

APPLIED INVENTIONS MANAGEMENT INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual and special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of Applied Inventions Management Inc. (the "**Corporation**") will be held at the offices of its solicitors, WeirFoulds LLP, Mason Room, 66 Wellington Street West, Suite 4100, Toronto-Dominion Centre, Toronto, Ontario, on Wednesday, June 4, 2014 at the hour of 10:30 in the forenoon (Toronto time), for the following purposes:

- (1) to receive the financial statements of the Corporation for the years ended August 31, 2013 and 2012, together with the report of the auditors thereon;
- (2) to elect directors of the Corporation;
- (3) to appoint auditors and to authorize the directors to fix the auditors' remuneration;
- (4) to consider and, if deemed advisable, to approve an amendment to the articles of the Corporation providing that the Corporation's issued and outstanding Class A Subordinate Voting Shares and the Class B Multiple Voting Shares (collectively, the "**Shares**") be consolidated on the basis of one (1) new Share in the capital of the Corporation for every ten (10) existing Shares or such lesser number of existing Shares as may be determined by the Board of Directors of the Corporation and approved by applicable regulatory and exchange authorities, if any;
- (5) to consider and, if deemed advisable, to approve an amendment to the articles of the Corporation in order to change the name of the Corporation to "Applied Inventions Management Corp." or such other name as may be approved by the Board of Directors of the Corporation and applicable regulatory and exchange authorities, if any;
- (6) to consider and, if deemed appropriate, to pass with or without variation, a resolution authorizing the Corporation's board of directors to effect the issuance of shares in the capital of the Corporation in exchange for debt owing to an officer of the Corporation, as more particularly described in the accompanying Management Information Circular; and
- (7) to transact such further and other business as may properly come before the Meeting or any adjournment(s) thereof.

The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting. **SHAREHOLDERS WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON SHOULD COMPLETE, DATE AND SIGN THE ENCLOSED APPLICABLE INSTRUMENT OF PROXY, AND TO RETURN IT IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.**

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, and National Instrument 51-102 – Continuous Disclosure Obligations (the "**Notice-and-Access Provisions**") for the Meeting. The Notice-and-Access Provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders by allowing the Corporation to post the Information Circular and any additional materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a paper copy of the Information Circular. The Corporation will not use the procedure known as 'stratification' in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with this notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Information Circular.

Please review the Information Circular carefully and in full prior to as the Information Circular has been prepared to help you make an informed decision on the matters to be acted upon. The Information Circular is available at <http://noticeinsite.equityfinancialtrust.com/AppliedInventionsManagementASM2014/> and under the Corporation's SEDAR profile at www.sedar.com. Any Shareholder who wishes to receive a paper copy of the Information Circular, should contact the Corporation's transfer agent, TMX Equity Transfer Services, at 1-866-393-4891 prior to Monday, May 26, 2014. Shareholders may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person, are asked to complete and sign the enclosed proxy and return it as soon as possible in the envelope provided for that purpose. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with the Corporation's transfer agent, TMX Equity Transfer Services, at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 no later than 4:00 p.m. (Toronto time) on Monday, June 2, 2014.

DATED this 25th day of April, 2014.

By Order of the Board of Directors
"Michael Stein"
Michael B. Stein
President

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APPLIED INVENTIONS MANAGEMENT INC.

MANAGEMENT INFORMATION CIRCULAR AS AT APRIL 25, 2014

SOLICITATION OF PROXIES

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of the Corporation for use at an annual and special meeting (the "**Meeting**") of shareholders of the Corporation to be held on **June 4, 2014** at the time and place and for the purposes set forth in an attached notice of the Meeting (the "**Notice**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or personal interview by regular employees of the Corporation, or by other proxy solicitation services retained by the Corporation. The costs thereof will be borne by the Corporation. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries to forward solicitation materials to the beneficial owners of shares of the Corporation held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

Unless otherwise specified, information contained in this Circular is given as of April 25, 2014 (the "**Record Date**") and, unless otherwise specified, all amounts shown represent Canadian dollars.

APPOINTMENT, REVOCATION AND DEPOSIT OF PROXIES

The persons named in the enclosed instrument of proxy (the "**Proxy**") are officers and directors of the Corporation who have been selected by the directors of the Corporation and have indicated their willingness to represent as proxies the shareholders who appoint them.

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE OR APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE ENCLOSED PROXY. Such right may be exercised by striking out the names of the two (2) persons designated in the Proxy and by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper Proxy and, in either case, delivering the completed and executed Proxy to the Corporation c/o TMX Equity Transfer Services, Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, at any time prior to 4:00 in the afternoon (Toronto time) on June 2, 2014.

A shareholder forwarding the enclosed Proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the Proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the Proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the Proxy.

A shareholder who has given a proxy may revoke it at any time in so far as it has not been exercised. A proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a body corporate, by a duly authorized officer, attorney or representative thereof and deposited at the registered office of the Corporation at any time prior to 4:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting, or any adjournment thereof, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the Proxy is revoked. A proxy may also be revoked in any other manner permitted by law. The Corporation's registered and head office is located at Suite 801, 1 Adelaide Street East, Toronto, Ontario M5C 2V9.

NOTICE AND ACCESS

Notice-and-Access is a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of its securities by posting such materials on a non-SEDAR website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The notice-and-access provisions under National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer, and National Instrument 51-102 – Continuous Disclosure Obligations (the "**Notice-and-Access Provisions**") can be used to deliver materials for both special and general meetings.

The use of the Notice-and-Access Provisions is intended to reduce paper waste and mailing costs to the issuer. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials, the Corporation must send a notice to Shareholders indicating that the proxy-related materials for the Meeting have been posted electronically on a website that is not SEDAR and explaining how a Shareholder can access them or obtain a paper copy of those materials. Upon request, beneficial owners are entitled to delivery of a paper copy of the information circular at the reporting issuer's expense. This Information Circular has been posted in full on the Corporation's website at <http://noticeinsite.equityfinancialtrust.com/AppliedInventionsManagementASM2014/> and under the Corporation's SEDAR profile at www.sedar.com.

In order to use the Notice-and-Access Provisions, a reporting issuer must set the record date for the meeting at least 40 days prior to the meeting to ensure there is sufficient time for the materials to be posted on the applicable website and the notice of meeting and form of proxy to be delivered to Shareholders. The requirements for the notice of meeting are that the Corporation shall provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of this Information Circular, and explain the Notice-and-Access process. The Notice of Meeting containing this information, has been delivered to Shareholders by the Corporation, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of non-registered Shareholders).

