NEODYM TECHNOLOGIES INC.
711-675 West Hastings Street
Vancouver, BC V6B 1N2

INFORMATION CIRCULAR
AS AT JULY 18, 2012

This Information Circular accompanies the Notice of the Annual General and Special Meeting (the "Meeting") of the Shareholders of NEODYM TECHNOLOGIES INC. (hereinafter called the "Corporation") to be held at 711-675 West Hastings Street, Vancouver, BC on the 20th day of August, 2012 at the hour of 2:00 pm, and is furnished in connection with a solicitation of proxies by the Board of Directors of the Corporation for use at that Meeting and at any adjournment thereof. The solicitation will be by mail. Proxies may also be solicited personally by regular employees of the Corporation. The Corporation does not reimburse shareholders, nominees or agents for the cost incurred in obtaining from their principals authorization to execute forms of proxy. No solicitation will be made by agents. The cost of solicitation will be borne by the Corporation.

GENERAL PROXY INFORMATION

Appointment of Proxyholder

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the Shareholder's proxyholder. The person(s) whose name(s) are printed in the enclosed form of proxy for the Meeting are officers or directors of the Corporation (the "Management Proxyholders").

A Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Shareholder.

Voting By Proxy

Common shares of the Corporation (the "Shares") represented by properly executed proxies in the accompanying form will be voted or withheld from voting on each respective matter in accordance with the instructions of the Shareholder on any ballot that may be called for.

If no choice is specified and one of the Management Proxyholders is appointed by a Shareholder as proxyholder, such person will vote in favour of the matters proposed at the Meeting and for all other matters proposed by management at the Meeting.

The enclosed form of proxy confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

Completion and Return of Proxy

Completed forms of proxy must be deposited at the office of the Corporation's registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax at 1-866-249-7775 (the "Transfer Agent"), not later than

forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies deposited subsequently.

Non-Registered Holders

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Corporation are "non-registered" shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")) of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "NOBO's". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "OBO's".

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has elected to send the notice of meeting, this information circular and the proxy (collectively, the "Meeting Materials") directly to the NOBO's. In addition, the Corporation will also be mailing materials to the OBO's.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIF's, whether provided by the Corporation or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

Revocability of Proxy

Any Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Shareholder or by his attorney authorized in writing or, if the Registered Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only Registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

Voting Securities and Principal Holders of Voting Securities

The Corporation is authorized to issue an unlimited number of Common voting shares without par value ("Common Shares"). As at July 18, 2012, there are 12,151,920 Common Shares issued and outstanding. Each shareholder is entitled to one vote for each Common Share registered in his name on the list of shareholders, which is available for inspection during normal business hours at the Transfer Agent and at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, there are no persons or companies beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the outstanding voting rights of the Corporation, except as follows:

Name	No. of Shares (%)
Juraj Krajci	4,687,880 (38.6%)

The directors have determined that all shareholders of record as of the 18th day of July, 2012 will be entitled to receive notice of and to vote at the Meeting.

ELECTION OF DIRECTORS

At the Meeting, the Shareholders will be called upon to elect four Directors.

Each Director of the Corporation is elected annually and holds office until the next Annual General Meeting of the Shareholders unless that person ceases to be a Director before then. In the absence of instructions to the contrary the shares represented by proxy will be voted for the nominees herein listed, all of whom are currently directors of the Corporation.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE PERSON NAMED IN THE PROXY AS NOMINEE TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS.

The following table sets out the names of the persons proposed to be nominated by management for election as a director, the municipality in which each person is ordinarily resident, the positions and offices which each presently holds with the Corporation, the period of time for which each person has been a director of the Corporation, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of common shares of the

Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, present office held & province of residence	**Director since**	**Number of shares beneficially owned, directly or indirectly, or over which control or direction is exercised at the date hereof**	**Principal Occupation, and if not at present an elected director, occupation during the last five years**
JURAJ KRAJCI President, CEO & Director British Columbia, Canada	October 1999	4,687,880	Founder of Neodym Systems Inc. and Core Technology Manager of Icron systems Inc. from 1996 to October 1999.
STEPHEN PEARCE Director British Columbia, Canada	September 2001	267,000	Self employed Solicitor and Consultant for various public companies.
WILLIAM MCDONALD Director British Columbia, Canada	October 2008	288,000	Self employed as an Organizational Development consultant with a strong background in Occupational Health and Safety management, including 10 years as VP with AIM Safety developing gas detection systems.
GUNTHER ROEHLIG Director British Columbia, Canada	April 23, 2012	1,069,500	Businessman; President & CEO of Terra Ventures Inc. and a director of a number of public companies.

The Corporation has an audit committee, the members of which are Stephen Pearce, William McDonald and Gunther Roehlig.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except for the following, none of the proposed nominees for director have been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

(a) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days;

(b) while that person was acting in that capacity, was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

(c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Stephen Pearce was a director of Fall River Resources Ltd. which was the subject of a cease trade order for 43 days for failure to file financial statements which were being amended.

None of the proposed nominees for director have, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

EXECUTIVE COMPENSATION

For the purposes of this Information Circular:

(a) "Chief Executive Officer" or "CEO" means an individual who acted as chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

(b) "Chief Financial Officer" or "CFO" means an individual who acted as chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

(c) "Named Executive Officer" or "NEO" means each of the following individuals:

  (i) a CEO;

  (ii) a CFO;

  (iii) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and

  (iv) each individual who would be an NEO under paragraph (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

1. Named Executive Officers

During the fiscal year ended February 29, 2012, the Issuer had two Named Executive Officers, namely:

(a) Juraj Krajci, the Chief Executive Officer of the Issuer; and

(b) Stephen Pearce, the Chief Financial Officer of the Issuer.

