



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**IN RESPECT OF THE ANNUAL MEETING OF SHAREHOLDERS OF GRAVITAS  
FINANCIAL INC. TO BE HELD ON DECEMBER 10, 2015**

Dated as of November 9, 2015



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Gravitas Financial Inc. (the “**Corporation**” or “**Gravitas**”) will be held at the Bentall Kennedy Business Centre, 121 King Street West, 17th floor, Toronto, Ontario on Thursday, December 10, 2015, at 10:00 a.m. (Toronto time), for the following purposes:

1. **TO RECEIVE** the audited consolidated financial statements of Gravitas for the financial year ended December 31, 2014, together with the auditor’s report thereon;
2. **TO ELECT** the directors of the Corporation for the ensuing year;
3. **TO RE-APPOINT** the auditors of the Corporation and authorize the board of directors of the Corporation to fix the remuneration of the auditors;
4. **TO CONSIDER** and, if deemed advisable, approve a special resolution substantially in the form set forth in the management information circular under the heading “Consolidation of Issued and Outstanding Securities” authorizing an amendment to the articles of the Corporation to consolidate the outstanding common shares of the Corporation on a one (1) new common share for ten (10) old common shares basis, (the “**Consolidation Resolution**”); and
5. **TO TRANSACT** such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Management Information Circular of the Corporation dated November 9, 2015.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is November 5, 2015 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Ave., 8<sup>th</sup> Floor, Toronto, ON M5J 2Y1, fax number 1-866-249-7775, not later than 10:00 a.m. (Toronto time) on December 8, 2015, subject to adjournments or postponements of the date or time set for the Meeting. The Chairman of the Meeting has the discretion to accept late proxies. If you are a beneficial Shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.

**DATED** this 9<sup>th</sup> day of November, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Ernie Eves”*

Ernie Eves  
Chairman of the Board

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## GENERAL

Unless otherwise indicated, or the context otherwise requires, “**Corporation**” or “**Gravitas**” refers to Gravitas Financial Inc. and its subsidiaries.

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by or on behalf of management of Gravitas, for use at the annual meeting (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Shares**”) of the Corporation to be held on Thursday, December 10, 2015 at the Bentall Kennedy Business Centre, 121 King Street West, 17th floor, Toronto, Ontario commencing at 10:00 a.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”).

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

## SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

### Solicitations of Proxy

**This Circular is furnished in connection with the solicitation of proxies by or on behalf of management of Gravitas, for use at the Meeting of the Shareholders to be held on Thursday, December 10, 2015 at the Bentall Kennedy Business Centre, 121 King Street West, 17th floor, Toronto Ontario commencing at 10:00 a.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the accompanying Notice of Meeting.** It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation and/or a proxy solicitation firm by telephone, electronic mail, facsimile or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

The board of directors of Gravitas (the “**Board**”) has fixed the close of business on November 5, 2015 as the Record Date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775, not later than 10:00 a.m. (Toronto time) on December 8, 2015, subject to adjournments or postponements of the date or time set for the Meeting. The Chairman of the Meeting has the discretion to accept late proxies.

Unless otherwise stated, the information contained in this Circular is as of November 9, 2015.

### Appointment of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Computershare Investor Services Inc., at the address provided herein, not later than 10:00 a.m. (Toronto time) on December 8, 2015, subject to adjournments or postponements of the date or time set for the Meeting.

A Shareholder forwarding the enclosed form of 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 form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

### **Voting of Proxies**

The Shares represented by the accompanying form of proxy (if same is properly executed and is received at the offices of Computershare Investor Services Inc. at the address provided herein, not later than 10:00 a.m. (Toronto time) on December 8, 2015, subject to adjournments or postponements of the date or time set for the Meeting, will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. In the absence of such specification, proxies in favour of management will be voted in favour of the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting of Shareholders and with respect to other matters which may properly come before the Meeting. At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

### **Revocation of Proxies**

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (a) completing and signing a proxy bearing a later date and depositing it at the offices of Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775;
- (b) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775, at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (c) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

### **Voting by Non-Registered Shareholders**

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in

respect of the Shares; 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. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Meeting of Shareholders, this Circular and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Shares at the Meeting; or
- (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc., Attention: Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

### Authorized and Issued Capital

The authorized capital of the Corporation consists of an unlimited number of Shares. As at the Record Date, there were 66,601,305 Shares issued and outstanding. Each Share carries the right to one vote per share. Each holder of record of Shares at the close of business on the Record Date will be given a Notice of Meeting and will be entitled to vote at the Meeting the number of Shares of record held by him on the Record Date.

