



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

AND MANAGEMENT PROXY CIRCULAR

Annual Meeting – April 24, 2007

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF WARNEX INC.

NOTICE IS HEREBY GIVEN that an annual meeting of the shareholders of Warnex Inc. (the "Corporation") will be held at the Omni Hotel, 1050 Sherbrooke Street West, Montreal, Quebec, "Salon Été", at the hour of 11:00 a.m., Montreal time, on Tuesday, April 24, 2007, for the following purposes:

1. To receive the report of management and the consolidated financial statements of the Corporation for the year ended December 31, 2006, together with the auditors' report thereon;
2. To elect the Directors of the Corporation for the ensuing year;
3. To appoint the auditors for the ensuing year and to authorize the Directors to fix their remuneration; and
4. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

The enclosed Management Proxy Circular should be consulted for further details on the matters to be acted upon. A copy of the annual report to shareholders and a Form of Proxy for the meeting are also attached with this Notice.

DATED at Laval, Quebec this 13th day of March, 2007.

BY ORDER OF THE BOARD OF DIRECTORS



Mark Busgang
President and CEO

IMPORTANT

Only holders of common shares of the Corporation of record at the close of business on March 19, 2007, are entitled to receive a notice of the Meeting and only those holders of the common shares of the Corporation of record at the close of business on March 19, 2007, or who subsequently become shareholders and comply with the provisions of the *Canada Business Corporations Act* are entitled to vote at the Meeting. If you are unable to attend in person, kindly fill in, sign and return the enclosed proxy in the envelope provided for that purpose.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 7th Floor, 1500 University Street, Montreal, Quebec, H3A 3S8, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or adjournment of the meeting.

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MANAGEMENT PROXY CIRCULAR**A. VOTING INFORMATION****PURPOSE OF SOLICITATION**

THIS MANAGEMENT PROXY CIRCULAR (THE “INFORMATION CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF WARNEX INC. (THE “CORPORATION”) FOR USE AT THE ANNUAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE OMNI HOTEL, 1050 SHERBROOKE STREET WEST, MONTREAL, QUEBEC, “SALON ÉTÉ”, ON TUESDAY, APRIL 24, 2007, AT THE HOUR OF 11:00 O’CLOCK A.M., MONTREAL TIME, AND AT ANY ADJOURNMENTS THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited by the Management of the Corporation by telephone, fax or personal interviews. The cost of any such solicitation will be borne by the Corporation.

VOTING OF PROXIES

All Common Shares represented at the meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, THE CORPORATION IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS, WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THEN THE MANAGEMENT DESIGNEES INTEND TO VOTE IN ACCORDANCE WITH THE JUDGEMENT OF THE MANAGEMENT OF THE CORPORATION.

Proxies, to be valid, must be deposited at the offices of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 7th Floor, 1500 University Street, Montreal, Quebec, H3A 3S8, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or an adjournment of the meeting.

APPOINTMENT OF PROXY

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) OTHER THAN MARK BUSGANG AND RICHARD LAFERRIÈRE, THE MANAGEMENT DESIGNEES, TO ATTEND AND ACT FOR HIM AT THE MEETING. Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy at the offices of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 7th Floor, 1500 University Street, Montreal, Quebec, H3A 3S8, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or an adjournment of the meeting.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A shareholder may revoke a proxy by depositing an instrument in writing, executed by him or his attorney authorized in writing:

- (1) at the offices of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 7th Floor, 1500 University Street, Montreal, Quebec, H3A 3S8, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or adjournment of the meeting at which the proxy is to be used; or
- (2) at the registered office of the Corporation, 3885 Industriel Blvd, Laval, Quebec H7L 4S3, to the attention of the Corporate Secretary at any time up to and including the last business day preceding the day of the meeting at which the proxy is to be used; or
- (3) with the Chairman of the meeting on the day of the meeting or an adjournment of the meeting.

In addition, a proxy may be revoked by the shareholder executing another form of proxy bearing a later date and depositing same at the offices of the registrar and transfer agent of the Corporation within the time period set out under the heading "VOTING OF PROXIES", or by the shareholder personally attending the meeting and voting his shares.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold Common Shares of the Corporation (the "Common Shares") in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares are likely to be registered under the name of the shareholder's broker or an agent of that broker. Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to the intermediary well in advance of the Meeting in order to have the Common Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend the Meeting as proxy holder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which 51,973,875 Common Shares were issued and outstanding as of March 13, 2007, and entitled to vote at the meeting on the basis of one vote for each Common Share held.

The holders of Common Shares of record at the close of business on the record date, set by the Directors of the Corporation to be March 19, 2007, are entitled to vote such Common Shares at the meeting, except to the extent that:

- (1) such person transfers his shares after the record date; and
- (2) the transferee of those shares produces properly endorsed share certificates or otherwise establishes his ownership to the shares;

and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the meeting, that his name be included on the shareholders' list.

The by-laws of the Corporation provide that two (2) persons present and representing in person or by proxy not less than 10% of the issued shares entitled to vote at the meeting constitute a quorum for the meeting.

To the knowledge of the Directors and officers of the Corporation, the only persons who beneficially own, directly or indirectly, or controls or directs, Common Shares carrying more than 10% of the voting rights of the outstanding Common Shares of the Corporation are the following:

PRINCIPAL HOLDERS OF SHARES

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Mark Busgang ⁽²⁾ Quebec, Canada	5,499,400 ⁽¹⁾	10.6%
SGF Soquia Inc. ⁽²⁾	9,321,428	17.9%
Natcan Investment Management Inc.	10,620,749	20.4%

Note :

(1) Of this number, 5,450,500 Common Shares are owned by Samaloy Holding Inc., a company controlled by Mark Busgang, and 48,900 Common Shares are owned by Mark Busgang.

