REPLICEL LIFE SCIENCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")
FORM 51-102F1
For the three and nine months ended September 30, 2013

Dated as of November 20, 2013

The following management discussion and analysis of the financial position, results of operations and cash flows of RepliCel Life Sciences Inc. ("the Company", "RepliCel" or "we"), for the three and nine months ended September 30, 2013 includes information up to and including November 20, 2013 and should be read in conjunction with the annual audited consolidated financial statements for the years ended December 31, 2012, 2011 and 2010.

The financial statements of the Company for the three and nine months ended September 30, 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All amounts included in the financial statements and MD&A are expressed in Canadian dollars unless otherwise indicated. The reader is encouraged to review the Company's statutory filings on the SEDAR website at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Statements

Statements included in this MD&A that do not relate to present or historical conditions are "forward-looking statements". Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intend", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", or "continue", or the negative of these terms or other comparable terminology. Forward-looking information presented in such statements or disclosures may, among other things, include: the potential of our products, including its potential for success with women; forecasts of expenditures; the sources of financing; expectations regarding our ability to raise capital; our business outlook; plans and objectives of management for future operations; and anticipated financial performance.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to our Company, including information obtained from third-party industry analysts and other third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Annual Report in connection with the statements or disclosure containing the forward-looking information. You are cautioned that the following list of material factors and assumptions is not exhaustive. The factors and assumptions include, but are not limited to:

- no unforeseen changes in the legislative and operating framework for the business of our Company;
- a stable competitive environment; and
- no significant event occurring outside the ordinary course of business such as a natural disaster or other calamity.

These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors" commencing on page 16, which may cause our or our industry's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements. These risks and uncertainties include:

- negative results from our clinical trials;
- failure to achieve regulatory marketing approval for our technologies;
- the effects of government regulation on our business;
- the viability and marketability of our technologies;
- the development of superior technology by our competitors;
- the failure of consumers and the medical community to accept our technology as safe and effective;
- risks associated with our ability to obtain and protect rights to our intellectual property;
- risks and uncertainties associated with our ability to raise additional capital; and
- other factors beyond our control.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity or performance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of such factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

OVERALL PERFORMANCE

The Company was incorporated under the Ontario Business Corporations Act on April 24, 1967. We are a reporting issuer under the securities laws of the Provinces of British Columbia and Ontario. We are a foreign private issuer in the United States. Our common shares are listed for trading in the United States on the OTCQB, trading under the symbol REPCF and on the Canadian National Stock Exchange ("CNSX"), trading under the symbol RP.

RepliCel Life Sciences Inc. is in the business of developing autologous cell therapy for certain diseases affected by cellular deficits. The diseases being addressed are tendinosis and pattern baldness. Each disease state is consistent with a deficit of a specific cell type which we believe is critical to normal function. These technologies carry issued and filed patent applications. Our treatment for chronic tendinosis ("RCT-01") has the potential to be the first autologous cell treatment to heal injured tendons that have reached a chronic stage of deterioration. Our technology for pattern baldness ("RCH-01") has the potential to become the world's first autologous cellular treatment for hair loss in men and women. The company has also developed an injector device ("RCI-01 and RCI-02") to be used in conjunction with its therapies. Additionally, this device should find applications in the field of cosmetic dermal injections.

RCT-01 has been developed over five years of research, experimentation and trials. The mechanics of our treatment involve the extraction of as few as 20 hair follicles from the back of patient's scalp. Specific cells called non-bulbar dermal sheath ("NBDS") cells are isolated from the hair follicles, replicated in a current Good Manufacturing Practice ("cGMP") compliant facility and are then reintroduced under ultrasound guidance into the area of damaged tendon. The injected cells are expected to initiate and complete the healing of the chronically injured tendon.

RCH-01 has been developed over ten years of research, experimentation and trials. The mechanics of our technology involve the extraction of as few as 20 hair follicles from the back of a patient's scalp where healthy cycling hair follicles reside. Specific cells called dermal sheath cup ("DSC") cells are isolated from the hair follicles and are then replicated in a cGMP compliant facility through our proprietary cellular replication process and then reintroduced back into balding areas on a patient's scalp. This cellular replication and implantation technology is designed to induce hair growth through either rejuvenation of damaged hair

follicles or the formation of new hair follicles, or both. Our anticipated long-term result is the restoration and maintenance of a patient's hair.

RCT-01 Treatment for Tendinosis

Phase 1: Clinical Studies

The product development path of RCT-01 effectively began in 2008 when Dr. David Connell began focusing on fibroblast cells isolated from adipose tissue. Dr. Connell hypothesized that the main underlying reason for chronic tendinosis was a deficit of tenocytes (fibroblasts) in the tendon. As these fibroblasts are responsible for producing type 1 collagen, the primary cell type in human tendon, it was theorized that isolation and replication of a source of fibroblasts for injection into the injury site could initiate normalized healing. Dr. Connell conducted three phase 1 clinical trials using this approach producing evidence that treatment of tendinosis with autologous expanded fibroblasts was both safe and effective and should be explored in larger human trials. Dr. Connell filed patents covering the use of adipose derived fibroblasts for the treatment of tendinosis. In 2011, RepliCel began collaborating with Dr. Connell on the development of this technology. RepliCel expanded on Dr. Connell's approach by isolating fibroblasts from the hair follicle. This was based on the knowledge that fibroblasts from the NBDS of a hair follicle can produce upwards of five times the amount of type 1 collagen than fibroblasts from adipose tissue as pursued by Dr. Connell. RepliCel has filed a PCT patent application and in 2013 Dr. Connell's patents were also licensed by RepliCel.

