

REPORT PURSUANT TO NATIONAL INSTRUMENT 62-103

Section 102.1 of the *Securities Act* (Ontario)

1. Name and address of Offeror

Mr. Michael Stein (the “**Creditor**”)
1 Adelaide Street East, Suite 801
Toronto, ON M5C 2V9

2. 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 the news release, and whether it was ownership or control that was acquired in those circumstances.

On September 2, 2014 the Creditor received 833,333 Class B Multiple Voting Shares (the “**Class B Shares**”) of Applied Inventions Management Corp. (the “**Company**”) at a deemed price of \$0.06 per Class B Share (the “**Debt Settlement Shares**”) as settlement of a \$50,000 debt owed by the Company to the Creditor pursuant to a debt settlement agreement dated September 2, 2014.

Prior to the acquisition of the Debt Settlement Shares, the Creditor owned 20,337 Class A Subordinate Voting Shares (the “**Class A Shares**”) and 104,085 Class B Shares (together the “**Existing Shares**”) of the Company representing approximately 5.2% of the outstanding Class A Shares and 34% of the outstanding Class B Shares of the Company.

The Debt Settlement Shares together with the Existing Shares results in the Creditor having control over 20,337 Class A Shares representing approximately 5.2% of the outstanding Class A Shares of the Company and 937,418 Class B Shares representing approximately 82.3% of the outstanding Class B Shares of the Company.

3. Designation and number or principal amount of securities and the Offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release.

See Item 2 above.

4. Designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

- (a) **the Offeror, either alone or together with any joint actors, has ownership and control;**

See Item 2 above.

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

Not applicable.

- (c) **the Offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 5. The name of the market where the transaction or occurrence that gave rise to the news release took place.**

The Debt Settlement Shares were issued from treasury pursuant to a debt settlement transaction.

- 6. 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.**

The Debt Settlement Shares were issued from treasury at a deemed price of \$0.06 per Class B Share in settlement of a \$50,000 debt amount.

- 7. The purpose of the Offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The Debt Settlement Shares were issued in satisfaction of \$50,000 of outstanding debt owing to the Creditor. The Creditor may from time to time, increase or decrease his ownership of securities of the Company depending upon future market conditions.

- 8. 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 other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities.**

The Creditor entered into a standard debt settlement agreement with the Company on September 2, 2014 in respect of the acquisition of the Debt Settlement Shares on terms and conditions typical for a transaction of this nature.

- 9. Names of joint actors in connection with the disclosure required by this Report.**

Not applicable.

10. **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 of the consideration paid by the Offeror.**

See Item 6 above.

11. **If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements of Part 4 in respect of the reporting issuer's securities.**

Not applicable.

12. **If applicable, a description of the exemption from securities legislation being relied upon by the entity and the facts supporting that reliance.**

The Debt Settlement Shares were issued in reliance upon Section 2.14 of National Instrument 45-106 – *Prospectus and Registration Exemptions*.

Dated the 8th day of September, 2014.

“Michael Stein”

Michael Stein