

AQUARIUS COATINGS INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND MANAGEMENT INFORMATION CIRCULAR

Date: October 2, 2012
Time: 11:00 a.m. (Toronto Time)
Place: 220 Superior Blvd
Mississauga, Ontario
L3T 2L2

AQUARIUS COATINGS INC.
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual Meeting (the “Meeting”) of shareholders of Aquarius Coatings Inc. (the “Corporation”) will be held at the offices of Salumatics Inc., 220 Superior Boulevard, Mississauga, Ontario on Tuesday the 2nd day of October, 2012, at 11:00 am (Eastern time) for the following purposes:

1. To receive the consolidated financial statements of the Corporation for the twelve month periods ended March 31, 2011 and March 31, 2012 together with the reports of the auditors thereon;
2. To elect directors;
3. To appoint auditors and to authorize the directors to fix their remuneration; and
4. To transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

This notice is accompanied by:

1. Form of Proxy
2. Management Information Circular
3. 2011 and 2012 annual reports of the Corporation, which include the audited consolidated financial statements of the Corporation for the twelve months ended March 31, 2011 and March 31, 2012 and Management’s Discussion and Analysis of results of operations for the those periods
4. Supplemental mailing list form

Shareholders who are unable to attend the Meeting in person are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

DATED at Toronto, Ontario the 22nd day of August 2012.

BY ORDER OF THE BOARD OF DIRECTORS

David J. Hennigar, Chairman and Acting Chief Executive Officer

AQUARIUS COATINGS INC.

MANAGEMENT INFORMATION CIRCULAR

as of August 22, 2012 unless otherwise indicated

Solicitation of Proxies

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF AQUARIUS COATINGS INC. (THE “CORPORATION”) OF PROXIES TO BE USED AT THE ANNUAL MEETING OF SHAREHOLDERS OF THE CORPORATION (“THE MEETING”) TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF MEETING. It is expected that the solicitation will be primarily by mail but officers and employees of the Corporation may also solicit proxies personally at nominal cost. The cost of solicitation by management will be borne directly by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors of the Corporation. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM AT THE MEETING MAY DO SO** either by inserting such person’s name in the blank space provided in the form of proxy and striking out the names of the management nominees or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent indicated on the enclosed envelope not later than 48 hours (excluding Saturdays and holidays) before the time of holding the meeting, or delivered to the chairman on the day of the meeting or any adjournment thereof.

A proxy given pursuant to this solicitation may be revoked by instrument in writing, including another proxy bearing a later date executed, by the shareholder or by his attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such meeting on the day of the meeting, or any adjournment thereof, or in any other manner permitted by law.

Voting of Proxies

Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS CIRCULAR OR WITHHELD FROM VOTING OR VOTED AGAINST IF SO INDICATED ON THE FORM OF PROXY.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting of other matters, which may properly come before the meeting. At the time of printing this circular, management of the Corporation knows of no such amendments, variations or other matters to come before the meeting.

Voting Securities and Principal Holders Thereof

The authorized capital of the Corporation consists of an unlimited number of common shares (“Common Shares”) and unlimited number of preference shares, issuable in series. At the date hereof, the Corporation had issued and outstanding 107,948,144 Common Shares and no preference shares.

The Corporation will make a list of all persons who are registered holders of Common Shares on August 23, 2012 (the “Record Date”) and the number of Common Shares registered in the name of each person on the date. Each shareholder is entitled to one vote for each Common Share registered in his name as it appears on the list, except to the extent that such shareholder has transferred any of his shares after the Record Date and the transferee of those shares produces properly enclosed share certificates or otherwise establishes that he owns the shares and demands, not later than ten days before the meeting, that his name be included in the list. In such case the transferee will be entitled to vote his shares at the meeting.

To the knowledge of the directors and officers of the Corporation, the following is the only person that as of the date hereof, beneficially owned or exercised control or direction, directly or indirectly, over securities carrying 10% or more of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted at the meeting.