(2) Pursuant to a shareholder agreement entered into with Samaloy Holding Inc., a company controlled by Mark Busgang, President and Chief Executive Officer of the Corporation, and SGF Soquia Inc., the herein above-mentioned shareholders have agreed (i) to exercise their voting rights with respect to the Common Shares of the Corporation in a way that the Board of Directors of the Corporation be composed of a maximum of twelve Directors; (ii) not to vote against the nomination of the designated representative of Samaloy Holding Inc. to represent it at the Board of Directors of the Corporation as long as Samaloy Holding Inc. holds a minimum of 5% of the total outstanding Common Shares; and (iii) to vote in favour of the nomination of two designated representatives of SGF Soquia Inc. to represent it at the Board of Directors of the Corporation as long as SGF Soquia Inc. holds a minimum of 5% of the total outstanding Common Shares or as long as it will be a creditor of the Corporation.

B. BUSINESS OF THE ANNUAL MEETING

To the knowledge of the Corporation's Directors, the only matters to be placed before the meeting are those matters set forth in the accompanying notice of meeting relating to the receipt of the management report and the financial statements, the election of the Directors and the appointment of the auditors.

ELECTION OF DIRECTORS

The Articles of the Corporation stipulate that the Board of Directors shall consist of a minimum of three Directors and a maximum of fifteen Directors. Management proposes that the ten members of the Board of Directors presented in this Management Proxy Circular be re-elected to hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed pursuant to the by-laws of the Corporation. Please refer to Section C Board of Directors for each nominee's biography.

It is the intention of the management designees, if named as proxy, to vote for the election of said persons to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as Directors. However, if, for any reason, any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee at their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of Directors.

APPOINTMENT OF AUDITORS

The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy for the appointment of Nexia Friedman, chartered accountants, as auditors of the Corporation at a remuneration to be fixed by the Board of Directors unless the Shareholder has specified in his proxy that his shares are to be withheld from voting in the election of auditors. Nexia Friedman, Chartered Accountants have been the auditors of the Corporation since May 19, 1998. The auditors will hold office until the next Annual Meeting of Shareholders or until their successors are appointed.




SHAREHOLDER PROPOSALS





Shareholders who wish to submit a proposal for consideration at the next meeting to be held in 2008 must do so by submitting them to the attention of the Secretary of the Corporation on or before December 30, 2007, in the manner and subject to the limitations prescribed by the Canada Business Corporation Act.




C. BOARD OF DIRECTORS

BIOGRAPHIES

The following table sets forth, for each person nominated by management for election as a Director, his or her name, province or state and country of residence, the year in which he or she first became a Director, his or her principal occupation for the last five years, his or her Committee memberships, the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction was exercised and the number of stock options in the Corporation held, all as at March 13, 2007.

 <p>Richard Laferrière, 52 Quebec, Canada Shares: 750,000⁽¹⁾ Options: 46,900</p>	<p>Since December 1998, Mr. Laferrière has been President and Chief Executive Officer as well as Director of FRV Media Inc. In September 2005, Mr. Laferrière joined the Board of Directors of Extenway Solutions Inc., where he serves as Chairman of the Board since November 2005.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Chairman of the Board of Directors since 1996 • Member of the Corporate Governance Committee (Chair) • Independent director
 <p>Mark Busgang, 51 Quebec, Canada Shares: 5,499,400⁽²⁾</p>	<p>Mr. Busgang has served on the Corporation's Board and has been President and Chief Executive Officer of the Corporation since February 1998. From 1993 to 1996, he was President and Chief Executive Officer of Pharmetics Ltd. and Vice President of Operations of Theratechnologies Inc. He presently serves as a Director of GC-Capital Corp. and as Chairman of the Board of Directors of Mistral Pharma Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 1998 • Related director due to his position as President and CEO of the Corporation
 <p>Warren Haber, 66 New York, USA Shares: 257,500 Options: 30,500</p>	<p>Mr. Haber co-founded Founders Equity Inc. in 1969 and has served as its Chairman and Chief Executive Officer since then. He presently serves as a Director of CoStar Group, Inc. (NASDAQ) and several privately held companies and affiliates of Founders Equity. Mr. Haber also serves on the Board of Advisors of Columbia University's Mailman School of Public Health and the Board of Trustees of LEDA (Leadership Enterprise for a Diverse America).</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 1998 • Member of the Human Resources and Remuneration Committee • Independent director

 <p>Louis Lacasse, 50 Quebec, Canada Shares : 45,000 Options: 30,500</p>	<p>Mr. Lacasse has been President of GeneChem Management Inc., the management arm of GeneChem Technologies Venture Fund L.P., since May 1997. Mr. Lacasse is currently a Director of several companies including Axcan Pharma Inc., Chromos Molecular Systems Inc., Methylgene Inc., Targeted Genetics Inc. and several private companies.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 1998 • Member of the Audit Committee (Chair) • Independent director
 <p>Terrance Mailloux, 70 Quebec, Canada Shares : 45,000 Options: 30,500</p>	<p>Mr. Mailloux has been President of Mailloux Associates, a pharmaceutical consultants firm since 1987. Mr. Mailloux has also been Chairman and Chief Executive Officer of Glucogenics Pharmaceuticals Inc. since 1997.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 1998 • Member of the Human Resources and Remuneration Committee (Chair) • Member of the Audit Committee • Independent director
 <p>Hubert Marleau, 63 Quebec, Canada Options: 30,500</p>	<p>Mr. Marleau has been President of Palos Capital Corporation since May 1998. Mr. Marleau is currently a Director of the following publicly traded companies: Gobimin Inc., Canalaska Ventures Ltd., Contact Image Corp., Malette Industries, GC – Global Capital Corp., Freegold Ventures Ltd., Global Developments Resources, Inc., Huntington Exploration Inc., Knowlton Capital Inc., Magistral Biotech Inc., Maudore Minerals Ltd., Mitec Telecom Inc., Niocan Inc., Normabec Mining Resources Ltd., ORTHOsoft Holdings Inc., Plexmar Resources Inc., South Malartic Resources and Uni-Select Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 2000 • Member of the Audit Committee • Independent director
 <p>Dr. Jacques Gagné, 64 Quebec, Canada Options : 28,000</p>	<p>Dr. Gagné is a former Professor (1972 to 2002) and Dean (1982 to 1990) of Pharmacy at Université de Montréal. Since April 2001, Dr. Gagné serves as a consultant to several companies in the biotechnology and healthcare fields. Among others, he is Chairman of the Québec Biotechnology Innovation Center (QBIC), President of Prix Galien Canada and Vice President of the “Fond d’assurance responsabilité de l’Ordre des pharmaciens du Québec”. Dr. Gagné is also a Director of Mistral Pharma Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 2001 • Member of the Research and Development Committee (Chair) • Member of the Corporate Governance Committee • Independent director

