WARNEX INC.

3885 Industriel Boulevard
Laval, Québec
H7L 4S3

ANNUAL INFORMATION FORM

For Fiscal Year Ended December 31, 2001

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GLOSSARY

This glossary contains general terms used in the discussion of the biopharmaceutical industry, as well as specific technical terms used in the descriptions of the Company's technologies.

AOAC – American Organization of Analytical Chemists. Organization for the development, use, and harmonization of validated analytical methods and laboratory quality assurance programs and services. Responsible in the United States for the approval of testing methods.

CBCA – The "*Canada Business Corporations Act*".

Clinical trial – Organized studies, with human volunteers or patients, designed to provide statistically relevant clinical data for determining the efficacy and safety of new therapeutic agents, diagnostics and medical devices.

Device – An item, other than a drug, that has application in medical therapy. Usually the term device is restricted to items used directly on the patient and does not include diagnostic equipment or tests.

Diagnostic – A test or procedure that can be either qualitative or quantitative and is designed to reveal the occurrence or amount or specific substances, thus indicating the presence or severity of a disease or other pathological condition.

DNA – "Deoxyribonucleic acid" – The chemical basis for heredity and the carrier of genetic information for all forms of life.

Enabling technology – A technology that offers the potential to develop a range of new products or provides a tool useful for the development of multiple products.

Food and Drug Administration ("FDA") – The government agency which regulates the manufacture, safety, use and efficacy of biological and pharmaceutical therapeutics, diagnostics and other medical products in the United States.

GMO's – Genetically Modified Organisms. Organisms in which a foreign gene has been inserted through biotechnology, to improve a specific characteristic.

Good Laboratory Practices ("GLP") and Good Clinical Practices ("GCP") – Codes of practice published by the FDA and TPD that provide quality control procedures for pre-clinical laboratory research and clinical trial protocols.

Good Manufacturing Practices ("GMP") – A set of manufacturing standards promulgated by industry and put into law by the FDA that provides for a high level of effectiveness of manufactured products and ensures that such products are suitable for their labelled and or intended use.

HACCP - Hazard Analysis through Critical Control Points – Quality management system in the agri-food industry that aims at ensuring the quality of a product through the monitoring of specific critical points in the production process.

Immunoassay or Immunodiagnostic – An assay method for diagnostic tests that uses antibodies to detect and quantify proteins, bacteria or other biological molecules.

Low Density Arrays – Plastic microplates with 96 to 1536 wells containing all the chemistry required to carry out the detection of pathogens or molecular bar codes.

MMC – Microbiological Method Committee. Committee that reviews and approves new microbiological testing methods in Canada.

Molecular bar codes – DNA molecules of approximately 80 nucleotides (A, C, G, T) long on which specific information is encoded via the genetic code, such as the name of a supplier, a product or a lot number. The molecular bar codes can be added at any step of a manufacturing process to insure the complete traceability of a product.

Molecular beacons – DNA molecules used to detect and quantify the presence of bacterial or fungal DNA during in vitro diagnostic.

Molecular markers – DNA sequence specific to an organism or a group of organisms.

PCR – In vitro chemical reaction to multiply specific DNA sequences such as Molecular Markers.

Pathogens – Bacterial or fungal microorganisms capable of causing disease or death.

Platform Technology – A technology that has broad applicability in terms of its potential uses.

Pre-Market Notification ("PMN") – The marketing clearance granted by the FDA to medical devices for which there are substantially equivalent products on the market or the product is classified as a low risk device (Class I or II).

Pre-Marketing Approval ("PMA") – The marketing approval granted by the FDA to medical devices that have successfully completed the required clinical testing. PMA is required for those devices where there is no substantially equivalent product on the market or the product is classified as a high risk device (Class III).

Protein – A molecule made up of one or more chains of amino acids that serve regulatory (hormones), protective (antibodies), structural (muscle) or storage functions.

QBIC – Québec Biotechnology Innovation Center – Biotechnology incubator in Laval (Québec) for early stage companies.

SGF – Société Générale de Financement – Investment fund of the Quebec Government.

Therapeutics Product Directorate ("TPD") – Part of the Canadian Department of Health, the government agency which regulates the manufacture, safety, efficacy and sale of human diagnostic and therapeutic products in Canada.

1. CORPORATE STRUCTURE

Warnex Inc., ("Warnex" or the "Company") was incorporated as Warnex Pharma Inc. by a Certificate of Incorporation issued pursuant to the provisions of the CBCA on January 4, 1996. The Articles of the Company were amended by a Certificate of Amendment issued on April 26, 1996 to increase the minimum number of Directors and to remove the private company provisions and the restrictions on share transfer. On June 14, 2001, the Company's Articles were amended to change the name of the Company from Warnex Pharma Inc. to its current name and to change the location of the registered office of the Company from Calgary, Alberta to Montreal, Quebec.

