

APPLIED INVENTIONS MANAGEMENT CORP.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE
HELD ON AUGUST 25, 2016**

AND

**MANAGEMENT INFORMATION CIRCULAR
DATED JULY 15, 2016**

APPLIED INVENTIONS MANAGEMENT CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT an annual general and special meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Applied Inventions Management Corp. (the "**Corporation**") will be held at the offices of Weirfoulds LLP, counsel to the Corporation, at 4100-66 Wellington Street West, PO Box 35, Toronto-Dominion Centre, Toronto, ON, M5K 1B7 at 10:30 a.m. (Toronto time) on August 25, 2016 for the following purposes:

- (1) to receive and consider the audited financial statements of the Corporation for the financial years ended August 31, 2014 and August 31, 2015, together with the auditor's reports thereon;
- (2) to appoint Collins Barrow Toronto LLP as auditor of the Corporation for the ensuing year and authorize the directors to fix their remuneration;
- (3) to fix the number of directors of the Corporation for the ensuing year at four (4);
- (4) to elect the directors for the ensuing year;
- (5) to consider and, if thought advisable, pass a special resolution, empowering the directors of the Corporation to determine from time to time the number of directors of the Corporation and the number of directors of the Corporation to be elected at an annual meeting, the full text of which is set for in the accompanying management information circular of the Corporation (the "**Information Circular**");
- (6) to consider and, if thought advisable, approve a special resolution (the "**Share Exchange Resolution**"), the full text of which is set for in the accompanying Information Circular, authorizing an amendment to the articles of the Corporation (the "**Articles**") to authorize the board of directors of the Corporation to (i) create a class of common shares (the "**Common Shares**") having such rights and restrictions as set out in the Corporation's Articles, (ii) exchange all existing Class A subordinate voting shares (the "**Class A Shares**") on the basis of one (1) Common Share for each Class A Share issued and outstanding, (iii) exchange all existing Class B multiple voting shares (the "**Class B Shares**") on the basis of one and one-half (1.5) Common Shares for each Class B Share issued and outstanding, and (iv) delete the Corporation's Class A Shares, Class B Shares and Class C preference shares in their entirety, as more fully set out in the Information Circular;
- (7) to consider and, if thought advisable, approve a special resolution (the "**Stock Split Resolution**"), the full text of which is set for in the accompanying Information Circular, authorizing an amendment to the Corporation's Articles to authorize the board of directors of the Corporation to subdivide the Common Shares of the Corporation by changing each one (1) Common Share into two (2) Common Shares of the Corporation, conditional upon Shareholders approving the Share Exchange Resolution;
- (8) to consider and, if deemed advisable, approve an ordinary resolution approving a new stock option plan of the Corporation, conditional upon Shareholders approving the Share Exchange Resolution and Stock Split Resolution; and
- (9) to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters to be put before the Meeting as identified above are set forth in the Information Circular of the Corporation accompanying and forming part of this notice. Shareholders should refer to the Information Circular for more detailed information with respect to the matters to be considered at the Meeting.

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 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.tsxtrust.com/AppliedInventionsManagementASM2016> 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 August 16, 2016 at 10:30 am (Toronto time). Shareholders may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to TMX Equity Transfer Services at 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1 by no later than 10:30 a.m. (Toronto time) on August 23, 2016, or in the case of any adjournment of the Meeting, not less than 48 hours prior to the time of such meeting.

If you are not a registered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

The directors of the Corporation have fixed the close of business on July 15, 2016 as the record date for the determination of the Shareholders of the Corporation entitled to receive notice of the Meeting.

DATED this 15th day of July, 2016.

By Order of the Board of Directors

"Michael Stein"

Michael B. Stein
Director

APPLIED INVENTIONS MANAGEMENT CORP.

MANAGEMENT INFORMATION CIRCULAR AS AT JULY 15, 2016

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 general and special meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of the Corporation to be held on August 25, 2016 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 July 15, 2016 (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 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 10:30 a.m. (Toronto time) on August 23, 2016, or in the case of any adjournment of the Meeting, not less than 48 hours prior to the time of such Meeting.

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 10:30 a.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 annual general and special 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 TMX Equity Transfer Services website at <http://noticeinsite.tsxtrust.com/AppliedInventionsManagementASM2016> 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 10:30 am (Toronto time) on August 16, 2016 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.

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 10:30 am (Toronto time) on August 16, 2016. 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 A Shares**"), Class B Multiple Voting Shares ("**Class B Shares**") and Class C preference shares of which, as of the date of this Information Circular, an aggregate of 388,435 Class A Shares and 1,139,339 Class B Shares of the Corporation are issued and outstanding. Each Class A Share entitles the holder thereof to one (1) vote at all meetings of Shareholders of the Corporation and each Class B 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
Michael B. Stein	20,337 Class A Shares 937,418 Class B Shares	5.24% 82.27%

DIVIDEND POLICY

The Corporation has not paid any dividends on its Class A Shares or Class B Shares to date and does not expect to pay dividends on such shares in the foreseeable future. It is anticipated that all available funds will be used to finance the future development of the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED ON

Except as disclosed herein, management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors or the appointment of auditors.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding options ("**Options**") issued pursuant to compensation plans under which equity securities of the Corporation are authorized for issuance, the weighted average exercise price of such outstanding Options and the number of Common Shares remaining available for future issuance under such compensation plans as at July 15, 2016.

Plan Category	Number of securities to be issued upon exercise of outstanding Options ⁽¹⁾	Weighted-average exercise price of outstanding Options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) ⁽¹⁾
Equity compensation plans approved by security holders ⁽¹⁾	150,000 Options	\$0.05 per Option	2,777 Options
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	150,000 Options	\$0.05 per Option	2,777 Options

Note:

- (1) The Corporation has a "rolling" stock option plan (the "**Stock Option Plan**") which provides that the maximum number of Class A Shares and Class B 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 Shares and that number which represents ten percent (10%) of the issued and outstanding Class B Shares, respectively, as at the date of grant, which was approved by the Shareholders of the Corporation at the Corporation's annual general and special meeting held on June 4, 2014.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors or executive officers of the Corporation were indebted to the Corporation as at July 15, 2016.

MANAGEMENT CONTRACTS

Management functions of the Corporation and its subsidiaries are not to any substantial degree performed by persons other than the directors or executive officers of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, the directors and officers of the Corporation are not aware of any transaction since the beginning of the Corporation's last completed financial year or any proposed transaction that has materially affected or will materially affect the Corporation in which any director or senior officer of the Corporation, any proposed

management nominee for election as a director, any person beneficially owning or exercising control or direction over more than 10% of the voting securities of the Corporation or any associate or affiliate of any of the foregoing has or had a material interest, direct or indirect.

MATTERS TO BE ACTED UPON AT THE MEETING

1. FINANCIAL STATEMENTS AND AUDITORS' REPORTS

At the Meeting, Shareholders will consider the financial statements of the Corporation for the financial years ended August 31, 2014 and August 31, 2015, and the auditor's reports thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

2. 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 a choice is otherwise specified, it is intended that the shares represented by the Proxies hereby solicited will be voted in favour of the appointment of Collins Barrow Toronto LLP as auditors of the corporation until the close of the next annual meeting of Shareholders and for the authorization of the directors to fix their remuneration.