2. Compensation Discussion and Analysis

The Corporation's executive compensation program is comprised of base salary, annual cash bonuses, indirect compensation (benefits) and long-term incentives in the form of stock options. The Corporation's executive compensation practices are designed to attract and retain talented personnel capable of achieving the Corporation's objectives. The Corporation also utilizes compensation programs to motivate and reward the Corporation's executives for the ultimate achievement of the Corporation's goals. The Corporation makes use of complementary short-term and long-term incentive programs intended to provide fair, competitive and motivational rewards in the short-term while ensuring that executive's long-term objectives remain aligned with those of the shareholders.

The base salaries for all executives are paid within salary ranges established for each position based on scope and level of responsibility. Individual salaries within the range are determined by that executive's competence, skill level, and experience and market influences. Annual cash bonuses may be given based on subjective criteria, including the Corporation's ability to pay such bonuses, individual performance, the executive's contributions to achieving the Corporation's objectives, and other competitive considerations.

Option-Based Awards

Stock options are granted pursuant to the Corporation's Stock Option Plan (the "Plan") to provide an incentive to the directors, officers, employees and consultants of the Corporation to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Corporation's Board of Directors.

3. <u>Summary Compensation Table</u>

The following table sets forth the compensation of each Named Executive Officer for each of the three most recently completed fiscal years.

Name & principal position (a)	**Year[1] (b)**	**Salary ($) (c)**	**Share-based awards ($) (d)**	**Option-based awards ($)[2] (e)**	**Non-equity incentive plan compensation ($) (f)**		**Pension value ($) (g)**	**All other compens-ation ($) (h)**	**Total Compens-ation ($) (i)**
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Juraj Krajci, CEO	2012	$63,445[2]	Nil	Nil	Nil	Nil	Nil	$16,836	$80,2812
	2011	$124,297[2]	Nil	Nil	Nil	Nil	Nil	$15,075	$139,372
	2010	$124,237[2]	Nil	Nil	Nil	Nil	Nil	$18,274	$142,511
Stephen Pearce, CFO	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

[1] March 1 to February 28/29.
[2] Paid to a private company controlled by Juraj Krajci.

4. <u>Incentive Plan Awards</u>

Common Share Purchase Plan

The Corporation has in effect the Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation's Shareholders.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth particulars of all outstanding share-based and option-based awards granted to the Named Executive Officers and which were outstanding at February 29, 2012:

	Option-based Awards				**Share-based Awards**	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value[1] of unexercised in-the-money options ($)**	**Number of shares or units that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**
Juraj Krajci, CEO	Nil	N/A	N/A	N/A	N/A	N/A
Stephen Pearce, CFO	Nil	N/A	N/A	N/A	N/A	N/A

[1] Value using the closing price of common shares of the Corporation on the Exchange on February 28, 2011 of $0.08 per share, less the exercise price per share.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth particulars of the value vested or earned during the year ended February 29, 2012 in respect of incentive awards to the Named Executive Officers:

Name	**Option-based awards – Value vested during the year (value if exercised on the vesting date) ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plans compensation – Value earned during the year ($)**
(a)	**(b)**	**(c)**	**(d)**
Juraj Krajci, CEO	Nil	N/A	N/A
Stephen Pearce, CFO	Nil	N/A	N/A

5. <u>Pension Plan Benefits</u>

The Corporation does not have a pension plan.

6. <u>Termination and Change of Control Benefits</u>

During the year ended February 29, 2012, the Corporation did not have any contacts, agreements, plans or arrangements in place with any NEO that provides for payment following or in connection with any termination, resignation, retirement, a change of control of the Corporation or a change in an NEO's responsibilities.

7. Director Compensation

There are no formal arrangements under which directors were compensated by the Corporation and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants.

The following table sets forth particulars of all compensation paid to directors who were not Named Executive Officers during the year ended February 29, 2012:

Name **(a)**	**Fees earned ($)** **(b)**	**Share-based awards ($)** **(c)**	**Option-based awards ($)** **(d)[1]**	**Non-equity incentive plan compensation ($)** **(e)**	**Pension value ($)** **(f)**	**All other compensation ($)** **(g)**	**Total ($)** **(h)**
William McDonald	Nil	Nil	Nil	Nil	Nil	$36,000	$36,000

Management Contracts

Hastings Management Corp. ("HMC"), charged $30,000 for the year ending February 29, 2012 (2011: $30,000), pursuant to administrative services provided to the Company including supervising and administering the financial requirements of the Company's business, communication with various regulatory authorities in order to ensure compliance with all applicable laws; assisting in the preparation of news releases, promotional materials and other documents required to be disseminated to the public and responding to any requests for information or questions which may be posed by the public; providing access to legal consultation; boardroom facilities, access to photocopier, fax and such other amenities normally associated with executive offices.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

No share-based awards and option-based awards were outstanding and held by the directors of the Corporation, who were not Named Executive Officers, as at February 29, 2012.

Incentive Plan Awards – Value Vested or Earned During the Year

No vesting or earning-in of incentive plan awards by the directors of the Corporation, who were not Named Executive Officers, occurred during the financial year ended February 29, 2012.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of February 29, 2012:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights at fiscal year end (#)	Weighted-average exercise price of outstanding options, warrants and rights ($)	Number of securities remaining available for future issuance under equity compensation plans at fiscal year end (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	Nil	N/A	1,215,912
Equity compensation plans *not* approved by securityholders	N/A	N/A	N/A

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, and no associates or affiliates of any of them, is or has been indebted to the Corporation or its subsidiaries at any time since the beginning of the Corporation's last completed financial year.

APPOINTMENT OF AUDITORS

Management proposes the appointment of Charlton & Company, Chartered Accountants, of Vancouver, British Columbia, as auditors of the Corporation for the ensuing year and that the directors be authorized to fix their remuneration. Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Charlton & Company, Chartered Accountants, as auditors of the Corporation. Charlton & Company, Chartered Accountants, were first appointed auditors of the Corporation on June 9, 2008.

AUDIT COMMITTEE DISCLOSURE

The Charter of the Corporation's Audit Committee and the other information required to be disclosed by form 52-110F2 is attached to this Information Circular as Schedule "A".