 <p>Dr. Marc Lussier, 47 Quebec, Canada Options : 28,000</p>	<p>Dr. Lussier is Portfolio Director at AgeChem Financial Inc., a biotechnology/pharmaceutical venture fund based in Montreal, Canada. He also presently serves as part-time CEO of Strida Pharma Inc. and leads all business development efforts of Emerillon Therapeutics Inc., two Montreal-based biopharmaceutical companies. He was until September 2006 Director of the Procure Prostate Cancer Biobank. From 2002 to 2005, he served as Vice-President, Operations at HemaX Genome Inc. and CEO of Estracure Inc. In 2002, he cofounded the "Fromagerie de l'Alpage" and since its inception, he has been supervising all of the company's microbiological quality control aspects. From 1998 to 2001, he was principal founder and COO of Mycota Biosciences Inc., later acquired by Elitra Pharmaceuticals Inc. Dr. Lussier holds a Ph.D. in molecular biology and worked as a postdoctoral fellow in the Biology Department of McGill University from 1990 to 1995 where he later became director of the Yeast Genome Laboratory. He is also an independent Director of Florisys Inc.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 2002 • Member of the Human Resources and Remuneration Committee • Member of the Research and Development Committee • Independent director
 <p>Diane Lanctôt, 51 Quebec, Canada</p>	<p>Since 1981, Ms. Lanctôt has been President of Lanctôt Ltd., a company which specializes in the design, production and distribution of sports clothing, equipment and other products, as well as the distribution of ophthalmic frames and sunglasses. Ms. Lanctôt is also a member of the Board of Directors of the Société générale de financement du Québec and a member of the Board of Directors of Procycle.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since 2005 • Independent director
 <p>Eric Veilleux, 36 Quebec, Canada</p>	<p>Mr. Eric Veilleux is Senior Director, Investment Support, for the Société générale de financement du Québec ("SGF"). Mr. Veilleux has more than 14 years of experience in the world of accounting and finance. Prior to joining the SGF, he was an advisor for Raymond Chabot Grant Thornton, from 1998 to 2001, and a director at KPMG from 1992 to 1998.</p> <p>Board Details:</p> <ul style="list-style-type: none"> • Director since September 2006 • Independent director
<p>(1) These Common Shares are owned by Gestion Catriaex Inc., a private company controlled by Richard Laferrière. (2) Of these Common Shares, 5,450,500 Common Shares are owned by Samaloy Holding Inc., a company controlled by Mark Busgang, and 48,900 Common Shares are owned by Mark Busgang.</p>	

The Directors, officers and insiders of the Corporation as a group currently control 26,711,544 of the outstanding Common Shares, representing 51.4% of the issued and outstanding Common Shares of the Corporation.

The information as to the number of Common Shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been provided by each nominee.

D. DIRECTOR AND EXECUTIVE COMPENSATION**COMPENSATION OF DIRECTORS**

Other than being reimbursed by the Corporation for their expenses or as otherwise disclosed herein, the aggregate cash compensation paid to the Directors of the Corporation for services rendered in their capacities as Directors, during the financial year ended December 31, 2006, was \$82,250 with the exception of the Chairman of the Board who received a quarterly retainer fee of \$6,000 and who received for the year 2006 a total compensation of \$24,000 and the President and CEO who does not receive Director's compensation since he is an employee of the Corporation. The compensation earned by the nominees of SGF Soquia was paid to SGF Soquia directly, except for Mrs. Lanctôt's compensation which is paid directly to her since November 27, 2006.

SUMMARY COMPENSATION TABLE - DIRECTORS

Detail	Compensation
Fee for Board of Directors meeting attended	\$1,000.00
Fee for Board of Directors meeting attended by way of conference call	\$250.00
Fee for Board of Directors Committee meeting attended	\$1,000.00
Additional Fee for Committee Chairs (per meeting attended)	\$500.00

Each outside Director of the Corporation receives 45,000 stock options at his initial election, of which 15,000 may be exercised immediately after his election, and 15,000 can be exercised at each of the first and second anniversary of his nomination. Beginning on the third anniversary of his nomination and subject to his re-election, an outside Director receives, annually, 7,000 stock options of the Corporation.

COMPENSATION OF EXECUTIVES

The following table provides detailed compensation information for the last three financial years for the President and Chief Executive Officer, the Chief Financial Officer and the three other most highly remunerated executive officers of the Corporation (the "Named Executive Officers"). The Corporation paid its Named Executive Officers an aggregate of \$1,193,076 in remuneration (salary, bonuses and RRSP contributions) during fiscal year 2006.