Dr. Connell has conducted three phase 1 human clinical trials focusing on each of Achilles, patellar and lateral elbow tendinosis (tennis elbow) using adipose tissue derived fibroblasts. A total of 104 tendons were treated using autologous fibroblast cells and there were no adverse events related to the cell therapy. RepliCel intends to initiate phase 2 trials, in all three indications, beginning with Achilles tendinosis using RCT-01.

The pain and dysfunction associated with tendinosis is currently controlled by many treatment modalities including the use of analgesic and anti-inflammatory medications, rest, physical therapy, orthotics, ergonomic adjustments, laser therapy, prolotherapy, platelet-rich plasma (PRP) injections and surgery. However, there is currently no therapy to treat the underlying, causative nature of the disease. We believe the reason that chronic tendinosis is not successfully treated is a deficit of healthy fibroblasts to provide the necessary production of type 1 collagen for the repair of the open interstitial tears in the tendon. Our treatment is designed to address that cellular deficit in the healing process.

Phase 2: Proposed Clinical Trial

RCT-01 is a derivative treatment based on the previous three phase 1 clinical trials using autologous fibroblast cells isolated from adipose biopsies. In RepliCel's proposed phase 2 trial, the source of fibroblasts will be NBDS cells (fibroblasts) isolated from the patient's own hair follicles. The trial will enroll patients that have failed traditional physiotherapy and are otherwise in good health. A small 6 mm punch biopsy will be taken from the back of the scalp and transported to a cGMP facility. NBDS cells will be isolated and replicated in sufficient number and frozen for shipment back to the clinic for ultrasound-guided injection into the damaged tendon. In addition to safety, patients will be measured for function and pain as well as changes in tendon thickness, echotexture, interstitial tears and neovascularity.

RepliCel is currently finalizing its standard operating procedures (SOPs,) for the manufacturing of cells for its phase 2 clinical trial for the treatment of chronic Achilles tendinosis which the company plans to conduct in Canada. The preliminary clinical trial design has been completed, and negotiations are underway for the contract manufacturing of the cells required for the study. Upon the finalization of the manufacturing SOPs, the company will initiate its pre-clinical trial application meeting with Health Canada to discuss the trial design and manufacturing protocols and make any necessary changes before filing the final Clinical Trial Application planned for the first half of 2014.

The current design encompasses 82 patients and is a two armed double blinded placebo controlled trial. Forty-two (42) patients will be randomized into two groups; one group being the treatment arm and the other group being the placebo arm. The primary outcome will be efficacy at 26 weeks. Primary efficacy will be measured using the Victorian Institute of Sport Assessment (VISA) questionnaire and an 11-point (0-10) numerical rating scales (NRS) for global indication of change and worst Achilles tendon pain. Secondary outcomes will include ultrasound appearance (semi-quantitative scoring of neovascularisation, heterogeneity/hypoechogenicity and a continuous measure of tear size), tendon biomechanics (measured through a custom post-processing technique of ultrasound cine-images), and a short form 36 question quality of life questionnaire. Outcome measures will be assessed at baseline and 6, 12, 26 and 52 weeks following the initiation of treatment.

RCH-01 Treatment for Pattern Baldness

The process of obtaining marketing authorization for the RepliCel™ procedure requires the collection of a thorough body of information that satisfies requirements set forth by regulators that oversee the safety and efficacy of products sold to the public. Each jurisdiction has specific regulatory requirements, many of which differ from region to region. We are developing a clinical and regulatory strategy that will ensure adherence to regulations that will advance the marketing approval of our technology worldwide. As part of this strategy, plans for the following projects are in development:

1. Initiation of Phase 2 human clinical trial in Europe;
2. Ongoing research and pre-clinical development to enhance knowledge base of our technology;

Phase 2: Proposed Dosing Clinical Trial

RepliCel's proposed Phase 2 trial is designed to be a dose-finding study which will assess the number of characterized cells and the appropriate treatment regimen to provide optimal hair growth. Subject to regulatory approval, our proposed clinical trial will include multiple subject cohorts studying different doses of DSC cells. Each subject will be given several different injections, while some cohorts will receive additional injections at subsequent time points.

A total of 160 patients will be recruited. Each treated patient will have 4 treatment areas. One hundred and thirty-two patients (132) will be randomized into two groups of 66 participants. There will be three different doses of cells being administered in a randomized fashion to each treatment group. One treatment group will receive 3 different doses and a needling in 4 distinct randomized locations on Day 1 of treatment. The second treatment group will receive 3 different doses and a needling in 4 distinct randomized locations on Day 1 and a second treatment on Day 91. There will be a total of 28 placebo participants in 2 groups. One group will receive 3 randomized placebo injections and one needling. The other group will receive 3 randomized placebo injections and one needling on Day 1 and Day 91.

Primary objective is efficacy at 12 months post last injection (15 months as there as one group gets an injection at month 3) as measured by digitized imaging count of total, terminal and vellus hair density (n/cm2) and cumulative hair thickness per area (mm/cm2). Included in this measurement is the measurement of efficacy related to dose.

RCI-02 Injector Device

RepliCel has designed and is developing a new cell injector device to be used in conjunction with the RCH-01 treatment. The company believes that the device will also have applications in certain other dermatological procedures requiring injections of specific volumes of material at specific depths. In addition to the programmable variables of volume and depth, the device will have interchangeable heads for different injection procedures (single and multi-needle) as well as a built-in cooling capability to remove the requirement

for an anesthetic during an injection process. Development is expected to be completed in the second half of 2014.