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or executive officer of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation or any of its subsidiaries other than as disclosed herein or in a prior information circular.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Corporation, no management nominee for election as a director of the Corporation, none of the persons who have been directors or executive officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than as disclosed herein.

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the financial year ended February 29, 2012 (the "Financial Statements"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements and Management's Discussion & Analysis for the financial year ended February 29, 2012 together with the Auditor's Report thereon are also available on SEDAR at www.sedar.com. The Notice of Meeting to shareholders, Information Circular and form of Proxy will be available from the Corporation's Registrar and Transfer Agent, Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, BC V6C 3B9, or the Corporation's head office located at 711-675 West Hastings Street, Vancouver, BC V6B 1N2.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Security holders may contact the Corporation by email at jk@direct.ca to request copies of the Corporation's financial statements. Financial information concerning the Corporation is provided in the Corporation's comparative financial statements for its most recently completed financial year as filed on SEDAR.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices the Corporation is required to and hereby discloses its corporate governance practices as follows.

PART 1 BOARD OF DIRECTORS

The Board of Directors of the Corporation facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board.

Each of Gunther Roehlig and William McDonald, directors of the Corporation, is "independent" in that he is independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholdings and consulting fees.

Juraj Krajci is not considered "independent" due to the fact that he is the President and CEO of the Corporation.

Stephen Pearce is not considered "independent" due to the fact that he is the CFO of the Corporation.

PART 2 DIRECTORSHIPS

Certain of the directors are also directors of other reporting issuers, as follows:

Name of Director	Reporting Issuer
Gunther Roehlig	Brea Resources Corp.
	Samaranta Mining Corporation
	Inca One Metals Corp.
	Digifonica International Inc.
Stephen Pearce	Golden Goliath Resources Ltd.
	Sunorca Development Corp.
	Sable Resources Ltd.
	Flying A Petroleum Ltd.
	Movarie Capital Corp.

PART 3 ORIENTATION AND CONTINUING EDUCATION

The Board of Directors of the Corporation briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

PART 4 ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

PART 5 NOMINATION OF DIRECTORS

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation's mission and strategic objectives, and a willingness to serve.

PART 6 COMPENSATION

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

PART 7 OTHER BOARD COMMITTEES

The Board of Directors currently has one committee: The Audit Committee.

PART 8 ASSESSMENTS

The Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. APPROVAL OF SALE OF CURRENT BUSINESS

Background

Over the past several years, the Company's focus has been on its gas sensing assets and business. While the Company believes that its businesses are valuable, management has not seen the growth that was anticipated. It is increasingly becoming difficult to justify the significant and ever increasing financial and management resources that are required to maintain the Company's existence as a public corporation based upon the Company's current business interests.

As a result of negotiations, the Company, with the approval of its independent directors, signed an LOI dated April 23, 2012 (the **"LOI"**) outlining the general terms under which the Company would sell its existing gas sensing assets and business (the **"Business"**) to certain directors of the Company. Under the terms of the LOI, the Company would engage an independent valuator to determine the value of the Business, upon whose valuation a definitive agreement would be drafted.

In connection with the valuation, the independent directors of the Company engaged an independent valuator, Richard W. Evans of RwE Growth Partners, Inc. ("**RwE**") to prepare an independent valuation of the fair market value of the Business (the **"Valuation"**) with a view to determining whether the proposal was in the best interests of the Company and fair to the shareholders, with the cost of the Valuation being borne by the Company. On June 11, 2012, Mr. Evans delivered the Valuation to the board of directors, the Valuation establishing a valuation range for the Business of approximately $45,000 to $47,000. A summary of the Valuation is attached to this information circular at Schedule "B".

Pursuant to the findings of the Valuation, the Company has agreed to sell the Business at $47,000, which is at the high end of the range referenced above. As such, the LOI was thus superseded by a share purchase agreement dated June 10, 2012 (the **"Share Purchase Agreement"**) made between the Company and Juraj Krajci, a director of the Company as well as its President & CEO, whereby the Company will vend out its subsidiary (the **"Sale"**), Neodym Systems Inc. ("**NSI**"), with the Company having transferred the Business to NSI prior to completion of the Sale, for total consideration of $47,000.

As the Company has debts outstanding to Mr. Krajci for an amount significantly exceeding $47,000 (including $20,000 owed to Mr. Krajci for the cancellation of 2,000,000 escrowed shares of the Company pursuant to an agreement dated June 10, 2012 made as a result of discussions with the Company's auditors), the $47,000 would be paid by the forgiveness of the equivalent amount of debt owed.

The following matters will also be undertaken contemporaneously with the Sale:

(i) The Company's shares will be consolidated on a one new share for two old shares basis, reducing the issued and outstanding share capital to approximately 6,075,960 common shares, and the Company's name will be changed.

(ii) The Company will undertake a non-brokered private placement (the "**Private Placement**") of up to 25,000,000 units at a current price of $0.06 per unit to raise gross proceeds of up to $1,500,000. Each unit will consist of one post-consolidation common share of the Company and one warrant to purchase one additional post-consolidation common share of the Company at a price of $0.10 for a period of one year from closing. The proceeds of the private placement will be used to pay the remaining debts of the Company following the Sale, and to provide the Company with working capital to enable it to move forward and find a new business.

On June 10, 2012 the board of directors (with Juraj Krajci declaring his interest in the matter and abstaining from voting) resolved to refer the Sale to a vote of the Company's disinterested shareholders at the Meeting. Mr. Krajci, a current director of the Company is interested in the Sale, but the remaining directors remain independent. Conflicts of interest have been handled in accordance with corporate laws applicable in British Columbia.

If the Sale proceeds as proposed, the Company will become a "shell company" with no debt, no business and no assets other than working capital of approximately $500,000 (assuming completion of the Private Placement as currently constituted). It is intended that the Company's focus will be directed to a new line of business (yet to be identified), with a view to increasing value for all shareholders.

The Company will remain on NEX upon completion of the Sale.