For the Meeting, the Corporation is using notice-and-access for both registered and non-registered shareholders. Neither registered nor non-registered shareholders will receive a paper copy of this Information Circular unless they contact the Corporation's transfer agent, TMX Equity Transfer Services, after it is posted, in which case TMX Equity Transfer Services will mail this Information Circular within three business days of any request provided the request is made PRIOR to the Meeting. TMX Equity Transfer Services must receive your request prior to 5:00 pm, EST on Monday, May 26, 2014 to ensure you will receive paper copies in advance of the deadline to submit your vote. Shareholders can contact TMX Equity Transfer Services at 1-866-393-4891.

As the Corporation is using the Notice-and-Access Provisions for the first time, it was required to file a notification at least 25 days prior to the Record Date indicating its intent to use the Notice-and-Access Provisions.

The Corporation will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the information circular to some, but not all, of its shareholders, along with the notice of meeting. In relation to the Meeting, all Shareholders will receive the documentation required under the Notice-and-Access Provisions and all documents required to vote at the Meeting. No Shareholder will receive a paper copy of this Information Circular from the Corporation or any intermediary unless such Shareholder specifically requests same.

Any shareholder who wishes to receive a paper copy of this Information Circular must contact the Corporation's transfer agent, TMX Equity Transfer Services, by calling 1-866-393-4891 (toll free). In order to ensure that a paper copy of this Information Circular can be delivered to a requesting shareholder in time for such shareholder to review this Information Circular and return a proxy or voting instruction form so that it is received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for the Meeting or any adjournment of the Meeting, it is strongly suggested that a shareholder ensure their request is received no later than 5:00 p.m. (Toronto time) on Monday, May 26, 2014. All shareholders may call TMX Equity Transfer Services at 1-866-393-4891 (toll-free) in order to obtain additional information about the Notice-and-Access Provisions.

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders who do not hold their shares in their own name ("**Beneficial Shareholders**") are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. Beneficial Shareholders who complete and return the Proxy must indicate thereon the person who holds their shares as a registered shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The Proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

All references to shareholders in this Information Circular and the accompanying Proxy and Notice are to shareholders of record unless specifically stated otherwise.

MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

The persons named in the enclosed Proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such shares will be voted FOR each of the matters identified in the Notice and described in this Information Circular.**

The enclosed Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice.

APPROVAL OF MATTERS

Unless otherwise noted, approval of matters to be placed before the Meeting is by an "**ordinary resolution**" which is a resolution passed by a simple majority (50% plus 1) of the votes cast by shareholders of the Corporation present at the Meeting and entitled to vote in person or by proxy.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Class A Subordinate Voting Shares, Class B Multiple Voting Shares and Class C Preferences Shares of which, as of the date of this Information Circular, an aggregate of 1,165,314 Class A Subordinate Voting Shares and 918,215 Class B Multiple Voting Shares of the Corporation are issued and outstanding. Each Class A Subordinate Voting Share entitles the holder thereof to one (1) vote at all meetings of shareholders of the Corporation and each Class B Multiple Voting Share entitles the holder thereof to twenty (20) votes at all meetings of shareholders of the Corporation.

All holders of record of shares of the Corporation at the close of business on the Record Date will be entitled either to attend and vote at the Meeting in person the shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation as described above, to attend and vote thereat by proxy the shares held by them. However, if a holder of shares of the Corporation has transferred any shares after the Record Date and the transferee of such shares establishes ownership thereof and makes a written demand, not later than ten (10) days before the Meeting, to be included in the list of shareholders entitled to vote at the Meeting, the transferee will be entitled to vote such shares.

As of the date of this Information Circular, to the knowledge of the directors and senior officers of the Corporation, no persons or companies beneficially own, directly or indirectly, or exercise control or direction over securities of the Corporation carrying more than ten percent (10%) of the voting rights attached to any class of voting securities of the Corporation, save and except:

Name	No. of Shares Owned or Controlled	Percentage of Outstanding Shares
CDS&CO ⁽¹⁾	270,143 Class A 502,289 Class B	23.18% 54.70%
Michael B. Stein	61,010 Class A ⁽²⁾ 312,255 Class B ⁽²⁾	5.24% 34.01%

Notes:

1. CDS & Co. is a depository trust company for various Canadian brokerage firms.
2. Michael Stein entered an agreement to purchase an aggregate of 41,458 Class A Subordinated Voting Shares and 258,964 Class B Multiple Voting Shares (the "**Transferred Shares**") from Vikki Stein, his former spouse, and two wholly-owned companies of Vikki Stein on April 25, 2005, and paid the consideration. Due to the cease trade order in respect of the Corporation's shares that was in effect, the share transfer could not be completed at that time. Since the cease trade order was lifted on August 26, 2011, Mr. Stein is currently in the process of completing the transaction by having the Transferred Shares registered in his name.

ELECTION OF DIRECTORS

The number of directors to be elected at the Meeting is four (4). **Unless otherwise specified, the persons named in the enclosed form of proxy will vote FOR the election of the nominees whose names are set forth below.** Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the close of the first annual meeting of shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them.

The following table and the notes thereto set out the name and municipality of residence of each person proposed to be nominated for election as a director, his current position and office with the Corporation, his present principal occupation or employment, the date on which he was first elected or appointed a director of the Corporation, and the approximate number of shares of the Corporation beneficially owned directly or indirectly or over which he exercises control or direction as at the date of this Information Circular:

Name, Current Position(s) with the Corporation and Municipality of Residence	Present Principal Occupation(s) If Different from Office Held	Director Since	Shares of the Corporation Beneficially Owned, Controlled or Directed⁽¹⁾
Michael B. Stein President, Secretary and Director Thornhill, Ontario	Businessperson	July 12, 1989	61,010 Class A ⁽²⁾ 312,255 Class B ⁽²⁾⁽³⁾
Nicholas T. Hariton⁽⁴⁾ Director Sherman Oaks, California	Managing Director and General Counsel of Imaging Presentation Partners	July 8, 1992	3,750 Class A 30,000 Class B
Gabriel Nachman⁽⁴⁾ Chief Financial Officer and Director Toronto, Ontario	Partner with PricewaterhouseCoopers LLP until 2008, currently retired	September 15, 2010	Nil
Barry Polisuk⁽⁴⁾ Director Thornhill, Ontario	Lawyer-senior partner at Garfinkle Biderman LLP	September 15, 2010	Nil

Notes:

1. The information as to shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
2. Michael Stein entered an agreement to purchase an aggregate of 41,458 Class A Subordinated Voting Shares and 258,964 Class B Multiple Voting Shares (the "**Transferred Shares**") from Vikki Stein, his former spouse, and two wholly-owned companies of Vikki Stein on April 25, 2005, and paid the consideration. Due to the cease trade order in respect of the Corporation's shares that was in effect, the share transfer could not be completed at that time. Since the cease trade order was lifted on August 26, 2011, Mr. Stein is currently in the process of completing the transaction by having the Transferred Shares registered in his name.
3. Of these, 5,000 are held in a self-directed registered retirement savings plan.
4. Members of the Audit Committee of the Corporation are Messrs. Nachman (Chairman), Hariton and Polisuk.

