UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER PURSUANT TO RULE 13a-16 AND 15d-16 UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the Month of January 2014

File No. 000-54598

Stellar Biotechnologies Inc.
(Name of Registrant)

332 E. Scott Street, Port Hueneme, CA 93041
(Address of principal executive offices)

Indicate by check mark whether the Registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

FORM 20-F ☒ FORM 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Form 6-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Stellar Biotechnologies Inc.
(Registrant)

Dated: January 30, 2014

By: */s/ "Kathi Niffenegger"*
Kathi Niffenegger
Corporate Secretary

Exhibits:

99.1 Interim Financial Statements for the period ended November 30, 2013
99.2 Management Discussion and Analysis
99.3 Certification of CEO
99.4 Certification of CFO

Condensed Interim Consolidated Financial Statements
For the Three Months Ended November 30, 2013

(In US Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Stellar Biotechnologies, Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Prepared by Management)
(Expressed in US Dollars)

	November 30, 2013	August 31, 2013
Assets:		
Current assets:		
Cash and cash equivalents	**$ 16,844,852**	$ 7,859,889
Amounts receivable *(Note 4)*	**210,947**	177,720
Deferred financing costs	**-**	62,027
Prepaid expenses	**24,877**	34,886
Total current assets	**17,080,676**	8,134,522
Noncurrent assets:		
Property, plant and equipment *(Note 5)*	**235,765**	246,269
Licensing rights *(Note 6)*	**109,524**	116,667
Deposits	**15,900**	15,900
Total noncurrent assets	**361,189**	378,836
Total Assets	**$ 17,441,865**	$ 8,513,358
Liabilities and Shareholders' Equity (Deficiency):		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 410,317**	$ 454,063
Warrant liability, current portion *(Note 8)*	**1,395,738**	3,454,745
Total current liabilities	**1,806,055**	3,908,808
Long-term liabilities:		
Warrant liability, less current portion *(Note 8)*	**7,230,474**	7,746,062
Total Liabilities	**9,036,529**	11,654,870
Shareholders' equity (deficiency):		
Share capital *(Note 8)*	**34,553,114**	13,180,677
Shares subscribed *(Note 8)*	**-**	5,155,674
Shares to be issued *(Note 8)*	**1,493,637**	1,493,637
Share-based payment reserve *(Note 8)*	**2,942,497**	2,232,526
Deficit	**(30,583,912)**	(25,204,026)
Total shareholders' equity (deficiency)	**8,405,336**	(3,141,512)
Total Liabilities and Shareholders' Equity (Deficiency)	**$ 17,441,865**	$ 8,513,358

Nature of Operations and Going Concern *(Note 1)*
Commitments *(Note 7)*
Events After the Reporting Period *(Note 13)*

These condensed interim consolidated financial statements were approved for issuance by the Board of Directors on January 29, 2014 and are signed on its behalf by:

Director — Signed: *"Frank Oakes"*

Director — Signed: *"Mayank Sampat "*

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Stellar Biotechnologies, Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Prepared by Management)
(Expressed in US Dollars)

	Three Months Ended	
	November 30, 2013	November 30, 2012
Revenues:		
Contract income	**$ 15,000**	$ 15,000
Commercial sales	**7,585**	29,850
Grant revenue	**36,579**	70,877
	59,164	115,727
Costs of Production, Aquaculture and Grants:		
Costs of production and aquaculture	**85,852**	92,597
Grant costs	**35,848**	70,877
	121,700	163,474
Gross Margin (Loss)	**(62,536)**	(47,747)
Expenses:		
Salaries, wages and benefits	**429,499**	184,642
Research and development	**371,831**	269,628
Legal, consulting and professional services	**84,306**	113,399
Share-based payments *(Note 8)*	**505,214**	162,916
General and administration	**181,136**	123,266
Amortization and depreciation	**30,951**	30,951
Allocation of expenses to grant costs	**(14,517)**	(28,112)
	1,588,420	856,690
Other Income:		
Foreign exchange loss	**(70,069)**	(951)
Change in fair value of warrant liability *(Note 8)*	**(3,669,558)**	138,662
Interest income	**10,697**	871
	(3,728,930)	138,582
Loss Before Income Tax	**(5,379,886)**	(765,855)
Income tax expense	**-**	-
Loss and Comprehensive Loss for the Period	**$ (5,379,886)**	$ (765,855)
Loss per common share - basic and diluted	**$ (0.08)**	$ (0.02)
Weighted average number of common shares outstanding	70,700,677	46,995,979

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Stellar Biotechnologies, Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Prepared by Management)
(Expressed in US Dollars)

	Three Months Ended	
	November 30, 2013	November 30, 2012
Cash Flows Used In Operating Activities:		
Loss for the period	**$ (5,379,886)**	$ (765,855)
Items not affecting cash:		
Amortization and depreciation	**30,951**	30,951
Share-based payments	**505,214**	162,916
Foreign exchange (gain) loss	**62,455**	667
Change in fair value of warrant liability	**3,669,558**	(138,662)
Changes in non-cash working capital items:		
Amounts receivable	**(103,298)**	(23,434)
Deferred financing costs	**62,027**	-
Prepaid expenses	**10,009**	10,747
Accounts payable and accrued liabilities	**(43,746)**	(53,140)
Deferred revenue	**-**	53,763
Net cash used in operating activities	**(1,186,716)**	(722,047)
Cash Flows From Financing Activities:		
Proceeds from exercise of warrants and options	**3,694,272**	-
Share subscription proceeds	**7,000,000**	1,407,540
Share issuance costs	**(516,903)**	(50,395)
Net cash provided by financing activities	**10,177,369**	1,357,145
Cash Flows Used In Investing Activities:		
Acquisition of property, plant and equipment	**(13,304)**	(2,411)
Net cash used in investing activities	**(13,304)**	(2,411)
Effect of exchange rate changes on cash and cash equivalents	**7,614**	284
Net change in cash and cash equivalents	**8,984,963**	632,971
Cash and cash equivalents - beginning of period	**7,859,889**	998,998
Cash and cash equivalents - end of period	**$ 16,844,852**	$ 1,631,969
Cash (demand deposits)	**$ 15,239,218**	$ 775,075
Cash equivalents	**1,605,634**	856,894
Cash and cash equivalents	**$ 16,844,852**	$ 1,631,969

Supplemental disclosure of non-cash transactions *(Note 10)*

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Stellar Biotechnologies, Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited - Prepared by Management)
(Expressed in US Dollars)

	Number of Shares	Share Capital	Shares Subscribed	Shares to be Issued	Share-based Payment Reserve	Deficit	Total
Balance - August 31, 2012	45,413,561	$ 8,016,895	$ -	$ 1,493,637	$ 1,658,591	$ (10,317,513)	$ 851,610
Proceeds of private placements	4,000,000	1,007,900	-	-	-	-	1,007,900
Issuance costs of private placements	-	(141,390)	-	-	-	-	(141,390)
Fair value of warrants issued in private placements	-	(830,975)	-	-	-	-	(830,975)
Share-based payments	-	-	-	-	162,916	-	162,916
Subscriptions received for private placement	-	-	399,640	-	-	-	399,640
Loss for the period	-	-	-	-	-	(765,855)	(765,855)
Balance - November 30, 2012	49,413,561	$ 8,052,430	$ 399,640	$ 1,493,637	$ 1,821,507	$ (11,083,368)	$ 683,846
Balance - August 31, 2013	57,946,160	$ 13,180,677	$ 5,155,674	$ 1,493,637	$ 2,232,526	$ (25,204,026)	$ (3,141,512)
Proceeds of private placements	11,428,570	12,000,000	(5,000,000)	-	-	-	7,000,000
Issuance costs of private placements	-	(903,801)	-	-	386,898	-	(516,903)
Proceeds from exercise of warrants	5,503,200	3,646,116	(155,674)	-	-	-	3,490,442
Transfer to share capital on exercise of warrants	-	6,244,151	-	-	-	-	6,244,151
Proceeds from exercise of options	734,167	203,830	-	-	-	-	203,830
Transfer to share capital on exercise of options	-	182,141	-	-	(182,141)	-	-
Share-based payments	-	-	-	-	505,214	-	505,214
Loss for the period	-	-	-	-	-	(5,379,886)	(5,379,886)
Balance - November 30, 2013	75,612,097	$ 34,553,114	$ -	$ 1,493,637	$ 2,942,497	$ (30,583,912)	$ 8,405,336

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of Operations and Going Concern

Stellar Biotechnologies, Inc. ("the Company", formerly CAG Capital Inc.) is listed on the TSX Venture Exchange ('the Exchange") as a Tier 2 issuer under the trading symbol KLH since April 19, 2010 (formerly under CAG.P) and in the US under the trading symbol SBOTF as of April 4, 2012, and uplisted to OTCQB effective January 14, 2013.

On April 7, 2010, the Company changed its name to Stellar Biotechnologies, Inc. On April 12, 2010, the Company completed a reverse merger transaction with Stellar Biotechnologies, Inc. ("Stellar CA") which is incorporated under the laws of the State of California, USA. The Company's head office is 332 E. Scott Street, Port Hueneme, California, 93041, USA, and the registered and records office is 401 – 1231 Barclay Street, Vancouver, BC, V6E 1H5, Canada.

The Company's business is to commercially produce and market Keyhole Limpet Hemocyanin ("KLH") as well as to develop new technology related to culture and production of KLH and subunit KLH ("suKLH") formulations. The Company markets KLH and suKLH formulations to customers in the United States and Europe.

The Company has received grants for the development of new technology from the National Institutes of Health, National Cancer Institute ("NIH"), the National Science Foundation ("NSF") including grants under its Technology Enhancement for Commercial Partnerships ("TECP") program, and Internal Revenue Service ("IRS") qualifying therapeutic discovery project grants.

For the three months ended November 30, 2013, the Company reported a loss of $5,379,886 (2012 - $765,855), an accumulated deficit of $30,583,912 (August 31, 2013 - $25,204,026) and working capital of $15,274,621 (August 31, 2013 - $4,225,714).

In the past, operations of the Company have primarily been funded by the issuance of common shares, exercise of warrants, grant revenues, contract income, and commercial sales. Management believes these financial resources are adequate to support the Company's initiatives at the current level for the foreseeable future. Management is also continuing the ongoing effort toward expanding the customer base for existing marketed products, and the Company may seek additional financing alternatives, including nondilutive financing through grants, collaboration and licensing arrangements, and additional equity financing.

The accompanying financial statements have been prepared on the going concern basis, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The condensed interim consolidated financial statements of the Company are presented in US dollars, unless otherwise stated, which is the functional currency.

2. Basis of Presentation

International Financial Reporting Standards and Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* using International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the preparation of the financial statements.

2. Basis of Presentation (continued)

Basis of Presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at August 31, 2013. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended August 31, 2013.