Share Purchase Agreement

If approved by shareholders, the Sale will be completed in accordance with the provisions of the Share Purchase Agreement. The Share Purchase Agreement is subject to several conditions, including that:

(a) shareholders approve the Sale and related matters contemplated in the Share Purchase Agreement; and

(b) all corporate, legal and regulatory approvals and consents which are considered reasonably necessary have been taken or obtained by the Company in connection with the related matters contemplated in the Share Purchase Agreement.

The Share Purchase Agreement provides that the closing of the transactions thereunder will be held 5 business days following receipt of the later of shareholder approval and TSX Venture Exchange acceptance.

The foregoing description of the Sale is qualified in its entirety by reference to the full text of the Share Purchase Agreement. Dissenting shareholders will be entitled to be paid the fair value of their common shares in accordance with the *Business Corporations Act* (British Columbia) (the **"Act"**). For a full description of such dissent rights, see "Right to Dissent" below and Schedule "C" attached hereto.

Approval Requirements and Eligible Voting Shares

Under the Act, the Sale constitutes the sale of substantially all of the property of the Company and therefore shareholders will be asked to approve a special resolution concerning the Sale (the **"Sale Resolution"**) substantially as follows:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Company is authorized to sell, assign and transfer, in accordance with the Share Purchase Agreement, all of the shares of Neodym Systems Inc., details of which are set out in the Company's information circular dated July 18, 2012.

2. Notwithstanding that this special resolution has been duly passed by the shareholders of the Company, the directors are authorized in their sole discretion to revoke this special resolution before it is acted on without further approval of the shareholders of the Company.

3. Any director or officer of the Company (the **"Authorized Signatory"**) is authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts and things, as in the opinion of such Authorized Signatory may be necessary or desirable to carry out the terms of the foregoing special resolution."

To be effective, the Sale Resolution must be passed by at least two-thirds (2/3) of the votes cast by holders of common shares present or represented by proxy at the Meeting and entitled to vote on the Sale Resolution. In addition, pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* and TSX Venture Exchange Policy 5.9 *Insider Bids, Issuer Bid, Business Combinations and Related Party Transactions* (the **"Instrument and Policy"**), the Sale Resolution must be approved by a majority of the votes cast by minority shareholders.

Review and Recommendation of the Board of Directors

One of the Company's four directors, Juraj Krajci, has an interest in the Sale, but the remaining directors are independent and, with dependence on the Valuation, recommend Shareholders to approve the Sale. The Company has not received any other offer to purchase the Business since the proposed Sale was publicly announced on April 23, 2012.

Valuation

An executive summary of the Valuation prepared by Richard W. Evans, MBA, CBV, ASA, of RwE Growth Partners, Inc. ("**RwE**") has been substantially extracted from the Valuation and is attached as Schedule "B" to this Information Circular. The summary is qualified in its entirety by reference to the full text of the Valuation, a copy of which may be viewed at the Company's office at 711 – 675 West Hastings Street, Vancouver, BC, Canada. Upon request, the Company will provide any shareholder with a copy of the Valuation upon payment of a nominal charge to cover printing and postage costs.

Scope of Review

To prepare the Valuation and assess the fair market value of the Company and the Business, RwE relied on many sources, including but not limited to: interviews of Company management, reviewed public Company documentation including audited financial statements, reviewed the operations of the Company in the past 12-18 months, observed a demonstration of the Business, and reviewed the gas sensing and detection industry from various market and industry sources.

Assumption and Limitations

To prepare the Valuation, assumptions made by RwE include but are not limited to: proper recording of Company accounts under IFRS, accuracy of previous audits of the Company, no further material changes pending in the Company`s position, the book value of Company assets equalling the Company`s fair market value, full ownership by the Company of the Business, compliance by the Company in all manner of tax and regulatory requirements, and no contingent liabilities or unusual arrangements entered into by the Company outside of the proposed Sale.

Valuation Methodology

RwE prepared the Valuation on a going concern basis, i.e. on the assumption the Company will continue operations after completing the Sale.

Values

Using the going concern basis for valuation, RwE estimated the value of the Business to be in a range of approximately $45,000 to $47,000.

Fairness

Given the terms of the proposed Sale, RwE concluded that the Sale was fair, from a financial point of view, to the shareholders of the Company.

Consent

A copy of Mr. Evans's consent has been attached in Schedule "B" to this circular.

Prior Valuations

No prior valuations have been made on the gas sensing business of the Company.

Other Offers

The board of directors is not aware of any other offers for the Business or for the common shares, or the assets of the Company or to amalgamate, merge or combine with the Company.

Legal Aspects

The Sale constitutes a "related party transaction" within the meaning of the Instrument and Policy. The Instrument and Policy provide that, unless exempted, a corporation proposing to carry out a related party transaction is required to prepare a valuation of the non-cash assets involved and to provide the shareholders with a summary of such valuation.

The transaction requires a valuation of the Business per the requirements of the Instrument and Policy. The Company's board of directors have also obtained the Valuation to assist it in discharging its fiduciary duties, particularly in light of the fact that some of the directors are interested in the Sale. The Valuation is fully compliant with the requirements for a formal valuation contained in the Instrument and Policy.

Under the Act, the Sale requires the approval of at least two-thirds (2/3) of the votes cast by holders of the outstanding common shares at a meeting duly called and held for the purpose of approving the Sale. The Instrument and Policy also require that, in addition to any other required securityholder approval, in order

to complete a related party transaction, the approval of a simple majority of the votes cast by “minority” shareholders must be obtained. In relation to the Asset Sale, the “minority” holders are all shareholders other than Juraj Krajci or any associate or affiliate of, or any person or company acting jointly or in concert with, any of the foregoing in connection with the proposed transaction. To the knowledge of the Company, as at the date hereof, 4,667,880 common shares will be excluded from voting in respect of this matter.

Right to Dissent

As indicated in the notice of meeting attached to this information circular, any holder of the Company’s common shares is entitled to be paid the fair value of such shares by the Company in accordance with the provisions of sections 237-247 of the Act if the shareholder duly dissents to the Sale Resolution the Sale becomes effective. The fair value of such holder’s common shares will be determined as of the close of business on the business day before the adoption of the Sale Resolution.