Warnex's head office and principal place of business is located at 3885 Industriel Blvd., Laval, Quebec, H7L 4S3. The Company's research laboratories are located at the QBIC in Laval, Quebec. The Company's telephone number is (450) 663-6724 and its facsimile number is (450) 669-2784. Warnex's website is located at www.warnex.ca.

As of December 31, 2001 the Company's subsidiaries were as follows:

Name	Jurisdiction of Incorporation	% of Vote
Biopharm (1998) Inc. ("Biopharm")	Canada	100%
Laboratoires d'analyses et de diagnostics Norscience Inc. ("Norscience")	Canada	100%
Groupe d'Investigations Techniques et d'Expertises Inc. ("GITE")	Quebec	100%
3756734 Canada Inc. ("Bioco")	Canada	100%
Genevision Inc. ("Genevision")	Canada	65% (1)

(1) The remaining shares of Genevision are held by 9066-2032 Quebec Inc., a company controlled by Dr. Christian Archambault, a Director of the Company.

2. GENERAL DESCRIPTION OF THE BUSINESS

OVERVIEW

Warnex completed its junior capital pool offering in June 1996 with the objective to acquire and develop businesses in the pharmaceutical sector. In May 1998, the Company acquired the assets of Les Laboratoires Biopharm Inc. and this transaction was considered the major transaction of the Company pursuant to the rules of the Alberta Stock Exchange (now, the Canadian Venture Exchange Inc. ("CDNX")).

Warnex is focused on quality control for the pharmaceutical, agri-food and environmental markets and is organized around three areas of operation: Analytical Services, Consulting and Research and Development. The main focus of the Company is centered on Genevision™, a platform technology for quality control and production management in the pharmaceutical, agri-food and environmental industries. Using DNA markers, this leading-edge technology provides a robust, rapid, accurate and automated system that can be readily deployed on-site.

Warnex has provided funds and operational support to its subsidiaries in order to enhance their operations and, in the case of Genevision, to continue the research and development of the technology.

THREE-YEAR HISTORY

In June 2000, the Company completed the acquisition of all the issued and outstanding shares of Norsciences and GITE and has issued 675,000 common shares and paid an amount of $20,100 to the vendors in consideration for those acquisitions. On the same date, and as part of the aforementioned acquisitions, Warnex also announced the acquisition of the Genevision technology and issued 3,500,000 common shares of Genevision to 9066-2032 Québec Inc., a company controlled by Dr. Archambault, as consideration for the acquisition of the said technology.

In August 2000, Warnex completed a private placement of 3,125,000 common shares, which resulted in gross proceeds of $1,250,000.

In November 2000, Biopharm commenced the operations of its bio-analytical laboratory.

In February 2001, the Company completed additional private placements which resulted in gross proceeds of $2,750,000.

In May 2001, the Company's subsidiary, Genevision, filed with the US Patent Office a first patent covering its unique molecular bar code technology.

In October 2001, the Company entered into a letter of intent with Desjardins Securities Inc. ("Desjardins") whereby Desjardins will act as agent for Warnex to raise up to $6,000,000 on a best efforts basis.

In October 2001, SGF Soquia, a subsidiary of the SGF, signed a memorandum of understanding with Warnex to evaluate the potential investment by SGF Soquia into the commercialisation of Warnex's Genevision technology.

In November 2001, Warnex launched its first commercial product, the Sclerotest™, a DNA-based diagnostic system for the detection of the Scleroderris canker, a disease that affects commercial forests, more particularly the seedlings grown in nurseries for reforestation.

In December 2001, the Company completed additional private placements which resulted in gross proceeds of $2,300,000.

In December 2001, the Company's shares became eligible for substitution purposes in the Quebec Stock Savings Plan.

In February 2002, the Company announced that it had filed a price reservation form with the CDNX with respect to a proposed private placement to proceed on a best efforts basis with Desjardins, as agent, for a total amount of up to $3,885,000.

3. NARRATIVE DESCRIPTION OF THE BUSINESS

GENERAL

Warnex is a diversified genomic-based biotechnology company whose main focus is on the Genevision technology, a platform technology for quality control and production management in the pharmaceutical, agri-food and environmental industries. Warnex also has operations in Analytical Services, Consulting, and Research and Development.