Description of Each Director's Activities

MICHAEL B. STEIN (Thornhill, Ontario)

Michael Stein currently acts as a financial consultant and advises clients on various matters, including acquisitions, divestitures, corporate financings, re-organizations and restructurings. Mr. Stein was a former director and V.P. Corporate Affairs of Danbel Industries Corporation; Director, U.S. Money Markets for a federally chartered Canadian Trust Company and prior thereto a Senior Institutional Money Banker for a Savings & Loan Association in Long Beach, California. Mr. Stein majored in economics and graduated with a Bachelor of Arts from York University. He is President & director of WFE Investments Corp. a secured shareholder of the Company.

GABRIEL NACHMAN (Toronto, Ontario)

Gabriel (Gabe) Nachman FCPA, FCA, ICD.D is a Fellow of the Institute of Chartered Accountants of Ontario and was awarded the ICD.D designation by the Institute of Corporate Directors in 2008. He practiced as a Chartered Accountant (CA) with PricewaterhouseCoopers and its legacy firm, Coopers & Lybrand as a partner for 29 years until his retirement in 2008. His area of practice was in the audit assurance and consulting fields, dealing with private and publicly traded companies primarily in the retail, franchise, wholesale distribution, real estate and entertainment and media industries. Gabe had partner responsibility for large publicly traded investment holding companies listed on Canadian and US stock exchanges. He acted for his clients on numerous public debt and equity offerings in Canada and the United States. Gabe is currently a member of the board of directors of Danbel Ventures Inc. (formerly Danbel Industries Corporation), Applied Inventions Management Inc., The Foundation Group LLC, The Academy of Canadian Cinema and Television and Portage (Ontario) Program For Drug Dependencies. He is the Treasurer of the Academy and Chair of its Audit Committee as well as Chair of the Audit Committees of Danbel Ventures Inc. (formerly Danbel Industries Corporation) and Applied Inventions Management Inc.

BARRY POLISUK (Thornhill, Ontario)

Mr. Polisuk, a graduate of McGill University and University of Ottawa Law Schools, having obtained an LL.B. cum laude and a Quebec Civil Law Degree. Mr. Polisuk was called to the bar in 1988. He has been with Garfinkle, Biderman LLP since 1995 and became a partner in 1997. Mr. Polisuk is a corporate and commercial lawyer, focused on financings, corporate and commercial work, including securities. He has served on the boards of several publicly traded companies including, Richards Oil & Gas Limited (RIX:TSXV), Arehada Mining Limited (formerly Dragon Capital Corporation) (AHD:TSE) and iSign Media Solutions Inc. (formerly Corbal Capital Corp.) (ISD:TSXV) and he is currently the Corporate Secretary of Mooncor Oil & Gas Corp. (MOO:TSXV) and of Solid Gold Resources Corp. (SLD:TSXV) and President and director of Danbel Ventures Inc. (formerly Danbel Industries Corporation).

NICHOLAS HARITON (Sherman Oaks, California)

Since graduating from the University of Southern California, Gould School of Law, Nicholas Hariton has held positions as a Finance director at a private London based finance company, attorney at O'Melveny & Myers LLP, General Counsel for a high tech start-up, and Managing Director and General Counsel of International Litigation Services, Inc.. Mr. Hariton served as the U.S. attorney for Applied Inventions Management Inc. early in the company's history. Currently, Mr. Hariton is Managing Director and General Counsel of Imaging Presentation Partners ("**IPP**"). Mr. Hariton also serves as outside General Counsel for a Hispanic political consulting company. In addition to his other duties at IPP, Mr. Hariton is a Trial Consultant. He has had the exceptional opportunity of working with Fortune 100 companies and their outside counsel on a tactical level. Mr. Hariton has been a strategic member of some of the most interesting and significant large litigation in the past fifteen years, including the settled AMD v. Intel litigation, the successful defence of Abbott Laboratories in the billion dollar Novir Anti-Trust Class Action Litigation and, most recently, in support of the victorious Monsanto Trial Team in *Monsanto Co. v. E.I. duPont de Nemours & Co.* The Monsanto litigation related to Monsanto Roundup Ready technology for herbicide resistance. The St. Louis federal jury found duPont infringed Monsanto's patented technology and awarded \$1 billion in damages to Monsanto. This verdict-dubbed "remarkable" by The American Lawyer-was reported to be the fifth largest patent verdict in the history as of 2012.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

With the exception of the cease trade orders described below, to the knowledge of the Corporation, no director or executive officer of the Corporation:

1. is, as at the date of this Information Circular or has been, in the last ten (10) years, a director or executive officer of any company that, while that person was acting in that capacity;
 - (i) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than thirty (30) consecutive days; or
 - (ii) was subject to an event that resulted, after that person 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 Canadian securities legislation, for a period of more than thirty (30) consecutive days; or
 - (iii) 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, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
2. has, or within ten (10) years before the date of this Information Circular, becomes 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 its assets.

Corporate Cease Trade Orders or Bankruptcies

On February 20, 2001, the Corporation received a cease trade order ("**CTO**") from the Ontario Securities Commission for failure to file financial statements within the prescribed time period. None of the proposed directors were a director or officer of the Corporation when the cease trade order was issued other than Michael Stein and Nicholas Hariton.

In June 2011, the Corporation filed its annual audited financial statements and management discussion and analysis for the years ended 2008, 2009, 2010, and interim financial statements and management discussion and analysis for

the periods ending November 30, 2010, February 28, 2011 and May 31, 2011. As a result of these filings, the Ontario Securities Commission issued an order revoking the CTO on August 26, 2011.

Michael B. Stein was a director of Danbel Industries Corporation from 1997 to 2006. Gabriel Nachman and Barry Polisuk became directors of Danbel Ventures Inc. (formerly Danbel Industries Corporation-"**Danbel**") on September 15, 2010. Danbel was subject to a cease trade order from the Ontario Securities Commission on May 23, 2002 for failure to file financial statements within the prescribed time period. On May 24, 2002, Danbel also received a cease trade order from the Alberta Securities Commission and on June 2, 2006 from the British Columbia Securities Commission for failure to file financial statements within the prescribed time period. The cease trade orders were revoked by all securities commissions in early 2011 upon Danbel filing its outstanding financial statements.