SUMMARY COMPENSATION TABLE – NAMED EXECUTIVE OFFICERS

Name and Principal Position	Year	Salary (\$)	Bonus⁽¹⁾ (\$)	Other Annual Compensation⁽²⁾ (\$)	Long-Term compensation Securities under Options (#)	All Other Compensation⁽³⁾ (\$)
Mark Busgang President and Chief Executive Officer	2006	255,572	42,300	12,000	-	2,402
	2005	226,679	50,000	6,000	-	2,315
	2004	217,535	18,000	6,000	-	1,864

Name and Principal Position	Year	Salary (\$)	Bonus ⁽¹⁾ (\$)	Other Annual Compensation ⁽²⁾ (\$)	Long-Term compensation Securities under Options (#)	All Other Compensation ⁽³⁾ (\$)
Denis Pellerin Vice President and Chief Financial Officer	2006	194,567	34,200	12,000	-	1,942
	2005	189,185	40,000	6,000	-	1,881
	2004	168,795	14,500	6,000	-	1,618
Michael Mancini President, Warnex Analytical Services Inc. and Warnex Bioanalytical Services	2006	205,265	36,000	11,000	-	2,043
	2005	198,800	75,000	6,000	-	1,973
	2004	168,795	35,000	6,000	-	1,618
Erik Yelle ⁽⁴⁾ Vice President, Sales & Marketing Warnex Diagnostics Inc.	2006	175,846	-	12,000	-	1,800
	2005	-	-	-	-	-
	2004	-	-	-	-	-
Yvan Côté Vice President and General Manager of Warnex Medical Laboratories and Vice President, Research & Development, Warnex Research Inc.	2006	153,606	27,000	12,000	-	1,533
	2005	149,048	25,000	6,000	30,000	1,481
	2004	125,000	5,000	6,000	-	1,226
Notes :						
(1) Bonuses, if any, are usually paid subsequent to the end of the fiscal year. Therefore, bonuses paid in 2006 relate to 2005 fiscal year.						
(2) The "Other Compensation" represents car allowances. Executives do not receive reimbursement for car expenses even when using his or her personal car for business purposes. The aggregate amount of other annual compensation was no greater than the lesser of \$50,000 and 10 percent of the total annual salary and bonus of each Named Executive Officer in each financial year.						
(3) "All Other Compensation" includes the Corporation's contribution to a group RRSP.						
(4) Erik Yelle has been employed by the Corporation since January 3, 2006.						

Stock Option and Other Plans

The Corporation has adopted the 2003 Stock Option Plan (the "Stock Option Plan") for the Directors, officers, employees and consultants of the Corporation and its subsidiaries, as designated by the Board of Directors of the Corporation or the Human Resources and Remuneration Committee, pursuant to which options to purchase an aggregate of 4,319,273 common shares, which represent, on March 13, 2007, 8.3% of all issued and outstanding common shares, may be granted.

The number of Common Shares covered by any stock option, the exercise price, expiry date and vesting period of such stock option and any other matter pertaining thereto are determined by the Board of Directors of the Corporation or the Human Resources and Remuneration Committee. Options granted are non-assignable except if the assignment is approved by the Human Resources and Remuneration Committee or the Board of Directors, the assignee is an "Authorized Assignee" under the terms of the Plan, no compensation is made during the course of the assignment and the assignment conforms to the applicable policies of the Stock Exchange. No single person may be granted options covering more than 5% of the Corporation's issued and outstanding Common Shares. Options are fully exercisable by the optionee's legal

representative, in the case of death or physical or mental disability of the optionee within a period of one year thereafter. Otherwise, options will lapse upon termination of employment or the end of the business relationship with the Corporation except that they may be exercised for 90 days after termination or the end of the business relationship, to the extent that they will have vested on such date.

No option may be allotted for a period exceeding 10 years and the exercise price of each stock option is equal to the market price of the share at the close of business of the exchange on the date immediately preceding the grant. Unless the Board of Directors or the Human Resources and Remuneration Committee decides otherwise, each option granted pursuant to the Plan will vest in three annual and equal tranches from the date of its grant and at each of the two subsequent anniversaries. Notwithstanding the foregoing, if the Corporation is sold, all the options that are not vested at the time of the sale will become vested and may be exercised by the optionees. The Plan also provides for the adjustment of the number and price of the stock options in the case of reorganization, merger, subdivision and consolidation of the shares and in other situations defined in the Plan. In some of these situations, the approval of the Toronto Stock Exchange and/or the shareholders of the Corporation may have to be obtained. The Board of Directors of the Corporation has the right to amend the Plan, subject to amendments which require the approval of the Toronto Stock Exchange or of the shareholders of the Corporation in accordance with the applicable rules and regulations.

The following table sets forth the stock options granted to Named Executive Officers in the financial year ended December 31, 2006:

GRANT OF STOCK OPTIONS TO NAMED EXECUTIVE OFFICERS

Name	Securities Under Options Granted (#)	% of Total Options Granted to Employees in Financial Year	Exercise Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Erik Yelle	75,000	17.3%	1.10	1.10	January 3, 2016
Note : Market value is determined by the closing price of the Common Shares on the Toronto Stock Exchange on the last trading day prior to the date of the grant.					

The following table shows the number of unexercised options held at year-end and the year-end value of the unexercised options for options held by Named Executive Officers, no options having been exercised by them during this period.

YEAR-END OPTION VALUES

Name	Securities acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at Financial Year-End Exercisable/Unexercisable	Value (\$) ⁽¹⁾ of Unexercised in the Money Options at Financial Year-End Exercisable/Unexercisable
Mark Busgang	Nil	Nil	0/0	\$0/\$0
Denis Pellerin	Nil	Nil	0/0	\$0/\$0
Michael Mancini	Nil	Nil	20,834/ -	\$0/ -
Erik Yelle	Nil	Nil	25,000/50,000	\$0/\$0
Yvan Côté	Nil	Nil	65,000/10,000	\$0/\$0
Note : (1) For the purpose of calculating the value of the stock options, the exercise price of each stock option was subtracted from the closing trading price of the Common Shares on the Toronto Stock Exchange on December 29, 2006, the last trading day in the Corporation's financial year ended December 31, 2006, which was \$0.34.				