New accounting standards, amendments and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013. The Company has adopted the following standards effective September 1, 2013 and they do not have significant effect on the condensed interim consolidated financial statements:

- IFRS 10 - *Consolidated Financial Statements*. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidated – Special Purpose Entities*. The adoption of IFRS 10 did not result in any change in the Company's scope of consolidation or the Company's financial statements.

- IFRS 11 - *Joint Arrangements*. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. This standard supersedes IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. The adoption of IFRS 11 did not result in any change in the Company's financial statements.

- IFRS 12 - *Disclosure of Interests in Other Entities*. IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint operations, joint ventures, associates and unconsolidated structured entities. This standard replaces the disclosure requirements of IAS27 *Consolidated and Separate Financial Statements*, IAS 28 *Investments in Associates*, and IAS 31 *Interests in Joint Ventures*. The adoption of IFRS 12 did not result in any change in the Company's financial statements.

(Expressed in US Dollars)

3. Significant Accounting Policies (continued)

- IFRS 13 - *Fair Value Measurement*. IFRS 13 is a new standard that applies to both financial and non-financial items measured at fair value. It defines fair value, sets out a single framework for measuring fair value and requires disclosures about fair value measurements. The standard applies prospectively from the beginning of the annual period in which it is adopted. The adoption of IFRS 13 did not require adjustments to the Company's fair value measurement methods, which remain unchanged. The adoption of IFRS 13 did not result in any change in the Company's financial statements.

Accounting standards issued but not yet applied

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective until future years. The Company does not expect to adopt any of these standards before their effective dates. The extent of the effects of these new accounting standards on the condensed interim consolidated financial statements has not been determined. The following new standards have not been applied in preparing these condensed interim consolidated financial statements:

- IFRS 9 - *Financial Instruments*. This standard partially replaces IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 establishes principles for the classification and measurement of financial assets. The standard is effective for annual periods beginning on or after January 1, 2015.

4. Amounts Receivable

	November 30, 2013	August 31, 2013
Amounts receivable	$ 8,555	$ 12,623
Contract receivable	5,075	5,025
Grants receivable	193,876	157,297
GST or HST receivable	3,441	2,775
	$ 210,947	$ 177,720

(Expressed in US Dollars)

5. Property, Plant and Equipment

Cost:	Aquaculture System	Laboratory	Computer and Office Equipment	Tools and Equipment	Vehicles	Leasehold Improvements	Total PP&E
Balance - August 31, 2013	$ 58,923	$ 62,033	$ 56,710	$ 393,497	$ 10,997	$ 59,107	$ 641,267
Additions	-	-	2,205	11,099	-	-	13,304
Balance - November 30, 2013	$ 58,923	$ 62,033	$ 58,915	$ 404,596	$ 10,997	$ 59,107	$ 654,571

Accumulated depreciation:	Aquaculture System	Laboratory	Computer and Office Equipment	Tools and Equipment	Vehicles	Leasehold Improvements	Total PP&E
Balance - August 31, 2013	$ (47,836)	$ (62,033)	$ (26,604)	$ (213,243)	$ (5,499)	$ (39,783)	$ (394,998)
Additions	(758)	-	(2,907)	(18,309)	(550)	(1,284)	(23,808)
Balance - November 30, 2013	$ (48,594)	$ (62,033)	$ (29,511)	$ (231,552)	$ (6,049)	$ (41,067)	$ (418,806)

Carrying Value:	Aquaculture System	Laboratory	Computer and Office Equipment	Tools and Equipment	Vehicles	Leasehold Improvements	Total PP&E
Balance - August 31, 2013	$ 11,087	$ -	$ 30,106	$ 180,254	$ 5,498	$ 19,324	$ 246,269
Balance - November 30, 2013	$ 10,329	$ -	$ 29,404	$ 173,044	$ 4,948	$ 18,040	$ 235,765

6. Licensing Rights

During fiscal 2010, the Company paid a $200,000 license fee for intellectual property arising under a research collaboration agreement to a customer for licensing rights outside the customer's field of use. The customer and the Company jointly own the rights to practice the resulting intellectual properties within specified fields of use. The research collaboration agreement terminated August 31, 2011 and there are no further milestone payments. The related licensing rights do not have a fixed term or termination provisions. The license rights are amortized over the estimated useful life of seven years and are shown net of accumulated impairment losses, if any.

	Licensing Rights	Accumulated Amortization	Carrying Amount
Balance at August 31, 2013	$ 200,000	$ (83,333)	$ 116,667
Amortization expense	-	(7,143)	(7,143)
Balance at November 30, 2013	$ 200,000	$ (90,476)	$ 109,524

(Expressed in US Dollars)

6. Licensing Rights (continued)

During the year ended August 31, 2013, the Company entered into a license agreement for exclusive rights to patented technology to develop, manufacture and sell human immunotherapies to treat Clostridium difficile infection ("C. diff"). The agreement provides for license fees of $25,000 during the year ended August 31, 2013, $200,000 in fiscal 2014 and $20,000 annually thereafter, creditable against royalties due, if any. Royalties are payable for a mid-single digit percentage of related net sales, if any. License fees are also payable for a low-double digit percentage of related non-royalty sublicensing revenue, if any. The Company reimbursed patent filing, prosecution and maintenance costs of approximately $12,000 during the three months ended November 30, 2013 (year ended August 31, 2013 - $50,000), and will reimburse future patent costs. The license agreement does not have a fixed term or termination provisions. License fees and patent cost reimbursements since the inception of the agreement, have been accounted for as research expense in accordance with IAS 38 *Intangible Assets*.

After execution of the license agreement during the year ended August 31, 2013, the Company issued 371,200 shares of common stock and 278,400 non-transferable share purchase warrants as described in Note 8.

The license agreement provides for milestone payments totaling $63,045,000 upon achievement of various financing, development and sales targets. A milestone payment of $100,000 was made during the three months ended November 30, 2013, however, there can be no assurance that other milestones will be met in the future.

7. Commitments

The Company leases three buildings and facilities under sublease agreements with the Port Hueneme Surplus Property Authority. On September 1, 2010, the Company exercised its option to extend the three buildings and facilities sublease agreements for five years. The Company has an option to extend the lease for another five years.

The Company also leases office facilities effective July 1, 2011 for a term of three years with the option to extend for an additional two years. The Company must also pay a portion of the common area maintenance.

Future minimum lease payments are as follows:

		November 30, 2013		August 31, 2013
For The Year Ending August 31,				
2014	**$**	**105,082**	$	143,735
2015		**89,349**		89,349
2016		**14,892**		14,892
	$	**209,323**	$	247,976

Rent expense on these lease agreements for the three months ended November 30, 2013 was $45,052 (2012 - $43,612).

The Company has purchase order commitments totalling approximately $296,000 as at November 30, 2013, for contracts and consultants (August 31, 2013 - $45,000).

The Company has two commitments under certain supply agreements with customers for fixed prices per gram on a non-exclusive basis except within that customer's field of use. These agreements automatically renew each January unless terminated in writing by either party.

8. Share Capital

Authorized: unlimited common shares without par value.

Private Placements During the Three Months Ended November 30, 2013:

Closed a private placement and issued 11,428,570 units for total gross proceeds of $12,000,000, completed in two closings. The private placement included a brokered portion sold to institutional and accredited investors totaling $5,000,000 (4,761,903 units) (the "Brokered Offering") and a non-brokered portion totalling $7,000,000 (6,666,667 units) (the "Non-brokered Offering"). The non-brokered offering included a $5,000,000 investment by a privately-held Taiwan biopharmaceuticals manufacturer. Each unit, sold for $1.05, comprises one share of the Company's common stock and one half of a share purchase warrant (each whole warrant, a "Warrant"). Each warrant entitles the holder to purchase one additional share of the Company's common stock at a purchase price of $1.35 for a period of three years from the issuance date of the warrants. A broker received $346,325 and 333,333 agent warrants (the "Agent Warrants") valued at $386,898 using the Black Scholes model. Each agent warrant entitles the holder to purchase one additional share of the Company's common stock at a purchase price of $1.05 for a period of three years from the issuance date of the agent warrants. A total of 200,000 agent warrants are exercisable at $1.05 on or before September 9, 2016 and 133,333 agent warrants are exercisable at $1.05 on or before September 20, 2016. Subject to additional requirements imposed by the US Securities Act requiring longer hold-periods on certain of the securities for resale by US subscribers in the US market and a lock-up agreement with certain holders of the securities, the securities issued in the Initial Closing (2,857,143 brokered offering units, 6,666,667 non-brokered offering units, and 200,000 agent warrants) are subject to a hold period expiring January 10, 2014 and the securities issued in the Final Closing (1,904,760 brokered offering units and 133,333 agent warrants) are subject to a hold period expiring January 21, 2014. The Company paid $170,578 cash share issuance costs in relation to the private placement.

Private Placements During the Year Ended August 31, 2013:

a) In October 2012, the Company issued 4,000,000 units at a price of CDN$0.25 per unit for gross proceeds of $1,007,900 (CDN$1,000,000). Each unit comprised one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of CDN$0.40 exercisable on or before October 25, 2015. The warrants were valued at $830,975. Agent's options were issued to acquire 400,000 units of the Company (valued at $90,995) under the same terms of the private placement and are exercisable at CDN$0.25 on or before October 25, 2015. The Company paid $50,395 of cash share issuance costs in relation to the private placement.

b) In January 2013, the Company issued 1,998,400 units at a price of CDN$0.25 per unit for gross proceeds of $502,098 (CDN$499,600). Each unit comprised one common share of the Company and one transferable share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of CDN$0.40 exercisable on or before January 4, 2016. The warrants were valued at $448,240. Agent's options were issued to acquire 97,200 units of the Company (valued at $23,693) under the same terms of the private placement and are exercisable at CDN$0.25 on or before January 4, 2016. The Company paid $24,422 of cash share issuance costs in relation to the private placement.

c) In April 2013, the Company issued 3,260,000 units at a price of CDN$0.50 per unit for gross proceeds of $1,605,877 (CDN$1,630,000). Each unit comprised one common share of the Company and one half of a transferable share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of CDN$0.75 exercisable on or before October 2, 2014. The warrants were valued at $469,789. Agent's options were issued to acquire 102,000 units of the Company (valued at $36,206) under the same terms of the private placement and are exercisable at CDN$0.50 on or before October 2, 2014. The Company paid $50,245 of cash share issuance costs in relation to the private placement.

(Expressed in US Dollars)

8. Share Capital (continued)

Performance Shares

There were 10,000,000 performance shares set aside for officers, directors and employees of Stellar based on meeting milestones related to completion of method development for commercial-scale manufacture of KLH, compilation and regulatory submittal of all required chemistry, manufacturing and control data and completion of preclinical toxicity and immunogenicity testing of products.

During the year ended August 31, 2011, the Company reached the first performance share milestone and issued 3,333,335 shares of the Company to the individuals named in the Performance Share Plan. Accordingly, $930,000 was transferred from shares to be issued to share capital.