Warnex has been building value for its shareholders by acquiring and successfully developing and managing its intellectual property and operating companies. With additional support from its operating divisions, which provide cash flow and expertise, the Company has been able to inject capital directly into its research and development program. The planned progressive deployment of the technology from environmental to agri-food to pharmaceutical applications will allow Warnex to avoid lengthy and costly processes associated with developing products for use with humans. In November 2001, the Company launched its first application using the Genevision technology, the Sclerotest, a DNA-based diagnostic system for the detection of the Scleroderris canker, a disease that affects commercial forests.

ANALYTICAL SERVICES

The analytical services division consists of three wholly owned subsidiaries, Biopharm, Norscience and Bioco.

Biopharm provides consulting and analytical services to over one hundred and fifty (150) clients in the pharmaceutical and agri-food industries covering a diverse range of products.

The team of highly trained scientists and consultants working with state-of-the-art equipment carries out a wide variety of chemical and microbiological testing. Their tasks range from determining the physical, chemical and microbiological properties of raw materials to the verification of the active ingredients in a finished product.

Biopharm also offers to its clients the facilities and trained personnel to manage both ongoing and accelerated stability studies, to develop new analytical methods and to validate existing ones.

Biopharm's team of scientists are constantly solicited by the pharmaceutical and food industries for their expertise in providing advice on regulatory matters, assisting in factory audits, and developing new standards for testing and monitoring of products. Biopharm is a leader in being accredited as a testing site by the Standard Council of Canada, the American FDA, the Canadian TPD and is ISO 9002 accredited.

Norscience focuses on conducting microbiological and chemical analyses for forensic and investigative mandates.

Bioco provides bioanalytical analyses to companies preparing drug submissions.

CONSULTING

GITE is a forensic consulting group that offers services in microbiology, chemistry, engineering and fire investigations to the legal community, insurance industry and municipalities.

Using both in-house and external consultants, the consulting group focuses on three primary areas of expertise namely microbiology and chemistry in environmental and agri-food applications, origins of fire and explosions as well as prevention and training programs and electrical engineering investigations.

RESEARCH AND DEVELOPMENT

The Company conducts the majority of its research and development activities through its own staff and facilities. Warnex's strategy is to finance its research and development activities through cash flow and tax credits. In the fiscal year 2001, $985,488 was allocated for research and development.

GENEVISION

One of the critical issues facing society today is protection from environmental issues and the safety of food supplies. Recent tragedies, whether from contaminated water in Walkerton, Ontario, mould found in air supply systems or contaminated beef or chicken causing sickness and death, have shown the need to improve the technology used to detect the dangerous organisms that cause these tragic events.

The Genevision technology combines the rapid detection of pathogens and GMO's with the complete traceability of a process or product using molecular bar codes on Low Density Arrays (the "LDA").

The Genevision technology focuses on the microbiological aspect of quality control, which involves the detection of pathogens. Traditional techniques take two to five days to yield results, providing limited information on the type of pathogens. The Genevision technology allows for the simultaneous detection of hundreds of pathogens at low concentrations using reliable proprietary DNA markers in less than six hours. These markers will detect at both the genus level for contamination assessment and species level for establishing the medical incidence of the contamination.

The molecular bar codes will revolutionize process and bulk product management in the same way optical bar codes have transformed the way we handle containers. By packing important information into stabilized DNA molecules that can be read automatically on the same LDA used for pathogen detection, the molecular bar codes will dramatically change the way we authenticate and trace bulk or expensive goods. Traceability is also a key component of government efforts to improve the safety of our food supply and the Company is of the opinion that the Genevision technology represents the only technology to track food products until they reach the packaged state.

The Genevision LDA will also allow the simultaneous detection of GMO's. The Company believes that GMO identification will increase in importance over the coming years under pressure from both the government and consumers to segregate them and to meet labelling requirements. As well, one hundred and forty-seven (147) new GMO's are being developed with the consumers' needs in mind and these will have to be analysed as part of the quality control function.

Genevision will manufacture LDA's according to customer needs and adapt to specific pathogens, lot structure and traceability requirements. These LDA's will be stable at room temperature and be ready to use. Each LDA can be used to test simultaneously several samples with several pathogens per sample. The LDA is disposable and non-reusable.

Genevision will deliver to the client a turnkey laboratory complete with all the necessary equipment and with validated assays using the LDA's. The client's quality control technician will carry out the detection of the pathogens by preparing the sample and enriching them if necessary, extracting the DNA in three steps, and applying the prepared DNA on the LDA that will be put into a thermocycler machine for amplification and detection of several pathogens at the same time and in less than six hours (except for the enrichment periods if required). The technology will be offered at competitive prices compared to existing mainstream technology based on petri plates.