In the financial year ended December 31, 2006, a total of 434,000 stock options were granted to management, employees and consultants of the Corporation and its subsidiaries, no options were exercised and 481,667 options were cancelled. As of December 31, 2006, options to purchase an aggregate of 1,391,734 common shares were issued and outstanding, which represented 2.7% of all issued and outstanding common shares.

The Corporation does not have any pension plan.

Long Term Incentive Plans

Other than the 2003 Stock Option Plan, the Corporation does not have any plans which provide compensation intended to serve as incentive to Named Executive Officers for performance to occur for a period longer than one financial year.

Employment and Consulting Agreements

The Corporation is party to an employment agreement with Mark Busgang, Denis Pellerin, Michael Mancini, Yvan Côté and Erik Yelle. Mr. Busgang and Mr. Pellerin's agreements provide that in the event the employee is terminated without cause, the Corporation must pay to the employee a compensation in lieu of notice equivalent to the total cash compensation (including benefits) received by the employee during the twelve months preceding the termination. Dr. Mancini's agreement provides that in the event the employee is terminated without cause, the Corporation must pay to the employee a compensation in lieu of notice equivalent to six months of salary plus one month of salary per subsequent year of employment, after the first year, the whole up to a maximum of twelve months. Dr. Côté's and Mr. Yelle's agreements provide that in the event the employee is terminated without cause, the Corporation must pay to the employee a compensation in lieu of notice equivalent to six months of salary plus one month of salary per subsequent month of employment, after the first year, the whole up to a maximum of twelve months.

Termination of Employment or Change of Control

Mr. Yelle's agreement provides that in the event that, within the first two (2) years of his employment with Warnex Diagnostics Inc., the employee is terminated by Warnex Diagnostics or by a purchaser in relation with a transaction to purchase all or a substantial portion of the assets or of the shares of Warnex Diagnostics, he shall be entitled to receive an amount equal to two (2) years of base salary.

Other Compensation

Other than as herein set forth, the Corporation did not pay any additional compensation to its Named Executive Officers or Directors in the financial year ended December 31, 2006.

REPORT OF THE HUMAN RESOURCES AND REMUNERATION COMMITTEE

During the financial year ended December 31, 2006, the members of the Human Resources and Remuneration Committee were Terrance Mailloux (Chairman), Warren Haber and Marc Lussier. The Committee advises the Board of Directors of the Corporation on the compensation of the Chief Executive Officer and of the executive officers of the Corporation. This committee is comprised solely of Directors who are independent from the management of the Corporation. During the financial year ended December 31, 2006, the Human Resources and Remuneration Committee met on five occasions.

The Committee establishes management compensation policies and oversees their general implementation. In addition, the Committee monitors management succession planning and conducts periodic reviews of the overall condition and quality of the Corporation's human resources.

The guiding philosophy of the committee in the determination of executive compensation is the following: (i) remuneration is a function of performance, (ii) the need to provide a total compensation package that will, within the context of the market, attract and retain qualified, experienced top-performing executives and (iii) fostering identification with shareholder interests.

The Committee recognizes that the nature of the Corporation's business is highly competitive and that the ability to attract and retain dedicated and talented individuals with highly specialized skills and qualifications is critical to the Corporation's success. The salaries of executive officers have been established based on national surveys of the industry provided by independent consultants. Remuneration of executive officers is revised each year and has been structured to encourage and reward the executive officers on the bases of short-term and long-term corporate performance. In the context of the analysis of the remuneration, the three following components are examined: base salary, annual bonus based on both the Corporation's and the individual's performance and grant of stock options of the Corporation.

In its effort to maintain the competitiveness of the Corporation, the Committee continually monitors available peer group information. The Committee is of the view that the Corporation's general compensation practices and methods are comparable to those in the industry.

The Committee assesses the overall performance of Mark Busgang, the Corporation's President and Chief Executive Officer, on the basis of preestablished objectives including goals relating to the Corporation and each division's performance, to the Corporation's financing, and to investor relation activities. Based on the financial results of the Corporation, the Committee has recommended, for the fiscal year ended December 31, 2006, that no bonus be payable to Mr. Busgang nor to any of the named Executive Officers.

The Human Resources and Remuneration Committee has approved the publication of the present report and its inclusion in the Information Circular.

Terrence Mailloux, Chairman
Warren Haber
Marc Lussier

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No Director, officer, nor any of their respective associates or affiliates is or has been at any time since the date of incorporation indebted to the Corporation.

E. OTHER INFORMATION

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

The Board of Directors and the management of the Corporation believe that good corporate governance is an important factor in the Corporation's overall success and in enhancing shareholder value. The following disclosure sets out the Corporation's corporate governance practices.

Mandate, Structure and Composition of the Corporation's Board of Directors

The Corporation's Board of Directors currently consists of 10 members and these 10 members are proposed for re-election as directors for the ensuing year.

Corporate Governance Manual

The Board of Directors has adopted a Corporate Governance Manual, which includes the mandate of the Board of Directors and of each of its committees, position descriptions for the Chairman of the Board of Directors, for the President and Chief Executive Officer of the Corporation and for each of the Committee Chairs, as well as the Corporation's Code of Ethics, its Communications Policy, and its Procedures for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing and Other Matters. The mandate of the Board of Directors is reproduced as Schedule B of the Corporation's *2006 Annual Information Form*, which may be consulted on www.sedar.com.