During the year ended August 31, 2012, the Company reached the final two share milestones and issued 1,313,130 shares of the Company to non-director individuals named in the Performance Share Plan. Accordingly, $366,363 was transferred from shares to be issued to share capital. As at November 30, 2013, there are 5,353,535 performance shares outstanding to be issued.

No amounts were recorded as share-based payments during the three months ended November 30, 2013 or 2012 since the performance shares had fully vested during the prior years.

License Agreement

During the year ended August 31, 2013, the Company entered into a license agreement and issued 371,200 shares of the Company and 278,400 non-transferable share purchase warrants. Each warrant entitles the holder to purchase one common share in the share capital of the Company at a price of CDN$1.25 per share on or before January 23, 2015. The value of the shares and warrants has been recorded as research and development expense.

Warrants

A summary of the Company's outstanding warrants is as follows:

	Number of Warrants		Weighted Average Exercise Price
			CDN $
Balance, as at August 31, 2012	8,058,600	$	1.01
Granted	8,507,500		0.49
Exercised	(2,738,000)		0.57
Expired	(1,905,600)		0.54
Balance, as at August 31, 2013	11,922,500	$	0.58
Granted	6,052,712		1.41
Exercised	(5,503,200)		0.69
Balance, as at November 30, 2013	12,472,012	$	0.91

8. Share Capital (continued)

The weighted average trading price at the date the warrants were exercised during the three months ended November 30, 2013 was CDN$1.85 (2012 - $Nil). The weighted average contractual life remaining on the outstanding warrants is 1.71 years (August 31, 2013 - 1.24 years).

The following table summarizes information about the warrants outstanding as at November 30, 2013:

Exercise Price	Number of Warrants	Expiry Date	
CDN$0.75	1,161,600	October 2, 2014	
CDN$0.50	88,800	October 2, 2014	Agent options
CDN$1.25	278,400	January 23, 2015	
CDN$0.40	4,000,000	October 25, 2015	
CDN$0.25	400,000	October 25, 2015	Agent options
CDN$0.40	398,400	January 4, 2016	
CDN$0.25	97,200	January 4, 2016	Agent options
$1.35	4,761,902	September 9, 2016	
$1.05	200,000	September 9, 2016	Agent warrants
$1.35	952,377	September 20, 2016	
$1.05	133,333	September 20, 2016	Agent warrants
	12,472,012		

Agent options are convertible into units. A unit consists of one common share and may include an additional whole or partial warrant. The agent options expiring October 25, 2015 and January 4, 2016 include one warrant. The agent warrants expiring September 9, 2016 and September 20, 2016 are convertible into one common share each and do not include additional warrants.

Warrant Liability

Equity offerings were completed in previous years whereby warrants were issued with exercise prices denominated in Canadian dollars. The Company's functional currency is in US dollars. As a result of having exercise prices denominated in other than the Company's functional currency, these warrants meet the definition of derivatives and are therefore classified as derivative liabilities measured at fair value with adjustments to fair value recognized through the condensed interim consolidated statements of loss and comprehensive loss. As these warrants are exercised, the fair value of the recorded warrant liability on date of exercise is included in share capital along with the proceeds from the exercise. If these warrants expire, the related decrease in warrant liability is recognized in profit or loss, as part of the change in fair value of warrant liability. There is no cash flow impact as a result of this accounting treatment.

The fair value of the warrants is determined using the Black-Scholes option pricing model at the end of each reporting period. Upon exercise of the warrants, the fair value of warrants included in derivative liabilities is reclassified to equity.

The fair value of warrants exercised during the three months ended November 30, 2013 and 2012 was determined using the Black-Scholes option pricing model, using the following assumptions:

	2013	2012
Risk free interest rate	1.07%	N/A
Expected life (years)	0.22	N/A
Expected share price volatility	147%	N/A

(Expressed in US Dollars)

8. Share Capital (continued)

The fair value of warrants granted was determined using the Black-Scholes option pricing model, using the following weighted average assumptions at the end of each reporting period:

	2013	2012
Risk free interest rate	1.48%	1.15%
Expected life (years)	3.0	3.0
Expected share price volatility	112%	126%
Expected dividend yield	0%	0%

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical volatility to estimate the volatility of the share price.

Options

The Company has a stock option plan ("the Plan") to be administered by the Board of Directors, which has the discretion to grant options for up to a maximum of 20% of the issued and outstanding share capital amount and subject to a maximum of 8,785,000 shares. The exercise price of an option is subject to a minimum of CDN$0.05 preceding the grant date. Stock options granted to directors, officers, employees and consultants are subject to the following vesting schedule:

(a) One-third shall vest immediately;

(b) One-third shall vest 12 months from the Effective Date; and

(c) One-third shall vest 18 months from the Effective Date.

Stock options granted to investor relations vest over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting.

Options have been issued under the Plan allowing the holders to purchase common shares of the Company as follows:

	Number of Options		Weighted Average Exercise Price
			CDN $
Balance, as at August 31, 2012	5,789,200	$	0.42
Granted	1,200,000		0.43
Exercised	(164,999)		0.45
Forfeited	(235,333)		0.49
Balance, as at August 31, 2013	6,588,868	$	0.42
Granted	695,000		1.93
Exercised	(734,167)		0.29
Balance, as at November 30, 2013	6,549,701	$	0.58

(Expressed in US Dollars)

8. Share Capital (continued)

The weighted average trading price at the date the options were exercised during the three months ended November 30, 2013 was CDN$1.74 (2012 - $Nil). The weighted average contractual life remaining on the outstanding options is 4.86 years (August 31, 2013 - 4.75 years).

The following table summarizes information about the options under the Plan outstanding and exercisable as at November 30, 2013:

Exercise Price	Number of Options	Exercisable at November 30, 2013	Expiry Date
CDN$0.25	187,500	187,500	October 23, 2015
CDN$0.28	1,645,000	1,645,000	April 9, 2017
CDN$0.25	55,000	55,000	May 17, 2017
CDN$0.28	20,000	20,000	June 28, 2017
CDN$0.28	70,000	70,000	July 13, 2017
CDN$0.64	70,000	70,000	October 25, 2017
CDN$1.00	60,000	60,000	February 10, 2018
CDN$0.65	1,239,600	1,239,600	August 8, 2018
CDN$0.50	5,000	5,000	September 26, 2018
CDN$1.87	100,000	33,333	November 7, 2018
CDN$0.40	70,000	70,000	December 22, 2018
CDN$0.42	1,667	1,667	February 16, 2019
CDN$0.42	1,090,934	1,090,934	April 13, 2019
CDN$0.29	90,000	60,000	June 18, 2019
CDN$0.37	150,000	100,000	August 9, 2019
CDN$0.37	150,000	100,000	August 16, 2019
CDN$0.25	75,000	50,000	October 23, 2019
CDN$0.25	215,000	71,667	December 19, 2019
CDN$0.58	560,000	186,667	May 14, 2020
CDN$0.58	100,000	33,333	May 23, 2020
$1.83	495,000	165,000	November 1, 2020
$1.84	100,000	33,333	November 15, 2020
	6,549,701	5,348,034	

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options. The estimated fair value of the stock options granted during the three months ended November 30, 2013 and 2012 was determined using a Black-Scholes option pricing model with the following weighted average assumptions:

	2013	2012
Risk free interest rate	1.98%	1.31%
Expected life (years)	6.42	4.0
Expected share price volatility	120%	124%
Expected dividend yield	0%	0%

The average fair value of stock options awarded during the three months ended November 30, 2013 was $1.43 or CDN$1.49 (2012 - CDN$0.23).

(Expressed in US Dollars)

9. Related Party Disclosures

The Company had the following transactions with key management personnel including directors and officers of the Company and their family members. There are no other related parties as defined by IAS 24.

	November 30, 2013	November 30, 2012
Salaries	**$ 369,049**	$ 152,890
Short-term employee benefits	**12,258**	16,575
Director fees	**8,000**	-
Consulting fees	**-**	6,000
Professional fees	**12,985**	13,669
Share-based payments	**344,770**	115,140
	$ 747,062	$ 304,274

Share-based payments are the fair value of the options granted plus the vested value of performance shares.

As at November 30, 2013, $5,000 (August 31, 2013 - $2,800) of these amounts remained unpaid and are included in accounts payable and accrued liabilities on the condensed interim consolidated statements of financial position.

On August 14, 2002, the Company entered into an agreement to pay royalties to a director and officer in exchange for assignment of patent rights to the Company. The royalty is 5% of gross receipts in excess of $500,000 annually from products using this invention. The Company's current operations utilize this invention. The royalties for the three months ended November 30, 2013 were $Nil (2012 - $Nil).

10. Supplemental Disclosure of Cash Flow and Non-Cash Transactions

Supplemental disclosure of cash paid for taxes and interest and non-cash financing and investing activities include the following:

	November 30, 2013	November 30, 2012
Financing activities:		
Share issuance costs - agent's options and warrants	**$ 386,898**	$ 90,995
Warrant valuations on private placements	**-**	830,975
Transfer to share capital on exercise of warrants	**6,244,151**	-
Transfer to share capital on exercise of options	**182,141**	-
Shares subscribed transferred to share capital	**5,155,674**	-
Cash paid during the period for taxes	**-**	-
Cash paid during the period for interest	**-**	-

11. Financial Instruments and Risk Management

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, foreign exchange risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, foreign exchange risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at November 30, 2013, the Company does not have any debt and is not subject to externally imposed capital requirements.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate as a result in market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions included in the Company's cash and cash equivalents are subject to a floating rate of interest.

The interest rate risks on cash are not considered significant.

Foreign Exchange Risk

The Company incurs operating expenses and capital expenditures mostly in US dollars, with some operating expenses incurred in Canadian dollars which are subject to foreign currency fluctuations. The fluctuation of the US dollar in relation to Canadian dollars will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At November 30, 2013, the US dollar was equal to 1.059 Canadian dollars. The currency risk is considered to be insignificant.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents and amounts receivable. Management's assessment of the Company's credit risk for cash and cash equivalents is low as cash and cash equivalents are held in financial institutions believed to be credit worthy. The Company limits its exposure to credit loss by placing its cash with major financial institutions and invests only in short-term obligations.

Approximately 86% of the Company's commercial sales and contract income during the three months ended November 30, 2013 were from two customers (2012 - 89% from two customers). All of the grant revenue during the three months ended November 30, 2013 was received from NSF (2012 - 100% from NSF).

(Expressed in US Dollars)

11. Financial Instruments and Risk Management (continued)

Approximately 6% of the Company's amounts receivables at November 30, 2013, were from five customers (August 31, 2013 - 10% from six customers), 92% from NSF grants (August 31, 2013 - 88%) and 2% from GST/HST refund (August 31, 2013 - 6%).