Name	Number of Common Shares Owned, Controlled or Directed	% of Outstanding Common Shares
David J. Hennigar	51,976,284(1)	48.15% (1)

1. Includes 45,882,355 Common Shares owned of record by Forest Lane Holdings Limited and Scotia Financial Corporation Limited, companies controlled by David J. Hennigar. Excluded from this amount are the holdings of the immediate family of David J. Hennigar, who beneficially own in the aggregate 1,180,969 Common Shares or 1.09% of the outstanding Common Shares.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

The board of directors as a whole makes the determination as to the appropriate level of remuneration for the directors and officers of the Corporation. Remuneration is assessed and determined by taking into account such factors as the size of the Corporation and the level of compensation earned by directors and officers of companies of comparable size and industry.

Each of the Corporation's independent directors has not received any compensation for their services.

Executive officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered in such capacity, other than as paid by the Corporation to such executive officers in their capacity as executive officers. See "Compensation of Executive Officers".

The Corporation does not have a stock option plan for the granting of incentive stock options to the officers, employees and directors of the Corporation.

Compensation of Executive Officers

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Corporation for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Corporation, despite the amount of compensation of that individual, (ii) each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

"Executive Officer" is defined by the legislation to mean (i) the chair of the Corporation, (ii) a vice-chair of the Corporation, (iii) the President of the Corporation, (iv) a vice-president of the Corporation in charge of a principal business unit, division or function such as sales, finance or production, or (v) an officer of the Corporation or any of its subsidiaries or any other person who performed a policy-making function in respect of the Corporation.

The board of directors of the Corporation as a whole determines the level of compensation in respect of the senior executives of the Corporation and its subsidiaries. There were no long-term incentive awards made to the Named Executive Officers of the Corporation during the most recently completed financial year. There are no pension plan benefits in place for the named executives and none of the Named Executive Officers, senior officers or directors of the Corporation or its subsidiaries is indebted to the Corporation.

During the Corporation's two most recently completed financial years, the Corporation had two Named Executive Officers: David J. Hennigar, Acting Chief Executive Officer and Lorne S. MacFarlane, Chief Financial Officer. The aggregate cash compensation (including salaries, fees, directors fees, commissions, bonuses paid for services rendered during the two most recently completed financial years, bonuses paid for services rendered in the previous year, and any compensation other than bonuses earned during the two most recently completed financial years, the payment of which was deferred) paid to the Named Executive Officers (or corporations controlled by Named Executive Officers), in the capacity of Named Executive Officers, for the two most recently completed financial years, was \$ nil.

Summary Compensation Table

March 31, 2011

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of each Named Executive Officer as at March 31, 2011. Other than as disclosed below, no other executive officer received in excess of \$150,000 in total salary and bonus during the year ended March 31, 2011.

Name and Principal Position	Annual Compensation					Long Term Compensation ⁽¹⁾	
	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Total (\$)	Awards	Payouts
						Securities Under Option	All Other Compensation (\$)
David J. Hennigar Acting Chief Executive Officer	2011	nil	nil	nil	nil	nil	nil
	2010	nil	nil	nil	nil	nil	nil
	2009	nil	nil	nil	nil	nil	nil
Richard C. Jones Chief Financial Officer ⁽²⁾	2011	n/a	n/a	n/a	n/a	n/a	n/a
	2010	83,293	nil	6,550	89,843	nil	nil
	2009	131,250	nil	10,442	141,692	nil	nil
Lorne S. MacFarlane Chief Financial Officer ⁽²⁾	2011	nil	nil	nil	nil	nil	nil
	2010	nil	nil	nil	nil	nil	nil
	2009	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

- (1) No shares or units subject to restrictions or other compensation under any long term incentive plan were paid to any Named Executive Officer.
- (2) Richard C. Jones went on long term disability on November 10, 2009 and was replaced by Lorne S. MacFarlane as Chief Financial Officer effective November 11, 2009

March 31, 2012

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of each Named Executive Officer as at March 31, 2012. Other than as disclosed below, no other executive officer received in excess of \$150,000 in total salary and bonus during the year ended March 31, 2012.