Intellectual Property

The success of RepliCel will be highly dependent on the protection of our intellectual property. We are developing a diverse portfolio of intellectual property for the use of stem cells in the treatment of hair loss as well as other medical conditions, and medical devices for the application of such cells. For example, RepliCel inventors filed an early patent application on the use of hair follicle derived stem cells entitled "Method for isolating hair follicle mesenchymal stem cells". This family of patents describes methods for isolating stem cells from hair follicles, and the growth and use of these stem cells for the treatment of a variety of medical conditions (including hair loss). Within this portfolio, there are granted patents in Australia Europe and the United States), which were issued unopposed. Additional related patent applications are also pending in the United States, Canada and Japan. RepliCel has also filed patent applications relating to devices for the delivery of therapeutically useful cells, as well as to compositions and methods for repairing tendons. With respect to tendon repair in particular, RepliCel has developed and filed patent applications relating to compositions and methods suitable for the treatment and repair of tendons utilizing dermal sheath cells. RepliCel has also licensed a family of patents relating the compositions and uses of dermally derived cells in the treatment of tendons and ligaments.

Investor Relations

On September 1, 2013, the Company entered into an agreement with Westwicke Partners as its investor relations agency to assist in the company's communications with investors. Westwicke Partners provides strategic investor relations and capital markets advisory services exclusively to public and private companies in the healthcare sector. With offices in Baltimore, San Francisco and San Diego, the firm works with over 50 public and private companies across all subsectors of healthcare. Services provided by Westwicke include corporate message and positioning, investor presentation review, sell side relationship building, buy side targeting, earnings call preparation, capital markets advisory, pre-IPO planning and execution, and investor day meetings. All of Westwicke's senior professionals have extensive Wall Street experience as former sell side and buy side research analysts, portfolio managers, investment bankers, institutional sales people, and equity capital markets professionals. The firm works with its clients to help position their story properly within the investment community, raise their visibility on Wall Street, and develop value-added strategies to build a quality, long-term shareholder base and enhance equity market value. For additional information about Westwicke please visit www.westwicke.com.

Reverse Takeover Transaction and 583885 B.C. Ltd.

On December 22, 2010, RepliCel closed a Share Exchange Agreement with TrichoScience Innovations Inc. ("TrichoScience") whereby RepliCel (formerly Newcastle Resources Ltd.) would acquire the issued and outstanding shares of TrichoScience. During the year ended December 31, 2011, 100% of the former TrichoScience shareholders tendered their shares in exchange for RepliCel shares and TrichoScience became a 100% owned subsidiary of RepliCel. The TrichoScience shareholders who received shares of RepliCel in connection with the closing deposited the common shares with a trustee pursuant to the terms of a pooling agreement between RepliCel and the trustee. The common shares are subject to a timed release schedule under which 15% of the shares will be released on the first day of each of the fiscal quarters occurring after the first anniversary of the closing.

Concurrent with the reverse acquisition, RepliCel also acquired all of the issued and outstanding common shares of 583885 B.C. Ltd. ("583885") in exchange for 4,400,000 common shares of RepliCel. 583885 did not have any assets or liabilities at the date of acquisition and was a private company controlled by RepliCel's incoming Chief Executive Officer ("CEO"). 3,400,000 shares of RepliCel controlled by the Company's CEO were

deposited with an escrow agent pursuant to the terms of an escrow agreement between RepliCel and the escrow agent. These shares are released upon satisfaction of certain performance conditions as set out in the escrow agreement and each release of shares from escrow will be considered a compensatory award. The Compensatory award is recorded as an expense at the fair value of the consideration given based on the price of RepliCel's common shares on the acquisition date. This amount was determined to be US$0.50 per share, based on the price of the shares being offered in the private placement that closed concurrent with the share exchange to arm's length parties at a price of US$0.50.

During the period ended September 30, 2013 no performance conditions were met (Year ended December 31, 2012, the performance condition with respect to 500,000 shares had been achieved, and $254,350 representing the fair value of the shares released from escrow was recorded as stock-based compensation.) Compensation expense relating to the transaction date fair value of the remaining 1,700,000 common shares will be recognized in the period the respective performance condition is probable and amortized over the period the performance condition is met.

At September 30, 2013, there were 1,700,000 common shares held in escrow (December 31, 2012: 1,700,000 common shares). The other 1,000,000 common shares issued were not subject to escrow provisions and thus were fully vested, non-forfeitable at the date of issuance. Stock based compensation of $nil (representing the fair value of the shares issued) was recognized for these shares during the period ended September 30, 2013 (September 30, 2012: $254,350).

SELECTED ANNUAL INFORMATION

The following financial data summarizes selected financial data for our company prepared in accordance with IFRS as issued by the IASB for the three fiscal years ended December 31, 2012, 2011 and 2010.