3. FIXING THE NUMBER OF DIRECTORS

The articles of the Corporation provide for a minimum of three (3) and a maximum of ten (10) directors. The Corporation's board of directors (the "**Board**") presently consists of four (4) members. At the Meeting, the management of the Corporation proposes to elect four (4) directors to hold office for the ensuing year. The term of office for each director shall continue to hold office until the next annual meeting of the Shareholders or until the election of a successor, unless a director resigns or a director's office becomes vacant by other cause. Shareholders will be asked to consider and, if deemed appropriate, to pass the following ordinary resolution:

"BE IT RESOLVED THAT:

the number of directors to be elected at the Meeting to hold office for the ensuing year or otherwise as authorized by the Shareholders of the Corporation be and is hereby fixed at four (4)."

Unless a choice is otherwise specified, it is intended that the shares represented by the proxies hereby solicited will be voted in favour of a resolution fixing the number of directors to be elected at the meeting at four (4).

4. ELECTION OF DIRECTORS

Directors will be elected at the Meeting. The Corporation's Board presently consists of four (4) members. Shareholders will be asked to elect the four (4) directors to the Board set out in the table below. If elected, each director will be elected to hold office effective until the next annual general meeting of the Corporation, or until his/her successor is duly elected or appointed in accordance with the *Business Corporations Act* (Ontario) ("**OBCA**") and the By-Laws of the Corporation, unless his/her office is vacated earlier.

It is the intention of the management designees, if named as proxy, to vote "FOR" the election of the following persons to the Board of the Corporation unless otherwise directed. 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. Management does not contemplate that any of the nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their

sole discretion unless you have specified in your proxy that your shares are to be withheld from voting on the election of that particular director.

The following is a brief description of the proposed nominees, including their principal occupation for the past five (5) years, all positions and offices with the Corporation held by them and the number of shares that they have advised are beneficially owned, directly or indirectly, by them or over which control or direction is exercised by them, as at the Record Date.

Name and Municipality of Residence	Director Since	Principal Occupation over Last Five Years	Voting Securities Beneficially Owned Directly or Indirectly⁽¹⁾
Michael B. Stein Thornhill, Ontario	July 12, 1989	Businessperson	20,337 Class A Shares 937,418 Class B Shares
Nicholas T. Hariton ⁽²⁾ Sherman Oaks, California	July 8, 1992	Managing Director and General Counsel of Imaging Presentation Partners	1,250 Class A Shares 10,000 Class B Shares
Gabriel Nachman ⁽²⁾ Toronto, Ontario	September 15, 2010	Retired Chartered Accountant	Nil Class A Shares Nil Class B Shares
Barry Polisuk ⁽²⁾ Thornhill, Ontario	September 15, 2010	Partner at Garfinkle Biderman LLP	Nil Class A Shares Nil Class B Shares

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 and executive officers individually.
- (2) Member of the Audit Committee.

Description of Each Director's Activities

Michael B. Stein: 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 is current President and director of Danbel Ventures Inc. ("**Danbel**") and was a former director and V.P. Corporate Affairs of Danbel; 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. ("**WFE**") a secured shareholder of the Corporation.

Gabriel Nachman: 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 and Portage (Ontario) Program For Drug Dependencies, and is Chair of the Audit Committee of Danbel.

Barry Polisuk: 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). He has served as the Corporate Secretary of Mooncor Oil & Gas Corp. (MOO:TSXV) and of Solid Gold Resources Corp. (SLD:TSXV) and President of Danbel. Mr. Polisuk is currently a director of Danbel and a director and Corporate Secretary of Nurcapital Corporation Ltd. (NCL.P: TSXV).

Nicholas Hariton: 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 the Corporation early in the Corporation's history. Currently, Mr. Hariton is Managing Director and General Counsel of Imaging Presentation Partners ("**IPP**"). 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, no director or proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days, while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

On February 20, 2001, the Corporation received a cease trade order ("**CTO**") from the Ontario Securities Commission (the "**OSC**") 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 B. 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 ended November 30, 2010, February 28, 2011 and May 31, 2011. As a result of these filings, the OSC issued an order revoking the CTO on August 26, 2011.

Michael B. Stein was a director of Danbel from 1997 to 2006 and became President and a director of Danbel in 2014 to present. Gabriel Nachman and Barry Polisuk became directors of Danbel on September 15, 2010. Danbel was subject to a cease trade order from the OSC on May 23, 2002 for failure to file financial statements within the prescribed time period. On May 24, 2002, Danbel also received a CTO 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 CTOs were revoked by all securities commissions in early 2011 upon Danbel filing its outstanding financial statements.

No director or proposed director of the Corporation is, or has been within the ten years prior to the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted

any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Penalties

No director or proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

5. AUTHORIZATION FOR BOARD TO SET NUMBER OF DIRECTORS

Pursuant to section 125(3) of the OBCA, if the Corporation's articles provide for a minimum and maximum number of directors, the directors may, if a special resolution of shareholders so provides, fix the number of directors to be elected at an annual meeting.

In addition, section 124(2) of the OBCA also provides that where a special resolution empowers directors to fix the number of directors in accordance with section 125(3) of the OBCA, the directors may appoint one or more directors between annual meetings, to hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total numbers so appointed may not exceed one-third of the number of directors elected at the previous annual meeting.

From time to time, the Board may identify an individual who could make a valuable contribution to the Corporation as a director. It will be a benefit to the Corporation if the Board has the ability to invite such an individual to become a director between Shareholders' meetings, without the need to create a vacancy, as this may restrict the Corporation's ability to enhance the Board at the earliest opportunity.

By adopting a special resolution to authorize the Board to set the number of directors, it will be possible to more quickly take advantage of opportunities to augment the Board. At the same time, given the limitation on the number of directors who can be added between meetings and the expiry of the term of such directors at the next annual meeting, the Shareholders maintain their control over the composition of the Board.

Resolution to Authorize the Appointment of Directors

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve with or without variation the Resolution Regarding the Appointment of Directors in the following form:

BE IT RESOLVED as a special resolution of the Corporation that:

1. In accordance with section 125(3) of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the directors shall be empowered and authorized to determine the number of directors of the Corporation and the number of directors of the Corporation to be elected at an annual meeting, within the minimum and maximum numbers provided for in the articles of the Corporation, by a resolution of the directors, subject to the provisions of the OBCA; and

2. Any director or officer of the Corporation be and each of them is hereby authorized to do such things and to execute and deliver all such documents that such director or officer may, in his or her discretion, determine to be necessary or useful in order to give full effect to the intent and purpose of this resolution.

Unless a choice is otherwise specified, it is intended that the shares represented by the proxies hereby solicited will be voted in favour of a resolution empowering the directors of the Corporation to determine from time to time the number of directors of the Corporation and the number of directors of the Corporation to be elected at an annual meeting, within the minimum and maximum numbers provided for in the articles of the Corporation.

6. SHARE EXCHANGE

As of the date hereof, the Corporation has a dual class voting structure, consisting of Class A Shares and Class B Shares. In order to simplify the Corporation's capital structure and to remove the dual class voting structure, the Board believes that it would be in the best interests of the Corporation and its Shareholders to amend the Corporation's articles (the "**Articles**") to authorize the Board to (i) create a class of common shares (the "**Common Shares**") having such rights and restrictions as set out in the Corporation's Articles, (ii) exchange all existing Class A Shares on the basis of one (1) Common Share for each Class A Share issued and outstanding, (iii) exchange all existing Class B Shares on the basis of one and one-half (1.5) Common Shares for each Class B Share issued and outstanding, and (iv) delete the Corporation's Class A Shares, Class B Shares and Class C preference shares in their entirety. As a result, the Shareholders are hereby being asked to approve the amendment to the Articles on the terms more fully set out in the articles of amendment (the "**Articles of Amendment**") attached at Schedule "A" hereto.