While the Company is exposed to credit losses due to the non-performance of its counterparties, the Company considers the risk of this remote. The Company estimates its maximum credit risk for amounts receivable at the amount recorded on the statement of financial position.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at November 30, 2013, the Company had a cash and cash equivalents balance of $16,844,852 (August 31, 2013 - $7,859,889) to settle current liabilities of $410,317 exclusive of $1,395,738 noncash current portion of warrant liability (August 31, 2013 - $454,063 exclusive of $3,454,745 noncash current portion of warrant liability).

Fair Value

The fair value of the Company's financial instruments is believed to equal the carrying amounts due to the short terms to maturity.

Fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1:	Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and
Level 3:	Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's fair value of cash and cash equivalents under the fair value hierarchy is measured using Level 1 inputs and fair value of the warrant liability is measured using Level 2 inputs.

(Expressed in US Dollars)

12. Segment Information

The Company operates in one reportable segment, the aquaculture, research and development, production and marketing of KLH products. The Company's operations are in California, USA, and its corporate assets, comprising mainly cash, are located in Canada.

	KLH Operations (USA)	Corporate (Canada)	Total
		November 30, 2013	
Total assets	$ 12,055,926	$ 5,385,939	$ 17,441,865
Current liabilities	365,510	1,440,545	1,806,055
Warrant liability	-	7,230,474	7,230,474
Revenues from external parties	59,164	-	59,164
Net loss	(1,022,555)	(4,357,331)	(5,379,886)
		November 30, 2012	
Total assets	$ 921,601	$ 1,238,444	$ 2,160,045
Current liabilities	514,352	48,402	562,754
Warrant liability	-	913,445	913,445
Revenues from external parties	115,727	-	115,727
Net loss	(653,464)	(112,391)	(765,855)

13. Events After the Reporting Period

Subsequent to November 30, 2013, the Company:

a) Issued 201,800 common shares upon the exercise of warrants for gross proceeds of CDN$56,100 and US$67,500 and issued 628,334 common shares upon the exercise of stock options for gross proceeds of CDN$353,830.

b) Entered into a collaboration agreement with a privately-held Taiwan biopharmaceuticals manufacturer to develop and evaluate methods for the manufacture of OBI-822 active immunotherapy using Stellar's GMP grade Keyhole Limpet Hemocyanin ("KLH"). Under the terms of the agreement, the Company will be responsible for the production and delivery of GMP grade KLH for evaluation as a carrier molecule in OBI-822 immunotherapy and will also be responsible for method development, product formulation, and process qualification for certain KLH reference standards. The partner will be responsible for development objectives and product specifications. The agreement provides for the partner to pay fees for certain expenses and costs associated with the development program. Subject to certain conditions and timing, the collaboration also provides for the companies to negotiate a commercial supply agreement for Stellar KLH™ in the future.

c) On December 20, 2013, the Board of Directors approved amendments to the Share Option Plan to increase the number of Common Shares reserved for issuance pursuant to the exercise of stock options from 8,785,000 to 10,000,000 (which would represent approximately 13% of the Company's currently issued and outstanding Common Shares). The amendments are subject to approval by the shareholders and the TSX Venture Exchange.

Management Discussion and Analysis

For the Three Months End November 30, 2013

As at January 29, 2014

Introduction

The following Management Discussion and Analysis ("MD&A") of Stellar Biotechnologies, Inc. (the "Company" or "Stellar") has been prepared by management, in accordance with the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* as of January 29, 2014 and should read in conjunction with the condensed interim consolidated financial statements for the three months ended November 30, 2013 and 2012 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS"), and all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in NI 51-102. Additional information relevant to the Company's activities can be found on SEDAR at www.SEDAR.com, the U.S. Securities and Exchange Commission EDGAR at www.sec.gov/edgar.shtml, and the Company's website at www.stellarbiotechnologies.com.

All financial information in this MD&A related to the three months ended November 30, 2013 and comparative information has also been prepared in accordance with IFRS. All dollar amounts are quoted in US dollars, the functional currency and presentation currency of the Company, unless specifically noted.

References in this report to "we," "our," "us," "Company," "Stellar" or similar terms refer to Stellar Biotechnologies, Inc.

Cautionary Note Regarding Forward Looking Statements

This MD&A contains or incorporates forward-looking statements and information relating to the Company that are based on the beliefs of our management and assumptions made by and information currently available to us. When used in this document, the words *"may," "will," "would," "could," "intend," "plan," "forecast,"* "*anticipate,*" "*believe,*" "*estimate,*" "*expect,*" or similar expressions, as they relate to Stellar or its management, are intended to identify forward-looking statements. The forward-looking statements in this MD&A include, but are not limited to, statements related to our business strategy, regulatory activities, anticipated sources of revenue, changes in cost and expenses, sufficiency of current working capital, cost and availability of funding for research and development of our products, intention to develop or commercialize products, and sales and marketing strategy.

The forward-looking statements in this MD&A are made as at the date of this discussion and are subject to change after such date. Except as required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements made or incorporated in this MD&A, whether as a result of new information, future events or otherwise. To the extent that any statements made in this document contain information that is not historical, these statements are considered forward-looking. The cautionary statements made in this report should be read as applying to forward-looking statements wherever they appear in this report.

Although the Company currently believes that the expectations reflected in forward-looking statements are reasonable, such statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions. Undue reliance should not be placed on such statements. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by forward-looking statements. Factors that could cause or contribute to these differences are discussed under "Risks and Uncertainties."

The Company

Stellar Biotechnologies, Inc. is an international biotechnology company listed on the Canadian TSX Venture Exchange (the "Exchange") as a Tier 2 issuer under the ticker symbol "KLH" and on the U.S. OTCQB Marketplace under the ticker symbol "SBOTF." The Company's principal executive offices are located in Port Hueneme, California, USA.

Business Overview

Stellar is engaged in the research, development, manufacture and commercialization of Keyhole Limpet Hemocyanin ("KLH"), and related products and technologies. Our goal is to serve the growing demand for this essential molecule in immunotherapeutic and immunodiagnostic markets.

KLH is a high molecular weight (HMW), immune-stimulating protein widely used in immunological applications, both as an active pharmaceutical ingredient (API) in certain immune therapies (such as for the treatment of cancer, infectious diseases and immune disorders) and as a finished product for testing immune status in patients and research settings.

KLH is refined from the hemolymph of a relatively scarce ocean mollusk, the Giant Keyhole Limpet (*Megathura crenulata*). KLH has a long history of safe use in a wide variety of clinical and research applications.

The Company has considerable intellectual property related to KLH and the environmental protection of the Giant Keyhole Limpet including, but not limited to, specialized aquaculture systems and technologies; spawning, selection and maintenance of *Megathura crenulata*; non-lethal KLH protein extraction methods; and the processing, purification and production of KLH formulations. The Company refers to its proprietary technology and products by the brand "Stellar KLH™".

We offer Stellar KLH™ products for preclinical and clinical applications such as HMW and subunit protein in various grades, formulations and configurations, as well as certain preclinical in vitro diagnostic kits. Our customers include biotechnology and pharmaceutical companies, academic institutions, and clinical research organizations.

We believe we are the world leader in sustainable manufacture of GMP-grade Keyhole Limpet Hemocyanin. We base this belief on our expanding intellectual property, ground-breaking achievements in aquaculture science, KLH production capacity milestones, and KLH sustainable manufacturing know-how.

Stellar recently acquired exclusive, worldwide license from the University of Guelph to certain patented KLH-complementary immunotherapy technology for the treatment and diagnosis of *Clostridium difficile* infection (C. diff). This technology acquisition represents a significant strategic expansion for the Company and will provide a proprietary platform for the Company's first active immunotherapy development program.

To date, the Company has primarily funded operations by the issuance of common shares, exercise of warrants, government grant revenues, and income from commercial supply contracts and KLH product sales.

In September 2013, the Company closed a private placement financing raising total gross proceeds of $12,000,000 (the "Private Placement"). The Private Placement included a brokered portion sold to institutional and accredited investors totaling $5,000,000 and a non-brokered portion totaling $7,000,000. The non-brokered portion included a $5 Million investment by Amaran Biotechnology, Inc., a privately-held Taiwan biopharmaceuticals manufacturer. The proceeds of the Private Placement will be used for product research, aquaculture and KLH production development, capital expenditures and working capital. Details regarding the Private Placement are available herein and in the Company's financial reports and filings.

Stellar KLH™ Technology

Keyhole Limpet Hemocyanin ("KLH") is a high-molecular-weight, immunogenic protein; i.e. a substance that naturally induces an immune response. KLH is a highly effective T-cell dependent carrier protein that induces MHC Class I and Class II-restricted immune responses via antigen presenting cells. KLH has a long history (40+ years) of safe use in humans and in a wide variety of research applications.

KLH is widely used in immunological applications, both as an active pharmaceutical ingredient (API) in certain immune therapies and as a finished product for testing immune system status in patients and research settings.

As an API, KLH is an effective and safe carrier molecule for vaccine antigens that are used to promote the generation of antibody and cell-mediated immune responses against targeted indications such as cancer, infectious diseases, rheumatoid arthritis, Alzheimer's disease, and immune disorders. However, many subunit vaccine antigens require a carrier molecule or adjuvant in order to be effective. The combination of an antigen against specific pathogenic targets (e.g. tumors, microbials, over-expressed proteins), conjugated to the immunogenic KLH molecule, is the basis for a promising new class of drugs known as active immunotherapies or therapeutic vaccines.

Examples of KLH-based therapeutic vaccines in development in the U.S. and internationally: TNFα Kinoid vaccine for rheumatoid arthritis & Crohn's disease, IFNα Kinoid vaccine for systemic lupus erythematosus, autologous vaccine for lymphoma, Globo-H-KLH vaccine for metastatic breast cancer, MUC-2-KLH vaccine for prostate cancer, and vaccines for various other cancers and disorders.

KLH also has diagnostic applications as a finished product. It is extensively used by pharmaceutical companies and researchers as a safe, immune-stimulating antigen in drug screening, drug immunotoxicology and assessment of immune status. For example, KLH is a standard immunogen in T-Cell Dependent Antibody Response (TDAR), a functional assay used to assess an antibody response. TDAR with KLH is widely recognized as a standard test for monitoring the effects of drugs on the immune system.

KLH is refined from the hemolymph of a relatively scarce ocean mollusk, the Giant Keyhole Limpet (*Megathura crenulata*). *Megathura crenulata* is native only to the rocky Pacific Ocean waters off California and Baja. Its natural habitat is the shallow depths below low tide line.

The large size and complexity of the KLH molecule make it unsuitable for synthetic production; therefore it must be purified from its natural source, which is rare and believed to be diminishing in population.

The Company has developed considerable intellectual property related to KLH and the environmental protection of the Giant Keyhole Limpet including, but not limited to, specialized aquaculture systems and technologies; spawning, selection and maintenance of *Megathura crenulata*; non-lethal KLH protein extraction methods; and the processing, purification and production of KLH formulations. The Company holds the only U.S. patent for the non-lethal extraction of hemocyanin from gastropod mollusks. This core technology is the basis for the Company's leading position in the development and sustainable manufacture of KLH. The Company refers to its proprietary technology and products by the brand "Stellar KLH™".