	Year ended Dec. 31, 2012 (IFRS) (audited)	**Year ended Dec. 31, 2011 (IFRS) (audited)**	**Year ended Dec. 31, 2010 (restated for IFRS) (audited)**
Net sales or total revenues	$Nil	$Nil	$Nil
Net loss	$(3,363,175)	$(3,713,439)	$(2,542,525)
Basic and diluted loss per share	$(0.08)	$(0.10)	$(0.12)
Loss attributable to owners of the Parent	$(3,363,175)	$(3,493,960)	$(2,542,525)
Total assets	$505,488	$631,419	$1,308,742
Long-term liabilities	$Nil	$Nil	$Nil
Dividends declared	$Nil	$Nil	$Nil

DISCUSSION OF OPERATIONS

Three months ended September 30, 2013 compared to three months ended September 30, 2012

	Three months ended September 30		Change 2013 to 2012	
	2013	2012	Increase/ (Decrease)	Percent Change
Revenue				
Licensing fees	4,120,400	-	4,120,400	100%
Expenses				
Research and development	301,996	182,073	119,923	65%
General and administrative	585,021	644,534	(59,513)	(9)%
Other items	619,927	(790,214)	1,410,141	178%
Total income (loss)	2,613,456	(36,393)	2,649,849	7,281%

During the three months ended September 30, 2013, the Company completed a Collaboration and Technology Development Transfer Agreement with Shiseido Company, Limited ("Shiseido"). Shiseido paid RepliCel an upfront fee of $4,120,400 (¥400,000,000). The Company recorded gross revenue from its licensing agreement with Shiseido in the amount of $4,120,000, less withholding taxes of $412,040; we received $3,707,960 during the third quarter. There was no revenue from operations for the three months ended September 30, 2012.

Research and development (R&D) expense for the third quarter of 2013 was $301,996 compared to $182,073 in the prior year period. The increase was the result of advancing the pre-clinical work for RCT-01, development of the RCI-02 injector device prototype, improvements in the cell replication process for RCH-01 in preparation for our submission to regulatory authorities and incremental expenditure on IP. Included in R&D, are clinical trial costs of $34,730 for the three months ended September 30, 2013 compared to $72,834 for the three months ended September 30, 2012. Clinical trial costs have declined as the Company nears the completion and monitoring phase of the Phase 1 trial for RCH-01.

General and administrative (G&A) expenses totaled $585,021 for the third quarter of 2013 compared to $644,534 for the third quarter of 2012. The decrease is primarily attributable to a decline in marketing and investor relations activities (2013: $47,395, 2012: $55,278), and a reduction in stock based compensation (2013: $70,638, 2012: $262,039), which resulted from the forfeiture of options held by certain employees and consultants during the quarter.

We incurred net income for the three months ended September 30, 2013 of $2,613,456 or $0.06 per share on a basic and diluted basis compared to a net loss of $36,393 or $0.00 per share on a basic and diluted basis for the three months ended September 30, 2012.

Nine months ended September 30, 2013 compared to nine months ended September 30, 2012

	Nine months ended September 30		Change 2013 to 2012	
	2013	2012	Increase/ (Decrease)	Percent Change
Revenue				
Licensing fees	4,120,400	-	4,120,400	100%
Expenses				
Research and development	805,637	752,067	53,570	7%
General and administrative	1,788,507	2,791,555	(1,003,048)	(36)%
Other items	513,102	(888,068)	1,401,170	157%
Total income (loss)	1,013,154	(2,655,554)	3,668,708	138%

The Company recorded gross revenue from its licensing agreement with Shiseido in the amount of $4,120,000 during the nine months ended September 30, 2013, less withholding taxes of $412,040; we received $3,707,960 during the third quarter as described above. There was no revenue from operations for the nine months ended September 30, 2012.

Research and development (R&D) expense for the nine months ended September 30, 2013 R&D expense was $805,637 compared to $752,067 in the prior year period. The increase was the result of advancing the pre-clinical work for RCT-01, development of the RCI-02 injector device prototype, improvements in the cell replication process for RCH-01 in preparation for our submission to regulatory authorities and incremental expenditure on IP. During the nine months ended September 30, 2013, we incurred costs of $267,373 relating to our clinical trials compared to $446,441 for the nine months ended September 30, 2012. Clinical trial costs have declined as the Company nears the completion and monitoring phase of the Phase I clinical trial.

General and administrative expenses totaled $1,788,507 for the nine months ended September 30, 2013 compared to $2,791,555 for the three months ended September 30, 2012. The decrease is primarily attributable to a decline in marketing and investor relations activities (2013: $114,966, 2012: $564,450), and a reduction in stock based compensation (2013: $448,442, 2012: $1,202,995) which resulted from the forfeiture of options held by certain employees and consultants during the quarter. Consulting (2013: $105,250, 2012: $83,469), legal (2013: $130,362, 2012: $84,469), office (2013: $163,765, 2012: $118,307), and salaries (2013: $567,806, 2012: $508,903) all increased during the nine months ended September 30, 2013, and offset the overall decrease in general and administrative expenses. The increase in consulting and salaries is due to the hiring of personnel with experience and backgrounds in R&D. The increase in legal fees relates to negotiations associated with the Shiseido licensing agreement, while the increase in office expenses is due to the lease signed October 2012 for new premises and associated operating costs.

During the nine months ended September 30, 2013 we amended the exercise price of the warrants denominated in a foreign currency from $2.50 to $0.50 per share, resulting in an increase to the fair value of the derivative liability of $245,168 (2012: gain $896,798).

During the nine months ended September 30, 2013 the Company received an assessment as a result of Canada Revenue Agency's audit of the Scientific Research & Experimental Development claim filed by TrichoScience for the period ending December 21, 2010. As a result of the assessment, TrichoScience received a refundable investment tax credit in the amount of $150,783 (2012: $nil).

Total comprehensive income for the nine months ended September 30, 2013 was $1,013,154 or $0.02 per share on a basic and diluted basis compared to a net loss of $2,655,554 or $0.06 per share on a basic and diluted basis for the nine months ended September 30, 2012.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of our financial results for the eight most recently completed quarters. The figures for the years ended December 31, 2012 and 2011 are calculated from the Company's annual consolidated financial statements prepared under IFRS.