Creation of Common Shares, Share Exchange and Articles of Amendment

It is proposed that the Shareholders of the Corporation pass a special resolution to amend the Articles to create and authorize an unlimited number of Common Shares, with each such Common Share entitling the holder thereof to one vote per share, to such dividends as the Board may from time to time declare payable after declaring and paying or setting aside for payment dividends on all other classes of shares, if any, having priority rights to payment of dividends, and to a distribution of the remaining assets of the Corporation on any winding-up or dissolution thereof after distributing to the holders of all other classes of shares such distributions and assets, if any, to which they are entitled.

Concurrently with the creation of Common Shares, the Board proposes that all of the issued and outstanding shares of the Corporation be exchanged for Common Shares on the basis of each one (1) Class A Share (each entitling the holder to one (1) vote per Class A Share) being exchanged for one (1) newly created Common Share, each entitling the holder to one (1) vote per Common Share; and one (1) Class B Share (each entitling the holder to 20 votes per Class B Share) being exchanged for one and one-half (1.5) newly created Common Shares (each entitling the holder to one (1) vote per Common Share) (the "**Share Exchange Resolution**").

Following the creation of the Common Shares and the Share Exchange, the Board is of the position that the Articles of the Corporation be amended to delete therefrom all authorized classes of shares, including the Class A Shares, Class B Shares and Class C preference shares, save and except the unlimited number of Common Shares.

Shareholders who do not wish to approve the Share Exchange Resolution as proposed will be entitled to dissent and require that the Corporation acquire the Class A Shares and Class B Shares that they hold for fair value if the Share Exchange Resolution passes and the Articles are amended. These rights of dissent are described in greater detail in Schedule "B" attached hereto. The Corporation reserves the right not to proceed with the amendment to the Articles in the event that Shareholders exercise and do not withdraw rights of dissent.

Shareholders' Right to Dissent with Respect to the Amendment to the Articles

Under section 185 of the OBCA, a registered shareholder may dissent with respect to the Amendment to the Articles (a "**Dissenting Shareholder**"). If the amendment to the Articles is completed, a Dissenting Shareholder who strictly complies with the procedures set out in the OBCA will be entitled to be paid the fair value of its Class A Shares and Class B Shares in connection with which her, his or its right to dissent was exercised. Registered shareholders who

wish to exercise dissent rights should seek legal advice, as failure to adhere strictly to the requirements set out in the OBCA may result in the loss or unavailability of any right to dissent. A summary of the dissent rights available to Shareholders are set out in Schedule "B" to this Information Circular.

Share Exchange Resolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve with or without variation the Share Exchange Resolution in the following form:

BE IT RESOLVED as a special resolution of the Corporation that:

1. The Board be and is hereby authorized to file an amendment to the Corporation's Articles to (i) create a class of Common Shares having such rights and restrictions as set out in the Corporation's Articles, (ii) exchange all existing Class A Shares on the basis of one (1) Common Share for each Class A Share issued and outstanding, (iii) exchange all existing Class B Shares on the basis of one and one-half (1.5) Common Shares for each Class B Share issued and outstanding, and (iv) delete the Corporation's Class A Shares, Class B Shares and Class C preference shares in their entirety, all as more fully set out in the Articles of Amendment attached at Schedule "A" to this Information Circular;
2. Further to the foregoing approval, any one director or officer of the Corporation be and is hereby authorized to file the Articles of Amendment with the Ministry of Government Services;
3. Any one or more directors or officers be and are hereby authorized, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution (including, without limitation, the delivery of Articles of Amendment, in the prescribed form to the Director appointed under the OBCA; and
4. Notwithstanding that this special resolution has been duly passed by the Shareholders of the Corporation, the Board, in its sole discretion, is hereby authorized and empowered to revoke this special resolution at any time prior to the issuance of a Certificate of Amendment giving effect to the amendment to the Corporation Articles and to determine not to proceed with the amendment without the further approval of or notice to the shareholders of the Corporation.

Generally, registered shareholders have the right to vote separately as a class. However, pursuant to the Corporation's Articles and in accordance with the provisions of OBCA, the Shareholders of the Corporation are not entitled to vote separately as a class.

As at the date hereof, the directors and executive officers of the Corporation as a group, beneficially own, or exercise control or direction over, directly or indirectly, an aggregate of 21,587 Class A Shares and 947,418 Class B Shares, representing 6.38% and 83.16% of the issued and outstanding Class A Shares and Class B Shares, respectively. **Unless a choice is otherwise specified, it is intended that the shares represented by the proxies hereby solicited will be voted in favour of a resolution approving amendments to the Corporation's Articles and authorizing the Corporation to file the Articles of Amendment with the Ministry of Government Services.**

7. STOCK SPLIT

If Shareholders of the Corporation pass the Share Exchange Resolution, Shareholders will be asked to consider and, if deemed advisable, approve a special resolution (the "**Stock Split Resolution**") the full text of which is set out below, amending the Articles to divide the issued and outstanding Common Shares on a basis of two (2) new Common Shares for each one (1) old Common Share issued and outstanding (the "**Stock Split**"). The Stock Split will not change the rights of holders of Common Shares. Each Common Share outstanding after the Stock Split will be entitled to one (1) vote and will be fully paid and non-assessable. No fractional shares will be issued. Fractional

shares will be rounded up such that shareholders entitled to receive a fraction of a Common Share outstanding after the Stock Split will be entitled to receive a whole Common Share.

Under existing Canadian income tax law and taking into account all published proposals and amendments, the proposed Stock Split will not result in taxable income or in any gain or loss to the holders of Common Shares. In computing any gain or loss on the disposition of the Common Shares, holders of Common Shares will be required to reduce the adjusted cost base of each Common Share to an amount equal to up to one half of the adjusted cost base of each Common Share currently held, depending on the ratio used for the Stock Split.

Stock Split Resolution

At the Meeting, Shareholders will be asked to consider, and if thought fit, approve the resolutions substantially in the form noted below to approve the Stock Split Resolution.

BE IT RESOLVED as a special resolution of the Corporation that:

1. Pursuant to section 168(1)(i) of the OBCA, the Articles of the Corporation be and are hereby amended to divide the issued and outstanding Common Shares on a basis of two (2) new Common Shares for each one (1) old Common Shares to be effective on such date determined by the Board, all as more fully set out in the Articles of Amendment attached at Schedule "A" to this Information Circular;
2. Further to the foregoing approval, any one director or officer of the Corporation be and is hereby authorized to file the Articles of Amendment with the Ministry of Government Services;
3. Any one or more directors or officers be and are hereby authorized, upon the Board resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution (including, without limitation, the delivery of Articles of Amendment, in the prescribed form to the Director appointed under the OBCA; and
4. Notwithstanding that this special resolution has been duly passed by the Shareholders of the Corporation, the Board, in its sole discretion, is hereby authorized and empowered to revoke this special resolution at any time prior to the issuance of a Certificate of Amendment giving effect to the amendment to the Corporation Articles and to determine not to proceed with the amendment without the further approval of or notice to the shareholders of the Corporation.

Generally, registered shareholders have the right to vote separately as a class. However, pursuant to the Corporation's Articles and in accordance with the provisions of OBCA, the Shareholders of the Corporation are not entitled to vote separately as a class.