APPOINTMENT OF AUDITORS

Shareholders of the Corporation will be asked at the Meeting to reappoint Collins Barrow Toronto LLP, 11 King Street West, Suite 700, Toronto, Ontario, M5H 4C7 as the Corporation's auditors to hold office until the close of the next annual meeting of shareholders of the Corporation, and to authorize the directors of the Corporation to fix the auditors' remuneration. **Unless otherwise specified, the persons named in the enclosed form of proxy will vote FOR the said reappointment of Collins Barrow LLP as the auditors of the Corporation and FOR authorizing the directors to fix the remuneration of the auditors.**

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6 – *Statement of Executive Compensation*, is set forth below, which contains information about the compensation paid to, or earned by, the Corporation's Chief Executive Officer and Chief Financial Officer and each of the other three (3) most highly compensated executive officers of the Corporation earning more than CDN\$150,000 in total compensation as at August 31, 2013 (the "**Named Executive Officers**" or "**NEOs**") during the Corporation's last three (3) most recently completed financial years. Based on the foregoing, Michael B. Stein, President, Secretary and a director of the Corporation and Gabriel Nachman, Chief Financial Officer of the Corporation are the Corporation's only Named Executive Officers as at August 31, 2013.

The Corporation has been inactive since 2002 and is currently in the process of reorganizing its affairs. It has no current business and no compensation has been paid by the Corporation to any of its officers or directors in the past three (3) years. As such, the Corporation has not yet determined the compensation to be paid to officers and directors going forward or developed a new compensation program and policy. The Corporation expects to develop a new compensation program and policy over the next twelve (12) months.

Executive Summary Compensation Table

For the past three (3) fiscal years, no compensation has been paid to any officer of the Corporation.

Executive Incentive Plan Awards

For the past three (3) fiscal years, no option-based awards or share-based awards were granted to any officer of the Corporation.

As of the date of this Information Circular, no stock options are currently outstanding under the Corporation's Option Plan (as described below).

Director Compensation Summary

For the past three (3) fiscal years, no compensation has been paid to any director of the Corporation and no option-based awards or share-based awards were granted to any director of the Corporation.

Employment agreements and deferred management fees

Since the Corporation ceased operations in 2002, it has been dependent upon Michael B. Stein, one of its shareholders who is an officer and director of the Corporation, to provide financing for ongoing administrative expenses and cost of reorganizing the affairs of the Corporation.

As at April 25, 2014, an aggregate amount of \$565,877 was payable to Mr. Stein (the "**Shareholder Advances**"). The Shareholder Advances include \$343,154 advanced for unpaid management fees and expenses paid on behalf of the Corporation which bears no interest and \$165,077 advanced for fees and expenses paid on behalf of the Corporation which bears interest at a rate of ten percent (10%) per annum. The Shareholder Advances are secured by a general security agreement and have no specific terms of repayment. The Corporation has also accrued \$12,500 in unpaid consulting fees to a company in which Michael Stein is a principal shareholder and officer. The Corporation also continues to be indebted to Mr. Stein for \$45,146 on the demand debenture (the "**Debenture**") consisting of principal plus interest, as at April 25, 2014. The Debenture bears interest at ten percent (10%) per annum, matured on November 5, 1998 and is secured by a general security agreement. The Debenture is in default and the conversion features which previously existed have lapsed.

Termination and Change of Control Benefits

The Corporation has no termination or change of control obligations.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Corporation has carefully considered the Corporate Governance Guidelines (the "**Guidelines**") adopted by the Toronto Stock Exchange ("**TSX**"), as well as those proposed by the TSX but not yet in force, and has deemed it to be in the best interests of shareholders to promote best corporate governance practices. Although there is no requirement for the Corporation to comply with the Guidelines, the Corporation considers the Guidelines to be an important guide for providing effective corporate governance and intends to continue its efforts to implement many of the Guidelines over the current fiscal period.

Corporate Governance Disclosure

The information required to be disclosed by National Policy 58-101 *Disclosure of Corporate Governance Practices* is attached to this Information Circular as **Schedule "A"**.

The Corporation has established an Audit Committee in compliance with the Guidelines. The Audit Committee assists the Board of Directors in its oversight of: (i) the integrity of the financial reporting of the Corporation; (ii) the independence and performance of the Corporation's external auditors; and (iii) the Corporation's compliance with legal and regulatory requirements. The members of the Audit Committee are Messrs. Nachman (Chairman), Hariton and Polisuk, Messrs. Hariton and Polisuk being independent directors as defined in the Guidelines. Members of the Audit Committee do not receive compensation for sitting on the committee or attending meetings of the committee.

The charter of the Audit Committee and other information required to be disclosed by Form 52-110F2 is attached to this Information Circular as **Schedule "B"**.

Compensation of Directors

Compensation paid to the Corporation's directors has previously been disclosed above.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER
EQUITY COMPENSATION PLANS**

The following table sets out information as of the date of this Information Circular with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Equity Compensation Plan Information			
Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders ⁽¹⁾	Nil	N/A	116,531 Class A Shares 91,821 Class B Shares
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	Nil	N/A	116,531 Class A Shares 91,821 Class B Shares

Notes:

- The only equity compensation plan currently in place is the Corporation's Option Plan, which is described below. The Option Plan provides that maximum number of Class A Subordinate Voting Shares and Class B Multiple Voting Shares reserved for issuance and which will be available for purchase pursuant to options granted under the Option Plan will not exceed that number which represents ten percent (10%) of the issued and outstanding Class A Subordinate Voting Shares and that number which represents ten percent (10%) of the issued and outstanding Class B Multiple Voting Shares, respectively, as at the date of grant.

Indebtedness of Directors, Executive Officers and Senior Officers

During the fiscal year ended August 31, 2013, no loans were made by the Corporation to any senior officer, director or proposed nominee for election as a director or any key employee of the Corporation, or any of their respective associates, for any reason whatsoever.

Related-Party Transactions

During the financial year ended August 31, 2013, consulting fees of \$5,000 in the aggregate were earned by a company in which Michael Stein is a principal shareholder and officer, for services provided to the Corporation other than in his capacity as a director or officer. An additional \$7,500 of consulting fees have been accrued subsequent to the year ended August 31, 2013. As at the date hereof, these fees in aggregate of \$12,500 remain unpaid. Except as otherwise described herein and the Corporation's audited financial statements for the year ended August 31, 2013, no other related party transactions were completed by the Corporation during its financial year ended August 31, 2013.

