

March 9, 2011

Board of Directors
VentureLink Innovation Fund Inc.
1 Richmond Street W., Suite 801
Toronto ON M5H 3W4

Introduction

PricewaterhouseCoopers LLP ("PwC") are the independent auditors of the VentureLink Innovation Fund Inc. ("Innovation Fund"). PwC, as part of its audit of the December 31, 2010 financial statements, performed certain procedures on the value of the Innovation Fund's investments for which no public markets exist ("Venture Investments") as at December 31, 2010 (the "Valuation Date"), as explained below under the heading "Scope of Work Performed".

The persons responsible for preparing this report have no present or prospective financial interest in the securities that are the subject of this report. Further, the fees to be received by PwC for the completion of this report are not contingent on the conclusions reached.

We understand that the Innovation Fund intends to use this report to satisfy the requirements of National Instrument 81-106.

Definition of Fair Value

In carrying out our procedures, we have utilized the concept of fair value. Fair value represents the "amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act". This definition is consistent with the Innovation Fund's valuation policies.

Qualifications of PwC

Senior personnel responsible for preparing this report are members in good standing with the Canadian Institute of Chartered Business Valuators ("CICBV") and have experience in valuing both private and public companies.



Board of Directors
VentureLink Innovation Fund Inc.
March 9, 2011

Nature of the Venture Investments

The Innovation Fund's Venture Investments consist of various debt and equity interests in privately owned Canadian businesses.

Alternative valuation approaches, based on investment cost, income expectations, market transactions, or other methods are applied to the Venture Investments to determine value as appropriate. The valuation policies for the Venture Investments are as stated in the notes to the December 31, 2010 audited financial statements.

Scope of Work Performed

As part of the audit, we performed certain procedures on the valuation of the Venture Investments and the results of our analysis were considered in the preparation of PwC's audit opinion dated March 9, 2011.

We reviewed a sample of Venture Investment valuations prepared by the Innovation Fund's Management ("Management") that provided a coverage ratio of 95% of the total fair value of the Venture Investments. For the Venture Investments held by the Innovation Fund that were reviewed, we performed the following procedures:

- Obtained the Innovation Fund's Venture Investment valuation memoranda and related information, including the valuation analysis as prepared by Management for purposes of the Board of Directors' determination of investment carrying values;
- Reviewed supporting documentation and information for each investment, including where available and as appropriate:
 - Latest full year and interim financial statements;
 - Budgets and forecasts of future operating results;
 - Recent financing agreements and/or term sheets regarding the securities of the investee companies;
 - Offers for the business, letters of intent and/or purchase and sale agreements;
 - Third party valuations;

Board of Directors
VentureLink Innovation Fund Inc.
March 9, 2011

- Our own research into the Investee company operations and the industry in which they operate;
- Investment monitoring reports prepared by Management;
- Considered the appropriateness of valuation approaches and consistency with the Innovation Fund policies, conducted independent procedures to assess the reasonability of Management's values, held discussions with Management and conducted follow up enquiries; and
- Attended the Innovation Fund's Board of Directors' meeting on December 17, 2010 at which time the Board of Directors reviewed the carrying values for the Venture Investments held by the Innovation Fund as at December 31, 2010.

Given the nature of the Venture Investments, the process of valuing these investments is inevitably based on inherent uncertainties and the resulting values will differ, perhaps materially, from the amounts ultimately realized. Also, because the Venture Investments have generally been valued on a going concern basis, the values may differ materially from those realized on forced sale or liquidation.

These procedures do not constitute an independent valuation (i.e., a comprehensive valuation, estimate of value or calculation of value in accordance with the standards of the Canadian Institute of Chartered Business Valuators) of the Innovation Fund, the net assets of the Innovation Fund or the individual investments of the Innovation Fund, nor do they constitute a "valuation service" as defined in the Canadian Institute of Chartered Accountants Independence Requirements.

It is the responsibility of the Board of Directors of the Innovation Fund to set appropriate valuation policies, to ensure compliance with applicable legislation and regulation, to determine the value of the Innovation Fund's assets, the net asset value of the Innovation Fund and the net asset value of the outstanding shares of the Innovation Fund.

Conclusion

Based on the results of the above procedures performed as part of the audit of the financial statements of the Innovation Fund as at the Valuation Date, the information reviewed and relied upon by us, including representations by Management, and subject to our limiting conditions, Management's valuation of the Innovation Fund's Venture Investments of



Board of Directors
VentureLink Innovation Fund Inc.
March 9, 2011

\$92,456,220 as at the Valuation Date is reasonable, in all material respects, within the context of the financial statements taken as a whole.

Limitation on Use

This letter is provided solely for the purpose of assisting the Board of Directors of the Innovation Fund in discharging their responsibilities and shall not be used for any other purpose. Any use that a third party makes of this letter, or any reliance or decisions made based on it, are the responsibility of such third parties. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this letter. Further, nothing in this report should be considered as a recommendation to buy or sell units in the Innovation Fund.

We agree to the filing of this letter with the securities regulatory authorities.

Yours very truly,

(Signed) "PricewaterhouseCoopers LLP"

Ken Goodwin CA·CBV
Partner
Advisory Services