As at the date hereof, the directors and executive officers of the Corporation as a group, beneficially own, or exercise control or direction over, directly or indirectly, an aggregate of 21,587 Class A Shares and 947,418 Class B Shares, representing 6.38% and 83.16% of the issued and outstanding Class A Shares and Class B Shares, respectively. **Unless a choice is otherwise specified, it is intended that the shares represented by the proxies hereby solicited will be voted in favour of a resolution approving the Stock Split Resolution and authorizing the Corporation to file the Articles of Amendment with the Ministry of Government Services.**

8. AMENDMENT TO STOCK OPTION PLAN

If Shareholders of the Corporation pass the Share Exchange Resolution and Stock Split Resolution, Shareholders are being asked to terminate the existing stock option plan and to approve a new incentive stock option plan (the "**2016 Stock Option Plan**") for directors, officers, employees and consultants of the Corporation (the "**Stock Option Plan Resolution**"). In all material respects the 2016 Stock Option Plan is identical to the Corporation's existing Stock Option Plan, other than removing all references to options exercisable into Class A Shares and Class B Shares, as applicable, and in replacement thereof, having such options exercisable into Common Shares. A copy of the 2016

Option Plan is attached as Schedule "C" hereto. It is proposed that all Options granted under the existing Stock Option Plan will be ratified and confirmed under the 2016 Stock Option Plan.

Following completion of the capital reorganization described above, including the share exchange and the stock split, it is proposed that the maximum number of Common Shares that may be issued under the 2016 Stock Plan will be equal to 10% of the issued and outstanding Common Shares of the Corporation.

Stock Option Plan Resolution

At the Meeting, Shareholders will be asked to consider, and if thought fit, approve the resolutions substantially in the form noted below to approve the Stock Option Plan Resolution.

BE IT RESOLVED as an ordinary resolution of the Corporation that:

1. Adoption and implementation by the Board of a 10% rolling stock option incentive plan (the "**2016 Stock Option Plan**"), all as more particularly described in Schedule "C" to the Information Circular, is approved, subject to and concurrent with completion of the Share Exchange Resolution and Stock Split Resolution, as described herein;
2. The Corporation's existing Stock Option Plan be, and is hereby, terminated;
3. All Options granted under the existing Stock Option Plan, including the 150,000 Options granted to certain directors of the Corporation on April 29, 2016, be, and are hereby, confirmed and ratified under the 2016 Stock Option, with all such options being exercisable into one (1) Common Share of the Corporation;
4. Any director or officer of the Corporation is hereby authorized for and on behalf of the Company to execute and deliver all documents and instruments and to take such other actions as such director or officer may determine to be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such actions.

Generally, registered shareholders have the right to vote separately as a class. However, pursuant to the Corporation's Articles and in accordance with the provisions of OBCA, the Shareholders of the Corporation are not entitled to vote separately as a class.

As at the date hereof, the directors and executive officers of the Corporation as a group, beneficially own, or exercise control or direction over, directly or indirectly, an aggregate of 21,587 Class A Shares and 947,418 Class B Shares, representing 6.38% and 83.16% of the issued and outstanding Class A Shares and Class B Shares, respectively. **Unless a choice is otherwise specified, it is intended that the shares represented by the proxies hereby solicited will be voted in favour of a resolution approving the Stock Option Plan Resolution.**

STATEMENT OF EXECUTIVE COMPENSATION

The Corporation's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, is set forth below, which contains information about the compensation paid to, or earned by, the Corporation's Chief Executive Officer, Chief Financial Officer and the next most highly compensated executive officer of the Corporation earning more than CDN\$150,000.00 in total compensation as at August 31, 2013, August 31, 2014 and August 31, 2015 (the "**Named Executive Officers**" or "**NEOs**"). Based on the foregoing, Michael B. Stein, President, Secretary and Director of the Corporation and Gabriel Nachman, Chief Financial Officer and Director of the Corporation, are the Corporation's only Named Executive Officers as at August 31, 2013, August 31, 2014 and August 31, 2015.

Compensation Discussion and Analysis

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 most recently completed financial years, except as disclosed in the Related-Party Transactions section below. 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.

Compensation Governance

The Corporation does not have a compensation committee. The Board has not adopted any specific policies or practices to determine the compensation for the Corporation's directors and executive officers.

Summary Compensation Table

For the past three most recently completed fiscal years, no compensation has been paid to any officer of the Corporation, except as disclosed in the Related-Party Transactions section below.

Executive Incentive Plan Awards

For the past three most recently completed fiscal years, no option-based awards or share-based awards were granted to any officer of the Corporation.

Director Compensation Summary

For the past three most recently completed 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.

In satisfaction of an aggregate of \$645,154 of indebtedness (the "**Settlement**") owed by the Corporation to Mr. Michael B. Stein and WFE, a portion of which was owed for outstanding management fees to Mr. Michael B. Stein, the Corporation issued a debenture convertible into Class A Shares in the principal amount of \$343,154 to Mr. Stein (the "**Class A Debenture**") and a debenture convertible into Class B Shares in the principal amount of \$302,000 to WFE (the "**Class B Debenture**"). All or any portion of the outstanding principal amount of indebtedness or any outstanding interest payments under the Class A Debenture is convertible at the option of the holder into units (the "**Class A Units**") at a conversion price of \$0.05 per Class A Unit at any time prior to April 27, 2018 (the "**Maturity Date**"). Each Class A Unit consists of one Class A Share and one detachable share purchase warrant (the "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Class A Share at a price of \$0.06 per Class A Share until two (2) years from the date of issuance. All or any portion of the outstanding principal amount or any outstanding interest payments of indebtedness under the Class B Debenture is convertible at the option of the holder into units (the "**Class B Units**") at a conversion price of \$0.05 per Class B Unit at any time prior to the Maturity Date. Each Class B Unit will consist of one Class B Share and one (1) Warrant.

Termination and Change of Control Benefits

The Corporation has no termination or change of control obligations.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of the Corporation has carefully considered the Corporate Governance Guidelines (the "**Guidelines**") adopted by the TSX Venture Exchange ("**TSXV**"), as well as those proposed by the TSXV 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 "D".

The Corporation has established an Audit Committee in compliance with the Guidelines. The Audit Committee assists the Board 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 "E".

Compensation of Directors

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

Indebtedness of Directors, Executive Officers and Senior Officers

During the fiscal years ended August 31, 2013, August 31, 2014 and August 31, 2015 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 years ended August 31, 2013, August 31, 2014 and August 31, 2015, consulting fees of \$7,500 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 \$Nil of consulting fees have been accrued subsequent to the year ended August 31, 2015. 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, 2015, no other related party transactions were completed by the Corporation during its financial year ended August 31, 2015.

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, 2015 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, 2015, 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.

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. Unless otherwise specified, information contained in this Information Circular is given as of the 15th day of July, 2016.

DATED at Toronto, Ontario as of the 15th day of July, 2016.

BY ORDER OF THE BOARD OF DIRECTORS OF
APPLIED INVENTIONS MANAGEMENT CORP.

"Michael B. Stein"

Michael B. Stein
President and Director

SCHEDULE "A"

ARTICLES OF AMENDMENT OF APPLIED INVENTIONS MANAGEMENT CORP.

The Articles of Applied Inventions Management Corp. (the "**Corporation**") are amended:

1. To create an unlimited number of Common Shares.
2. To provide that the rights, privileges, restrictions and conditions attaching to the Common Shares are as follows:

COMMON SHARES

(a) **Voting Rights:** The holders of the Common Shares shall be entitled to one vote per share at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote.

(b) **Dividends:** Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the Common Shares shall be entitled to receive dividends as may be declared from time to time by the Board of Directors.

(c) **Participation upon Liquidation, Dissolution or Winding Up:** Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the Common Shares shall be entitled to receive the remaining property of the Corporation upon the liquidation or dissolution of the Corporation or upon the distribution of assets for the purpose of winding up its affairs.