The statutory provisions dealing with the right of dissent are technical and complex. Any shareholders who wish to exercise their right of dissent should seek independent legal advice, as failure to comply strictly with the provisions of sections 237-247 of the Act may prejudice their right of dissent.

Shareholders of the Company registered as such on the Record Date may exercise rights of dissent pursuant to and in the manner set forth in sections 237-247 of the Act, provided that the notice of dissent duly executed by such shareholder is received by the Company two business days in advance of the date of the Meeting. Dissenting shareholders are ultimately entitled to be paid fair value for their dissenting shares and shall be deemed to have transferred their dissenting shares to the Company for cancellation immediately at the closing of the Sale and in no case shall the Company be required to recognize such company or individual as holding shares of the Company after the closing of the Sale.

A vote against the Sale Resolution, an abstention from voting in respect of the Sale Resolution, or the execution or exercise of a proxy to vote against the Sale Resolution does not constitute a notice of dissent, but a shareholder need not vote against the Sale Resolution in order to dissent. However, a shareholder who consents to or votes in favour of the Sale Resolution, other than as a proxy for a shareholder whose proxy required an affirmative vote, or otherwise acts inconsistently with the dissent, will cease to be entitled to exercise any dissent rights provided in sections 237-247 of the Act (the **“Dissent Rights”**).

Shareholders who do not duly exercise their dissent right are not entitled to be paid fair value for their shares, shall be deemed to have participated in the Asset Sale on the same basis as a shareholder who is not a dissenting shareholder. Prior to the Sale becoming effective, the Company will send a notice of intention to act to each dissenting shareholder stating that the Sale Resolution has been passed and informing the dissenting shareholder of their intention to act on such Sale Resolution. A notice of intention need not be sent to any shareholder who voted in favour of the Sale Resolution or who has withdrawn his notice of dissent. Within one month of the date of the notice given by the Company of its intention to act, the dissenting shareholder is required to send written notice to the Company that he or she requires the Company to purchase all of his or her shares of the Company, and at the same time to deliver certificates representing those shares to the Company. Upon such delivery, a dissenting shareholder will be bound to sell and the Company will be bound to purchase the shares subject to the demand for a payment equal to their fair value as of the day before the day on which the Sale Resolution was passed by the shareholders, excluding any appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable). Every dissenting shareholder of the Company who has delivered a demand for payment must be paid the same price as the other dissenting shareholders of the Company.

A dissenting shareholder who has sent a demand for payment, or the Company, may apply to the Supreme Court of British Columbia (the **"Court"**) which may: (a) require the dissenting shareholder to sell and the Company to purchase the shares in respect of which a notice of dissent has been validly given; (b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors; (c) join in the application of any other dissenting shareholder who has delivered a demand for payment; and (d) make consequential orders and give such directions as it considers appropriate. No dissenting shareholder who has delivered a demand for payment may vote or exercise or assert any rights of a shareholder of the Company in respect of the shares for which a demand for payment has been given, other than the rights to receive payment for those shares.

Until a dissenting shareholder who has delivered a demand for payment is paid in full, that dissenting shareholder may exercise and assert all the rights of a creditor of the Company. No dissenting shareholder may withdraw his demand for payment unless the Company consents.

Once the Sale becomes effective, none of the resulting changes to the Company will affect the rights of the dissenting shareholders or the Company or the price to be paid for the dissenting shareholder's shares. If the Court determines that a person is not a dissenting shareholder or is not otherwise entitled to dissent, the Court, without prejudice to any acts or proceedings that the Company or its shareholders may have taken during the intervening period, may make the order it considers appropriate to remove the restrictions on the dissenting shareholder from dealing with his or her shares of the Company.

Strict adherence to the procedures set forth above will be required and failure to do so may result in the loss of all Dissent Rights. Accordingly, each shareholder who might desire to exercise Dissent Rights should carefully consider and fully comply with the provisions set forth above and below and consult his or her legal advisor.

In addition to Dissent Rights, under the Act, a registered or non-registered shareholders has the right to apply to Court on the grounds that some act of the Company has been done, or is threatened, or that some resolution of the shareholders has been passed or is proposed that is unfair or prejudicial to one or more of the shareholders, including the applicant. On such an application, the Court may make such order as it sees appropriate including an order to prohibit any act proposed by the Company or to cancel or vary any transaction or resolution.

The following is a brief summary of the provisions of sections 237-247 of the Act. A shareholder of the Company who duly gives notice of dissent to the Sale may require the Company, if the Sale becomes effective, to purchase all of the shares of the Company held by such shareholder at the fair value of such shares as of the day before the date on which the special resolution was passed. A shareholder may give notice of dissent in respect of the Sale by registered mail addressed to the Company at the address for dissent notices noted below.

The notice of dissent must be received at the appropriate office of the Company, as specified below, at least 2 business days before the Meeting.

As a result of giving notice of dissent such shareholder may, on receiving a notice of intention to act under sections 237-247 of the Act, require the Company to purchase all the Company's shares held by such shareholder in respect of which the notice of dissent was given. The text of sections 237-247 of the Act is set out in Schedule "C" to this information circular.

Address for Dissent Notices

All dissent notices to the Company should be addressed to the Company at its registered office, 711 – 675 West Hastings Street, Vancouver, BC, Canada (attention: Juraj Krajci).

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to be a comprehensive statement of the procedures to be followed by a dissenting shareholder who seeks payment of the fair value of such shareholder's shares of the Company, and is qualified in its entirety by reference to sections 237-247 of the Act, the full text of which are attached to this information circular as Schedule "C". The Dissent Rights require strict adherence to the procedures established therein and failure to do so may result in the loss of Dissent Rights. Accordingly, each shareholder who might desire to exercise Dissent Rights should carefully consider and comply with the provisions of those sections and should consult a legal advisor.