MANUFACTURING

The Genevision technology has two major components: the extraction and detection platform and the LDA's which contain the molecular markers, molecular beacons and the chemical components necessary to complete a PCR reaction. Warnex intends to conclude an agreement with various manufacturers to sell the required equipment to equip the molecular diagnostic laboratories at its clients manufacturing sites. Warnex also intends to manufacture in-house the LDA's for pathogen detection, molecular bar codes, and GMO detection.

In order to evaluate and plan for the manufacturing process, the Company has engaged engineering consultants to prepare the necessary specifications to manufacture and package up to one million (1,000,000) LDA's per year using two shifts per day.

The Company intends to initially install a pilot manufacturing line capable of producing fifty thousand (50,000) LDA's per annum during 2002 and to scale up operations during the first and second quarter of 2003. The plant will be located in the Warnex facility in Laval, Quebec.

MARKET FOR THE TECHNOLOGY

The market for pathogen detection in the agri-food industry is substantial. According to a recent American study(1) (the "Study"), the pathogen detection market for the American food transformation sector was worth approximately US$1.4 Billion in 1999 and is expected to grow by 18% per annum over the following 5 years. The testing market for pathogens will be influenced by new regulatory requirements for additional testing, the ongoing implementation of HACCP standards, the discovery of new bacteria as well as the testing for specific species and finally by the need for large multinational companies to reduce the risk of recall that could result in damage to a branded product as well as legal and other costs.

Additionally, the use of the Genevision technology, which allows for the automatic detection of multiple organisms at very low cost, will encourage manufacturers to add to the bank of bacteria being tested. This would include organisms that may affect the quality of a product as well as potentially beneficial organisms.

(1) *"Pathogen Testing in the US Food Industry"* by Strategic Consulting Inc., March 2000.

The potential users of the technology are third party laboratories such as Biopharm and in-house laboratories located on site at major producers. According to the Study, over eighty per cent (80 %) of all pathogen detection is performed on site and a key element in the success of the marketing effort is the ability of the Genevision technology to be deployed on site and to be used by technicians as opposed to scientific personnel.

According to the Study, the North American food industry is consolidating at a rapid pace. Based on the Study, the Company estimates that there are approximately 4,000 potential users of the Genevision technology in the United States. Since the average plant performs approximately 10,000 tests per month, an average user would require 1,000 test kits per month.

The market for the molecular bar codes will range from forensic applications such as labelling of branded products to reduce losses from counterfeiting to the tracing of a food or pharmaceutical product through the production cycle.

COMPETITION

The major competition for Genevision will come from traditional microbiology done in petri plates which has been developed over the last century. Other recent technologies include immunoassays, glass arrays and DNA chips.

MARKETING PLAN

The company intends to develop its market by establishing beta test sites at up to ten manufacturing plants in various agri-food sectors. Once these manufacturers have used the technology and have validated the test results, the Company believes that the inherent advantages will encourage the users to roll out the technology throughout their organizations.

To accomplish this rollout, the Company intends to build a business development group headed by a Vice President of Business Development. This will be accomplished during the second quarter of 2002. This group will use trade shows and specialized print media to create product awareness. As well, the Company expects that regulatory recognition of the Genevision technology as an official testing method in both Canada and the United States, will create significant interest among potential customers. In order to simplify the sales process, the Company will install the necessary equipment required to equip a testing laboratory. The client will be responsible for supplying a room of approximately 120 sq. ft. equipped with standard ventilation, laboratory cabinets and electrical and telephone connections. The Company will then provide the extraction and testing equipment necessary to perform the testing. Financing will be available from third party financial institutions. The Company will handle all sales of the LDA's directly. Since the LDA's will be manufactured for each customer, all orders will be processed on an as ordered basis and shipped directly to the customer.

Once a customer has adopted the Genevision technology for use in pathogen detection, the business development group will introduce the traceability and GMO detection aspects of the technology. This will enhance the value for the customer since he will be able to add these features for little additional cost while adding significant additional information for quality control management.

REGULATORY APPROVAL

The regulatory approval process is relatively simple especially when compared to the requirements for human diagnostics and therapeutics. The use of real time PCR with low-density LDA's has been accepted by the various regulatory authorities for use with genetic markers. The major hurdle is the qualification of the Genevision system as an official testing method in Canada and the United States. In order to do so, the Company must present a validation file to the TPD and FDA comparing approximately 4,000 tests done using the existing method (microbiology) and the Genevision system. The regulatory bodies will then perform their own tests to validate the technology and if successful will submit them to the MMC in Canada and AOAC in the United States for acceptance as an official testing method.

These approvals are expected to be received during the first quarter of 2003 in Canada and prior to the end of 2003 in the United States.