3. To exchange each issued and outstanding Class A subordinate voting share (the "**Class A Shares**") of the Corporation for one (1) newly created Common Share of the Corporation.

4. To exchange each issued and outstanding Class B multiple voting share (the "**Class B Shares**") of the Corporation for one and one-half (1.5) newly created Common Shares of the Corporation.

5. To decrease the authorized share capital of the Corporation by deleting therefrom the Class A Shares, Class B Shares and Class C preference shares.

6. To provide that, after giving effect to the foregoing, the Corporation is authorized to issue an unlimited number of Common Shares.

7. To subdivide the issued and outstanding Common Shares of the Corporation into two (2) issued and outstanding Common Shares of the Corporation conditional upon the shareholders approving the share exchange.

8. Shareholders will not be entitled to receive any fractional shares on the aforesaid division, and in lieu of fractional Common Shares, shareholders otherwise entitled to a fraction of a Common Share, will receive a whole Common Share.

SCHEDULE "B"

SUMMARY OF DISSENT RIGHTS

Section 185 of the OBCA provides that a shareholder may only exercise the right to dissent with respect to all the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that a shareholder may only exercise the right to dissent under section 185 of the OBCA in respect of the shares which are registered in that shareholder's name. In many cases, shares beneficially owned by a person (a "**Beneficial Holder**") are registered either: (i) in the name of an intermediary that the Beneficial Holder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, and their nominees); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**") of which the intermediary is a participant. Accordingly, a Beneficial Holder will not be entitled to exercise the right to dissent under section 185 of the OBCA directly (unless the shares are re-registered in the Beneficial Holder's name). A Beneficial Holder who wishes to exercise the right to dissent should immediately contact the intermediary who the Beneficial Holder deals with in respect of the applicable shares and either: (i) instruct the intermediary to exercise the right to dissent on the Beneficial Holder's behalf (which, if the shares are registered in the name of CDS or another clearing agency, would require that the shares first be re-registered in the name of the intermediary); or (ii) instruct the intermediary to re-register the shares in the name of the Beneficial Holder, in which case the Beneficial Holder would then have to exercise the right to dissent directly.

A registered shareholder who wishes to invoke the provisions of section 185 of the OBCA must send the Corporation a written objection to the Share Exchange Resolution (a "**Notice of Dissent**") at the following address: Suite 801, 1 Adelaide Street East, Toronto, Ontario M5C 2V9 Attention: Mr. Barry Polisuk. The Notice of Dissent must be sent at or before the Meeting at which the vote on the Share Exchange Resolution is to be held. The sending of a Notice of Dissent does not deprive a registered shareholder of his or her right to vote on the Share Exchange Resolution, but a vote either in person or by proxy against the Share Exchange Resolution does not constitute a Notice of Dissent.

Within 10 days after the Share Exchange Resolution is approved, the Corporation must send a notice confirming passage for the Share Exchange Resolution (the "**Approval Notice**") to those Dissenting Shareholders who have not withdrawn their Notices of Dissent and did not vote in favour of the Share Exchange Resolution at the Meeting. Within 20 days after receipt of such Approval Notice (or if a Dissenting Shareholder entitled to receive the Approval Notice does not receive such Approval Notice, within 20 days after he, she or it learns of the approval of the Share Exchange Resolution), a Dissenting Shareholder who has not withdrawn her, his or its Notice of Dissent and did not vote in favour of the Share Exchange Resolution at the Meeting must send the Corporation a written notice containing her, his or its name and address, the number of shares of the Corporation held and a demand for payment of the fair value of such shares and, within 30 days after sending such written notice, such Dissenting Shareholder must also send the Corporation the appropriate share certificate(s), if any. If the amendment to the Articles contemplated in the Share Exchange Resolution becomes effective, the Corporation is required to determine the fair value of the common shares of the Corporation and to make a written offer to the Dissenting Shareholder to pay such amount. The fair value of those shares is to be determined as of the close of business on the last business day before the date on which the Share Exchange Resolution was adopted. If the Corporation fails to make a written offer or such offer is not accepted within 50 days after the amendment to the Articles, the Corporation may apply to the court to fix the fair value of such Common Shares. There is no obligation on the Corporation to apply to the court. If the Corporation fails to make such an application, a Dissenting Shareholder has the right to so apply within a further 20 days. If an application is made by either party, the final order of the court will fix the fair value of the common shares of all Dissenting Shareholders. The court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date the shareholder ceased to have any rights by reason of their dissent until the date of payment.

A Dissenting Shareholder will cease to have any rights as a shareholder of the Corporation other than the right to be paid the fair value for her, his or its common shares upon the occurrence of the earliest of: (i) the amendment to the

Articles becoming effective; (ii) the company and the Dissenting Shareholder entering into an agreement as to the payment to be made by the Corporation for the Dissenting Shareholder's Shares; or (iii) the Court making an order fixing the fair value of the common shares. Until one of these three events occur, the Dissenting Shareholder may withdraw the Notice of Dissent or the Corporation may rescind the Share Exchange Resolution and in either event, the dissent and appraisal proceedings in respect of such Dissenting Shareholder will be discontinued.

Dissenting Shareholders will not have any right other than those granted under the OBCA to have their Common Shares appraised or to receive the fair value thereof.

The above is only a summary and is expressly subject to the dissenting shareholder provisions of section 185 of the OBCA. The Corporation is not required to notify, and the Corporation will not notify, Shareholders of the time periods within which action must be taken in order for a Shareholder to exercise the Shareholder's dissent rights. It is recommended that any Shareholder of the Corporation wishing to exercise a right to dissent should seek legal advice, as failure to comply strictly with the provisions of the OBCA may result in the loss or unavailability of the right to dissent.

SCHEDULE "C"
STOCK OPTION PLAN
APPLIED INVENTIONS MANAGEMENT CORP.
STOCK OPTION PLAN AS OF ●, 2016

1. **INTERPRETATION**

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **"Affiliate"** a company is an "affiliate" of another company if: one of them is the subsidiary of the other or each of them is controlled by the same Person.
- (b) **"Associate"** has the meaning ascribed to it in Section 1(1) of the *Securities Act* (Ontario).
- (c) **"Board"** means the board of directors of the Company.
- (d) **"Common Shares "** means the Common Shares in the capital of Company.
- (e) **"Company"** means Applied Inventions Management Corp.
- (f) **"Consultant"** means, in relation to the Company, an individual or Consultant Company, other than an employee or a director of the Company, that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or the Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.
- (g) **"Consultant Company"** means for an individual consultant, an issuer or partnership of which the individual is an employee, shareholder or partner.
- (h) **"Effective Date"** means ●, 2016.
- (i) **"Eligible Person"** means, subject to all applicable laws:
 - (i) any Consultant, Employee or Executive of the Company or its Affiliate or, if permitted by the stock exchange on which the Shares are then listed, a RRSP or a RRIF established by or for such Person or under which such Person is the beneficiary; or
 - (ii) if permitted by the stock exchange on which the Shares are then listed, any subsidiary entity of any Employee or Executive; or
 - (iii) any Consultant Company.