2. APPROVAL OF CONSOLIDATION

Shareholder approval is being requested to an ordinary resolution which would approve a consolidation of the Company's issued shares to give the Company greater flexibility in future financings. Management is requesting approval for a consolidation of up to two (2) old shares for every one (1) new share, the precise ratio to be determined by the Board of Directors of the Company.

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought fit, to pass the following ordinary resolution:

"IT IS RESOLVED THAT:

1. the Board of Directors of the Company is authorized to consolidate all of the issued common shares without par value of the Company on the basis of up to one (1) common share without par value for every two (2) of such shares before such consolidation; and

2. the Board of Directors of the Company is hereby authorized, at any time in its sole discretion, to determine the precise consolidation ratio and whether or not to proceed with this consolidation without further approval, ratification or confirmation by the Shareholders."

3. APPROVAL OF STOCK OPTION PLAN

Pursuant to Policy 4.4 of the TSX Venture Exchange ("TSX-V"), all TSX-V listed companies are required to adopt a stock option plan prior to granting incentive stock options. On June 8, 2012, the Board of Directors adopted a new Stock Option Plan (the "Plan") to replace any prior plan of the Corporation. The purpose of the Plan is to attract and motivate directors, senior officers, employees, consultants and others providing services to the Corporation and its subsidiaries, and thereby advance the Corporation's interests, by affording such persons with an opportunity to acquire an equity interest in the Corporation through the issuance of stock options. The Corporation is currently listed on Tier 2 of the TSX-V and has adopted a "rolling" stock option plan reserving a maximum of 10% of the issued shares of the Corporation at the time of the stock option grant.

The Shareholders are being asked to approve the Plan at the Meeting. As a "rolling" stock option plan, the Plan will be required to be re-approved by the Shareholders each year at the Corporation's Annual General Meeting.

Copies of the Plan will be available at the Meeting for review by the shareholders. In addition, upon request, shareholders may obtain a copy of the document from the Corporation prior to the meeting.

Summary of the Plan

The following is a summary of the principal terms of the Plan. The Plan provides that the number of common shares that may be purchased under the Plan is a rolling maximum which shall not exceed 10% of the issued and outstanding shares of the Corporation at any time. Based on the issued share capital of the Corporation on the date of this Circular (12,151,920 shares), there will be 1,215,192 shares that may be purchased under the Plan.

The Plan provides that it is solely within the discretion of the Board of Directors (the "Board") to determine which directors and employees may be awarded options under the Plan. The Board may also, in its sole discretion, grant the majority of the options to insiders of the Corporation.

Options granted under the Plan will be for a term not exceeding ten years from the day the option is granted. Subject to such other terms or conditions that may be attached to the particular option granted, an option shall only be exercisable so long as the optionee shall continue to hold office or to be employed by the Corporation and shall, unless terminated earlier, or extended by the Board, terminate at the close of business on the date which is no later than 90 calendar days after cessation of office or employment, as the case may be.

The options will be exercisable at a price which is not less than the Market Price (as defined in the policies of the Exchange) of the Corporation's shares at the time the shares are granted. The options will be non-assignable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death.

Shares will not be issued pursuant to options granted under the Plan until they have been fully paid for. The Corporation will not provide financial assistance to option holders to assist them in exercising their options.

Proposed Resolution

The text of the proposed resolution is as follows:

"RESOLVED, as an ordinary resolution, that the Corporation's Incentive Stock Option Plan, as described in the Corporation's Information Circular dated June 11, 2012 and the grant of options thereunder in accordance therewith, be approved."

MANAGEMENT KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OTHER THAN THOSE REFERRED TO IN THE NOTICE OF MEETING. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

APPROVAL OF THE DIRECTORS

The directors of the Corporation have approved the content and the sending of this information circular.

DATED at Vancouver, B.C., this 18th day of July, 2012

BY ORDER OF THE BOARD OF DIRECTORS,

"Juraj Krajci"

Juraj Krajci,
President & CEO

SCHEDULE "A"

AUDIT COMMITTEE DISCLOSURE (FORM 52-110F2)

ITEM 1: AUDIT COMMITTEE CHARTER

MANDATE

The primary function of the audit committee (the "Committee") of Neodym Technologies Inc. (the "Corporation") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements.
- Review and appraise the performance of the Corporation's external auditors (the "Auditor").
- Provide an open avenue of communication among the Corporation's auditors, management and the Board of Directors.

COMPOSITION, PROCEDURES AND ORGANIZATION

The Committee shall consist of at least three members. Each member must be a director of the Corporation. A majority of the members of the Committee shall not be executive officers or employees of the Corporation or of an affiliate of the Corporation. At least one (1) member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of this Charter, the term "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate.

The Board of Directors may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

MEETINGS OF THE COMMITTEE

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members 24 hours' advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation's annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Corporation.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Corporation or of an affiliate of the Corporation. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation's financial statements.

The Committee may invite to its meetings any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

RESPONSIBILITIES AND DUTIES

To fulfil its responsibilities and duties, the Committee shall:

1. Review the Corporation's financial statements, including any certification, report, opinion, or review rendered by the Auditor, MD&A and any annual and interim earnings press releases before the Corporation publicly discloses such information.

2. Review and satisfy itself that adequate procedures are in place and review the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.

3. Be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Corporation.

4. Require the Auditor to report directly to the Committee.

5. Review annually the performance of the Auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.

6. Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.

7. Take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the Auditor.

8. Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment ad the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor.

9. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Corporation.

10. Review with management and the Auditor the audit plan for the annual financial statements.

11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

    a. the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;

    b. such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and

    c. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

    The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

12. In consultation with the Auditor, review with management the integrity of the Corporation's financial reporting process, both internal and external.

13. Consider the Auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.

14. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the Auditor and management.

15. Review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments.

16. Following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.

17. Review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements.

18. Review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.

19. Discuss with the Auditor the Auditor's perception of the Corporation's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information.

20. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters, as set forth in Annex A attached to this Charter.

21. Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.