Interest of Insiders in Material Transactions

No insider of the Corporation, or associate or affiliate of the Corporation, has any material interest, direct or indirect, in any transaction completed during the Corporation's last fiscal year ended August 31, 2013 or in any proposed transaction, which, in either case, has materially affected or will materially affect the Corporation other than as

disclosed in "**Executive Compensation**" or "**Related Party Transactions**" above or in the audited financial statements of the Corporation for the year ended August 31, 2013, a copy of which accompanies this Information Circular.

Interests of Certain Persons in Matters to Be Acted Upon

No person who has been a director or officer of the Corporation at any time since the beginning of its last completed financial year, no proposed nominee for election as a director, and no associate or affiliate of any of the foregoing persons 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, except as disclosed in this Information Circular.

MANAGEMENT CONTRACTS

No management functions of the Corporation are to any substantial degree performed by any other person or company other than by the directors or executive officers of the Corporation.

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

Accompanying these materials is the audited consolidated financial statements of the Corporation, together with the auditors' report thereon and management discussion and analysis for the fiscal period ended August 31, 2013. The directors will lay before the Meeting the said audited financial statements and auditors' report thereon, receipt of which by the Meeting will not constitute approval or disapproval of any matters referred to therein.

PARTICULAR MATTERS TO BE ACTED UPON

APPROVAL OF THE SHARE CONSOLIDATION

As at the Record Date, the Corporation had an aggregate of 1,165,314 Class A Subordinate Voting Shares and 918,215 Class B Multiple Voting Shares (collectively, the "**Shares**") of the Corporation issued and outstanding. To reduce the issued and outstanding share capital of the Corporation, the Corporation proposes that, subject to obtaining all required regulatory and shareholder approvals, the Corporation's issued and outstanding Shares be consolidated on the basis of one (1) new Share in the capital of the Corporation for every ten (10) existing Shares or such lesser number of existing Shares as may be determined by the Board of Directors (the "**Share Consolidation**"). Following the Share Consolidation, there will be approximately 116,531 Class A Subordinate Voting Shares and 91,822 Class B Multiple Voting Shares issued and outstanding on the basis of a 1:10 consolidation ratio.

As soon as practicable after the Share Consolidation has been effected, the Corporation will make available to its shareholders at the offices of TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, the Corporation's transfer agent, letters of transmittal for use in transmitting existing share certificates to the transfer agent in exchange for new certificates representing the number of Class A Subordinate Voting Shares and Class B Multiple Voting Shares to which such shareholders are entitled as a result of the Share Consolidation. No delivery of a new certificate to a shareholder will be made until the shareholder has surrendered his, her or its existing share certificates. Until surrendered, each existing share certificate representing Class A Subordinate Voting Shares and Class B Multiple Voting Shares shall be deemed for all purposes to represent the number of new Class A Subordinate Voting Shares and new Class B Multiple Voting Shares (being one-tenth of the number represented by the old share certificate, on the basis of a 1:10 consolidation ratio, or such lesser number as may be determined by the Board of Directors, rounded to the nearest whole number as described below) to which the holder is entitled as a result of the Share Consolidation.

No fractional shares will be issued if, as a result of the Share Consolidation, a shareholder becomes entitled to a fraction of a new Class A Subordinate Voting Share or a new Class B Multiple Voting Share. In such circumstances, any fraction will be rounded to the nearest whole number (with a fraction of 0.5 and greater being rounded up and a fraction less than 0.5 being rounded down).

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution, in the form set out below (the "**Share Consolidation Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, authorizing the Corporation to effect the Share Consolidation.

The text of the Share Consolidation Resolution to be submitted to shareholders at the Meeting is set forth below:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

The articles of the Corporation be amended to provide that:

1. the authorized capital of the Corporation is altered by consolidating all of the issued and outstanding Class A Subordinate Voting Shares and Class B Multiple Voting Shares in the capital of the Corporation (collectively, the "**Shares**") on the basis of one (1) new Share for every ten (10) existing Shares or such lesser number of existing Shares as may be determined by the board of directors of the Corporation and approved by applicable regulatory and exchange authorities, if any;
2. any fractional Share arising on the consolidation of the Shares shall be adjusted such that each fractional Share that is less than 0.5 of one (1) Share will be cancelled without any compensation therefore and each fractional Share that is at least 0.5 of one (1) Share will be adjusted upward to one (1) whole new Share;
3. notwithstanding the passage of this special resolution, the directors of the Corporation be and are hereby authorized and empowered to revoke this resolution at any time prior to the filing of such articles of amendment without further approval of or prior notice to the shareholders of the Corporation; and
4. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or doing of any such act or thing."

Even if the Share Consolidation Resolution is approved, the Board of Directors retains the discretion to revoke it at all times prior to filing articles of amendment without any further approval by or prior notice to the shareholders. The Board of Directors will only exercise such power in the event that it is, in the Board of Directors' opinion, in the best interests of the Corporation to do so.

Generally, registered shareholders have the right to vote separately as a class and to dissent in respect of a consolidation of shares under general corporate law. However, pursuant to the Corporation's Articles and in accordance with Sections 170(1) and 185(2) of the *Business Corporations Act* (Ontario), the shareholders of the Corporation are not entitled to vote separately as a class or entitled to dissent in the case of a consolidation of its shares.

As at the date hereof, the directors and executive officers of the Corporation as a group, beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 64,760 Class A Subordinate Voting Shares and 342,255 Class B Multiple Voting Shares, representing 5.6% and 37.3% of the issued and outstanding Class A Subordinate Voting Shares and Class B Multiple Voting Shares, respectively. The directors and executive officers of the Corporation intend to vote in favour of the special resolution approving the Share Consolidation.

The Board of Directors and Management recommend the adoption of the Share Consolidation Resolution. To be effective, the Share Consolidation Resolution must be approved by not less than two-thirds (2/3) of the votes cast in respect thereof by the shareholders represented at the Meeting in person or by proxy at the Meeting. **Unless a shareholder has specified in the enclosed form of proxy that the Shares represented by such proxy are to be voted against the Share Consolidation Resolution, proxies in favour of management will be voted for the Share Consolidation Resolution.**

APPROVAL OF THE NAME CHANGE

The name of a corporation must be changed to a name different from its previous name upon any consolidation of securities of a corporation. The change in the name of a corporation will permit the pre-consolidation and post-consolidation shares of a corporation to be readily differentiated. If the Share Consolidation is approved and implemented, the Corporation intends to change the name of the Corporation to "Applied Inventions Management Corp."