- (j) **"Employee"** means an individual who:
- (i) is considered an employee of the Company or a Subsidiary of the Company under the *Income Tax Act* (Canada) (i.e., for whom income tax, employment insurance and CPP deductions must be made at source); or
 - (ii) works full-time for the Company or a Subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company or a Subsidiary of the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) works for the Company or a Subsidiary of the Company on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or a Subsidiary of the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.
- (k) **"Exchange"** means TSX Venture Exchange, or such other stock exchange the Company's Common Shares are listed on.
- (l) **"Executive"** means a director, senior officer or Management Company Employee of the Company or a subsidiary of the Company.
- (m) **"Fundamental Change"** means:
- (i) a transaction or series of transactions in or pursuant to which, directly or indirectly, the Company (or any successor company) shall merge, consolidate or amalgamate with or into or enter into an arrangement with, any other person where all or part of the outstanding voting securities of the Company (or any successor corporation) are changed in any way, reclassified or converted into or exchanged for shares or other securities or cash or any other property (other than pursuant to an internal corporate reorganization);
 - (ii) a transaction or series of transactions in which, directly or indirectly, the Company (or any successor corporation) shall sell or otherwise transfer or dispose of all or substantially all of their respective businesses, operations, properties and/or assets; and/or
 - (iii) any change in Beneficial Ownership, direct or indirect, of voting securities of the Company (or any successor company) which occurs which results in a Person beneficially owning greater than fifty percent (50%) of the voting securities of the Company calculated on a Partially Diluted Basis;
- for the purpose of the definition of Fundamental Change, a Person shall be deemed to be the "Beneficial Owner" and to have "Beneficial Ownership" of, and to "Beneficially Own" any securities which it or any Person Acting Jointly or in Concert with it is or may be deemed to be the beneficial owner of pursuant to Section 90 of the *Securities Act* (Ontario) (or, pursuant to any comparable or successor laws or regulations or, if the said section shall be rescinded and there shall be no comparable or successor laws or regulations, pursuant to Section 90 of the *Securities Act* (Ontario) as in effect on the date of this Agreement) and for the purposes of calculating the number of securities Beneficially Owned by a Person on a "Partially Diluted Basis", if a Person is deemed to be the Beneficial Owner of unissued securities pursuant to this subsection, such securities shall be deemed to be outstanding.
- (n) **"Insider"** means:

- (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company;
 - (iii) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company; or
 - (iv) the Company itself if it holds any of its own securities.
- (o) "**Investor Relations Activities**" has the meaning ascribed thereto in Policy 1.1 of the Exchange Corporate Finance Manual.
 - (p) "**Management Company Employee**" means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities.
 - (q) "**Option**" means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan.
 - (r) "**Participant**" means Eligible Persons to whom Options have been granted.
 - (s) "**Person**" means an individual or a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
 - (t) "**Plan**" means this stock option plan of the Company, as amended and supplement as herein provided.
 - (u) "**Related Person**" has the meaning ascribed to in Multilateral Instrument 61-101.
 - (v) "**Shares**" means the Common Shares.
 - (w) "**Share Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Company involving the issuance or potential issuance of Shares to one or more Executives, Employees or Consultants, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise.
 - (x) "**Subsidiary**" means a subsidiary as defined in the *Business Corporations Act* (Ontario).

Unless otherwise defined herein, capitalized terms used herein shall have the meaning ascribed or attributed to such terms in National Instrument 45-106 – Prospectus and Registration Exemption. For greater certainty, the issuer in connection with such terms shall be the Company.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matters which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

2. PURPOSE

The purpose of this Plan is to encourage ownership of the Shares by Executives, Employees of the Company and Consultants who are primarily responsible for the management and profitable growth of the business

of the Company and to advance the interests of the Company by providing additional incentive for superior performance by such Persons and to enable the Company to attract and retain valued Executives, Employees and Consultants.

3. ADMINISTRATION

The Plan shall be administered by the Board which, subject to the limitations of the Plan, shall have the authority:

- (a) to grant options to purchase Shares to Eligible Persons;
- (b) to determine the terms, limitations, restrictions and conditions respecting such grants;
- (c) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and
- (d) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other Persons.

4. SHARES SUBJECT TO THE PLAN

Subject to adjustment as provided for in **Section 7** of this Plan and any subsequent amendment to this Plan, the number of Common Shares reserved for issuance and which will be available for purchase pursuant to Options granted under this Plan will not exceed that number which represents ten percent (10%) of the issued and outstanding Common Shares as at the date of grant. If any Option granted under this Plan is exercised, expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of such exercised, expired or terminated Option, as the case may be, will again be available for issuance under and for the purposes of this Plan.

However, in no case will the grant of Options under this Plan, together with any proposed or previously existing Share Compensation Arrangement, result in (in each case, as determined on the date of grant):

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding ten percent (10%) of the Company's issued and outstanding Common Shares (on a non-diluted basis);
- (b) the grant to Insiders, within any twelve (12) month period, of Options reserving for issuance a number of Common Shares, exceeding in the aggregate ten percent (10%) of the Company's issued and outstanding Common Shares (on a non-diluted basis);
- (c) the grant to any one (1) Insider, and such Insider's associates, within any twelve (12) month period, Options reserving for issuance a number of Common Shares, exceeding in the aggregate five percent (5%) of the Company's issued and outstanding Common Shares (on a non-diluted basis); or
- (d) the number of Common Shares reserved for issuance pursuant to Options granted to any one (1) Participant, exceeding in the aggregate five percent (5%) of the Company's issued and outstanding Common Shares (on a non-diluted basis).
- (e) If the Company's shares are listed on the Exchange, then in accordance with the policies of the Exchange:

- (i) the maximum number of Common Shares which may be reserved for issuance in any twelve (12) month period to Participants engaged in Investor Relations Activities under the Plan, shall not, in the aggregate, exceed two percent (2%) of the issued and outstanding Common Shares at the time of granting; and
- (ii) the maximum number of Common Shares which may be reserved for issuance in a twelve (12) month period to Consultants under the Plan, shall not, in the aggregate, exceed two percent (2%) of the issued and outstanding Common Shares at the time of granting.

5. PARTICIPATION

Options shall be granted under the Plan only to Eligible Persons designated from time to time by the Board and shall, if required, be subject to the approval of such shareholders as may be required pursuant to the policies of the relevant stock exchange on which the Shares are then listed and such regulatory authorities as may have jurisdiction. It shall be a condition of the grant of any Option and the issuance of any Shares upon the exercise thereof that the participation of any Employee, Management Company Employee, Executive or Consultant in the grant of such Option and the issuance of any Shares upon the exercise thereof be voluntary.

6. TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of each Option shall include the following, as well as such other provisions, not inconsistent with the Plan, as may be deemed advisable by the Board including those contained in any stock option agreement entered into between the Company and a Participant:

- (a) *Option Price:* The option price of any Shares in respect of which an Option may be granted shall be fixed by the Board provided that the minimum exercise price shall not be less than the market price of the Shares at the time the Option is granted, less any permitted discounts pursuant to the policies of the relevant stock exchange on which the Shares are then listed.
- (b) *Payment:* The full purchase price of Shares purchased under an Option shall be paid in cash or certified funds upon the exercise thereof, and upon receipt of payment in full, but subject to the terms of the Plan, including the provisions of subparagraph 6(e), the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable. A holder of an Option shall have none of the rights of a shareholder until the Shares are issued to him.
- (c) *Term of Option:* Options may be granted under this Plan exercisable over a period not exceeding ten (10) years. Each Option shall be subject to earlier termination as provided in subparagraph 6(f).
- (d) *Exercise of Option:* Subject to the provisions contained in subparagraph 6(f), no Option may be exercised unless the Participant is then an Eligible Person. This Plan shall not confer upon the Participant any right with respect to continuation of employment by the Company. Absence on leave approved by an officer of the Company or of any Subsidiary authorized to give such approval shall not be considered an interruption of employment for any purpose of the Plan. Subject to the provisions of the Plan, an Option may be exercised from time to time by: (i) delivery to Company of written notice of exercise specifying the number of Shares with respect to which the Option is being exercised, (ii) accompanied by payment in full of the purchase price of the Shares then being purchased and (iii) make suitable arrangements with the Company, in accordance with subparagraph 6(e), for the receipt by the Company of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the "**Withholding Obligations**"). The Board may, in its discretion but subject to the rules of this Plan, subsequent to the time of granting any Options hereunder, permit any Eligible Person to exercise any or all of the unvested Options then outstanding and granted to the Eligible Person under this Plan, in which event all such unvested Options then outstanding and granted to

the Optionee shall be deemed to be immediately exercisable during such period of time as may be specified by the Board.