### Principal Shareholders

To the knowledge of the directors and officers of the Corporation, as of the date hereof, the following persons beneficially own directly or indirectly, or exercise control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted:

Name of Shareholder	Number of Shares	Percentage of Shares <sup>(1)</sup>
David Carbonaro <sup>(2)</sup>	17,940,000	26.9%
Vishy Karamadam <sup>(3)</sup>	9,988,500	15.0%
Vikas Ranjan <sup>(4)</sup>	9,988,500	15.0%

(1) On a non-diluted basis.

(2) 17,500,000 of these are Shares over which Mr. Carbonaro had some direction are held in 2368798 Ontario Inc. and 23689799 Ontario Inc.

(3) A portion of the Shares owned by Mr. Karamadam are held in 2271906 Ontario Inc., a corporation controlled by Mr. Karamadam and Mr. Ranjan.

(4) A portion of the Shares owned by Mr. Ranjan are held in 2271906 Ontario Inc., a corporation controlled by Mr. Ranjan and Mr. Karamadam.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### A. Presentation of the Annual Financial Statements

The audited consolidated financial statements of the Corporation for the financial year ended December 31, 2014, and the independent auditor's report thereon, together with the management's discussion and analysis of financial position and results of operations (collectively, the "Annual Materials") will be presented at the Meeting, but no vote by the Shareholders with respect thereto is required or proposed to be taken. The Annual Materials have been mailed to all Shareholders who received a copy of this Circular.

### B. Election of Directors

The articles of Gravitas provide that Gravitas will have a minimum of one and a maximum of ten directors. The number of directors to be elected at the Meeting has been fixed at five. **At the Meeting, Shareholders will be asked to vote FOR the election as directors of each of the proposed nominees whose names are set out below.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour



of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his or her proxy that his or her Shares are to be withheld from voting in the election of directors. Each nominee elected as a director will hold office until the next annual general meeting of Shareholders or until a person sooner ceases to be a director.

The following table sets forth the names of, and certain information for, the individuals proposed to be nominated for election as directors.

<b>Name and Province of Residence</b>	<b>Principal Occupation for the Last Five Years</b>	<b>Director Since</b>	<b>Number of Shares Held</b>
ERNIE EVES <sup>(1)</sup> Ontario, Canada	Senior Business Executive	June 25, 2013	Nil
DAVID CARBONARO <sup>(1)</sup> Ontario, Canada	Partner, Dentons Canada LLP Partner, Heenan Blaikie LLP	July 13, 2011	17,940,000 <sup>(2)</sup>
VISHY KARAMADAM Ontario, Canada	Executive Vice-President, Gravitas Financial Inc. Director, Ubika Corp. Director, The Mint Corporation	June 25, 2013	9,988,500 <sup>(3)</sup>
VIKAS RANJAN Ontario, Canada	President, Gravitas Financial Inc. Executive Vice-President, Gravitas Financial Inc. Director, Ubika Corp.	June 25, 2013	9,988,500 <sup>(4)</sup>
ROBERT CARBONARO <sup>(1)</sup> Ontario, Canada	Head of Investment Banking, Portfolio Strategies Securities Inc.	June 25, 2013	Nil

(1) Member of the Audit Committee.

(2) 17,500,000 of these are Shares over which Mr. Carbonaro had some direction are held in 2368798 Ontario Inc., and 23689799 Ontario Inc.

(3) A portion of the Shares owned by Mr. Karamadam are held in 2271906 Ontario Inc., a corporation controlled by Mr. Karamadam and Mr. Ranjan.

(4) A portion of the Shares owned by Mr. Ranjan are held in 2271906 Ontario Inc., a corporation controlled by Mr. Ranjan and Mr. Karamadam.

Further information about each proposed nominee is set out below:

#### *Ernie Eves*

Mr. Eves is the former Premier of the Province of Ontario. Prior to serving as Premier, he was the Deputy Premier of Ontario and Minister of Finance (Ontario). Mr. Eves has had a distinguished career in both the public and private sectors. Currently, he serves as an advisor and board member for several firms in Canada and the United States. Mr. Eves is a graduate of Osgoode Hall Law School and was called to the Ontario bar in 1972. In 1983 he was made a Queen's Counsel and in 2015 received an Honorary LL.D. from the University of Windsor.