Accordingly, at the Meeting, the shareholders will be asked to consider and, if deemed advisable, to approve with or without variation, a special resolution to approve the name change (the "**Name Change Resolution**") of the Corporation to "Applied Inventions Management Corp." or such other name as may be approved by the Board of Directors and applicable regulatory and exchange authorities, in the following form:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the name of the Corporation be changed to "Applied Inventions Management Corp." or such other name as may be approved by the board of directors and applicable regulatory and exchange authorities (the "**Name Change**");
2. the Articles of the Corporation be amended to reflect the new name "Applied Inventions Management Corp." or such other name as may be approved by the board of directors and applicable regulatory and exchange authorities;
3. any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute and deliver or cause to be executed and delivered, all such documents and instruments as are necessary or desirable to give effect to the Name Change and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or doing of any such act or thing; and
4. the board of directors is authorized to revoke this resolution in its sole discretion without further approval of or prior notice to the shareholders at any time prior to the endorsement by the Director appointed under the *Business Corporations Act* (Ontario) of a certificate of amendment of articles in respect of the Name Change."

Even if the Name Change Resolution is approved, the Board of Directors retain the discretion to revoke it at all times prior to filing the articles of amendment without any further approval by or prior notice to the shareholders. The Board of Directors will only exercise such power in the event that it is, in the Board of Directors' opinion, in the best interests of the Corporation to do so.

The Board of Directors and Management recommend the adoption of the Name Change Resolution. In order to be effective, the Name Change Resolution requires the approval of not less than two-thirds (2/3) of the votes cast in respect thereof by the shareholders represented at the Meeting in person or by proxy. **Unless a shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be voted against the Name Change Resolution, proxies in favour of Management will be voted for the Name Change Resolution.**

APPROVAL OF SHARES FOR DEBT

Subject to receiving disinterested shareholder approval as outlined below, the Corporation proposes to settle some of its outstanding debt through the issuance of shares in lieu of cash payments. As disclosed earlier in this Information Circular, the Corporation has been dependent upon Michael B. Stein, one of its shareholders who is an officer and director of the Corporation, to provide financing for ongoing administrative expenses since it ceased operations in 2002 and the cost of reorganizing the affairs of the Corporation.

As at April 25, 2014, Shareholder Advances in an aggregate amount of \$565,877 was payable to Mr. Stein. The Shareholder Advances include \$343,154 advanced for unpaid management fees and expenses paid on behalf of the Corporation which bears no interest and \$165,077 advanced for expenses paid on behalf of the Corporation which bears interest at a rate of ten percent (10%) per annum. The Shareholder Advances are secured by a general security agreement over the assets of the Corporation and have no specific terms of repayment. The Corporation has also accrued \$12,500 in unpaid consulting fees to a company in which Michael Stein is a principal shareholder and officer and continues to be indebted to Mr. Stein for \$45,146 in respect of the demand Debenture. The Debenture bears interest at ten percent (10%) per annum, matured on November 5, 1998 and is secured by a general security agreement over the assets of the Corporation. The Debenture is in default and the conversion features which previously existed have lapsed. The aggregate amount of \$565,877 in Shareholder Advances as described above is owed to Michael Stein and/or his related company (the "**Outstanding Debt**").

Subsequent to the Corporation's financial year ended August 31, 2013, the Corporation has incurred an estimated additional \$20,000 in respect of legal, accounting and audit fees, transfer agent fees and printing and related costs associated with the upcoming Meeting (the "**Additional Outstanding Debt**"), which Mr. Stein has paid or will pay on behalf of the Corporation prior to the date of the Meeting. As at April 25, 2014, the total estimated amount owing to Mr. Stein is \$585,877 (the "**Total Outstanding Debt**"), representing the Outstanding Debt plus the Additional Outstanding Debt.

The Corporation has been inactive since 2002, has no current business and is currently in the process of reorganizing its affairs. The proposed debt settlement is being undertaken by the Corporation based on the following reasons: (i) a review of the current financial position of the Corporation based on historical as well as current financial operating statements; (ii) to properly position the Corporation to raise additional capital on a going-forward basis; and (iii) to conserve capital while global financial markets remain unsettled.

Following completion of the Share Consolidation, the Corporation intends to settle half of the Total Outstanding Debt through the issuance of up to 5,858,770 post-consolidated Class A Subordinate Voting Shares at a deemed price of \$0.05 per Class A Subordinate Voting Share and half of the Total Outstanding Debt through the issuance of up to 4,882,300 post-consolidated Class B Multiple Voting Shares at a deemed price of \$0.06 per Class B Multiple Voting Share (the "**Debt Settlement**"). Assuming the Share Consolidation is completed on the basis of one (1) new Share for every ten (10) existing Shares and the full amount of the Total Outstanding Debt is settled through the issuance of Shares, Mr. Stein will hold 5,864,871 post-consolidated Class A Subordinate Voting Shares (representing 98.2% of the issued and outstanding Class A Subordinate Voting Shares) and 4,913,526 Class B Multiple Voting Shares (representing 98.8% of the issued and outstanding Class B Multiple Voting Shares). The Corporation and Mr. Stein may agree to settle a lesser amount of the Total Outstanding Debt by issuing Shares.

After having considered all the factors in respect of the proposed Debt Settlement, it was approved unanimously by the directors of the Corporation, namely Messrs. Nachman, Hariton and Polisuk. Michael Stein, having declared his interest in the transaction, abstained from voting on the resolution passed by the board of directors approving the proposed Debt Settlement.

Shareholders will be asked at the Meeting to consider and, if thought advisable, approve the Debt Settlement by ordinary resolution of disinterested shareholders (the "**Shares for Debt Resolution**") in the following form:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF DISINTERESTED SHAREHOLDERS THAT:

1. the issuance by the Corporation to Michael Stein of up to 5,858,770 post-consolidated Class A Subordinate Voting Shares at a deemed price of \$0.05 per Class A Subordinate Voting Share and up to an aggregate of 4,882,300 post-consolidated Class B Multiple Voting Shares at a deemed price of \$0.06 per Class B Multiple Voting Share in satisfaction of the indebtedness of the Corporation to Michael Stein in the aggregate amount of up to \$585,876 be and is hereby approved; and
2. any one (1) director or officer of the Corporation be and is hereby authorized to make all such arrangements and do all acts and things, and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

The Board of Directors and Management recommend the adoption of the Shares for Debt Resolution. To be effective, the Shares for Debt Resolution must be approved by a majority of the votes cast by disinterested shareholders who vote in person or by proxy at the Meeting. The Shares owned by Michael Stein will be excluded from voting on the Shares for Debt Resolution. **Unless a shareholder has specified in the enclosed form of proxy that the shares represented by such proxy are to be voted against the Shares for Debt Resolution, proxies in favour of Management will be voted for the Shares for Debt Resolution.**

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no additional matters which are matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgement of the persons voting the proxy.**

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be viewed via the System for Electronic Data Analysis and Retrieval (SEDAR) at www.sedar.com. Readers can also access and view the public insider trading reports via the System for Electronic Disclosure by Insiders at www.sedi.ca.