- (e) *Withholding Taxes:* Upon the exercise of an Option by a Participant, the Company shall have the right to require the Participant to remit to the Company an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board or by applicable law, satisfaction of the amount of the Withholding Obligations (the "**Withholding Amount**") may be accomplished by any of the following methods or by a combination of such methods as determined by the Company in its sole discretion:
- (i) the tendering by the Participant of cash payment to the Company in an amount less than or equal to the Withholding Amount; or
 - (ii) the withholding by the Company from the Shares otherwise due to the Participant such number of Shares as it determines are required to be sold by the Company, as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the stock option agreement, the Participant shall be deemed to have consented to such sale and have granted to the Company an irrevocable power of attorney to effect the sale of such Shares and to have acknowledged and agreed that the Company does not accept responsibility for the price obtained on the sale of such Shares; or
 - (iii) the withholding by the Company from any cash payment otherwise due by the Company to the Participant, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Withholding Amount;

provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Shares so withheld is sufficient to satisfy the Withholding Amount.

The provisions of the stock option agreement shall provide that the Participant (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan and an acknowledgement that neither the Board nor the Company shall make any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Withholding Amount made under the Plan and none of the Board, the Company, nor any of its employees or representatives shall have any liability to an Participant (or its beneficiaries) with respect thereto.

- (f) *Termination of Options:* Any Option granted pursuant hereto, to the extent not validly exercised, will, unless otherwise specified in the Option agreement or in the resolution of the Board granting such Option, as the case may be, terminate on the earlier of the following dates:
- (i) the date of expiration specified in the Option agreement or in the resolution of the Board granting such Option, as the case may be, being not more than ten (10) years after the date upon which the Option was granted;
 - (ii) thirty (30) days after the Participant ceases to be an Eligible Person, other than by reason of retirement, permanent disability or death. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant was dismissed with or without cause and regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;
 - (iii) one hundred and eighty (180) days after the date of the death of the Participant during which period the Option may be exercised by the Participant's legal representative or the Person or Persons to whom the deceased Participant's rights under the Option shall pass

by will or the applicable laws of descent and distribution, and only to the extent the Participant would have been entitled to exercise the Option on the date of death;

- (iv) ninety (90) days after termination of the Participant's employment by reason of permanent disability or retirement under any retirement plan of the Company or any Subsidiary, during which ninety (90) day period the Participant may exercise the Option to the extent he was entitled to exercise it at the time of such termination, provided that if the Participant shall die within such ninety (90) day period, then such right shall be extended to ninety (90) days following the date of death of the Participant and shall be exercisable only by the Persons described in clause 6(f)(iii) hereof and only to the extent therein set forth; and
- (v) notwithstanding anything herein contained to the contrary, if the Shares are listed on the Exchange, thirty (30) days after a Participant who is engaged in Investor Relations Activities ceases to be employed to provide Investor Relations Activities to the Company for any reason whatsoever.

For greater certainty, the termination provisions contained in this subparagraph 6(f) shall not supercede the provisions of any Option agreement relating to outstanding options or any resolution of the Board granting such outstanding options.

- (g) *Bankruptcy or Insolvency of Participant:* In the event that the Participant commits an act of bankruptcy or any proceeding is commenced against the Participant under the *Bankruptcy and Insolvency Act* (Canada) or other applicable bankruptcy or insolvency legislation in force at the time of such bankruptcy and such proceeding remains undismissed for a period of thirty (30) days, no Option held by such Participant may be exercised following the date on which such Participant commits such act of bankruptcy or such proceeding remains undismissed, as the case may be.
- (h) *Non-transferability of Stock Option:* No Option shall be transferable or assignable by the Participant other than by will or the laws of descent and distribution and such Option shall be exercisable during his lifetime only by the Participant. Notwithstanding the foregoing, if permitted by the stock exchange on which the shares are then listed, Options may be transferred or assigned between a Consultant, Executive or Employee to an RRSP or an RRIF established by or for such Consultant, Executive or Employee or under which such Consultant, Executive or Employee is the beneficiary or to any subsidiary entity of an Employee or Executive or by a Consultant to such Consultant's Consultant Company, provided the assignor delivers notice to the Company prior to the assignment and the Board, as applicable, approves such assignment.
- (i) *Granting of Options:* Subject as herein and otherwise specifically provided herein, the number of Shares subject to each Option, the exercise price for each Option, the expiration date of each Option and the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board.
- (j) *Vesting:* Subject to the policies of the relevant stock exchange on which the Shares are then listed, the Board may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist. Notwithstanding any other provision hereof, if the Shares are listed on the Exchange, Options granted to persons engaged to provide Investor Relations Activities shall vest in stages over a minimum period of twelve (12) months from the date of grant with no more than one-quarter ($\frac{1}{4}$) of any such Options granted vesting in any three (3) month period.
- (k) *Reduction in Option Price:* In the event that the Board approves a reduction in the exercise price of a Participant who is an Insider at the time of the proposed reduction, such reduction shall be subject to the approval of disinterested shareholders of the Company.

- (l) *Representation as to Bona Fide Employee or Consultant:* Upon approval by the Board of the granting of Options to Eligible Persons who are Employees or Consultants, the Company shall represent in the resolution approving such grant that such Eligible Person is a bona fide Employee or Consultant, as the case may be.
- (m) *Applicable Laws or Regulations:* The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange on which the Shares are listed for trading and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by any provision of the Plan or the granting of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations or any condition of such approvals. No Option shall be granted and no Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or the Shares under the securities laws of any jurisdiction and any purported grant of any Option or issue or sale of Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Shares are listed for trading. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws and the rules of any stock exchange on which the Shares are then listed. If required by the relevant exchange, the share certificates issued upon the exercise of any Options shall bear a legend setting out the required restrictions on sale or resale. The Company's obligation to issue Shares pursuant to the exercise of any Option shall be subject to the receipt from the Participant of such representations, warranties, agreements and undertakings, as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction and/or as may be required by any stock exchange on which the Shares are then listed.
- (n) *Rights of Holders:* The Participant shall not have any rights as a shareholder of the Company with respect to any Shares subject to any Option until such Participant shall have exercised such Option in accordance with the terms of the Plan (including tendering payment in full of the aggregate exercise price in respect of which the Option is being exercised).
- (o) *No Additional Rights Conferred:* Nothing in this Plan nor any Option shall confer upon any Participant any right to continue as an Employee, Executive or Consultant of the Company or any subsidiary of the Company or affect in any manner the right of the Company or any subsidiary to terminate a Participant's employment or terminate a Participant's consulting arrangement at any time.