PATENTS AND TRADEMARKS

The Company has significant intellectual property, which includes technical know-how, expertise and a patent application. To date, the Company has filed one patent covering its molecular bar code technology.

During the next twelve months, the Company intends to file additional patents covering its genetic markers, its bioinformatics tools and its detection system. The ownership of any intellectual property is protected through employment agreements with Warnex's employees. These agreements contain clauses that assign patent and invention ownership rights to Warnex and require confidentiality, non-disclosure and non-competition.

FACILITIES

The Company leases a 29,000 sq. ft. facility at 3885 Industriel Boulevard in Laval, Québec, which includes its offices and analytical laboratories and an additional 4,000 sq. ft. of space at the QBIC, which houses its research and development laboratories. The lease on Industriel Boulevard expires in June 2006 and the Company has an option to renew the lease for five years. The facility is currently undergoing renovation in order to accommodate the research laboratories. The lease at the QBIC expires on April 30, 2002 and the Company intends to move the research laboratories to the Industriel Boulevard location.

PERSONNEL AND EMPLOYEES

The Company currently has 79 full-time employees and consultants. Of these, 44 are employed in the Analytical Services division, 6 in the Consulting division, 17 in Research and Development and 12 in the corporate offices.

The Biopharm employees are represented by a union. The current contract expires in April 2003. The Company believes that it has good relations with its employees and does not anticipate any important problems to renew its contract. The Company has not had any labour-related work stoppages for the preceding five years.

The management of the Company has experience in the fields of genetics, chemistry and microbiology, production management, finance and administration as well as the management of emerging public growth companies.

Additionally, specialized engineering and marketing consultants have been hired to develop and implement various aspects of the long-term development plan of the Company. The Company expects to significantly expand its labour force during 2002 and 2003 as it files for regulatory approval of the Genevision technology and commences manufacturing operations.

4. SELECTED CONSOLIDATED FINANCIAL INFORMATION

The selected information provided below has been taken from the audited financial statements of Warnex for the years ended December 31, 1999, 2000 and 2001. The audited financial statements of the Company for the year ended December 31, 2001 are herein incorporated by reference.

The data below should be read together with the financial statements and notes thereto and with the "Management discussion and analysis".

YEAR-END FINANCIAL INFORMATION

	Year Ended December 31, 2001	Year Ended December 31, 2000	Year Ended December 31, 1999
Total Revenues	$3,511,603	$2,615,611	$2,241,700
Gross Margin	$812,956	$573,618	$487,633
Net Loss	$1,966,784	$1,060,287	$497,685
Loss per Share	$0.10	$0.07	$0.04
Total Assets	$6,097,384	$2,871,890	$1,846,332
Long-term Liabilities	$727,450	$190,695	$241,671
Shareholders' Equity	$3,939,222	$1,203,066	$636,832

QUARTERLY FINANCIAL INFORMATION

For the Year ended December 31, 2001

	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Total Revenues	$770,300	$872,375	$1,061,170	$807,769
Net loss before Research and Development	$499,900	$214,714	$177,591	$89,106
Research and Development	$328,000	$250,754	$234,530	$172,204
Net Loss	$827,900	$465,468	$412,121	$261,310
Net Loss per Share	$0.04	$0.02	$0.02	$0.02

For the Year ended December 31, 2000

	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Total Revenues	$699,300	$690,243	$623,085	$602,936
Net loss before Research and Development	$541,800	$47,227	$135,383	$54,449
Research and Development	$195,500	$85,902	Nil	Nil
Net Loss	$737,300	$133,129	$135,383	$54,449
Net Loss per Share	$0.04	$0.01	$0.01	$0.01

DIVIDENDS

The Company has not paid any dividends to date on its common shares and does not plan to pay any dividends in the immediate future. Any decision to pay dividends in the future will be based on the Company's earnings and financial requirements and other factors that the Board of Directors may consider appropriate in the circumstances.

5. MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL

Warnex plans to achieve success through the manufacture and sale of its Genevision technology. This technology will permit users to rapidly detect micro-organisms in foods and pharmaceuticals within a manufacturing facility. As well, the use of automated equipment will allow users to significantly reduce labour costs and to digitally transfer test results within the quality control organization. The business opportunities exist for this technology to dominate the field of microbiological testing for the testing of pathogens and genetically modified foods. As well, the opportunity exists for the Company to further develop its Analytical Services division.

The Company has not been profitable since inception and expects to continue to incur losses until the third quarter of 2003. These losses are due to the Genevision research and development program as well as to the corporate overhead required to support the activities of the Company. The Company expects that its operating subsidiaries will be profitable in 2002; however its net losses will increase due to additional manufacturing selling and marketing expenses as it prepares to roll out the Genevision technology in the fourth quarter of 2002.