22. Report regularly and on a timely basis to the Board of Directors on the matters coming before the Committee.

23. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

AUTHORITY

The Committee is authorized to:

- to seek any information it requires from any employee of the Corporation in order to perform its duties;

- to engage, at the Corporation's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;

- to set and pay compensation for any advisors engaged by the Committee; and

- to communicate directly with the internal and external auditors of the Corporation.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Stephen Pearce, Gunther Roehlig and William McDonald, each of whom is considered "independent" except for Stephen Pearce, CFO of the Company, as that term is defined in Multilateral Instrument 52-110 (the "Instrument") of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

All of the members of the Committee are considered "financially literate" as that term is defined in the Instrument, in that they have the ability to read and understand a balance sheet, an income statement, a cash flow statement and the notes attached thereto.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Corporation's Board of Directors.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of the Instrument, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of the Instrument. Section 2.4 provides an exemption from the requirement that an audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

ITEM 6: PRE-APPROVAL OF POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have not been formulated or adopted by the Committee. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Corporation's Board of Directors, and where applicable by the Committee, on a case by case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Corporation by the external auditor in each of the last two fiscal years is as follows:

	2012	**2011**
Audit fees for the years ended	$19,250	$15,000
Audit related fees	$Nil	$Nil
Tax fees	$750	$750
All other fees (non-tax)	$Nil	$Nil
TOTAL FEES	$15,750	$15,750

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Corporation is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

ANNEX A

PROCEDURES FOR THE SUBMISSION OF COMPLAINTS AND CONCERNS REGARDING ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR AUDITING MATTERS

1. Neodym Technologies Inc. (the "Corporation") has designated its Audit Committee of its Board of Directors (the "Committee") to be responsible for administering these procedures for the receipt, retention, and treatment of complaints received by the Corporation or the Committee directly regarding accounting, internal accounting controls, or auditing matters.

2. Any employee of the Corporation may on a confidential and anonymous basis submit concerns regarding questionable accounting controls or auditing matters to the Committee by setting forth such concerns in a letter addressed directly to the Committee with a legend on the envelope such as "Confidential" or "To be opened by Committee only". If an employee would like to discuss the matter directly with a member of the Committee, the employee should include a return telephone number in his or her submission to the Committee at which he or she can be contacted. All submissions by letter to the Committee can be sent to:

   NEODYM TECHNOLOGIES INC.
   711-675 West Hastings Street
   Vancouver, B.C. V6B 1N2

3. Any complaints received by the Corporation that are submitted as set forth herein will be forwarded directly to the Committee and will be treated as confidential if so indicated.

4. At each meeting of the Committee, or any special meetings called by the Chairperson of the Committee, the members of the Committee will review and consider any complaints or concerns submitted by employees as set forth herein and take any action it deems necessary in order to respond thereto.

5. All complaints and concerns submitted as set forth herein will be retained by the Committee for a period of seven (7) years.

SCHEDULE "B"

EXECUTIVE SUMMARY OF VALUATION AND VALUATOR'S CONSENT

RwE GROWTH PARTNERS, INC.

1066 West Hastings Street
Suite 2000
Vancouver, British Columbia
Canada V6E 3X2

Telephone: (778) 373-5432
Fax: (604) 942-3172

June 11, 2012

NEODYM TECHNOLOGIES INC.
Suite 711
675 West Hastings Street
Vancouver, B.C.
Canada V6B 1N2

Attention: Independent Board Member(s) of Neodym Technologies Inc.

Dear Madams/Sirs:

Subject: Summary of RwE Growth Partners, Inc. Fairness Opinion, June 11, 2012

1.0 Assignment and Background

RwE Growth Partners, Inc. ("RwE" or the "authors of the Report") was requested by the independent member of the Board of Directors (the "Board") of Neodym Technologies Inc. (hereinafter referred to as "Neodym", "NTI", or the "Company") of Vancouver, B.C. to prepare a Calculation Valuation Report and Related Fairness Opinion (the "Report") from the perspective of the shareholders of NTI involving a possible reorganization of the Company (the "Proposed Transaction").

RwE understands that NTI is a reporting issuer whose shares are listed for trading on the TSX Venture Exchange ("Exchange") NEX board under the symbol "NEO.H". RwE further understands that the Company's board is considering a re-organization whereby NTI wants to spin out its existing gas sensing assets and business to certain directors of the Company and to then consolidate and restructure its equity so as to continue on as a public company seeking another business.

The reader is advised to refer to www.sedar.com for more information of the Company and the Proposed Transaction.

Given this, RwE was asked to complete the Report and gave its independent opinion that the Proposed Transaction was fair, from a financial point of view, to the shareholders of NTI.

2.0 Work and Analysis Performed Summary

2.1 RwE undertook in the Report to assess and calculate the value of NTI. This work was completed and outlined in Schedules 5.0 to 7.0 of the Report. It is recommended that the reader review and go through the entire Report for clarity and details as to RwE's work, analysis, assumptions, scope of work performed and its conclusions.

2.2 Valuation Approach – Adjusted Book Value (Depreciated Replacement Cost)

Pre Proposed Transaction

RwE considered the a value of the IP based on the technical and research and development work conducted by NTI with respect to the overall Gas Sensing IP was a realistic method for determining the value of NTI as at the Valuation Date.

RwE undertook a Depreciated Replacement Cost method of the IP – as at today's date, using today's technologies, in order to assess the value of the identifiable intangible assets related to the gas sensing business of NTI. The Depreciated Replacement Cost method is based on using the intellectual thoughts, experience and work which are already embedded in the current IP as the starting point for a replacement cost analysis. RwE considered the fairly long historical development cost to create the IP itself. At the same time, one had to examine how unique such IP was any longer given changes in the market place and technologies over the past ten years.

It was apparent that this IP had materially depreciated and was now much simpler to replace and redevelop with other technologies. To this end, RwE relied upon its due diligence findings and data collected to re-construct the costs to re-engineer and re-develop the core or critical IP as at the Valuation Date given existing alternatives and integration processes that now exist.