	Sept 30, 2013 $	Jun 30, 2013 $	Mar 31, 2013 $	Dec 31, 2012 $	Sept 30, 2012 $	Jun 30, 2012 $	Mar 31, 2012 $	Dec 31, 2011 $
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Net income (loss)	2,613,456	(843,123)	(757,179)	(934,175)	(36,393)	(1,641,143)	(751,464)	(787,883)
Basic and diluted earnings (loss) per share	0.06	(0.02)	(0.02)	(0.02)	(0.00)	(0.04)	(0.02)	(0.02)

LIQUIDITY AND CAPITAL RESOURCES

Our consolidated financial statements have been prepared on a going concern basis which assumes that the Company will continue to realize its assets and discharge its obligations and commitments in the normal course of operations. At September 30, 2013, the Company had not yet earned revenue from its business, had accumulated losses of $9,220,242 since incorporation and expects to incur further losses in the development of its business, which casts substantial doubt about the Company's ability to continue as a going concern. At September 30, 2013, we had working capital of $2,865,346. Additional working capital will be required for

general and administrative expenses and to further our business plans. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event that the Company cannot continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company has financed its operations to date through the issuance of equity. The continued volatility in the financial equity markets may make it difficult to raise funds by private placements of shares. There is no assurance that the Company will be successful with its financing ventures.

Operating Activities

During the nine months ended September 30, 2013, we had $1,691,026 provided in net cash from operating activities compared to a use of cash of $2,360,950 for the nine months ended September 30, 2012. The increase in cash provided by operating activities was a result of the Shiseido licensing deal entered into in the third quarter of 2013.

Investing Activities

During the nine months ended September 30, 2013, the net cash used in investing activities was $nil compared to net cash used in investing activities of $6,112 for the nine months ended September 30, 2012.

Financing Activities

During the nine months ended September 30, 2013, we issued 1,050,000 Common Shares at a price of $0.50 per share for gross proceeds of $525,000 and 2,043,555 Common Shares issued at a price of $0.31 per unit for gross proceeds of $633,502, of which $24,851 was included in share subscriptions at December 31, 2012. Finder's fees of $46,670 were paid in connection with the transaction. Each unit issued consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at $0.50 per share for a period of 24 months from the closing of the Financing. Additional working capital will be required for general and administrative expenses and to further our business plans.

OUTSTANDING SHARE DATA

Issued and Outstanding – Common Shares	Number of Shares
Balance, December 31, 2012	45,025,054
Shares issued for cash:	
- Private placements at CAD$0.31	2,043,555
- Private placements at CAD$0.50	1,050,000
Balance, November 20, 2013	48,118,609

Stock Option Plans

On December 22, 2010, the Company approved a Stock Option Plan whereby the Company may grant directors, officers, employees and consultants' stock options. The maximum number of shares reserved for issue under the plan cannot exceed 10% of the outstanding Common Shares as at the date of the grant. The stock options can be exercisable for a maximum of 7 years from the grant date and with various vesting terms.

Company Options Issued from January 1, 2012 to November 20, 2013

On October 28, 2013 under the Company Stock Option Plan, 50,000 options were granted to employees and consultants of the Company. The options vest over one year and are exercisable at $0.55 per share until October 28, 2020.

On October 5, 2013, certain optionees forfeited their stock option agreements. As a result, 200,000 Company stock options issued March 11, 2011 exercisable at US$1.00, 715,000 Company stock options issued April 18, 2012 exercisable at US$1.50, and 100,000 Company stock options issued January 3, 2012 exercisable at US$2.35, were forfeited.

On September 5, 2013 under the Company Stock Option Plan, 1,310,000 options were granted to employees and consultants of the Company. The options vest over one year and are exercisable at $0.55 per share until September 5, 2020.

On September 4, 2013, the Company and an optionee amended its stock option agreement dated December 22, 2010. As a result, 275,000 Company stock options exercisable at US$0.50 were forfeited.

On August 30, 2013, 300,000 options that were granted to a consultant to the Company were cancelled. The options were exercisable at US$1.10 per share. The options were granted on June 21, 2012 under the Company Stock Option Plan.

On July 11, 2013 under the Company Stock Option Plan, 140,000 options were granted to a consultant of the Company. The options vest over a three year period and are exercisable at $0.41 per share until July 11, 2018.

On April 22, 2013 under the Company Stock Option Plan, 500,000 options were granted to a consultant of the Company. The options vested immediately and are exercisable at $0.41 per share until April 22, 2018. Further, on April 22, 2013, an optionee forfeited their stock option agreement dated March 11, 2011. As a result, 250,000 Company stock options exercisable at US$1.00 were forfeited.

On July 9, 2012, the Company and certain optionees amended their stock option agreement dated December 22, 2010. As a result, 300,000 Company stock options exercisable at US$0.50 were forfeited.

On April 18, 2012 under the Company Stock Option Plan, 790,000 options were granted to employees and consultants of the Company. The options vest over a period of three years and are exercisable at US$1.50 per share until April 18, 2019. During the year-ended December 31, 2012, 75,000 of these options were forfeited.

On January 3, 2012 under the Company Stock Option Plan, 100,000 options were granted to a consultant of the Company. The options are exercisable at US$2.35 per share and expire on January 3, 2019. The options vest according to specific milestones.

As at November 20, 2013 there are 3,017,500 stock options available for exercise.