As of December 31, 2001, the Company's deficit was $3,697,983. Since inception, the Company has financed its acquisitions and research and development through equity offerings.

RESULTS OF OPERATIONS

For the fiscal year ended December 31, 2001, the Company reported a net loss of $1,966,784 ($0.10 per share) as compared to a net loss of $1,060,287 ($0.07 per share) for the fiscal year ended December 31, 2000.

Revenues for the year ended December 31, 2001 totalled $3,511,603 of which $3,044,028 was from Analytical Services and $347,315 was generated by the Consulting division. For the year ended December 31, 2000, revenues were $2,615,611 of which $2,376,471 and $182,229 were from Analytical Services and Consulting respectively. The balance of revenues in each year was generated by government grants and interest income.

Research and development expenditures for the year ended December 31, 2001 increased to $1,680,752 as compared to $597,970 in 2000. The increase in 2001 was due to the expansion of the Genevision research team as well as twelve months of research expenses compared to six months in 2000 (the Genevision technology was acquired by the Company in June 2000). The Company takes advantage of tax credits offered at both the provincial and federal levels of government. The Company has applied for tax credits in the amount of $246,466 for 2001 and has applied for $125,485 for 2000.

Selling general and administrative expenses increased to $2,685,857 for the year 2001 from $1,239,573 for the same period in 2000. The increase was mainly due to an increase in personnel in order to support the activities of the larger organization.

LIQUIDITY AND CAPITAL RESOURCE

The Company has financed its acquisitions and research and development primarily through equity financing as follows:

Date	Number of Shares Issued	Price per share	Gross Amount Raised
July, 1996	2,000,000	$0.10	$200,000
May 1998	8,000,000	$0.15	$1,200,000
August 2000	3,750,000	$0.40	$1,500,000
March 2001	2,500,000 (1)	$1.00	$2,500,000
December 2001	2,200,000 (2)	$1.05	$2,310,000

1. includes 1,250,000 warrants @ $1.50 per warrant which expire August 28, 2002
2. includes 1,100,000 warrants @ $1.50 per warrant which expire December 12, 2003.

The Company announced in November 2001 that it had signed a letter of intent with Desjardins whereby Desjardins would raise on a best efforts basis up to $6,000,000. A first tranche of this financing was concluded in December 2001. The second part of this transaction is anticipated to close on or about March 12, 2002.

The Company's working capital position as of December 31, 2001 was $2,124,479, an increase of $2,511,350 from December 31, 2000.

Until such time as the Company begins to generate revenues from its Genevision technology the Company will continue to finance its operations from additional equity financing, cash flow generated from its operating subsidiaries, and government grants, loans and tax credits.

As of December 31, 2001, the Company has 4,100,000 outstanding warrants permitting the subscription of the same number of common shares at an exercise price of $1.50 for 3,850,000 warrants and at a price of $1.00 for 250,000 warrants , which if fully exercised will result in the receipt of proceeds of $6,025,000. The exercise of these warrants is subject to market share price. The Company also has 1,394,950 options outstanding that are exercisable at prices between $0.15 and $1.70 per share, which if fully exercised, will result in additional proceeds of $719,850.

The Company intends to raise additional funds for capital expenditures for its manufacturing facility and molecular diagnostic laboratory. The Company has entered into a Memorandum of Understanding with SGF Soquia to undertake studies with a view to a possible investment by SGF Soquia. As of the date hereof, these studies have not been concluded and there has been no final determination by SGF Soquia as to their investment.

6. MARKET FOR SECURITIES

The common shares of the Company are listed for trading on the CDNX under the trading symbol "WNX".

7. DIRECTORS AND OFFICERS

The following table sets forth the name, municipality of residence and position with the Company, as well as the first year of nomination as a Director or Officer, the number of shares of the Company which each nominee directly or indirectly held as a beneficial owner or over which he exercised control or direction as at March 1, 2002, and finally, the principal occupation of each nominee.