Director Independence

The Corporation considers that 9 out of its 10 directors are independent as defined in Multilateral Instrument 52-110. The Board of Directors has determined that the directors identified as being independent in this Management Proxy Circular do not have a direct or indirect relationship with the Corporation that could reasonably interfere with the Directors' ability to exercise their independent judgment, and that they are therefore independent under the applicable guidelines and rules.

The Board of Directors holds meetings regularly without the presence of members of management and of Mark Busgang, President, CEO and Director, following the Corporation's scheduled Board meetings. In 2006, the Board of Directors met on five occasions without members of management and Mr. Busgang's presence. Daniel Boulais, who was a director of the Corporation until September 2006, and Diane Lanctôt were nominees of SGF Soquia and they were not considered independent directors; the Board of Directors met without the presence of Diane Lanctôt and Daniel Boulais on one occasion.

The mandate of the Board of Directors and the Charters of each Committee provide that any individual director may engage outside advisors at the expense of the Corporation, with the prior approval of the Corporate Governance Committee, and each committee may also engage outside legal counsel or accountants or any other expert required to complete a specific mandate.

Standing Committees

The Board has delegated responsibilities to four committees, being the Corporate Governance Committee, the Human Resources and Remuneration Committee, the Audit Committee and the Research and Development Committee.

COMMITTEE RESPONSIBILITIES

Committee	Membership
<p>Corporate Governance Committee Composed entirely of independent directors, the Corporate Governance Committee is responsible for:</p> <ul style="list-style-type: none"> • ensuring that adequate policies and procedures relating to corporate governance are adopted by the Corporation and disseminated to its employees where appropriate; • evaluating the role of the various committees of the Board and recommending to the Board changes to these committees; • evaluating the size, composition and conduct of the Board of Directors as well as the contribution of each individual director; • presenting to the Board candidates for nomination as director and reviewing the nominees for re-election before each annual meeting; • developing the Corporation's annual disclosure relating to its corporate governance practices. 	<p>Richard Laferrière (Chair) Dr. Jacques Gagné</p>
<p>Human Resources and Remuneration Committee Composed entirely of independent directors, the Human Resources and Remuneration Committee is responsible for:</p> <ul style="list-style-type: none"> • evaluating the remuneration of the Corporation's senior executives, having regard for competitive position and individual performance, and making recommendations to the Board, which makes the final determination of the compensation of the senior executives; • evaluating and recommending to the Board of Directors remuneration policies for directors; • establishing the overall policies for remuneration of employees as well as the establishment and evaluation of the bonus program and the Corporation's stock option plan; • ensuring that the organization plan of the Corporation is consistent with its strategic plan, and that the appropriate training and succession plans are in place to ensure the continuing success of the Corporation. 	<p>Terrance Mailloux (Chair) Warren Haber Dr. Marc Lussier</p>
<p>Audit Committee Composed entirely of independent directors, the Audit Committee is responsible for:</p> <ul style="list-style-type: none"> • reviewing and recommending to the Board the selection of the Corporation's independent auditors as well as the compensation to be paid to such auditors; • reviewing with the independent auditors the scope of their audit; • discussing with management and the independent auditors the adequacy and effectiveness of the accounting and financial controls; • overseeing the work of the external auditor; • reviewing the Corporation's financial statements, MD&A and annual and interim press releases; • reviewing the Corporation's insurance program. <p>The Corporation's audit committee charter is reproduced as Schedule A of the Corporation's <i>2006 Annual Information Form</i>, which may be consulted at www.sedar.com.</p>	<p>Louis Lacasse (Chair) Terrance Mailloux Hubert Marleau</p>

Committee	Membership
<p>Research and Development Committee Composed entirely of independent directors, the Research and Development Committee is responsible for:</p> <ul style="list-style-type: none"> making recommendations to the Board of Directors concerning the research and development activities of the Corporation; and making recommendations to the Board on the composition and the nomination of the members of the Corporation's Scientific Advisory Board. 	<p>Dr. Jacques Gagné (Chair)</p> <p>Dr. Marc Lussier</p>

Attendance at Board and Committee Meetings

The overall attendance rate for the Corporation's Board of Directors meetings for fiscal 2006 was 88.5% for the Board of Directors, 100% for the Audit Committee, 100% for the Human Resources and Remuneration Committee, 100% for the Research and Development Committee and 100% for the Corporate Governance Committee. The following table sets forth the attendance of Directors at Board and Committee meetings in 2006, except for Daniel Boulais, who resigned as a Director effective September 2006:

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE FOR THE YEAR ENDED DECEMBER 31, 2006

	Number of Board Meetings Held in 2006		Number of Committee Meetings Held in 2006	
	7 meetings		AUD : 4 meetings GOV: 3 meeting HR: 5 meetings R&D: 1 meeting	
Director	Board Meetings Attended		Committee Meetings Attended	
Richard Laferrière	7 of 7	100%	3 of 3 (GOV) (Chair)	100%
Mark Busgang	7 of 7	100%	N/A	N/A
Terrance Mailloux	7 of 7	100%	4 of 4 (AUD) 5 of 5 (HR) (Chair)	100% 100%
Warren H. Haber	5 of 7	71%	5 of 5 (HR)	100%
Louis Lacasse	5 of 7	71%	4 of 4 (AUD)	100%
Hubert Marleau	6 of 7	86%	4 of 4 (AUD)	100%
Jacques Gagné	7 of 7	100%	1 of 1 (R&D) (Chair) 3 of 3 (GOV)	100% 100%
Marc Lussier	7 of 7	100%	5 of 5 (HR) 1 of 1 (R&D)	100% 100%
Diane Lanctôt	6 of 7	86%	N/A	N/A
Eric Veilleux ⁽¹⁾	3 of 3	100%	N/A	N/A
<p>Committees: (AUD): Audit Committee (HR): Human Resources and Remuneration Committee (GOV): Corporate Governance Committee (R&D): Research and Development Committee</p> <p>(1) Board Member since September 2006</p>				

Role and Responsibilities of the Chairman of the Board of Directors, of the President and CEO and of Each Committee Chair

The Board of Directors has developed written position descriptions for the Chairman of the Board and of each committee as well as for the President and CEO.

