

**EARLY WARNING REPORT  
UNDER NATIONAL INSTRUMENT 62-103**

**(a) Name and address of the offeror.**

2425497 Ontario Limited  
275 Athabasca Drive  
Vaughan, Ontario  
L6A 3S1

**(b) The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file this report, and whether it was ownership or control that was acquired in those circumstances.**

2425497 Ontario Limited (collectively with its sole owner, William I. Car, referred to herein as the "offeror") acquired ownership of 3,937,711 outstanding common shares of Saratoga Electronic Solutions Inc. ("Saratoga") in private transactions at a price of \$0.01 per share. The offeror previously did not own or control any common shares of Saratoga. The acquired shares represent approximately 21.3% of the outstanding common shares of Saratoga.

**(c) The designation and number or principal amount of securities and the securityholding percentage of the offeror in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file this report.**

See (b) above.

**(d) The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (c) above over which**

**(i) the offeror, either alone or together with joint actors, has ownership and control,**

3,937,711 common shares

**(ii) the offeror, either alone or together with joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor, and**

None.

**(iii) the offeror, either alone or together with joint actors, has exclusive or shared control but does not have ownership.**

None.

**(e) The name of the market in which the transaction or occurrence that gave rise to this report took place.**

The shares were acquired in private transactions.

**(e.1) The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.**

\$0.01 per share.

**(f) The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to this report, including any future intention to acquire ownership of, or over, additional securities of the reporting issuer.**

The shares were acquired for investment purposes. The offeror has no current intention of acquiring additional common shares of Saratoga, but it may make further purchases or sales of the shares in the future as circumstances may warrant.

**(g) The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any entity in connection with the transaction or occurrence giving rise to this report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities.**

None.

**(h) The names of any joint actors in connection with the disclosure required by this report.**

2425497 Ontario Limited is wholly owned and controlled by William I Car.

The purchases were made concurrently with private purchases of other outstanding common shares of Saratoga by other purchasers, with the total number of common shares purchased by all the purchasers, including the offeror, totalling 11 million shares. The offeror has no agreement or understanding with the other purchasers regarding the voting or trading of any common shares of Saratoga.

**(i) In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance**

**from treasury, the nature and value, in Canadian dollars, of the consideration paid by the offeror.**

\$0.01 per share in cash, for a total purchase price of \$39,377.11.

- (j) If applicable, a description of any change in any material fact set out in a previous report by the offeror under the early warning requirements in respect of the reporting issuer's securities.**

Not applicable

- (i) If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.**

The purchases were made in reliance on the "private agreement exemption" from the formal take-over bid requirements of securities legislation as set out in Multilateral Instrument 62-104 – *Take-over Bids and Issuer Bids* of the Canadian Securities Administrators. In compliance with the terms of the exemption, purchases were made from less than five persons, the offeror did not make a bid generally to the common shareholders, and the purchase price was less than 115% of the market price of the common shares, as defined in Multilateral Instrument 62-104.

DATED the 1st day of October, 2014

**2425497 Ontario Limited**

By: "*William I. Car*"