Name and Municipality of Residence	Position with the Company	Director Since	Number of Shares of the Company held directly or indirectly as beneficial owner	Principal Occupation
MARK J. BUSGANG ..... Montreal, Quebec	President, Chief Executive Officer and Director	May 19, 1998	5,445,000	President and Chief Executive Officer, Warnex Inc.
RICHARD LAFERRIÈRE[3] ..... Saint-Lambert, Quebec	Chairman of the Board and Director	February 26, 1996	843,100	President and Chief Executive Officer, Fiberoptic One Inc. and President and Chief Executive Officer, French Riviera Capital Inc.
DR. CHRISTIAN ARCHAMBAULT ..... Montreal, Quebec	Executive Vice President and Director	June 19, 2000	885,000	Executive Vice President, Warnex Inc., President, Biopharm (1998) Inc., President, Genevision Inc.
TERRANCE MAILLOUX[1] [3] ..... Montreal, Quebec	Director	May 19, 1998	–	Chairman of the Board and Chief Executive Officer, Glucogenics Pharmaceuticals Inc.
WARREN H. HABER[2] ..... New York, New York	Director	June 5, 1998	212,500	Chairman of the Board and Chief Executive Officer, Founders Equity Inc.
LOUIS LACASSE[1] [2] ..... Montreal, Quebec	Director	June 5, 1998	–	President, Genechem Management Inc.
HUBERT MARLEAU[2] ..... Montreal, Quebec	Director	June 19, 2000	15,600	President, Palos Capital Corporation.
BARRY SCHWARTZ[1] ..... Montreal, Quebec	Director	June 19, 2000	25,000	President, Two Roads Investments Inc., Chairman and Chief Executive Officer of Sonomax Hearing Healthcare Inc.
DR. JACQUES GAGNÉ[3] [4] ..... Montreal, Quebec	Director	March 19, 2001	–	Consultant
DR. MARC LUSSIER[4] ..... Montreal, Quebec	Director	January 2002	–	Vice President, Operations, HémaX Génome Inc., President and CEO, Anagenis Inc.
DENIS PELLERIN ..... Laval, Québec	Chief Financial Officer	Officer Only	4,700	Chief Financial Officer, Warnex Inc.
CAROLYNE LASSONDE ..... Mont St-Hilaire, Québec	Secretary	Officer Only	45,000	Lawyer, Brouillette Charpentier Fortin s.e.n.c.

(1) Member of the Audit Committee
(2) Member of the Human Resources and Remuneration Committee
(3) Member of the Corporate Governance Committee
(4) Member of the R & D Committee

Following are brief biographies of Warnex Directors and Officers:

Mark J. Busgang – Mr. Busgang has been President and Chief Executive Officer of the Company since February 1998. Mr. Busgang is also President of Busgang Investments Inc., a private company, since 1996. From 1993 to 1996, he was President and Chief Executive Officer of Pharmetics Ltd. and Vice President of Operations of Theratechnologies Inc.

Richard Laferrière – Mr. Laferrière is President and Chief Executive Officer of Fiberoptic One Inc. since April 2001. Also, he has been President and Chief Executive Officer of French Riviera Capital Inc. since December 1998. He was the President and Chief Executive Officer of Coscient Group Inc. ("Coscient") from 1989 to December 1995. From December 1995 to May 1999, Mr. Laferrière held the positions of President and Chief Operating Officer of Coscient, a public company whose shares were listed on The Toronto Stock Exchange until the acquisition of this company by TVA Acquisition Inc. Mr. Laferrière is a member of the Young Presidents Organization and of the Board of Directors of Conseil des Arts du Canada. He is also a member of the Board of Directors of HR Strategies Inc.

Dr. Christian Archambault – Dr. Archambault has been Executive Vice President of the Company, President of Genevision Inc. and President of Biopharm (1998) Inc. since June 2000. From 1997 to 1999, he was Founder and President of Groupe d'Investigations Techniques et d'Expertises Inc. and of Laboratoires d'analyses et de diagnostics Norscience Inc.

Terrance Mailloux – Mr. Mailloux has been Chairman and Chief Executive Officer of Glucogenics Pharmaceuticals Inc. since 1997. From 1994 to 1996, he was Chairman and Chief Executive Officer of Theratechnologies Inc.

Warren H. Haber – Mr. Haber is Chairman of the Board and Chief Executive Officer of Founders Equity Inc. and its affiliates. He is currently on the Board of Directors of CoStar Group Inc. (CSGP – NASDAQ), PK Operations Inc., (dba Papaya King) and First Home Brokerage LLC. Mr. Haber was a Director and the interim CEO of BatteriesBatteries Inc. (now called Wireless Xcessories Group, Inc.) from 1995 to 1998, a public company whose shares are listed on the NASDAQ.

Louis Lacasse – Mr. Lacasse has been President of Genechem Management Inc., the management arm of Genechem Technologies Venture Fund L.P. since May 1997. From 1987 to May 1997, he was Vice President, Healthcare and Biotechnology, of Sofinov, Société financière d'innovation inc., an investment subsidiary of the Caisse de dépôt et placement du Québec. Mr. Lacasse is currently a Director of several private and public companies including Biochem Pharma Inc., Metroworks Inc. and Axcan Pharma Inc.