7. **ADJUSTMENTS IN SHARES SUBJECT TO THE PLAN**

- (a) *Subdivisions and Redivisions:* In the event of any subdivision or redivision or subdivisions or redivisions of the Shares at any time while any Option is outstanding into a greater number of Shares, the Company shall thereafter deliver at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such greater number of Shares as would result from said subdivision or redivision or subdivisions or redivisions had such Option been exercised before such subdivision or redivision or subdivisions or redivisions without the Participant making any additional payment or giving any other consideration therefore.
- (b) *Consolidations:* In the event of any consolidation or consolidations of the Shares at any time while any Option is outstanding into a lesser number of Shares, the Company shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such lesser number of Shares as would result from such consolidation or consolidations had such Option been exercised before such consolidation or consolidations.

- (c) *Reclassifications/Changes:* In the event of any reclassification or change or reclassifications or changes of the Shares at any time while any Option is outstanding, the Company shall thereafter deliver at the time of exercise of any Option hereunder the number of securities of the Company of the appropriate class or classes resulting from said reclassification or change or reclassifications or changes as the Participant would have been entitled to receive in respect of the number of Shares in respect of which such Option is then being exercised had such Option been exercised before such reclassification or change or reclassifications or changes.
- (d) *Other Capital Reorganizations:* In the event of any capital reorganization of the Company at any time while any Option is outstanding, not otherwise covered in this paragraph 7 or a consolidation, amalgamation or merger with or into any other entity or the sale of the properties and assets as or substantially as an entirety to any other entity, the Participant if he has not exercised his Option prior to the effective date of such reorganization, consolidation, amalgamation, merger or sale, upon the exercise of such Option thereafter, shall be entitled to receive and shall accept in lieu of the number of Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of other securities or property of the entity resulting from such merger, amalgamation or consolidation or to which such sale may be made, as the case may be, that the Participant would have been entitled to receive on such capital reorganization, consolidation, amalgamation, merger or sale if, on the record date or the effective date thereof, he had been the registered holder of the number of Shares so subscribed for.
- (e) *Stock Dividend:* If the Company at any time while any Option is outstanding shall pay any stock dividend or stock dividends upon the Shares, the Company will thereafter deliver at the time of exercise of any Option in addition to the number of Shares in respect of which such Option is then being exercised, such additional number of securities of the appropriate class as would have been payable on the Shares so purchased if such Shares had been outstanding on the record date for the payment of such stock dividend or dividends.
- (f) *Fractional Shares:* The Company shall not be obligated to issue fractional Shares in satisfaction of its obligations under the Plan or any Option and the Participant will not be entitled to receive any form of compensation in lieu thereof.
- (g) *Rights Offerings:* If at any time the Company grants to its shareholders the right to subscribe for and purchase pro rata additional securities of any other corporation or entity, there shall be no adjustments made to the number of Shares or other securities subject to the Options in consequence thereof and the Options shall remain unaffected.
- (h) *Adjustments Cumulative:* The adjustment in the number of Shares issuable pursuant to Options provided for in this paragraph 7 shall be cumulative.
- (i) *Necessary Adjustments:* On the happening of each and every of the foregoing events, the applicable provisions of the Plan and each of them shall, ipso facto, be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Options (and the Plan) and the option price thereof.

8. AMENDMENT OF PLAN AND OPTIONS

- (a) The Board may terminate the Plan at any time upon receipt of any requisite regulatory approval. Subject to **Section 8(b)**, the Board has the discretion to make any amendments to the Plan that it may deem necessary, without having to obtain shareholder approval, including, without limitation: (i) minor changes of a "house-keeping nature"; (ii) amending Options under the Plan, including with respect to the term of the Options (provided that the period during which an Option is exercisable does not exceed ten (10) years from the date the Option is granted and that such Option is not held by an Insider), vesting period, exercise method and frequency, subscription price (provided that such Option is not held by an Insider) and method of determining the

subscription price, assignability and effect of termination of an Participant's employment or cessation of the Participant's directorship; (iii) changing the class of Participants eligible to participate under the Plan; (iv) advancing the date on which any Option may be exercised or extending the expiration date of any Option, provided that the period during which an Option is exercisable does not exceed ten (10) years from the date the Option is granted; (v) decreasing the maximum aggregate number of Shares which may be issued and sold under the Plan; (vi) changing the terms and conditions of any financial assistance that may be provided by the Company to Participants to facilitate the purchase of Shares under the Plan; and (vi) adding a cashless exercise feature, payable in cash or securities, whether or not providing for a full deduction of the number of underlying Shares from the Plan reserve.

- (b) Shareholder approval must be obtained in the case of: (i) any amendment to the amendment provisions of the Plan; (ii) any increase in the maximum number of Shares issuable under the Plan; and (iii) any reduction in the exercise price or extension of the Option period benefiting an Insider, in addition to such other matters that may require shareholder approval under the rules and policies of any stock exchange that the Shares are listed and regulatory authorities having jurisdiction over the affairs of the Company. Disinterested shareholder approval must be obtained for any changes to the Insider participation limits in the Plan or if the number of Common Shares reserved for issuance to any one (1) person exceeds five percent (5%) of the issued and outstanding Common Shares.

9. EFFECTIVE DATE AND DURATION OF PLAN

Upon approval by the shareholders of the Company in accordance with the *Business Corporations Act* (Ontario), and if the Shares are listed or posted on a stock exchange and such acceptance is required, this Plan shall be deemed to be effective as of the Effective Date. Any Options granted prior to such approval and acceptance(s) shall be conditional upon such approval and acceptance(s) being given and no such Options may be exercised unless such approval and acceptance is given. The Plan shall remain in full force and effect until such time as the Board, and if required, with the approval of the shareholders of the Company, shall amend or terminate the Plan, and for so long thereafter as Options remain outstanding in favour of any Participant.

SCHEDULE "D"

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

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 Ventures Inc. (formerly Danbel Industries Corporation not currently listed on a stock exchange)	October, 2014 to Present
Gabriel Nachman	Danbel Ventures Inc. (formerly Danbel Industries Corporation not currently listed on a stock exchange)	September 15, 2010 to Present
Barry Polisuk	Nurcapital Corporation Ltd. (NCL.P - TSXV) Danbel Ventures Inc. (formerly Danbel Industries Corporation not currently listed on a stock exchange)	January 8, 2015 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. In addition, directors are encouraged to meet with management on a regular basis.

ITEM 4 - Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an

individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under 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 is responsible for identifying individuals believed to be qualified to become board members. In identifying candidates, the Board 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 Boards' 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 or any committees of the Board.

ITEM 6 - Compensation

The Board determines compensation payable to officers and directors of the Corporation. The Board 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 is the Audit Committee. The Audit Committee assists the Board 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 monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the Board and Committees.

SCHEDULE "E"

**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 and Portage (Ontario) Program For Drug Dependencies. He is the Chair of the Audit Committees of Danbel and the Corporation.

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"). 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). He has served as the Corporate Secretary of Moocor Oil & Gas Corp. (MOO:TSXV) and of Solid Gold Resources Corp. (SLD:TSXV) and President of Danbel. Mr. Polisuk is currently a director of Danbel and a director and Corporate Secretary of Nurcapital Corporation Ltd. (NCL.P: TSXV)

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.

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 Toronto LLP) for the years ended August 31, 2014 and August 31, 2015 are as follows:

	FYE 2014	FYE 2015
AUDIT FEES FOR THE YEAR ENDED	\$6,500	\$6,500
AUDIT RELATED FEES	\$110	\$260
OTHER FEES	\$195	\$995
TOTAL FEES	\$6,805	\$7,755

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" TO SCHEDULE "E"**APPLIED INVENTIONS MANAGEMENT CORP.
(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.