Chairman of the Board

The Chairman of the Board of Directors, Richard Laferrière, is an independent director. His role is to be responsible for the proper functioning of the Board of Directors, for its composition subject to shareholders' approval, for guiding discussions for strategic decision-making and for supervising the implementation of decisions made by the Board and its committees.

In fulfilling his responsibilities, the Chairman collaborates with the CEO in the establishment of agendas for Board meetings and in ensuring that all important strategic questions are dealt with by the Board.

President and CEO

In addition to the items mentioned above where the President and CEO and the Chairman collaborate, the President and CEO's responsibilities include the elaboration and execution of the strategies and policies of the Corporation, including the Corporation's organizational chart, business plans and budgets, and representing the Corporation before the Corporation's shareholders, financial partners, the government and the public.

Committee Chairs

Each of the Committee Chairs must be independent directors. Their responsibilities include the management of the Committee's business, providing input to the Corporation's management on the preparation of agendas, guiding meetings to ensure the Committee fulfills its mandate as stated in its charter, reporting to the Board on all matters of importance discussed by the Committee and making recommendations in accordance with the Committee's charter and the Corporation's level of authority policy.

In addition, the Chair of the Audit Committee is responsible for overseeing the Corporation's "Procedure for Complaints and Concerns regarding Accounting, Internal Accounting Controls, Auditing and Other Matters" and receiving and treating complaints in accordance with this Procedure, and the Chair of the Research and Development Committee is also Chair of the Corporation's Scientific Advisory Board.

Nomination of Directors

The Corporate Governance Committee is responsible for recommending to the Board of Directors candidates for nomination as director and for reviewing the nominees for re-election before each annual meeting. In collaboration with the CEO, the Chairman of the Board, who is also Chairman of the Corporate Governance Committee, studies candidatures for new directors and suggests candidates to the Corporate Governance Committee.

As part of its mandate, the Corporate Governance Committee evaluates the skills and competencies of the Board as a whole, as well as the contribution each director brings to the Board for the direction of the Corporation's business and affairs. The Board of Directors has implemented a process by which this assessment is performed on an annual basis by all directors, individually, through a detailed questionnaire. This process provides useful information to the Corporate Governance Committee to help assess the profile of future director candidates.

Orientation of New Directors and Continuing Education

The Board of Directors has adopted a process for the orientation of new directors, which includes a meeting with the President and CEO to discuss the nature and operation of the Corporation's business, a tour of the Corporation's installations, providing new directors with the Corporation's strategic plan and Corporate

Governance Manual, and offering them a copy of the minutes of the Board of Directors' meetings for the preceding twelve months. Detailed annual Board and Audit Committee meeting schedules for the ensuing year are provided to all new directors and are reviewed and updated on an ongoing basis.

During their regularly scheduled Board meetings, presentations are made to the directors on various aspects of the Corporation's business as well as on legal and regulatory developments relevant to the Corporation. In addition, every year, a special full-day strategic meeting of the Board of Directors is held to discuss the Corporation's plan and budget for the following financial year as well as its execution of the Corporation's strategic plan.

Compensation of Directors and Officers

The Human Resources and Remuneration Committee is responsible for evaluating the remuneration of the Corporation's senior executives, having regard for competitive position and individual performance, and making recommendations to the Board, which makes the final determination of the compensation of the senior executives. With respect to the President and CEO, the Human Resources and Remuneration Committee recommends to the Board of Directors his annual performance objectives and evaluates his performance in light of these objectives.

The Human Resources and Remuneration Committee also evaluates and recommends to the Board of Directors remuneration policies for directors, with a view of ensuring that it realistically reflects the responsibilities and risks involved in being a director of the Corporation. A summary of the compensation received by the directors for the financial year ended December 31, 2006, is provided in this Circular under the heading "D. Director and Executive Compensation".

The Corporation has retained the services of Groupe Conseil SD, compensation consultants, who have proceeded to a review of the senior executives' compensation program as well as a review of the Corporation's Canadian and American group insurance program. Groupe Conseil SD have reported their findings to the Human Resources and Remuneration Committee.

Assessments

Annually, a detailed questionnaire is addressed to each director, in his or her capacity as director, and, as the case may be, as a member of one or more of the committees of the Board of Directors, aimed at obtaining their views on the effectiveness of the Board and of its committees. The results of the questionnaires are compiled by the Corporate Secretary and are remitted to the Corporate Governance Committee, who reviews and discusses any and all issues and reports to the Board on its findings. The Board of Directors reviews the results of these questionnaires and the recommendations provided by the Corporate Governance Committee and takes appropriate action based upon the results of the review process. The Board has also implemented individual director performance assessments, which is conducted and reviewed annually.

Ethical Business Conduct

The Board of Directors has adopted a Code of Ethics, which provides guidelines to ensure that all directors, officers and employees of the Corporation and all consultants and other persons working on behalf of the Corporation respect its commitment to conduct business relationships with the highest standards of ethical conduct.

The Board of Directors is responsible for monitoring compliance to the Code of Ethics. The CFO, the CEO and the committees are each responsible for reporting to the Board any failure to comply with the Code of Ethics, and the Board has the ultimate responsibility of addressing such failures. In addition, the Code of Ethics provides that each of the Corporation's employees is obligated to communicate any situation that raises a question as to ethical or legal compliance. The Corporation has not filed any material change report pertaining to a conduct of a director or officer that would constitute a departure from the Code of Ethics. An updated version of the Corporation's Code of Ethics was filed on SEDAR on March 14, 2006, and may be consulted at www.sedar.com.