#### *David Carbonaro*

Mr. Carbonaro is a partner at the law firm of Dentons Canada LLP and practices corporate finance and international law. He also advises public companies, securities dealers and investment banks on corporate finance and international matters. Mr. Carbonaro holds an LL.B. from Osgoode Hall Law School.

#### *Vishy Karamadam*

Mr. Karamadam has over 18 years of management experience in areas ranging from Investment Research, Corporate Finance, Management Consulting and Retail Banking Strategy. Mr. Karamadam is a co-founder of Ubika Research, and smallcappower.com. His previous experience includes work for blue chip organizations in Toronto and Mumbai, India and has strong exposure to the financial services industry. He holds a Bachelor in Technology

Degree in Electronics & Communication Engineering, Masters in Management Studies (Finance) from University of Mumbai, India and an MBA from McGill University.

*Vikas Ranjan*

Mr. Ranjan is a management and investment professional with over 20 years of experience in diverse areas of investment management, finance and investment research. Mr. Ranjan is a co-founder of Ubika Research, and smallcappower.com. His previous experience includes various management positions in companies such as Bank of Montreal. He holds a BA in Economics (Hons.), Masters in Management Studies from University of Mumbai, India and MBA in Finance from McGill University.

*Robert Carbonaro*

Mr. Carbonaro is a partner and the Head of Investment Banking at Portfolio Strategies Securities Inc., a national investment dealer. Mr. Carbonaro's practice has focused on advising and financing emerging growth companies in various sectors.

### ***Cease Trade Orders or Bankruptcies***

As at the date of this Circular, none of the proposed directors is, or has been, within 10 years before the date of this Circular:

- (a) a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:
  - (i) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**"); or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

As at the date of this Circular, none of the proposed directors has, within the 10 years before the date of this 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 the proposed director.

As at the date of this Circular, none of the proposed directors has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

*Recommendation of the Board*

**THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR EACH OF THE PROPOSED NOMINEES FOR ELECTION AS DIRECTORS.**

Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying form FOR the election of directors of each of the proposed nominees, as set forth above.

*Approval*

The election of directors must be approved by a majority of all votes cast by the Shareholders present at the Meeting in person or by proxy in order to be effective.

**C. Appointment of Auditors**

Shareholders will be asked to appoint MNP LLP (“MNP”) as auditors of Gravitas to hold office until the next annual general meeting of Shareholders at remuneration to be fixed by the Board. MNP was first appointed as the auditor of the Corporation on January 12, 2015.

*Recommendation of the Board*

**THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE APPOINTMENT OF MNP AS THE AUDITORS OF THE CORPORATION AND TO AUTHORIZE THE BOARD TO FIX THEIR REMUNERATION.**

Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying form FOR the appointment of MNP as auditors of the Corporation and to authorize the Board to fix their remuneration.

*Approval*

The re-appointment of the auditors and the authorization of the Board to fix their remuneration must be approved by a majority of the votes cast by the Shareholders present at the meeting in person or by proxy in order to become effective.

**D. Consolidation of Issued and Outstanding Securities**

Shareholders are being asked to consider and, if thought fit, to pass the special resolution authorizing an amendment to the articles of the Corporation, to consolidate the Common Shares on the basis of one (1) new Common Share for ten (10) old Common Shares (the “**Consolidation**”). Notwithstanding approval of the Consolidation by shareholders, the Board of Directors may, in its sole discretion, revoke this special resolution, and abandon the Consolidation without further approval or action by or prior notice to shareholders.

Prior to making any amendment to effect the consolidation of Common Shares, the Corporation shall first be required to obtain any and all applicable regulatory approvals.

### ***Reasons for the Consolidation***

The Board of Directors believes that the current number of outstanding Common Shares is inconsistent with the size, assets and structure of the Corporation. Management proposes to reduce the number of shares in the Corporation in order to increase its flexibility with respect to potential business transactions, including any equity financings, if determined by the Corporation to be necessary.

### ***Certain Risks Associated with the Consolidation***

There can be no assurance that the total market capitalization of the Corporation's Common Shares (the aggregate value of all Common Shares at the then market price) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per share market price of the Common Shares following the Consolidation will remain higher than the per-share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a Consolidation and the liquidity of the Common Shares could be adversely affected. Further, there can be no assurance that, if the Consolidation is implemented, the margin terms associated with the purchase of Common Shares will improve or that the Corporation will be successful in receiving increased attention from institutional investors.