In 2012, Stellar Biotechnologies achieved an industry milestone in aquaculture science by successfully sustaining the complete life cycle of multiple generations of the Giant Keyhole Limpet (*Megathura crenulata*). Stellar's leading aquaculture program now boasts multiple generations of the Giant Keyhole Limpet, grown entirely within the Company's own land-based facility. Stellar achieved this industry milestone by developing proprietary methods that successfully support the entire life cycle of this special marine creature – from embryo to the protein-producing adult mollusk.

Stellar's aquaculture program is the culmination of decades of specialized development by the Company across a range of disciplines. It is also the cornerstone of the Company's environmental commitment to protecting the Giant Keyhole Limpet (*Megathura crenulata*).

Also in 2012, Stellar exceeded its aquaculture hatchery goals, the combined result of expanded facilities and new methods the Company developed for the cultivation of the Giant Keyhole Limpet.

As a result of operational achievements such as these, the Company believes it has positioned itself to be the primary company capable of assuring supplies of GMP-grade KLH in commercial quantities that can meet anticipated long-term demand within the pharmaceutical industry.

Stellar KLH™ Products

The Company products include HMW and subunit KLH protein in various grades, formulations and configurations, as well as certain preclinical in vitro diagnostic kits. Products offered include:

- Stellar KLH™ Protein for Vaccine Conjugation
- Stellar KLH™ Protein for T-Cell Dependent Antibody Response (TDAR) and Immune Function Testing
- Custom KLH Formulations, Conjugations and Fill Finishes
- Stellar KLH™ ELISA Assay Test Kits for the detection of KLH antibodies.

Recent Milestones

Following is a summary of key business, research, and development milestones that are currently active during the three months ended November 30, 2013 and up to the date of this MD&A:

Private Placement Financing

On September 23, 2013, the Company announced the closing of a private placement financing raising total gross proceeds of $12,000,000 (the “Private Placement”). The proceeds of the Private Placement will be used for product research, aquaculture and KLH production development, capital expenditures and working capital.

In connection with the Private Placement, the Company issued a total of 11,428,570 units (the “Units”) for total gross proceeds of $12,000,000, completed in two closings ($10 Million in gross proceeds announced September 10, 2013 (the “Initial Closing”) and an additional $2 Million in gross proceeds announced September 23, 2013 (the “Final Closing”). The Private Placement included a brokered portion sold to institutional and accredited investors totaling $5,000,000 (4,761,903 Units) (the "Brokered Offering") and a non-brokered portion totaling $7,000,000 (6,666,667 Units) (the "Non-brokered Offering").

The Non-Brokered Offering included a $5,000,000 investment by Amaran Biotechnology, Inc., a privately-held Taiwan biopharmaceuticals manufacturer.

Each Unit, sold for $1.05, comprises one share of Stellar’s common stock and one half of a share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder to purchase one additional share of Stellar’s common stock at a purchase price of $1.35 for a period of three years from the issuance date of the Warrants.

Newport Coast Securities, Inc., an SEC registered broker-dealer and FINRA member firm, served as exclusive placement agent on behalf of the Company for the Brokered Offering and received a commission totaling $346,325 and 333,333 placement agent warrants (the “Agent Warrants”). Each Agent Warrant entitles the holder to purchase one additional share of Stellar’s common stock at a purchase price of $1.05 for a period of three years from the issuance date of the Agent Warrants. A total of 200,000 agent warrants are exercisable at $1.05 on or before September 9, 2016 and 133,333 agent warrants are exercisable at $1.05 on or before September 20, 2016.

Subject to additional requirements imposed by the US Securities Act requiring longer hold-periods on certain of the securities for resale by US subscribers in the US market and a lock-up agreement with certain holders of the securities, the securities issued in the Initial Closing (2,857,143 Brokered Offering Units, 6,666,667 Non-Brokered Offering Units, and 200,000 Agent Warrants) were subject to a hold period that expired January 10, 2014 and the securities issued in the Final Closing (1,904,760 Brokered Offering Units and 133,333 Agent Warrants) were subject to a hold period that expired January 21, 2014.

The securities sold by Stellar in the private placement were not registered under the United States Securities Act of 1933, as amended (the "1933 US Securities Act"), or United States state securities laws and were sold in reliance upon exemptions from the registration requirements of the 1933 US Securities Act and such laws. Therefore, such securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 US Securities Act and any applicable state securities laws.

Clostridium difficile Active Immunotherapy Development Program

Stellar acquired the exclusive, worldwide license to patented technology for the development of human immunotherapies against *Clostridium difficile* infection ("C. diff") from the University of Guelph (Ontario, Canada) ("Guelph") ("C. diff License") in July 2013.

Clostridium difficile is a major and growing cause of mortality and morbidity in hospitalized patients. C. diff is a bacteria which causes diarrhea and abdominal pain and is spread person to person. It is commonly found in the intestine and infections can be life-threatening for those taking antibiotics or who have serious pre-existing health issues. The incidence of C. diff infections is at a record high in the U.S. with more than 330,000 cases reported annually. Related hospitalizations have tripled in the last decade and deaths related to C. diff increased 400% in recent years. The cost of C. diff related treatment in the U.S. and Europe is estimated at more than $7 billion annually.

The C. diff License gives Stellar exclusive rights to develop, manufacture and sell human vaccines to treat C. diff infection that derive from technology covered by Guelph patents. The C. diff License also includes human diagnostic applications. Specifically, the agreement covers a family of international patents and patent applications related to the cell-wall polysaccharide of C. diff named PSII.

Stellar's active immunotherapy technology for C. diff targets cell-surface antigens expressed across many strains of C. diff bacteria. Stellar's approach combines selected polysaccharides of C. diff conjugated to Stellar KLH as carrier and adjuvant. A PSII-KLH conjugate vaccine may develop into a next-generation active immunotherapy treatment for this formidable disease.

The C. diff License agreement provides for Stellar to pay to Guelph license fees in a combination of cash, stock and warrants, and milestone payments upon achievement of financing, development and sales targets. Stellar will pay royalties on revenues and reimburse patent costs. In August 2013, Guelph received 371,200 common shares and 278,400 warrants. Each warrant provided Guelph the right to purchase one common share on or before January 23, 2015, at a purchase price of CDN$1.25 per share.

In October 2013, Stellar announced that positive results from a preclinical study of the Company's KLH-conjugate active immunotherapy vaccine were presented in an oral presentation at the 8th International Conference on the Molecular Biology and Pathogenesis of the Clostridia (ClostPath 8) held in Australia and also in a poster at the 7th Vaccine and ISV Congress held in Spain.

The study described the design of a PSII-KLH immunotherapy vaccine and its evaluation in a murine model of C. diff infection. In the study, preliminary data demonstrated that vaccination with a PSII-KLH conjugate vaccine was effective in conferring protective immunity against C. diff infection, by improving survival in vaccinated mice compared to unvaccinated controls. The study results suggest that Stellar's PSII-KLH active immunotherapy technology shows promise as an effective approach to treating C. diff.

Preclinical development of the Company's C. diff technology is ongoing.

Collaboration Agreement

In December 2013, Stellar announced that it entered into a collaboration agreement with Amaran Biotechnology, Inc., a privately-held Taiwan biopharmaceuticals manufacturer ("Amaran") to develop and evaluate methods for the manufacture of OBI-822 active immunotherapy using Stellar's GMP grade Keyhole Limpet Hemocyanin ("KLH"). Amaran designs, develops, and manufactures active immunotherapies such as OBI-822, the lead immunotherapy product of OBI Pharma, Inc.

OBI-822 is a new generation of active immunotherapy combining Globo-H, a carbohydrate antigen frequently expressed by cancer cells, together with KLH as the immune-stimulating carrier molecule. An active immunotherapy uses a patient's own immune system to recognize and mount an attack against the targeted tumor cells.

OBI-822 is currently being evaluated for the treatment of metastatic breast cancer in International Phase II/III clinical trials in the United States, Taiwan, South Korea, India and Hong Kong. OBI-822 is in Phase III in Taiwan and in Phase II in the U.S., South Korea, India and Hong Kong.

The agreement provides for Amaran to pay to Stellar fees for certain expenses and costs associated with the development program. Subject to certain conditions and timing, the collaboration also provides for the companies to negotiate a commercial supply agreement for Stellar KLH™ in the future.

Aquaculture and Manufacturing

Stellar's aquaculture program is the culmination of decades of specialized development by the Company across a range of disciplines. It is also the cornerstone of the Company's environmental commitment to ensuring survival of the Giant Keyhole Limpet (*Megathura crenulata*) species.

The Company has developed methods for the cultivation of the Giant Keyhole Limpet (*Megathura crenulata*), the marine source for KLH protein, which we believe allows us to deliver an unprecedented level of control, quality and traceability related to our KLH protein products. Management believes that Stellar now has the only demonstrated aquaculture system with multiple generations of the Giant Keyhole Limpet spawned, grown and sustained within a land-based facility. Other KLH suppliers are reliant on scarce, wild populations of limpets. Management believes that it is positioning the Company to be the only company capable of assuring supplies of GMP-grade KLH in commercial quantities that can meet anticipated long-term demand within the pharmaceutical industry.

Given sufficient funding to continue scale-up, Stellar's projected production capacity is 4-5 kilograms per year within the next four years, and up to 20 kilograms per year a few years after that, depending on customers' requirements and our ability to execute supply commitments.

Patents

In December 2013, Stellar announced issuance of two patents, in the United States and in China, covering the Company's active immunotherapy technology for the treatment of Clostridium difficile. The two patents describe certain novel cell surface polysaccharides and their chemical structures with broad claims covering antigen and vaccine compositions for the treatment, prevention and diagnosis of C. diff infection. Stellar holds the exclusive, worldwide rights to develop, manufacture and sell human vaccines and other products derived from these patents, licensed from the University of Guelph.

Scientific Presentations & Peer-Review Publication

The pharma/biotech industry considers peer-review publication and conference presentations essential to validating scientific quality. In addition, we know the importance of these activities to advancing Stellar's competitive position, establishing Stellar at the forefront of KLH science, and broadening exposure for the Company with potential corporate partners and customers.

Stellar was proud to have its work accepted for peer-review publication, and presented at scientific conferences, this past year. Below is a recap. You can read more at www.KLHsite.com.

October 2013, 7th Vaccine and ISV Congress. Poster presentation titled "Immunization with Clostridium difficile PSII Polysaccharide Antigens Adjuvanted with KLH Induced Broad-based Enhancement of Adaptive Immune Responses and Protection in Mice." This poster related to the recent study in mice of Stellar's newly acquired active immunotherapy technology for the treatment of C. diff infection. In the study, vaccination with a PSII-KLH conjugate vaccine conferred protection against C. diff infection, measured by improved survival rates in vaccinated mice compared to unvaccinated controls. The study concluded that the C. diff PSII-KLH immunotherapy approach was safe and efficacious in a preclinical model. Further preclinical development is underway.