The replacement cost approach method is based on likely costs to create the existing intellectual thoughts, experience and work which is embedded in the IP with further consideration to the depreciation that has occurred since the IP was largely developed by itself. Certain qualitative and quantitative analysis and traditional factors were considered regarding the IP:

1) No apparent significant revenue opportunities are open to the IP as at the Valuation Date based on NTI management's disclosures.

2) The Company has retained the key individual who has and continues to be actively involved in enhancing the IP, but whose personal goodwill cannot be included as part of the value of the IP or the Company.

3) The existence of detailed documentation on the IP.

4) Adherence to professional engineering and development procedures that included constant technical management throughout.

RwE has determined that the realistic depreciated replacement cost of the IP is in a range of $45,000 to $47,000. This is shown in Schedule 5.0 of the Report. Upon completing the above, RwE then adjusted the book value of NTI (which because the IP did not have a material fair market value) still resulted in a large negative value for the Company – i.e., in the range of -$985,000. This work is shown was shown in Schedule 6.0 of the Report.

2.3 Post Proposed Transaction

Upon completing the above work in Schedule 5.0 of the Report, RwE also adjusted the book value of NTI based on the closing of the Proposed Transaction. This is shown in Schedule 7.0. This Post Proposed Transaction analysis shows that after accounting for all of the adjustments that the fair market value of the Company is calculated to be in the range of $365,000.

It is also based on the fact that the two directors who want to keep the operating business and the IP would provide consideration to the Company of approximately a net $45,400 for being able to take the Gas Sensing IP and related current assets to that business out of NTI as at the closing of the Proposed Transaction. All of this work is shown in Schedule 7.0 of the Report.

3.0 Fairness Opinion Summary

3.1 The fairness of the Proposed Transaction for NTI is tested by:

i. calculating, at the time of the completion of the Proposed Transaction the fair market value of NTI;

ii. calculating whether the fair market value of one (1) share of NTI is in at least a comparable range upon completion of the Proposed Transaction as the fair market value of NTI prior to the Proposed Transaction; and

iii. considering qualitative factors, such as synergies, that may result from the Proposed Transaction.

There are many events that are assumed will occur between the Valuation Date and the closing of the Proposed Transaction. These events are either conditions of the Proposed Transaction or are necessary (e.g. financing, etc.) aspects of the closing process.

This section calculates the fair market value of NTI upon completion of the Proposed Transaction, the number of shares of NTI that will be issued and outstanding upon the closing of the Proposed Transaction and the fair market value per each share of NTI upon the closing of the Proposed Transaction.

3.2 Fair Market Value per one (1) common share of NTI – Pre Proposed Transaction

The fair market value of one (1) common share of NTI (on a PRE-Proposed Transaction basis) as at the Valuation Date was calculated to be in the range of $-.08, which means that there is no realizable value to such shareholdings. The reader is advised to refer to the Report's Schedule 8.0 – Fairness Calculations.

3.3 Fair Market Value per (1) common share of NTI – Post Proposed Transaction

RwE has calculated the fair market value of NTI on a Post Proposed Transaction basis in order to compare the fair market value of the NTI shareholders' interest in the Company to the fair market of NTI (on a Pre Proposed Transaction basis) as at the Valuation Date.

First, the fair market value of the resulting issuer (removed Gas Sensing business and related assets and liabilities) is calculated by:

1) Adding the fair market value of NTI as at the Valuation Date.

2) Adding NTI options that were "in-the-money" and adding any warrants to be exercised as at the Valuation Date. There were no options and/or warrants outstanding as at the Valuation Date or "in-the-money" at the closing of the Proposed Transaction.

3) Making adjustments to the balance sheet of the Company as outlined in Schedule 7.0 being completed as at the closing of the Proposed Transaction.

4) As shown in Schedule 7.0, added the net proceeds of the minimum 7.5m unit financings to be undertaken in conjunction with the closing of the Proposed Transaction.

5) Deducting any estimated costs of the Proposed Transaction, none of which were provided or estimated by NTI.

This is then examined against the number of shares that would be issued and outstanding in resulting issuer through the above steps.

The reader is advised to refer to Schedule 8.0 – Fairness Calculations.

Given all of the above and given the stated terms and conditions of the Proposed Transaction, the NTI shareholders will have more value per share POST Proposed Transaction, than PRE Proposed Transaction.

Based upon RwE's valuation work and subject to all of the foregoing, RwE is of the opinion, as at the Valuation Date, that the terms of the:

Proposed Transaction are fair, from a financial point of view, to the shareholders of NTI.

3.4 We reserve the right to review all calculations included or referred to in the Report and, if we consider it necessary, to revise the Report in light of any information existing at the Valuation Date which becomes known to us after the date of the Report.

3.5 Unless otherwise indicated, all monetary amounts are stated in Canadian dollars.

3.6 Richard W. Evans holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. He is a member in good standing with both the Canadian Institute of Chartered Business and the American Society of Appraisers. The analyses, opinions, calculations and conclusions were developed, and this letter, as in the June 11, 2012 Report has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators.

3.7 The fee established for the Report is to be paid up in full by the Company on or before June 12, 2012, and by doing so confirms that the conclusions of RwE has not been contingent upon any completion of any Proposed Transaction and/or financings and hence neither the fee nor the conclusions in the Report were based upon any contingent event occurring and/or based on the conclusion of any Proposed Transaction, specific terms and/or conditions and/or any voting on any such matters, or other matters, by any shareholders of the Company.

3.8 RwE provides its consent that this letter may be issued to and relied upon by the Company in its offering and/or filing documents.

3.9 RwE has conducted no valuation work for the Company for the three years preceding the date of the Report.

Yours truly,

Richard W. Evans, MBA, CBV, ASA
Principal

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SCHEDULE "C"

DISSENT RIGHTS

Part 8 of the *Business Corporations Act* (British Columbia)
Division 2 — Dissent Proceedings

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf,

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the

particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.