Warnex has also established procedures approved by the Audit Committee for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing or other matters. In accordance with this policy, any person who wishes to submit a complaint may do so by sending it to the attention of the Corporate Secretary or the Chair of the Audit Committee.

The Code of Ethics and the Procedure for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing and Other Matters were presented to all of the Corporation's employees, who have provided a written acknowledgement confirming that they have received a copy of these documents and that they undertake to comply with them.

At each of its regularly scheduled meetings, the Board of Directors enquires to management and to the Chairman of the Audit Committee if they have received any complaint with respect to matters addressed by the Code of Ethics and by the Procedures for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing and Other matters.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation provides, at its sole cost, liability insurance for its Directors and officers covering them against liability arising while engaged in those capacities by means of insurance policies which also cover the Directors and officers of the Corporation's subsidiaries, if any. During the fiscal year ended December 31, 2006, the policy provided maximum coverage of \$5,000,000 per occurrence and a maximum coverage of \$5,000,000 per each policy period subject to a deductible of \$25,000 per occurrence for the Corporation. The premium paid for the policies was \$38,695. Neither the policies nor the premium paid make any distinction between the liability insurance for the Corporation's Directors and officers, since the coverage is the same for both groups.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any Director, officer or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon, other than the election of Directors.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

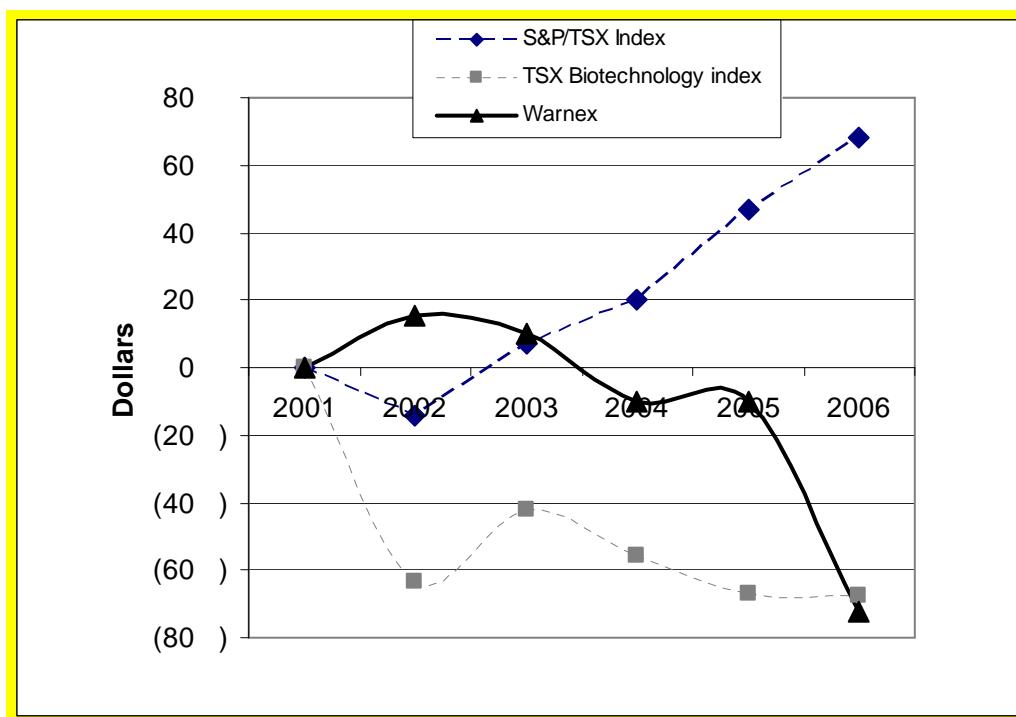
Other than as set forth below, management of the Corporation is not aware of any material interest, direct or indirect, of any insider of the Corporation, or any associate or affiliate of any such person in any transaction during the financial year ended December 31, 2006, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

The Corporation paid \$24,000 to Europartners Inc., a company controlled by Richard Laferrière, for consulting services provided to the Corporation as Chairman of the Board.

Busgang Realty Inc., a company controlled by Mark Busgang, President and Chief Executive Officer of the Corporation, has entered into a lease with the Corporation for its premises at 3885 Industriel Blvd, Laval, Quebec. The initial term of the lease ended June 30, 2006, and called for annual minimum payments of \$243,408. In January 2005, the Corporation exercised its option to renew the lease for an additional period of five years, up to June 30, 2011.

PERFORMANCE CHART

The following graph compares the cumulative total shareholder return for a \$100 investment in Common Shares of the Corporation made on December 31, 2001, on Canadian Exchanges (TSX Venture Exchange until February 2003 and Toronto Stock Exchange from that date) and the cumulative total return of the TSX Biotechnology and S&P/TSX indices.



GENERAL

Except as otherwise mentioned, the information contained herein is given as of the 13th day of March 2007.

ADDITIONAL INFORMATION

Additional financial and other information relating to the Company is included in its 2006 audited annual and unaudited quarterly financial statements, annual and quarterly Management's Discussion and Analysis, Annual Information Form and other continuous disclosure documents, which are available on SEDAR at www.sedar.com and on the Corporation's website at www.warnex.ca.

APPROVAL OF THE DIRECTORS

The Directors of the Corporation have approved the content and mailing of this Management Proxy Circular to the shareholders, Directors and auditors of the Corporation.

A handwritten signature in black ink, appearing to read "Mark Busgang", with a long horizontal stroke extending to the right.

Mark Busgang
President and CEO
Laval, March 13, 2007



Warnex Inc.
3885 Industrial Blvd.
Laval (Quebec), Canada H7L 4S3
Tel: (450) 663-6724
Fax: (450) 669-2784
info@warnex.ca