October 2013, 8th International Conference on the Molecular Biology and Pathogenesis of the Clostridia (ClostPath 8). Oral presentation titled "An Anti-C. difficile PSII Polysaccharide-KLH Conjugate Vaccine is Efficacious in Mice." This oral presentation is the result of preclinical research conducted together by scientists from Stellar and Guelph. In the study, the data demonstrated that vaccination with a PSII-KLH conjugate vaccine was effective in conferring protective immunity against C. diff infection, by improving survival in vaccinated mice compared to unvaccinated controls. The study results suggest that Stellar's PSII-KLH active immunotherapy technology may be an effective approach to treating C. diff. Additional preclinical research is underway.

Management and Directors

In November 2013, the Company announced the appointment of Mark McPartland as Vice President of Corporate Development and Communications. Also in November, the Company appointed Kathi Niffenegger, CPA as Chief Financial Officer (CFO) and Catherine Brisson, Ph.D. as Chief Operating Officer (COO). Ms. Niffenegger is currently Corporate Secretary since July 2013 and previously held the positions of U.S. Corporate Controller for Stellar since 2012, and outside CPA since the Company subsidiary's inception in 1999. Dr. Brisson previously held the positions of Chief Pharmaceutical Officer (CPO) since August 2012 and Executive Director for Quality and Regulatory Affairs since joining the Company in November 2010.

In September 2013, the Company announced the appointment of Tessie Mary Che, Ph.D. to the Company's Board of Directors. Dr. Tessie Che is currently Chair of the Board of Directors of Amaran Biotechnology, Inc., a privately-held biopharmaceuticals manufacturer based in Taiwan. Stellar's recent $12 Million Private Placement included a $5 Million investment by Amaran Biotechnology.

Key Employees

Frank R. Oakes is President, Chief Executive Officer (CEO), a Director and Chair of the Board of Directors. Mr. Oakes has more than 30 years of management experience in biotechnology and aquaculture including a decade as CEO of The Abalone Farm, Inc., during which he led that company through the R&D, capitalization, and commercialization phases of development to become the first profitable and largest producer of abalone in the United States. He is the inventor of the company's patented method for non-lethal extraction of hemolymph from the keyhole limpet. He is the Principal Investigator on the company's current Small Business Innovation Research ("SBIR") grant from the National Science Foundation and was Principal Investigator on the company's Phase I and II SBIR grants from the NIH's Centre for Research Resources, as well as for a California Technology Investment Partnership ("CalTIP") grant from the Department of Commerce. He has consulted and lectured for the aquaculture industry around the world. Mr. Oakes holds a Bachelor of Science degree from California State Polytechnic University, San Luis Obispo and is a graduate of the Los Angeles Regional Technology Alliance ("LARTA") University's management-training program. Mr. Oakes was a founder of the Company's subsidiary in 1999. He assumed his current role of Chairman of the Board, President and CEO of the Company upon the reverse merger transaction in April 2010.

Herbert Chow, Ph.D. is Chief Technology Officer (CTO). Dr. Chow has more than 25 years of experience in business management and product development positions in new biologic devices, clinical diagnostic and consumer diagnostic markets. He has operational expertise in developing and commercializing innovative technologies, and building successful strategic partnership in the fields of medical diagnostic and therapeutic devices. Previously, he held key senior management positions with start-up biotechnology companies, as well as international pharmaceutical companies Abbott Labs and Johnson & Johnson. Dr. Chow earned a BS in Microbiology and Immunochemistry at Ohio State University and a Ph.D. in Immunopathology at the University of Illinois. Dr. Chow has been granted nine patents in chemical processing, microfluidic devices, liquid sensing devices and medical devices for point-of-care diagnosis. Dr. Chow joined Stellar Biotechnologies in May 2010 and was appointed Chief Technology Officer in August 2012.

Catherine Brisson, Ph.D. is Chief Operating Officer (COO). Dr. Brisson has more than 20 years of experience in the biotechnology, pharmaceutical and medical device industries with strong expertise, and broad scientific and operational understanding, in the areas of quality assurance, quality control, regulatory affairs, manufacturing, and product development. She has extensive background in process development and in the preparation and review of regulatory submissions and subsequent maintenance; as well as a strong working knowledge of global regulatory requirements. Previously, Dr. Brisson held key senior management positions with start-up biotechnology companies, as well as Sicor Pharmaceuticals (Teva Parenteral Products). Dr. Brisson holds a B.S. degree in Chemistry from North Carolina State University and a Ph.D. in Organic Chemistry from the University of North Carolina. Dr. Brisson joined Stellar Biotechnologies in November 2010 and was appointed Chief Pharmaceutical Officer in August 2012. She assumed her current role of Chief Operating Officer in November 2013.

Kathi Niffenegger is Chief Financial Officer (CFO) and Corporate Secretary. Ms. Niffenegger has more than 30 years of experience in accounting and finance in a range of industries. She previously served as Stellar's outside CPA since the Company subsidiary's founding in 1999 and Controller since May 2012. Ms. Niffenegger was previously technical partner in the audit division of Glenn Burdette CPAs, obtained CFO experience at Martin Aviation, and began her career at Peat, Marwick, Mitchell & Co. (now KPMG LLP). She held leadership roles for audits of manufacturing, aquaculture, pharmaceutical, and governmental grant clients, and developed specific expertise in cost accounting systems and internal controls. Ms. Niffenegger holds a B.S. degree in Business Administration from California State University, Long Beach. Ms. Niffenegger joined Stellar Biotechnologies in May 2012 as Controller and was appointed Corporate Secretary in July 2013. She assumed her current role of Chief Financial Officer in November 2013.

Mark McPartland is Vice President of Corporate Development and Communications. Mr. McPartland has more than 16 years of experience in business development, capital markets advisory, corporate communications and C-suite consulting. Prior to joining Stellar, he served as Senior Vice President at MZ Group, a subsidiary of @titude Global, the world's largest independent global investor relations ("IR") consulting firm, which served as Stellar's IR agency. Mr. McPartland's background includes guiding the development and execution of corporate strategy for private and public companies at all stages of commercial evolution, including early- and mid-stage biopharmaceutical entities. His previous positions include Vice President and Partner at Alliance Advisors, LLC and Regional Vice President of Hayden Communications, Inc. Mr. McPartland holds a B.S. in Business Administration and Marketing from Coastal Carolina University. Mr. McPartland joined Stellar Biotechnologies in November 2013 in his current role as Vice President of Corporate Development and Communications.

Corporate Objectives

Stellar Biotechnologies will work to deliver positive returns to our customers, partners, shareholders and employees through these corporate objectives:

- Expand our Stellar KLH™ technology portfolio through ongoing research and development and selective acquisition, while maintaining a strong balance sheet with careful resource management.
- Seize opportunities for commercial growth that build on our strengths and core competencies in KLH development and immunotherapy.
- Identify strategic pathways that leverage our KLH products and expertise into immunotherapy solutions.
- Diligently grow our corporate image and public market recognition through increased transparency, financial reporting methods and responsible communications.

Significant News and Events

a) September 23, 2013, the Company announced, further to its new releases of August 22, 2013 and September 10, 2013, the closing of its private placement and issued 11,428,570 units for total gross proceeds of $12,000,000, completed in two closings. The private placement included a brokered portion sold to institutional and accredited investors totaling $5,000,000 (4,761,903 units) (the "Brokered Offering") and a non-brokered portion totaling $7,000,000 (6,666,667 units) (the "Non-brokered Offering"). The non-brokered offering included a $5,000,000 investment by Amaran Biotechnology, Inc., a privately a) privately-held Taiwan biopharmaceuticals manufacturer. Each unit, sold for $1.05, comprises one share of the Company's common stock and one half of a share purchase warrant (each whole warrant, a "Warrant"). Each warrant entitles the holder to purchase one additional share of the Company's common stock at a purchase price of $1.35 for a period of three years from the issuance date of the warrants. A broker received $346,325 and 333,333 agent warrants (the "Agent Warrants"). Each agent warrant entitles the holder to purchase one additional share of the Company's common stock at a purchase price of $1.05 for a period of three years from the issuance date of the agent warrants. Subject to additional requirements imposed by the US Securities Act requiring longer hold-periods on certain of the securities for resale by US subscribers in the US market and a lock-up agreement with certain holders of the securities, the securities issued in the Initial Closing (2,857,143 brokered offering units, 6,666,667 non-brokered offering units, and 200,000 agent warrants) were subject to a hold period that expired January 10, 2014 and the securities issued in the Final Closing (1,904,760 brokered offering units and 133,333 agent warrants) were subject to a hold period that expired January 21, 2014. The proceeds of the private placement will be used for product research, aquaculture and KLH production development, capital expenditures and working capital.

b) September 25, 2013, the Company announced the appointment of Tessie May Che, Ph.D. to the Company's Board of Directors. Dr. Che is currently Chair of the Board of Director of Amaran Biotechnology, Inc.

c) October 21, 2013, the Company announced presentation of positive results from a preclinical study of its KLH-conjugate active immunotherapy vaccine demonstrating protection against C. diff infection in mice. The oral presentation was made at the 8th International Conference on the Molecular Biology and Pathogenesis of the Clostridia (ClostPath 8) in Queensland, Australia.

d) October 28, 2013, the Company announced presentation of a preclinical poster at the 7th Vaccine and ISV Congress in Sitges, Spain. The poster related to a recent study in mice of Stellar's active immunotherapy technology targeting the treatment of C. diff infection.

e) November 1, 2013, the Company announced it granted 495,000 stock options exercisable at $1.83 for a period of seven years under the Company's Share Option Plan.

f) November 5, 2013, the Company announced the appointment of Kathi Niffenegger, CPA to the position of Chief Financial Officer (CFO) and Catherine Brisson, Ph.D. to the position of Chief Operating Officer (COO).

g) November 15, 2013, the Company announced it granted 100,000 stock options exercisable at $1.84 for a period of seven years under the Company's Share Option Plan.

h) November 20, 2013, the Company announced the appointment of Mark McPartland to the position of Vice President of Corporate Development and Communications.

i) December 9, 2013, the Company announced issuance of two additional patents covering the Company's active immunotherapy technology for the treatment of *Clostridium difficile* infection (C. diff). The Company holds the exclusive, worldwide rights to develop, manufacture and sell human vaccines and other products derived from these patents.

j) December 12, 2013, the Company announced that it entered into a collaboration agreement with Amaran Biotechnology, Inc., a privately-held Taiwan biopharmaceuticals manufacturer to develop and evaluate methods for the manufacture of OBI-822 active immunotherapy using Stellar's GMP grade Keyhole Limpet Hemocyanin. OBI-822 is a new generation of active immunotherapy and the lead immunotherapy product of OBI Pharma, Inc.

k) On December 20, 2013, the Board of Directors approved amendments to the Share Option Plan to increase the number of Common Shares reserved for issuance pursuant to the exercise of stock options from 8,785,000 to 10,000,000 (which would represent approximately 13% of the Company's currently issued and outstanding Common Shares). The amendments are subject to approval at its upcoming annual general and special meeting of shareholders to be held on February 13, 2014 and the approval of the TSX Venture Exchange.

l) December 27, 2013, the Company announced that the Board approved an advance notice policy that requires advance notice be given to the Company in certain circumstances where nominations of persons for election to the Board are made by shareholders. The advance notice policy also sets a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders. The Company expects to seek shareholder approval and ratification of the advance notice policy at its upcoming annual general and special meeting of shareholders to be held on February 13, 2014.

m) January 15, 2014, the Company announced the adoption of a new shareholder rights plan to ensure, to the extent possible: (i) that all shareholders are treated fairly in connection with any takeover offer for the Company, and (ii) in the event of an unsolicited bid, to ensure that the board of directors is provided with a sufficient period of time to evaluate unsolicited takeover bids and to explore and develop alternatives to maximize shareholder value. The Company expects to seek shareholder approval and ratification of the new rights plan at its upcoming annual general and special meeting of shareholders to be held on February 13, 2014.