### ***Principal Effects of the Consolidation***

As of November 5, 2015, the Corporation had 66,601,305 Common Shares issued and outstanding. Following the completion of the proposed Consolidation, the number of Common Shares of the Corporation issued and outstanding will be 6,660,130.

Consolidation will not have any effect on the number of Common Shares that remain available for future issuances. The Common Shares reserved for issuance pursuant to the Corporation's stock option plan will be reduced proportionately.

The Consolidation may result in some shareholders owning "odd lots" of less than 500 or 1,000 Common Shares of the Corporation, as the case may be, on a post-Consolidation basis. Odd lots may be more difficult to sell, or require greater transaction costs per share to sell, than shares in "board lots" of even multiples of 500 or 1,000 shares as applicable. Brokerage commissions and other costs of transactions in odd lots are often higher than the costs of transactions in "roundlots" of even multiples of 500 or 1,000 shares as applicable.

The Consolidation will not give rise to a capital gain or loss under the *Income Tax Act* (Canada) for a shareholder who holds such Common Shares as capital property. The adjusted cost base to the shareholder of the new Common Shares immediately after the consolidation will be equal to the aggregate adjusted cost base to the shareholder of the old Common Shares immediately before the Consolidation.

### ***Notice of Consolidation and Letter of Transmittal***

Accompanying this Circular the Corporation has provided registered Shareholders with a form of a letter of transmittal to be used for the purpose of surrendering their certificates representing the currently outstanding Common Shares to the Corporation's registrar and transfer agent in exchange for new share certificates representing whole post-consolidation Common Shares of the Corporation. After the Consolidation, current issued share certificates representing pre-consolidation Common Shares of the Corporation will (i) not constitute good delivery for the purposes of trades of post-consolidation Shares; and (ii) be deemed for all purposes to represent the number of post-consolidation Shares to which the Shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a Shareholder will be made until the Shareholder has surrendered his, her or its current issued certificates.

### *Fractional Shares*

No fractional Common Shares of the Corporation will be issued upon the Consolidation. All fractions of post-consolidation shares will be rounded to the next lowest whole number if the first decimal place is less than five and rounded to the next highest whole number if the first decimal place is five or greater.

### *Percentage Shareholdings*

The Consolidation will not affect any Shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of shares. Instead, the Consolidation will reduce proportionately the number of shares held by all Shareholders.

### *Implementation*

Upon determining to proceed with the Consolidation, the Corporation will file articles of amendment to effect the Consolidation. Letters of Transmittal to registered holders of Common Shares accompany this Circular for use in transmitting their share certificates to the Corporation's transfer agent in order to exchange old certificates for new certificates representing the number of Common Shares to which such Shareholder is entitled as a result of the Consolidation. No delivery of new certificates to a Shareholder will be made until the Shareholder has surrendered their current issued certificates. Until surrendered, each share certificate formally representing old Common Shares of the Corporation shall be deemed for all purposes to represent the number of new Common Shares to which the holder is entitled as a result of the Consolidation. No fractional shares will be issued in connection with the Consolidation.

The implementation of the special resolution is conditional upon the Corporation obtaining the necessary regulatory consents. The special resolution provides that the Board of Directors is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of the Corporation's shareholders. In particular, the Board of Directors may determine not to present the special resolution to the Meeting or, if the special resolution is presented to the Meeting and approved, may determine after the meeting not to proceed with completion of the proposed Consolidation and filing the articles of amendment.

### *Effect on Non-registered Shareholders*

Non-registered shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

### *Vote Required and Recommendation of Board of Directors*

The Board of Directors recommends that shareholders vote for the adoption of the Share Consolidation Resolution as set forth below. In order to be effective, the resolution must be approved by the affirmative vote of not less than 66-2/3% of the votes cast at the Meeting in respect of such resolution. **Proxies received in favour of management will be voted FOR the approval of the special resolution to authorize the Board of Directors to amend the articles of the Corporation to effect a consolidation of the issued and outstanding Common Shares on such basis as the Board of Directors determines to be in the best interests of the Corporation, unless the shareholder has specified in the proxy that his or her shares are to be voted against such resolution.** In the event shareholder approval is not obtained, no consolidation of the issued and outstanding share capital will occur.