Shareholders may request copies of the Corporation's financial statements and Management Discussion and Analysis by contacting the Corporation at (416) 410-7722.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular to the shareholders of the Corporation have been approved by the Board of Directors. Unless otherwise specified, information contained in this Information Circular is given as of the 25th day of April, 2014.

DATED at Toronto, Ontario as of the 25th day of April, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS OF
APPLIED INVENTIONS MANAGEMENT INC.**

"Michael Stein"

Michael B. Stein
President and Director

SCHEDULE "A"

FORM 58-101F2 CORPORATE GOVERNANCE DISCLOSURE

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

ITEM 1 - Board of Directors

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

Messrs. Hariton and Polisuk are "independent" directors of the Corporation in that they are free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the directors' ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholdings.

Messrs. Michael B. Stein (President and Secretary), and Gabriel Nachman (Chief Financial Officer) are senior officers of the Corporation and are therefore not independent.

ITEM 2 - Directorships

The current directors of the Corporation are also currently directors of the following other reporting issuers:

NAME OF DIRECTOR	NAME OF REPORTING ISSUER	TERM
Michael B. Stein	Danbel Industries Corporation (not currently listed on a stock exchange)	September 1997 to May 2006
Gabriel Nachman	Danbel Ventures Inc. (formerly Danbel Industries Corporation not currently listed on a stock exchange)	September 15, 2010 to Present
Barry Polisuk	Mercury Capital Limited. (MLC - TSXV) Danbel Ventures Inc. (formerly Danbel Industries Corporation not currently listed on a stock exchange)	July 22, 2010 to Present September 15, 2010 to Present

ITEM 3 - Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, new directors are provided with access to publicly filed documents of the Corporation, internal financial information and reports to ensure that they are familiar with the Corporation's business and the procedures of the Board of Directors. In addition, directors are encouraged to meet with management on a regular basis.

ITEM 4 - Ethical Business Conduct

The Board of Directors 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 of Directors in which the director has an interest

have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

Under 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 of Directors 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.

ITEM 5 - Nomination of Directors

The Board of Directors is responsible for identifying individuals believed to be qualified to become board members. In identifying candidates, the Board of Directors shall consider the following factors: judgment, skill, integrity, independence, diversity, experience with business and organizations of comparable size, the interplay of a candidate's experience with the experience of other Board of Directors' members, willingness to commit the necessary time and energy to serve as director, and a genuine interest in the Corporation's business, and the extent to which a candidate would be a desirable addition to the Board of Directors or any committees of the Board of Directors.

ITEM 6 - Compensation

The Board of Directors determine compensation payable to officers and directors of the Corporation. The Board of Directors will review compensation paid for directors and CEOs of companies of similar business, size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation.

ITEM 7 - Other Board Committees

Currently, the only committee of the Board of Directors is the Audit Committee. The Audit Committee assists the Board of Directors in its oversight of: (i) the integrity of the financing reporting of the Corporation; (ii) the independence and performance of the Corporation's external auditors; and (iii) the Corporation's compliance with legal and regulatory requirements. The members of the Audit Committee are Messrs. Nachman (Chairman), Hariton and Polisuk, Messrs. Hariton and Polisuk being independent directors.

ITEM 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 of Directors and Committees.

SCHEDULE "B"

**FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE**

1. The Audit Committee's Charter

See Exhibit "1" attached hereto.

2. Composition of the Audit Committee

The current members of the Audit Committee (the "**Committee**") are Gabriel Nachman, Nicholas Hariton and Barry Polisuk, all being financially literate. Messrs. Hariton and Polisuk are independent members of the Committee.

"**Independent**" and "**financially literate**" have the meaning used in *Multilateral Instrument 52-110* ("**MI 52-110**") of the Canadian Securities Administrators.

3. Relevant Education and Experience

Name	Independent of the Corporation	Financially Literate	Relevant Education and Experience
Gabriel Nachman	No	Yes	Gabriel (Gabe) Nachman FCPA, FCA, ICD.D is a Fellow of the Institute of Chartered Accountants of Ontario and was awarded the ICD.D designation by the Institute of Corporate Directors in 2008. He practiced as a Chartered Accountant (CA) with PricewaterhouseCoopers and its legacy firm, Coopers & Lybrand as a partner for 29 years until his retirement in 2008. His area of practice was in the audit assurance and consulting fields, dealing with private and publicly traded companies primarily in the retail, franchise, wholesale distribution, real estate and entertainment and media industries. Gabe had partner responsibility for large publicly traded investment holding companies listed on Canadian and US stock exchanges. He acted for his clients on numerous public debt and equity offerings in Canada and the United States. Gabe is currently a member of the board of directors of Danbel Ventures Inc. (formerly Danbel Industries Corporation, The Foundation Group LLC, The Academy of Canadian Cinema and Television and Portage (Ontario) Program For Drug Dependencies. He is the Treasurer of the Academy and Chair of its Audit Committee as well as Chair of the Audit Committees of Danbel Ventures Inc. (formerly Danbel Industries Corporation) and Applied Inventions Management Inc.

Nicholas Hariton	Yes	Yes	Nicholas Hariton has held positions as a Finance director at a private London based finance company, attorney at O'Melveny & Myers LLP, General Counsel for a high tech start-up, and Managing Director and General Counsel of International Litigation Services, Inc.. Currently, Mr. Hariton is Managing Director and General Counsel of Imaging Presentation Partners ("IPP"). Mr. Hariton also serves as outside General Counsel for a Hispanic political consulting company. In addition to his other duties at IPP, Mr. Hariton is a Trial Consultant. He has had the exceptional opportunity of working with Fortune 100 companies and their outside counsel on a tactical level.
Barry Polisuk	Yes	Yes	Mr. Polisuk, a graduate of McGill University and University of Ottawa Law Schools, has obtained an LL.B. cum laude and a Quebec Civil Law Degree. Mr. Polisuk was called to the bar in 1988. He has been with Garfinkle, Biderman LLP since 1995 and became a partner in 1997. Mr. Polisuk is a corporate and commercial lawyer, focused on financings, corporate and commercial work, including securities. He has served on the boards of several publicly traded companies including, Richards Oil & Gas Limited (RIX:TSXV), Arehada Mining Limited (formerly Dragon Capital Corporation) (AHD:TSE) and iSign Media Solutions Inc. (formerly Corbal Capital Corp.) (ISD:TSXV) and he is currently the Corporate Secretary of Mooncor Oil & Gas Corp. (MOO:TSXV) and of Solid Gold Resources Corp. (SLD:TSXV) and President and director of Danbel Ventures Inc. (formerly Danbel Industries Corporation).