Name and Principal Position	Annual Compensation					Long Term Compensation ⁽¹⁾	
	Year	Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Total (\$)	Awards	Payouts
						Securities Under Option	All Other Compensation (\$)
David J. Hennigar Acting Chief Executive Officer	2012	nil	nil	nil	nil	nil	nil
	2011	nil	nil	nil	nil	nil	nil
	2010	nil	nil	nil	nil	nil	nil
Richard C. Jones Chief Financial Officer ⁽²⁾	2012	n/a	n/a	n/a	n/a	n/a	n/a
	2011	n/a	n/a	n/a	n/a	n/a	n/a
	2010	83,293	nil	6,550	89,843	nil	nil
Lorne S. MacFarlane Chief Financial Officer ⁽²⁾	2012	nil	nil	nil	nil	nil	nil
	2011	nil	nil	nil	nil	nil	nil
	2010	nil	nil	nil	nil	nil	nil

Notes:

- (1) No shares or units subject to restrictions or other compensation under any long term incentive plan were paid to any Named Executive Officer.
- (2) Richard C. Jones went on long term disability on November 10, 2009 and was replaced by Lorne S. MacFarlane as Chief Financial Officer effective November 11, 2009

Compensation Discussion and Analysis

There was no compensation awarded to or earned by any executive officers of the Corporation during the years ended March 31, 2011 and March 31, 2012.

Stock Option Plan and Stock Options

The Corporation did not have a Stock Option Plan during the financial years ended March 31, 2011 and March 31, 2012.

Securities Authorized for Issuance Under Equity Compensation Plans

There were no securities authorized for issuance as at March 31, 2011 and March 31, 2012.

Long Term Incentive Plan

The Corporation did not have a long-term incentive plan during the financial years ended March 31, 2011 and March 31, 2012.

Pension, Retirement Plans and Payments Made Upon Termination of Employment

The Corporation did not provide compensation, monetary or otherwise, during the most recently completed financial years, to any person who now or previously has acted as a Named Executive Officer of the Corporation, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change in control of the Corporation, its subsidiaries or affiliates.

Employment Contracts

Other than as described herein, the Corporation did not pay any additional compensation to the Named Executive Officers, the Executive Officers or directors (including personal benefits and securities or properties paid or distributed, which compensation was not offered on the same terms to all full time employees) during the last completed financial year.

Election of Directors

The articles of the Corporation provide that the board shall consist of a minimum of three and a maximum of eleven directors, to be elected annually. At the meeting, shareholders will be asked to elect four directors (the "Nominees"). The following table provides the names of the Nominees and information concerning them. The persons in the enclosed form of proxy intend to vote for the election of the Nominees. Management does not contemplate that any of the Nominees will be unable to serve as a director. Each director elected will hold office until his successor is elected at the next annual meeting of the Corporation, or any adjournment thereof, or until his successor is elected or appointed.

Name and Municipality of Residence	Position with Corporation	Period of Service as a Director	Present Occupation if Different from the Office Held ⁽³⁾	Number of Common Shares beneficially owned or Over which Control is Exercised ⁽⁴⁾
David J. Hennigar Bedford, Nova Scotia	Chairman and Director	Since 1992	Chairman, Thornridge Holdings Limited and Investment Advisor, Altus Securities Inc. and prior to March 2012 Investment Advisor Jennings Capital Inc. and its predecessor company Acadian Securities Inc.	51,976,284 ⁽²⁾
N. Gary Van Nest ⁽¹⁾ Toronto, Ontario	Director	Since 1989	President of Sinalta Investments Ltd. (investment holding company)	901, 718
J.T. MacQuarrie, Q.C. ⁽¹⁾ Halifax, Nova Scotia	Director	Since 1992	Partner, Stewart McKelvey (a law firm)	1,068,357
Michael G. Ryan ⁽¹⁾ Halifax, Nova Scotia	Director	Since 2009	President, Chief Executive Officer and Vice Chairman of Envirosystems Inc.	Nil

(1) Member of the Audit Committee.

(2) Refer to "Voting Securities and Principal Holders Thereof" for further details of the nature of such share ownership.

(3) All of the Nominees have held the indicated positions for the past five years.

- (4) The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective Nominees individually.

Each of the Nominees are also Directors of the following public companies:

David J. Hennigar – Assisted Living Concepts, Inc.; High Liner Foods Incorporated; Landmark Global Financial Corporation; MedX Health Corp; Muskrat Minerals Incorporated and SolutionInc Technologies Limited.

N. Gary Van Nest – Crown Hill Capital Corporation; Landmark Global Financial Corporation; MedX Health Corp; Petro-Reef Resources Ltd. and Teilhard Technologies Inc.