Stock Options Outstanding	Number	Weighted Average Exercise Price
Granted July 14, 2010	1,485,000	US$0.50
Granted March 11, 2011	1,350,000	US$1.00
Granted January 3, 2012	100,000	US$2.35
Granted April 18, 2012	790,000	US$1.50
Granted September 21, 2012	300,000	US$1.10
Granted April 22, 2013	500,000	CAD$0.41
Granted July 11, 2013	140,000	CAD$0.41
Granted September 5, 2013	1,310,000	CAD$0.55
Granted October 28, 2013	50,000	CAD$0.55
Cancelled/forfeited	(2,215,000)	CAD$1.25
Balance, November 20, 2013	3,810,000	CAD$0.62

Share Purchase Warrants

Share Purchase Warrants ("Warrants") granted in February, March and April 2012 entitle the holder to purchase an additional Common Share at US$0.50 per share for a period of 24 months from the date of grant. Warrants issued May 17, 2012 entitle the holder to purchase an additional Common Share at US$2.00 per share for a period of 48 months from the date of grant.

Warrants issued April 10, 2013 and May 21, 2013 entitle the holder to purchase an additional Common Share at CAD$0.50 per share for a period of 24 months from the date of grant.

As at November 20, 2013 there are 4,168,601 warrants outstanding.

Share Purchase Warrants Outstanding	Number	Weighted Average Exercise Price
Balance, December 31, 2011	-	-
Granted February 29, 2012	66,304	US$0.50
Granted March 29, 2012	876,042	US$0.50
Granted April 18, 2012	502,667	US$0.50
Granted April 20, 2012	430,033	US$0.50
Granted May 17, 2012	250,000	US$2.00
Granted April 10, 2013	1,643,555	CAD$0.50
Granted May 21, 2013	400,000	CAD$0.50
Balance, November 20, 2013	4,168,601	US$0.59

Warrants denominated in a currency other than the Company's functional currency meet the definition of a financial liability and accordingly are presented as such on the Company's consolidated statement of financial position and are fair valued at each reporting period.

RELATED PARTY TRANSACTIONS

As at September 30, 2013, included in the accounts payable and accrued liabilities, were $27,298 (December 31, 2012: $52,333) due to directors and/or officers of the Company and/or companies they control or of which they were significant shareholders for research and development and consulting fees. The amounts owing are unsecured, non-interest bearing and due on demand.

During the three months ended September 30, 2013 and 2012, the Company had the following related party transactions:

- Research and development costs totalling $83,256 (September 30, 2012 - $39,102) were paid to companies owned by directors and officers of the Company;
- The Company considers key management to be the Chief Executive Officer, Chief Financial Officer and executive directors. Salaries totalling $126,250 (September 30, 2012 - $103,000) and stock-based compensation totalling $9,728 (September 30, 2012 - $33,176) were paid to key management.

During the nine months ended September 30, 2013 and 2012, the Company had the following related party transactions:

- Research and development costs totalling $193,616 (September 30, 2012 - $215,804) were paid to companies owned by directors and officers of the Company;
- The Company considers key management to be the Chief Executive Officer, Chief Financial Officer and executive directors. Salaries totalling $328,750 (September 30, 2012 - $296,750) and stock-based compensation totalling $53,750 (September 30, 2012 - $122,489) were paid to key management.

These transactions were in the normal course of operations having been measured at the exchange amount, being the amount established and agreed to by the parties.

OFF BALANCE SHEET ARRANGEMENTS

None.

PROPOSED TRANSACTIONS

None.

EVENTS AFTER THE REPORTING DATE

On October 5, 2013, certain optionees forfeited their stock option agreements. As a result, 200,000 Company stock options issued March 11, 2011 exercisable at US$1.00; 715,000 Company stock options issued April 18, 2012 exercisable at US$1.50; and 100,000 Company stock options issued January 3, 2012 exercisable at US$2.35, were forfeited.

On October 28, 2013 under the Company Stock Option Plan, 50,000 options were granted to a consultant of the Company. The options vest over one year and are exercisable at $0.55 per share until October 28, 2020.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

RepliCel Life Sciences Inc. makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the amounts reported in these financial statements are discussed below:

Share Based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating the fair value for share-based payment transactions are disclosed in Note 7(d).

Similar methodology to the share-based payments is used to determine the fair value of derivative liabilities related to warrants denominated in U.S. dollars. The assumptions and models used for estimating the fair value for derivative liabilities are disclosed in Note 7(g).

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company will recognize deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies can be found in Note 4 of the annual audited consolidated financial statements for the year ended December 31, 2012.

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods beginning on or after January 1, 2013 or later periods. The following new standards, amendments and interpretations have been adopted in these interim financial statements.

- IFRS 10 Consolidated Financial Statements

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the condensed consolidated interim financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The adoption of this standard did not have a material impact on the condensed consolidated interim financial statements.

- IFRS 13 Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS.

The adoption of IFRS 13 by the Company has had no material impact on the condensed consolidated interim financial statements. The fair value of the derivative liability has been determined directly by reference to published price quotations in an active market. Prior to adoption of IFRS 13 the Company measured the derivative liability on the same basis.

- Amendment to IAS 1 Presentation of Financial Statements

The amendments to IAS 1 revise the presentation of other comprehensive income (OCI). Separate subtotals are required for items which may subsequently be recycled through profit or loss and items that will not be recycled through profit or loss. The adoption of this standard did not have a material impact on the condensed consolidated interim financial statements.

Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are not mandatory for accounting periods beginning on or after January 1, 2013 or later periods. They have not been early adopted in these interim financial statements, are they are expected to affect the Company in the period of initial application. In all cases the Company intends to apply these standards from application date as indicated below:

- Amendment to IAS 32 Financial Instruments: Presentations

The amendments to IAS 32 pertained to the application guidance on the offsetting of financial assets and financial liabilities, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off', the application of simultaneous realization and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements. The standard is effective for annual periods beginning on or after January 1, 2014. The Company is in the process of evaluating the impact that the adoptions of this standard may have on its financial statements.

