicable laws.
- (e) Corporate Governance
- Once a year the Board reviews, based upon reports from the Corporate Governance Committee, the overall governance principles of the Company with a view to adopting any changes to these principles.
- (f) Communications Policy
- As part of the Company's governance structure, the Board has ensured that an appropriate procedure is in place so that material information is publicly disclosed in a timely manner, and inquiries or other communications from shareholders, analysts and the media to management are answered by the Company's investor relations and media relations professionals or referred to an appropriate person in the Company. The Company has adopted a disclosure policy in this regard. Senior executives meet regularly with financial analysts and institutional investors, and earnings conference calls are accessible to interested shareholders, the media and members of the public. The Company maintains a comprehensive website with access to financial information and news releases. The Board reviews and approves the contents of major disclosure documents, including the Company's quarterly and annual financial statements and management discussion and analysis, annual information form and Information Circular.

- 3. Orientation and continuing education of directors** The Chief Executive Officer is responsible for ensuring that new Board members receive adequate orientation and education. The Board as a whole considers whether or not continuing education for all, or certain directors, may be warranted. The Company pays the reasonable expenses for a director's participation in continuing education programs approved by the Board.
- 4. Ethical business conduct** The Board has adopted a Code of Business Conduct and Ethics as part of its Corporate Governance Policy. Every employee, officer and director of the Company is provided with a copy of the written Code and is expected to know and follow the policies outlined therein. The Code is a guide intended to inform employees, officers and directors of significant legal and ethical issues that may arise in the course of the Company's operations and the steps to be taken to report illegal and unethical conduct. The Code, although not intended to be exhaustive covers matters of conflicts of interest, corporate opportunity, compliance with laws, rules and regulations, confidentiality, protection of the Company's assets, fair dealing and outside employment. Any questions about the Code or conduct are required to be reported to either or both of the Chief Executive Officer or Chief Financial Officer. No one at the Company has the authority to make exceptions to the Code, other than the Board of Directors. All known or suspected breaches of the Code are required to be reported to the Board. A copy of the Code has been filed under the Company's profile on the SEDAR website at www.sedar.com.
- 5. Nomination of Directors and Assessment of the Board, Committees and Individual Directors** The Company has established a Corporate Governance Committee which is responsible for recruiting new directors, proposing new director nominees to the Board and, in conjunction with the Compensation Committee, reviewing the compensation of directors. The Corporate Governance Committee is comprised entirely of independent directors. The Corporate Governance Committee is also responsible for reviewing and reporting to the Board on management succession planning, management development training, significant changes in organizational structure and corporate governance practices. The Corporate Governance Committee has not yet been required to recruit any new directors for the Company and has therefore not, at this time, established any procedures for doing so.
- The Corporate Governance Committee is responsible for reviewing, on a periodic basis, the size and composition of the Board and assessing the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors. The Corporate Governance Committee meets at least once per year.
- 6. Position Descriptions** A written position description has been developed by the Board for the Independent Chairman of the Board. The duties of the Chair include leading the Board in its management and supervision of the business

and affairs of the Company and its oversight of management. The Independent Chairman of the Board instructs the Chairs of the Committees of the Board on their roles and ensures their functions are carried out effectively in light of the Charters of the Committees. In general Committee Chairs fulfill their responsibilities by doing the following, among other things:

- (a) review and approve the agenda for each Committee meeting;
- (b) preside over Committee meetings;
- (c) obtain reports from management regarding matters relevant to their mandate;
- (d) report to the full Board and make recommendations to the Board regarding matters in their areas of responsibilities.

A written position description has been developed for the Chief Executive Officer whose role is to manage and provide leadership for the Company. The Board annually approves the Company's goals and objectives for which the Chief Executive Officer is responsible for meeting.

7. Compensation

The Compensation Committee reviews the adequacy and form of, and recommends to the Board, compensation including salaries, annual retainers, meeting fees, bonuses, option grants and other benefits received by officers (including but not limited to the Chief Executive Officer) and directors to ensure that the compensation received accurately reflects the risks and responsibilities involved in being an effective director and/or executive officer of the Company. The Compensation Committee utilizes information obtained from the industry in general as a guide in reviewing compensation for officers and directors.

At a minimum, the Board reviews compensation on an annual basis. The Compensation Committee is composed entirely of independent directors.

8. Board Committees

There are currently four committees of the Board: the Audit Committee, the Compensation Committee, a Corporate Governance Committee and a Technical Committee.

The Audit Committee meets at least once each quarter and reviews the annual and quarterly financial statements, auditor's report, if any, management discussion and analysis and annual and interim earnings press releases. Through meetings with external auditors and senior management, the Audit Committee discusses, among other things, the effectiveness of the internal control procedures established for the Company. The members of the Audit Committee are Messrs. Dushnisky Poling and Burton. Each are considered independent members of the Audit Committee. Each of the Audit Committee members are considered to be "financially literate" in accordance with

applicable regulatory policies. Attached to this Circular as Schedule "A" is a copy of the Audit Committee's current charter.

The Compensation Committee meets as required, but in any event, not less than once per year, to review compensation for senior management and directors. The members of the Compensation Committee are Messrs. Dushnisky, Pelletier and Williamson, all of whom are non-management, independent directors.

A Corporate Governance Committee has been established and meets at least once a year or more frequently as circumstances require. The Corporate Governance Committee asks members of management or others to attend meetings or to provide information as necessary. In addition, the Corporate Governance Committee or, at a minimum, the chairman of such committee may meet with the Company's external corporate counsel to discuss the Company's corporate governance policies and practices. The members of the Corporate Governance Committee are Messrs. Dushnisky, Williamson and Burton.

The Technical Committee meets as required but not less than quarterly. The primary purpose of the committee is to review and recommend for Board consideration all development projects for investment by the Company. The members of the Technical Committee are Messrs. Pelletier, Poling and Marchant, one of whom is the Chief Executive Officer of the Company and one of whom is the Chairman of the Board of Directors of the Company.

Other matters are considered by the full Board. As required by applicable law or when circumstances warrant, the Board may strike ad hoc committees.

9. Assessments

The mandate of the Corporate Governance and Nominating Committee includes overseeing the effective functioning of the Board, which includes a periodic review of the effectiveness of the Board as a whole and of the composition of the Board. To date, given the small size of the Board and the frequency with which its meetings are held, the Board has not found it necessary to institute any formal process in order to satisfy itself that the Board, its committees and its individual directors are performing effectively.