J. T. MacQuarrie – Extendicare Inc. and High Liner Foods Incorporated

Michael G. Ryan – SolutionInc Technologies Limited

No Director or executive officer is, as at the date of this Management Information Circular, or was within 10 years before the date of this Management Information Circular, a Director, chief executive officer or chief financial officer of any company (including a personal holding company), that:

(a) was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 – Continuous Disclosure Obligations) that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer other than:

(i) Mr. Hennigar and Mr. Van Nest who (1) were directors of Landmark Global Financial Corporation Limited at the time Landmark Global Financial Corporation Limited has a temporary cease trade order in place from May 7, 2012 for failing to file annual financial statements on time, (2) were directors of Aquarius Coatings Inc. at the time Aquarius Coatings Inc. had a management cease trade order in place from December 12, 2008 to January 14, 2009 for failing to address TSX Venture Exchange requirements with respect to failing to hold shareholder meetings for the financial years ended March 31, 2007 and March 31, 2008. (3) were Directors of MedX Health Corp. at the time MedX Health Corp. had a management cease trade order in place from January 21, 2010 to February 26, 2010 for failing to hold its fiscal 2008 annual general meeting within the timeframes required by applicable corporate law and Exchange policy and a management cease trade order in place from May 6, 2010 to June 30, 2010 for failing to file its annual financial statements, Certification of filings under Multilateral Instrument 52-109 and its Management, Discussion and Analysis for the year ending December 31, 2009 on or before the prescribed deadline of April 30, 2010;

(ii) Mr. Hennigar and Mr. Ryan who were directors of Solutioninc Technologies Limited at the time Solutioninc Technologies Limited had a temporary cease trade order, issued by the British Columbia Securities Commission, in place from August 9, 2011 to August 24, 2011 for failing to file annual financial statements on time; has a cease trading order in place issued by the British Columbia Securities Commission on October 6, 2011 for failing to file June 30, 2011 quarterly financial statements on time and has a cease trading order in place issued by the Alberta Securities Commission on January 4, 2012 for failure to file September 30, 2011 quarterly financial statements on time.

(iii) Mr. MacQuarrie who was a director of Aquarius Coatings Inc. at the time Aquarius Coatings Inc. had a management cease trade order in place from December 12, 2008 to January 14, 2009 for failing to address TSX Venture Exchange requirements with respect to failing to hold shareholder meetings for the financial years ended March 31, 2007 and March 31, 2008.

(b) was subject to an order (as defined in Form 51-102 F2 of National Instrument 51-102 – Continuous Disclosure Obligations) that was issued after the Director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer

No Director, executive officer, shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, or a personal holding company thereof,

(a) is, as at the date of this Management Information Circular, or was within 10 years before the date of this Management Information Circular, a director or executive officer of any company (including a personal holding company) that, 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, other than Mr. Hennigar who was a director of KIJ Field Services Inc., a private Nova Scotia Company, which made an assignment in bankruptcy on February 25, 2009;

(b) has, within 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the trustee, executive officer or shareholder; or

(c) has been subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

IF ANY OF THE ABOVE NOMINEES IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS SHARES ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Appointment of Auditors

Unless such authority is withheld, the person named in the accompanying proxy intend to vote for the appointment of Collins Barrow Toronto LLP, Chartered Accountants, as auditors of the Corporation and to authorize the directors to fix their remuneration.

Indebtedness of Officer and Directors to the Corporation

No officer or director of the Corporation was indebted to the Corporation, at any time during its last completed financial year.

Interest of Insiders in Material Transactions

No insider of the Corporation has any interest in any material transactions involving the Corporation since April 1, 2010.

Additional Information

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders can request copies of the Corporation's financial statements and MD&A by emailing their request to lorne@castlink.ca or calling the Corporation at 905-264-1168.

The Annual Reports of the Corporation, which contain the financial statements of the Corporation for the twelve months ended March 31, 2011 and March 31, 2012 together with the reports of the auditors thereon are being mailed to the Shareholders of the Corporation with this Management Information Circular.

The directors of the Corporation have approved the contents and sending of the circular.

DATED as of the 22nd day of August, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

David J. Hennigar, Chairman and Acting Chief Executive Officer