Liquidity and Capital Resources

The Company had a cash position on November 30, 2013 of $16,844,852 (August 31, 2013 - $7,859,889) and working capital of $15,274,621 (August 31, 2013 - $4,225,714).

During the three months ended November 30, 2013, the Company received $7,000,000 gross proceeds under private placements (with $5,000,000 of the September 2013 private placement subscribed and received prior to August 31, 2013) and $3,694,272 gross proceeds from the exercise of warrants and options. Subsequent to November 30, 2013, the Company also issued 201,800 common shares upon exercise of warrants for gross proceeds of CDN$56,100 and $67,500, and issued 628,334 common shares upon exercise of stock options for gross proceeds of CDN$353,830.

The Company has incurred significant losses and has an accumulated deficit of $30,583,912 as at November 30, 2013 (August 31, 2013 - $25,204,026). Of this deficit, $12,358,711 relates to noncash change in fair value of warrant liability as at November 30, 2013 (August 31, 2013 - $8,689,153). As discussed further below, changes in fair value of warrant liability have no impact on cash flow. If the warrants are exercised, the warrant liability is reclassified to share capital. If the warrants expire, the decrease in warrant liability offsets the changes in fair value.

In the past, the Company financed its cash requirements primarily through a combination of commercial sales, contract income, grant revenues and equity private placements.

The Company expects to finance its future expenditures through revenues from commercial sales, contract income, grant revenues, and by using cash from private placements. The Company is confident that it will achieve these revenues and cash flows, however, these events are dependent upon certain factors outside of the Company's control. If not achieved, the Company may be required to obtain additional financing or curtail its development activities and operations.

Results of Operations

For the Three Months Ended November 30, 2013

Revenue for the three months ended November 30, 2013 comprised $7,585 commercial sales (2012 - $29,850), $15,000 contract income (2012 - $15,000) and $36,579 grant revenue (2012 - $70,877).

The Company had a net loss of $5,379,886 for the three months ended November 30, 2013 as compared to net loss of $765,855 for the three months ended November 30, 2012. This was an increased loss of $4,614,031 over the prior period which can be mainly attributed to:

- As a result of having exercise prices denominated in other than the Company's functional currency, the Company's warrants meet the definition of derivatives and are therefore classified as derivative liabilities measured at fair value with noncash adjustments to fair value recognized through the consolidated statements of loss and comprehensive loss. Fair values are based on Black-Scholes option pricing model. During the three months ended November 30, 2013, there was a loss on fair value of warrant liability of $3,669,558 (2012 - gain of $138,662) for a net fluctuation of $3,808,220 additional loss from the prior period. The losses and gains in these periods are a reflection of the Company's share price fluctuations with increases in share prices causing greater warrant liability and a loss on fair value of warrant liability, while decreases in share prices cause a gain on fair value of warrant liability. The loss in the current period was caused by the Company's share price increasing from August 31, 2013 to November 30, 2013, while the gain in the prior period was caused by share price decreasing from August 31, 2012 to November 30, 2012. Changes in fair value of warrant liability have no impact on cash flow. If the warrants are exercised, the warrant liability is reclassified to share capital. If the warrants expire, the decrease in warrant liability offsets the changes in fair value.

- Share-based payments of $505,214 for the three months ended November 30, 2013 (2012 - $162,916) for a net fluctuation of $342,298, due to the timing of granting stock options during the current period compared to the prior period.

- Salaries, wages and benefits of $429,499 for the three months ended November 30, 2013 (2012 - $184,642) for a net fluctuation of $244,857. This was caused by additional personnel in the current period. The Company also discontinued the temporary voluntary salary reductions that were initiated in the prior period.

- Research and development of $371,831 for the three months ended November 30, 2013 (2012 - $269,628) for a net fluctuation of $102,203. This was due to an increase in research and development activity in the current period, particularly outside contracts for C. diff research.

Summary of Quarterly Results (prepared under IFRS)

The table below presents selected financial data for the Company's most recently completed quarters.

(In $000's except per share data)

	For the Years Ended August 31,							
	2014	2013				2012		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Financial results								
Revenues	$ 59	$ 295	$ 73	$ 61	$ 116	$ 50	$ 43	$ 58
Net income (loss) for period	(5,380)	(9,305)	(1,171)	(3,644)	(766)	(1,711)	(1,405)	(1,124)
Loss per share	(0.08)	(0.17)	(0.02)	(0.07)	(0.02)	(0.03)	(0.03)	(0.03)
Statement of Financial Position data								
Cash and cash equivalents	16,845	7,860	1,789	922	1,632	999	1,954	2,945
Assets	17,442	8,513	2,234	1,401	2,160	1,544	2,506	3,472
Shareholders' equity (deficit)	8,405	(3,142)	(3,117)	(3,196)	684	852	2,021	2,800

Fluctuations in net income (loss) between quarters can be mainly attributed to:

During the quarter ended November 30, 2013, the Company recorded a non-cash loss on change in fair value of warrant liability of $3,669,558.

During the quarter ended August 31, 2013, the Company recorded a non-cash loss on change in fair value of warrant liability of $8,134,662.

During the quarter ended February 28, 2013, the Company recorded a non-cash loss on change in fair value of warrant liability of $2,767,283.

Transactions with Related Parties

For the three months ended November 30, 2013, the Company had the following transactions with key management personnel:

	Salary and Benefits	Consulting	Director Fees	Professional Fees	Accounts Payable
Frank Oakes - Director & Officer	$ 223,267	$ -	$ -	$ -	$ -
Dorothy Oakes - Relative of Director & Officer	20,112	-	-	-	-
Daniel Morse - Director	-	-	1,000	-	1,000
David Hill - Director	-	-	2,000	-	1,000
Mayank (Mike) Sampat - Director	-	-	2,000	-	1,000
Greg Baxter - Director	-	-	2,000	-	1,000
Tessie Che - Director	-	-	1,000	-	1,000
Herb Chow - Officer	45,858	-	-	-	-
Catherine Brisson - Officer	44,772	-	-	-	-
Kathi Niffenegger - Officer	42,525	-	-	-	-
Mark McPartland - Officer	4,773	-	-		-
Scott Davis - Former Officer	-	-	-	12,985	-
	$ 381,307	$ -	$ 8,000	$ 12,985	$ 5,000

For the three months ended November 30, 2012 the Company had the following transactions with key management personnel:

	Salary and Benefits	Consulting	Director Fees	Professional Fees	Accounts Payable
Frank Oakes - Director & Officer	$ 12,628	$ -	$ -	$ -	$ -
Dorothy Oakes - Relative of Director & Officer	20,860	-	-	-	-
Daniel Morse - Director & Officer	-	3,000	-	-	-
Darrell Brookstein - Former Director & Officer	12,228	-	-	-	-
Malcolm Gefter - Former Director	-	3,000	-	-	-
Herb Chow - Officer	43,264	-	-	-	4,289
Catherine Brisson - Officer	43,869	-	-	-	-
John Sundsmo - Former Officer	36,616	-	-	-	-
Scott Davis - Former Officer	-	-	-	13,669	-
	$ 169,465	$ 6,000	$ -	$ 13,669	$ 4,289

The share-based payments to current and former directors, family members of directors, and officers of the Company during the three months ended November 30, 2013 were $344,770 (2012 - $115,140). Share-based payments are the vested fair value of the options granted.

On August 14, 2002, the Company entered into an agreement to pay royalties to an officer in exchange for assignment of patent rights to the Company. The royalty is 5% of gross receipts in excess of $500,000 annually from products using this invention. The Company's current operations utilize this invention. The royalties for the three months ended November 30, 2013 were $Nil (2012 - $Nil).

Commitments

The Company leases three buildings and facilities under sublease agreements with the Port Hueneme Surplus Property Authority. On September 1, 2010, the Company exercised its option to extend the three buildings and facilities sublease agreements. The Company has an option to extend the lease for another five years.

The Company also leases office facilities effective July 1, 2011 for a term of three years with the option to extend for an additional two years. The Company must also pay a portion of the common area maintenance.

Future minimum lease payments as at November 30, 2013 and August 31, 2013, are as follows:

		November 30, 2013		August 31, 2013
For The Year Ending August 31,				
2014	**$**	**105,082**	$	143,735
2015		**89,349**		89,349
2016		**14,892**		14,892
	$	**209,323**	$	247,976

Rent expense on these lease agreements for the three months ended November 30, 2013 was $45,052 (2012 - $43,612).

The Company has purchase order commitments totalling approximately $296,000 at November 30, 2013, for contracts and consultants (August 31, 2013 - $45,000).

The Company has two commitments under certain supply agreements with customers for fixed prices per gram on a non-exclusive basis except within that customer's field of use. These agreements automatically renew each January unless terminated in writing by either party.

Investor Relations

The Company contracted the services of an investor relations firm, MZHCI, beginning October 2012 for a six month term which was extended monthly through November 2013.

New Accounting Standards, Amendments and Interpretations

New Accounting Standards Adopted in the Current Period

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013. The Company has adopted the following standards effective September 1, 2013 and they do not have significant effect on the condensed interim consolidated financial statements:

- IFRS 10 - *Consolidated Financial Statements*. IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. This standard supersedes IAS 27 *Consolidated and Separate Financial Statements* and SIC-12 *Consolidated – Special Purpose Entities*. The adoption of IFRS 10 did not result in any change in the Company's scope of consolidation or the Company's financial statements.

- IFRS 11 - *Joint Arrangements*. IFRS 11 establishes principles for financial reporting by parties to a joint arrangement. This standard supersedes IAS 31 *Interest in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*. The adoption of IFRS 11 did not result in any change in the Company's financial statements.