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 Board of Directors.

5. Reliance on Certain Exemptions

Since the effective date of MI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of MI 52-110. Section 2.4 provides an exemption from the requirement that the 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 five percent (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 MI 52-110, in whole or in part.

6. Pre-Approval Policies and Procedures

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of MI 52-110, the engagement of non-audit services is considered by the Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

7. External Auditor Service Fees (By Category)

The aggregate fees charged to the Corporation by the external auditor (Collins Barrow LLP) for the years ended August 31, 2013 and August 31, 2012 are as follows:

	FYE 2013	FYE 2012
AUDIT FEES FOR THE YEAR ENDED	\$5,500	\$5,500
AUDIT RELATED FEES	\$0	\$0
TAX FEES	\$1,000	\$1,000
OTHER FEES	\$0	\$1,500
TOTAL FEES	\$6,500	\$8,000

The term "*Audit Fees*" means the aggregate fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year.

The term "*Audit-Related Fees*" means the aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements for the subject year and are not reported under "Audit Fees".

The term "*Tax Fees*" means the aggregate fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice, and tax planning for the subject year.

The term "*All Other Fees*" means the aggregate fees billed for products and services provided by the Corporation's external auditor for the subject year, other than the services reported under the categories of "Audit-Related Fees", "Tax Fees" and "All Other Fees".

8. Exemption

The Corporation is relying on the exemption provided by section 6.1 of MI 52-110 which provides that the Corporation, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

EXHIBIT "1"

APPLIED INVENTIONS MANAGEMENT INC. (the "Corporation")

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

I. Purpose

The Audit Committee is a committee of the board of directors (the "**Board**") of the Corporation. The function of the Audit Committee is to assist the Board in fulfilling its responsibilities to the shareholders of the Corporation, the securities regulatory authorities and stock exchanges, the investment community and others by:

- (a) reviewing the annual and interim (quarterly) financial statements, related management discussion and analysis ("**MD&A**") and, where applicable, other financial information disclosed by the Corporation to any governmental body or the public, prior to its approval by the Board;
- (b) overseeing the review of interim (quarterly) financial statements and/or MD&A by the Corporation's external auditor;
- (c) recommending the appointment and compensation of the Corporation's external auditor, overseeing the external auditor's qualifications and independence and providing an open avenue of communication among the external auditor, financial and senior management and the Board;
- (d) directly overseeing the work of the external auditor on the audit of annual financial statements; and
- (e) monitoring the Corporation's financial reporting process and internal controls and compliance with legal and regulatory requirements related thereto.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles ("**GAAP**"), to conduct investigations, or to assure compliance with laws and regulations or the Corporation's internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor.

II. Composition

1. The Audit Committee shall have a minimum of three (3) members.
2. Every Audit Committee member must be a director of the Corporation. The Audit Committee shall be comprised of such directors as are determined by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. Pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**") the majority of the Audit Committee members must not be officers, nor employees of the Corporation or any of its affiliates.
3. All members of the Audit Committee must have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices and otherwise be financially literate within the meaning of NI 52-110 (or exempt therefrom). Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

4. The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Audit Committee members shall hold office until the next annual meeting of shareholders subsequent to their appointment.
5. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.
6. The Secretary of the Audit Committee will be appointed by the Chair.
7. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a Director. The Board may fill vacancies on the Audit Committee by election from among the directors on the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains.

III. Duties and Responsibilities

1. The Audit Committee shall review and recommend to the Board for approval:
 - (a) the Corporation's annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and review related MD&A;
 - (b) press releases of the Corporation that contain financial information;
 - (c) other financial information provided to any governmental body, stock exchange or the public as they see fit;
 - (d) documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results and Annual Information Form - when applicable) prior to their release; and
 - (e) any other matter not mentioned herein but otherwise required pursuant to applicable laws, including, without limitation, NI 52-110 and the OBCA.
2. The Audit Committee, in fulfilling its mandate, will:
 - (a) satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws;
 - (b) review with management relationships with regulators, and the accuracy and timeliness of filing with regulatory authorities (when and if applicable);
 - (c) ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures;
 - (d) recommend to the Board the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor;
 - (e) review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant;
 - (f) review the annual audit plans of the internal and external auditors of the Corporation;

- (g) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
 - (h) monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion or disagreements between management and the external auditor;
 - (i) periodically consult with the external auditor out of the presence of management about significant risks or exposure, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper;
 - (j) arrange for the external auditor to be available to the Audit Committee and the full Board as needed. Ensure that the auditors communicate directly with the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible;
 - (k) ensure that the external auditors are prohibited from providing non-audit services and approve any permissible non-audit engagements of the external auditors, in accordance with applicable legislation;
 - (l) review with management and the external auditor the Corporation's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results;
 - (m) review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements;
 - (n) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
 - (o) review the expenses of the Chairman and President of the Corporation annually;
 - (p) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls, or auditing matters and the confidential, anonymous submission by the Corporation's employees of concerns regarding questionable accounting or auditing matters; and
 - (q) perform such other duties as required by the Corporation's incorporating statute and applicable securities legislation and policies, including, without limitation, NI 52-110 and the OBCA.
3. The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties, and may set and pay the compensation of such counsel and advisors. The Audit Committee may communicate directly with the Corporation's internal and external counsel and advisors.

IV. Meeting Procedures

1. The Audit Committee shall meet at such times and places as the Audit Committee may determine, but no less than four (4) times per year. The Audit Committee should meet within forty-five (45) days (sixty (60) days in the event the Corporation is a "venture issuer" (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*)) following the end of the first three (3) financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and shall meet within ninety (90) days (one hundred and twenty (120) days in the event the Corporation is a

"venture issuer") following the end of the financial year end to review and discuss the audited financial results for the preceding year and the related MD&A as well as any accompanying press release, or in both cases, by such earlier times as may be required in order to comply with applicable law or any stock exchange regulation.

2. Members of the Audit Committee shall be provided with reasonable notice of the time and place of meetings, which shall be not less than twenty-four (24) hours. The notice period may be waived by all members of the Audit Committee. Each of the Chairman of the Board, the external auditor, the Chief Executive Officer or the Chief Financial Officer shall be entitled to request that any member of the Audit Committee call a meeting.
3. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation, and others as they consider appropriate. The external auditor may, at its option, attend meetings of the Audit Committee.
4. In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements.
5. Meetings of the Audit Committee may be conducted with members in attendance in person, by telephone or by video conference facilities.
6. Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.
7. A resolution in writing signed by all the members of the Audit Committee is valid as if it had been passed at a meeting of the Audit Committee.
8. The Audit Committee shall ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the Corporation.