- Amendment to IFRS 7, Financial Instruments: Disclosure

Amended standard IFRS 7 Financial Instruments: Disclosures outlines the disclosures required when initially applying IFRS 9 Financial Instruments. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact that the adoptions of this standard may have on its financial statements.

- IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. The Company is in the process of evaluating the impact of the new standard.

There are no other IFRS or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at September 30, 2013, the Company's financial instruments are comprised of cash, accounts payable and accrued liabilities and warrants denominated in a foreign currency. The fair values of cash, accounts payable and accrued liabilities approximate their carrying value due to their short-term maturity. The Company is exposed through its operations to currency, credit, liquidity and interest rate risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has an exposure to the European Euros as certain expenditures and commitments are denominated in European Euros and the Company is subject to fluctuations as a result of exchange rate variations to the extent that transactions are made in this currency. In addition, the Company holds a significant amount of cash in US dollars and is therefore exposed to exchange rate fluctuations on these cash balances. The Company does not hedge its foreign exchange risk. At September 30, 2013 the Company held US dollar cash balances of $129,452 (US$133,374) (December 31, 2012: $371,930 or US$373,836). A 1% increase/decrease in the US dollars foreign exchange rate would have an impact of ±$1,295 (US$1,334) on the cash balance held at September 30, 2013.

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. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure, more specifically, the issuance of new common shares, to ensure there is sufficient capital in order to meet short term business requirements, after taking into account the Company's holdings of cash and potential equity financing opportunities. The Company believes that these sources will be sufficient to cover the known short and long-term requirements at this time. There is no assurance that potential equity financing opportunities will be available to meet these obligations.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities as at September 30, 2013:

Year of expiry		Accounts payable and accrued liabilities		Total
Within 1 year	$	384,298	$	384,298

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company's cash is currently held in an interest bearing bank account, management considers the interest rate risk to be limited.

RISKS AND UNCERTAINTIES

Risks Relating to our Business

In addition to the other risks and uncertainties set out earlier in this MD&A, the Company is also exposed to the following risks and uncertainties:

Our company currently does not generate revenue from its planned operations, and as a result, it faces a high risk of business failure.

We have not generated any revenues from our planned operations to date. As of September 30, 2013, we had accumulated $9,220,242 in losses since inception. Our business is focused on the development of a new hair cell replication technology. In order to generate revenues, we will incur substantial expenses in the development of our business. We therefore expect to incur significant losses in the foreseeable future. Our company recognizes that if we are unable to generate significant revenues from our activities, our entire business may fail. There is no history upon which to base any assumption as to the likelihood that we will be successful in our plan of operation, and we can provide no assurance to investors that we will generate operating revenues or achieve profitable operations in the future.

Our auditors' opinion on our December 31, 2012 financial statements includes an explanatory paragraph in respect of there being substantial doubt about our ability to continue as a going concern.

We have incurred a net loss of $9,220,242 for the cumulative period from September 7, 2006 (inception) to September 30, 2013. We anticipate generating losses for at least the next 12 months. Therefore, there is substantial doubt about our ability to continue operations in the future as a going concern, as described by our auditors with respect to the financial statements for the year ended December 31, 2012. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts of and classification of liabilities that might be necessary in the event that we cannot continue in existence. Our business operations may fail if our actual cash requirements exceed our estimates and we are not able to obtain further financing. If we cannot continue as a viable entity, our shareholders may lose some or all of their investment in our company.

Our business is at an early stage of development and difficulties obtaining regulatory approval, technical deficiencies and other challenges may hinder the development and marketing of our hair cell replication technology.

Our hair cell replication technology is at an early stage of development and we may not develop hair cell replication technology that can be commercialized. We are still in the early stages of identifying and conducting research on our technology. Our technology will require significant research and development and preclinical and clinical testing prior to regulatory approval, if required, being obtained in the United States or other countries. We may not be able to obtain regulatory approvals, if required, to complete necessary clinical trials

for our hair cell replication technology, or to commercialize it. Our technology may prove to have undesirable and unintended side effects, or other characteristics adversely affecting its safety, efficacy or cost-effectiveness could prevent or limit its use. Our technology may fail to provide its intended benefit, or achieve benefits equal to or better than our competitor's products at the time of testing or production and, if so, our business may fail.

Our clinical trials may fail to produce successful results or could be suspended due to unacceptable safety risks, which could cause our business to fail.

Clinical trials are subject to extensive regulatory requirements, and are very expensive, time-consuming and difficult to design and implement, in part because they may be subject to rigorous regulatory requirements. Our products may fail to achieve necessary safety and efficacy endpoints during clinical trials. We believe that our clinical trials will take a substantial period of time to complete. Furthermore, failure can occur at any stage of the trials, and we could encounter problems that cause us to abandon or repeat clinical trials. The commencement and completion of clinical trials may be delayed by several factors, including: unforeseen safety issues; lack of effectiveness during clinical trials; slower than expected rates of patient recruitment; and inability to monitor patients adequately during or after treatment. In addition, we or regulatory officials may suspend our clinical trials at any time if it appears that we are exposing participants to unacceptable health risks. If our clinical trials fail to produce successful results, or are suspended due to unacceptable safety risks, our business may fail.

Our success depends on the acceptance of our hair cell replication technology by the medical community and consumers as a safe and effective solution.