Hubert Marleau – Mr. Marleau has been President of Palos Capital Corporation since May 1998. From July 1990 to December 1997, he was Chief Executive Officer of Marleau Lemire Securities Inc. Mr. Marleau is currently a Director of several companies listed on the Toronto Stock Exchange.

Barry Schwartz –, Mr. Schwartz has been Chairman and Chief Executive Officer of Sonomax Hearing Healthcare Inc. since February 2001, a company whose shares are listed on CDNX, and he is President of Two Roads Investments Inc. since July 1992. He was President of James-Barry Inc. from November 1991 to May 1997. Mr. Schwartz was Sr. Vice President of CEMP Investments Limited from August 1980 until 1984, at which time he became Sr. Vice President of its successor entity, Claridge Investments Inc., as well as President and Chief Operating Officer of Claridge Properties Ltd., both until November 1991.

Dr. Jacques Gagné – Dr. Gagné is a consultant for several companies since April 2001. He was a Director of the Frosst Healthcare Foundation from March 1999 to March 2001. From 1996 to 1997, he was Chairman of the Board of LAB International Holdings Inc. Dr. Gagné was Executive Director of the IRPI Institute for Research in Industriel Pharmacy Inc. from 1990 to 1996. From 1982 to 1990, he was Dean of the Faculty of Pharmacy at the Université de Montréal. Dr. Gagné is Chairman of the Board of URRMA Biopharma Inc., of Genomics One Corporation and Quantis Formulation Inc. and he serves as a Director of the CQIB, Laval Technopole and several other companies. Dr. Gagné is a member of the Advisory Board of the Health Research Foundation of Canada's Research-based Pharmaceutical Companies. He is President of Prix Galien Canada and Chairman of the Editorial Board of l'Actualité Pharmaceutique.

Dr. Marc Lussier – Dr. Lussier holds a Ph.D. in molecular biology from the Université de Montréal. He worked as postdoctoral fellow in the Biology Department of McGill University from 1990 to 1995 where he later became Projects Director/Research Associate in functional genomics. In 1998, he co-founded and organized the financing of Mycota Biosciences Inc., whose aim was to use different technologies developed at McGill University. He was director of scientific operations until Mycota was bought by an American company in 2001. Dr. Lussier has a wide experience in biochemistry, microbiology, genetics, genomics, bioinformatics and in the starting up and financing of companies. He is presently Vice President, Operations at HemaX Genome Inc. and President and CEO at Anagenis Inc., two Montreal genomics companies. He also serves as consultant to the biotechnology and biopharmaceutical industries.

Denis Pellerin – Mr. Pellerin has been Chief Financial Officer of the Company since June 2001. From 1996 to 2001, he was Chief Financial Officer of ACLQ Inc. (formerly Lactel Group Inc).

Carolyne Lassonde – Mtre Lassonde has been the Secretary of the Company since 1999. She has been an associate with the Montreal law firm Brouillette Charpentier Fortin s.e.n.c. ("BCF") since 1998 and she is currently a partner of BCF since 2002. From 1996 to 1998, she was an associate of Allaire & Associés. Her practice is oriented towards business law specializing in the private, institutional and public financing of companies in the biotechnology and high technology sectors. She is also Secretary of Fiberoptic One Inc., a company whose shares are listed on the CDNX.

The Directors of the Company are elected and hold office until the next annual meeting of shareholders, unless a Director resigns or is removed.

The Directors and Senior Officers of the Company as a group beneficially own, directly or indirectly or exercise control or direction of 7,475,900 of the outstanding common shares, being 33.3% of the issued and outstanding common shares of the Company.

8. ADDITIONAL INFORMATION

At any time, the Company, upon request to the Secretary of the Company, will provide to any person or corporation, one copy of the Annual Information Form of the Company, together with one copy of any document or the pertinent pages of any document incorporated by reference in the Annual Information Form, (ii) one copy of the comparative financial statements of the Company for its most recently completed financial year for which financial statements have been filed, together with the accompanying report of the auditor and one copy of the most recent interim financial statements of the Company that have been filed, if any, for any period after the end of its most recently completed financial year, (iii) one copy of the Management Proxy Circular of the Company in respect of its most recent annual meeting of shareholders that involved the election of Directors or one copy of any annual filing prepared instead of that circular, as appropriate, provided that the Company may require the payment of a reasonable charge if the request is made by a person or a company who is not a shareholder of the Company. The public documents of the Company can also be accessed via Internet on the SEDAR site at www.sedar.com.

Additional information, including Directors' and Officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the Corporation's Management Proxy Circular for its most recent annual meeting of shareholders that involved the election of Directors. Additional financial information is provided in the Corporation's comparative financial statements for its most recently completed financial year.