- IFRS 12 - *Disclosure of Interests in Other Entities*. IFRS 12 is a comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint operations, joint ventures, associates and unconsolidated structured entities. This standard replaces the disclosure requirements of IAS27 *Consolidated and Separate Financial Statements*, IAS 28 *Investments in Associates*, and IAS 31 *Interests in Joint Ventures*. The adoption of IFRS 12 did not result in any change in the Company's financial statements.

- IFRS 13 - *Fair Value Measurement*. IFRS 13 is a new standard that applies to both financial and non-financial items measured at fair value. It defines fair value, sets out a single framework for measuring fair value and requires disclosures about fair value measurements. The standard applies prospectively from the beginning of the annual period in which it is adopted. The adoption of IFRS 13 did not require adjustments to the Company's fair value measurement methods, which remain unchanged. The adoption of IFRS 13 did not result in any change in the Company's financial statements.

Accounting Standards Issued But Not Yet Applied

A number of new standards, amendments to standards and interpretations have been issued but are not yet effective until future years. The Company does not expect to adopt any of these standards before their effective dates. The extent of the effects of these new accounting standards on the condensed interim consolidated financial statements has not been determined. The following new standards have not been applied in preparing these condensed interim consolidated financial statements:

- IFRS 9 - *Financial Instruments*. This standard partially replaces IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 establishes principles for the classification and measurement of financial assets. The standard is effective for annual periods beginning on or after January 1, 2015.

Financial Instruments and Risks

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, foreign exchange risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Capital Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in share capital as capital. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through short-term prospectuses, private placements, sell assets, incur debt, or return capital to shareholders. As at November 30, 2013, the Company does not have any debt and is not subject to externally imposed capital requirements.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate as a result in market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions included in the Company's cash and cash equivalents are subject to a floating rate of interest. The interest rate risks on cash are not considered significant.

Foreign Exchange Risk

The Company incurs operating expenses and capital expenditures mostly in US dollars, with some operating expenses incurred in Canadian dollars which are subject to foreign currency fluctuations. The fluctuation of the US dollar in relation to Canadian dollars will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of shareholders' equity. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks. At November 30, 2013, the US dollar was equal to 1.059 Canadian dollars. The currency risk is considered to be insignificant.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents and amounts receivable. Management's assessment of the Company's credit risk for cash and cash equivalents is low as cash and cash equivalents are held in financial institutions believed to be credit worthy. The Company limits its exposure to credit loss by placing its cash with major financial institutions and invests only in short-term obligations.

Approximately 86% of the Company's commercial sales and contract income during the three months ended November 30, 2013 were from two customers (2012 - 89% from two customers). All of the grant revenue during the three months ended November 30, 2013 was received from NSF (2012 - 100% from NSF).

Approximately 6% of the Company's amounts receivable at November 30, 2013, were from five customers (August 31, 2013 - 10% from six customers), 92% from NSF grants (August 31, 2013 – 88%), and 2% from GST/HST refund (August 31, 2013 - 6%).

While the Company is exposed to credit losses due to the non-performance of its counterparties, the Company considers the risk of this remote. The Company estimates its maximum credit risk for amounts receivable at the amount recorded on the statement of financial position.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at November 30, 2013, the Company had a cash and cash equivalents balance of $16,844,852 (August 31, 2013 - $7,859,889) to settle current liabilities of $410,317 exclusive of $1,395,738 noncash current portion of warrant liability (August 31, 2013 - $454,063 exclusive of $3,454,745 noncash current portion of warrant liability).

Fair Value

The fair value of the Company's financial instruments is believed to equal the carrying amounts due to the short terms to maturity.

Fair value measurement disclosures include classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1:	Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and
Level 3:	Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The Company's fair value of cash and cash equivalents under the fair value hierarchy is measured using Level 1 inputs and fair value of the warrant liability is measured using Level 2 inputs.

Risks and Uncertainties

The Company is subject to known and unknown risks and uncertainties. In making a decision to invest in the Company, undue reliance should not be placed on forward-looking statements in this MD&A and careful consideration should be given to the risks and uncertainties and other information included or incorporated by reference herein. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future result, performance or achievement expressed or implied by forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to:

- Operating losses and the extent of any future losses;
- Our ability to obtain, on satisfactory terms or at all, the capital required for product development, operations and marketing;
- If the Company cannot raise additional capital on acceptable terms, it may delay or be unable to pursue further development of its product portfolio, obtain regulatory approvals or commercialize its product candidates.
- Product development delays and other uncertainties related to new product development;
- Delay of, or failure to obtain, necessary regulatory approvals and, ultimately, product launches by the Company or its customers;
- Dependence on third parties for successful clinical development, manufacture and commercialization of our products;
- Dependence on third parties for the manufacture of certain of our products, components or processes;
- Our ability to attract and retain business partners and key personnel;
- Our ability to establish or manage manufacturing, development or marketing collaborations;
- Our ability to obtain adequate supplies of KLH from either ocean harvest or internally raised giant keyhole limpets;
- Our ability to manufacture products in sufficient quantities;
- Our ability to profitably commercialize our products;
- Our ability to secure or retain key suppliers of raw materials and components;
- Our ability to secure backup manufacturing capacity for some of our key products;
- Our ability to obtain patent protection and protect our intellectual property rights;
- Our ability to operate as a going concern;
- The ability of our products to achieve market acceptance;
- Commercialization limitations imposed by intellectual property rights owned or controlled by third parties;
- Uncertainty related to intellectual property liability rights and liability claims asserted against us;
- Uncertainty related to product liability claims;
- Uncertainty related to high costs, long development timelines, and complexities associated with new drug research and development;
- Uncertainty related to ongoing regulatory review of our products;

- Environmental risks and the costs to comply with environmental and health and safety regulations in the future;
- Impact of competitive products and pricing;
- Impact of foreign currency fluctuations;
- Impact of volatility of the stock market and our share price;
- Rapid technological change that could make our products or technology obsolete;
- Future levels of government funding; and
- General economic, business and market conditions.

Management's Responsibility for Financial Statements

The information provided in this report, including the condensed interim consolidated financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying condensed interim consolidated financial statements.

Internal Controls Over Financial Reporting

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Lack of optimal segregation of duties has been observed due to the relatively small size of the Company, but management believes that these weaknesses have been adequately mitigated through management and director oversight.

Approval

The Board of Directors oversees management's responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting and internal control matters before the consolidated financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors of Stellar has approved the condensed interim consolidated financial statements and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.

Other MD&A Requirements

Additional information is available on the Company's website at www.stellarbiotechnologies.com or on SEDAR at www.SEDAR.com.

Outstanding Shares, Warrants and Stock Options

As at January 29, 2014, the Company had the following outstanding:

- 76,442,231 common shares
- Warrants:

Exercise Price	Number of Warrants	Expiry Date	
CDN$0.75	1,161,900	October 2, 2014	
CDN$0.50	88,200	October 2, 2014	Agent options
CDN$1.25	278,400	January 23, 2015	
CDN$0.40	4,000,000	October 25, 2015	
CDN$0.25	400,000	October 25, 2015	Agent options
CDN$0.40	309,600	January 4, 2016	
CDN$0.25	66,000	January 4, 2016	Agent options
$1.35	4,711,902	September 9, 2016	
$1.05	200,000	September 9, 2016	Agent warrants
$1.35	952,377	September 20, 2016	
$1.05	133,333	September 20, 2016	Agent warrants
	12,301,712		

Agent options are convertible into units. A unit consists of one common share and may include an additional whole or partial warrant. The agent options expiring October 25, 2015 and January 4, 2016 include one warrant. The agent warrants expiring September 9, 2016 and September 20, 2016 are convertible into one common share each and do not include additional warrants.

· Stock options:

Exercise Price	Number of Options	Expiry Date
CDN$0.25	187,500	October 23, 2015
CDN$0.28	1,645,000	April 9, 2017
CDN$0.25	55,000	May 17, 2017
CDN$0.28	20,000	June 28, 2017
CDN$0.28	70,000	July 13, 2017
CDN$0.64	70,000	October 25, 2017
CDN$1.00	60,000	February 10, 2018
CDN$0.65	848,600	August 8, 2018
CDN$0.50	5,000	September 26, 2018
CDN$0.40	70,000	December 22, 2018
CDN$1.87	100,000	November 7, 2018
CDN$0.42	853,600	April 13, 2019
CDN$0.29	90,000	June 18, 2019
CDN$0.37	150,000	August 9, 2019
CDN$0.37	150,000	August 16, 2019
CDN$0.25	75,000	October 23, 2019
CDN$0.25	215,000	December 19, 2019
CDN$0.58	560,000	May 14, 2020
CDN$0.58	100,000	May 23, 2020
$1.83	495,000	November 1, 2020
$1.84	100,000	November 15, 2020
	5,919,700	

Contingencies

There are no contingent liabilities.

Proposed Transactions

There are no proposed transactions that have not been disclosed herein.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual reports could differ from management's estimates.

CORPORATE DATA
January 29, 2014

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info@dhgroup.com

DIRECTORS, OFFICERS AND KEY EMPLOYEES

Frank Oakes	President, CEO and Director
Daniel E. Morse, Ph.D	Director
David L. Hill, Ph.D	Director
Mayank (Mike) Sampat	Director
Gregory Baxter, Ph.D	Director
Tessie M. Che, Ph.D	Director
Kathi Niffenegger	Chief Financial Officer and Corporate Secretary
Catherine Brisson, Ph.D	Chief Operating Officer
Herbert S. Chow, Ph.D	Chief Technology Officer
Mark McPartland	VP of Corporate Development and Communications

INVESTOR CONTACTS

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www.stellarbiotechnologies.com
www.KLHsite.com
www.facebook.com/StellarBiotech

LISTING

TSX Venture Exchange
Trading Symbol: KLH
CUSIP #: 85855A104

Trading Symbol in US
OTCQB - SBOTF

Form 52-109FV2
Certification of Interim Filings
Venture Issuer Basic Certificate

I, Frank R. Oakes, Chief Executive Officer, Stellar Biotechnologies, Inc. certify the following:

1. Review: I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Stellar Biotechnologies, Inc. (the "issuer") for the interim period ended November 30, 2013.

2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. Fair presentation: Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: January 29, 2014.

/s/"Frank R. Oakes"

FRANK R. OAKES
Chief Executive Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52 109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Form 52-109FV2
Certification of Interim Filings
Venture Issuer Basic Certificate

I, Kathi Niffenegger, Chief Financial Officer, Stellar Biotechnologies, Inc. certify the following:

1. Review: I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Stellar Biotechnologies, Inc. (the "issuer") for the interim period ended November 30, 2013.

2. No misrepresentations: Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. Fair presentation: Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

Date: January 29, 2014.

/s/"Kathi Niffenegger"

KATHI NIFFENEGGER
Chief Financial Officer

NOTE TO READER

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

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