The success of our hair cell replication technology will depend on its acceptance by potential consumers and the medical community. Because our technology is new in the treatment of pattern baldness, the long term effects of using our new hair cell replication technology are unknown. The results of short-term clinical trials do not necessarily predict long-term clinical benefit or reveal adverse effects. If results obtained from future commercial experience indicate that our hair cell replication technology is not as safe or effective as other hair restoration treatments, adoption of this technology by consumers and the medical community may suffer and our business will be harmed.

If we are not able to effectively protect our existing intellectual property, our business may suffer a material negative impact and may fail.

The success of our company will be dependent on our ability to protect and develop our technology. We currently have registered patents for our hair cell replication technology in Australia and the European Union. If we are unable to protect our intellectual property, our business may be materially adversely affected. Further, we cannot be sure that our activities do not and will not infringe on the intellectual property rights of others. If we are compelled to prosecute infringing parties, defend our intellectual property or defend ourselves from intellectual property claims made by others, we may face significant expense and liability, as well as the diversion of management's attention from our business, any of which could negatively impact our business or financial condition.

The successful acquisition and maintenance of patent rights is critical to our business and any failure in this regard could hinder the development and marketing of our technology.

We currently have patent applications pending in the United States and several other countries around the world. Our pending patent applications may not result in the issuance of any patents. The applications may not be sufficient to meet the statutory requirements for patentability in all cases or may be the subject of interference proceedings by patent offices. These proceedings determine the priority of inventions and, thus, the right to a patent for technology. In the past, our patent applications have experienced delays and our patent applications may be delayed in the future. If others file patent applications or obtain patents similar to those we have licensed, such patents may restrict the use of our discoveries. The risk of third parties obtaining

patents and filing patent applications will continue to increase as the hair restoration market expands. We cannot predict the ultimate scope and validity of existing patents and patents that may be granted to third parties, nor can we predict the extent to which we may wish or be required to obtain licenses to use such patents, or the availability and cost of acquiring such licenses. To the extent that licenses are required, the owners of the patents could bring legal actions against us to claim damages or to stop our manufacturing and marketing of the affected technology. If we become involved in patent litigation, it could consume a substantial portion of our resources.

Competitors in the hair restoration and related fields may currently offer, or may develop, superior hair loss solutions which could limit the market for our technology.

The market for hair restoration products and technology is competitive. We expect that some of our most significant competitors will be more established companies. These companies may have greater capital resources or experience in research and development, manufacturing, testing, obtaining regulatory approvals or marketing capabilities. As a result, our competitors may develop more competitive or affordable products, or achieve earlier patent protection or product commercialization than we are able to achieve. We face competition from companies offering traditional more established products and technologies.

Our company may be subject to changes and uncertainties in laws and government regulations.

Our company is subject to regulation by domestic and foreign governmental agencies with respect to many aspects of developing hair cell replication technology. In addition, relevant new legislation or regulation could occur. Any such new legislation or regulation, the application of laws and regulations from jurisdictions whose laws do not currently apply to our company's business, or the application of existing laws and regulations to hair cell replication technology, could have a material adverse effect on our company's business, prospects, financial condition and results of operations.

Risks Relating to our Management

We are dependent on the services of certain key consultants and the loss of any of these key consultants may have a materially adverse effect on our company.

While engaged in the business of developing a new hair cell replication technology, our company's ability to continue to develop a competitive edge in the marketplace will depend, in large part, on our ability to attract and maintain qualified key management personnel. Competition for such personnel is intense, and we may not be able to attract and retain such personnel. Our company's growth has depended, and in the future will continue to depend, on the efforts of our key management consultants. Loss of any of these people would have a material adverse effect on our company. Currently, our company does not have key-man life insurance.

Conflicts of interest may arise as a result of our company's directors and officers being directors or officers of other life sciences companies.

Certain of our company's directors and officers are, or may become, directors or officers of other life sciences companies. While we are engaged in the business of developing a new hair cell replication technology, such associations may give rise to conflicts of interest from time to time. Our company's directors are required by law to act honestly and in good faith with a view to our company's best interests and to disclose any interest that they may have in any project or opportunity of our company. If a conflict of interest arises at a meeting of our company's board of directors, any director in a conflict must disclose his interest and abstain from voting on such matter. In determining whether or not our company will participate in any project or opportunity, our company's directors will primarily consider the degree of risk to which our company may be exposed and our financial position at the time.

Our company's by-laws contain provisions indemnifying our officers and directors against all costs, charges and expenses incurred by them.

Our company's by-laws contain provisions limiting the liability of our officers and directors for all acts, receipts, neglects or defaults of themselves and all of our other officers or directors or for any loss, damage or expense incurred by our company which may happen in the execution of the duties of such officers or directors. Such limitations on liability may reduce the likelihood of derivative litigation against our company's officers and directors and may discourage or deter our shareholders from suing our company's officers and directors based upon breaches of their duties to our company, though such an action, if successful, might otherwise benefit our company and our shareholders.

As a majority of our directors and officers are residents of countries other than the United States, investors may find it difficult to enforce, within the United States, any judgments obtained against our company, directors and officers.

We are a British Columbia, Canada company. A majority of our directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. Consequently, it may be difficult for United States investors to effect service of process in the United States upon those directors or officers who are not residents of the United States, or to realize in the United States upon judgments of United States courts predicated upon civil liabilities under United States legislation. There is substantial doubt whether an original action based solely upon such civil liabilities could be brought successfully in Canada against any of such persons or our company.

OTHER INFORMATION

The Company's website address is www.replicel.com. Other information relating to the Company may be found on SEDAR at www.sedar.com

BOARD APPROVAL

The board of directors of the Company has approved this MD&A