### *Resolution to Approve the Share Consolidation*

Shareholders are being asked to pass the following special resolution to approve the Share Consolidation (the "Share Consolidation Resolution"):

**“IT IS RESOLVED THAT:**

1. The issued and outstanding Common Shares in the capital of the Corporation be consolidated on the basis of one (1) new Common Share for every ten (10) Common Shares presently issued and outstanding (the “Consolidation”);
2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, agreements and instruments, and to do or to cause to be done all such other acts and things, as such person determines to be necessary or desirable or required by any regulatory authority in order to carry out the intent of this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing; and
3. notwithstanding the passing of this resolution by the Shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered without further notice to or approval of the Shareholders of the Corporation not to proceed with the Consolidation or to revoke this resolution at any time prior to the Consolidation becoming effective.”

In order to give effect to the Share Consolidation Resolution, such special resolution must be approved by an affirmative vote of not less than two-thirds (66-2/3%) of the votes cast at the Meeting on the resolution.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE SHARE CONSOLIDATION RESOLUTION.**

**Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying form for the Share Consolidation Resolution.**

**Irrespective of whether the Share Consolidation Resolution is passed by the Shareholders, the directors of the Corporation may elect not to proceed with the share consolidation.**

**STATEMENT OF EXECUTIVE COMPENSATION**

This Statement of Executive Compensation provides information regarding all significant elements of compensation paid, payable, awarded, granted, given or otherwise provided by the Corporation to (i) the Chief Executive Officer, (ii) the Chief Financial Officer, (iii) each of the three most highly compensated executive officers of the Corporation, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer at the end of most recently completed financial year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would be a named executive officer under (iii) above but for the fact that the individual was neither an executive officer of the Corporation nor acting in a similar capacity at the end of that financial year (collectively, the “**Named Executive Officers**” or “**NEOs**”).

For the year ended December 31, 2014, the Named Executive Officers are:; Isabelle Gauthier, Chief Financial Officer; David Carbonaro, President; Vishy Karamadam, Executive Vice-President; and Vikas Ranjan, Executive Vice-President.

**Compensation Discussion and Analysis**

***Introduction***

This compensation discussion and analysis (“**CD&A**”) provides an overview of the Corporation’s executive compensation program together with a description of the material factors underlying the decisions which resulted in the compensation provided in 2014 to the NEOs. To the extent this CD&A contains statements regarding future

individual and Corporation performance targets and goals, these target and goals are disclosed in the limited context of the Corporation's compensation programs and should not be understood to be statements of management's expectations or estimates of financial results or other guidance. Management of the Corporation specifically cautions investors not to apply these statements to other contexts.

The Board has overall responsibility for determining and implementing the Corporation's philosophy with respect to executive compensation. The Board makes all compensation decisions for the NEOs. Decisions regarding the compensation of other employees are made by the CEO. The Corporation does not use benchmarking or performance goals in determining executive compensation. The Corporation has not retained compensation consultants to advise on executive compensation. The Corporation does not anticipate making any significant changes to its compensation policies and practices in the next financial year.

### ***Compensation Objectives and Strategy***

The Corporation's compensation program is designed to attract, motivate, reward and retain the personnel required to achieve the Corporation's business goals and objectives.

The Corporation's compensation objectives are as follows:

1. Attract, retain and compensate talented executives in a highly competitive business environment;
2. Evaluate each executive officer position on the following factors and provide a base salary based on:
  - (a) the individual's demonstrated ability to perform the role;
  - (b) skill requirements;
  - (c) level of responsibility; and
  - (d) market value of the role, and
3. Compensate executives in a way that creates sustained shareholder value by linking long-term incentives to growth in shareholder value.

### ***Elements of Compensation***

The aggregate compensation of the Named Executive Officers currently consists of a base monetary compensation which is competitive. The base cash compensation review of each Named Executive Officer takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base compensation is not evaluated against a formal "peer group". The Board relies on the general experience of its members in setting base compensation amounts.

### ***Compensation Risk***

The Board considers the implications of the risks associated with the Corporation's compensation policies and practices as part of its ongoing consideration of those policies and practices. Among other considerations, the Board:

- (a) considers whether the Corporation's compensation policies and practices are structurally different within various divisions of the Corporation;
- (b) considers whether compensation policies and practices for certain executive officers are structured significantly differently from other executive officers within the Corporation;
- (c) ensures that compensation policies and practices do not vary significantly from the Corporation's overall compensation structure; and
- (d) ensures that compensation policies and practices do not emphasize short term goals over long term goals and objectives.

Based on its consideration of the foregoing and other issues in the past year, the Board has not identified any risks in the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

### *Hedging*

The Corporation has not established any policies related to the purchase by directors or Named Executive Officers of financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, director or indirectly, by any director or Named Executive Officer.

### *Compensation Governance*

The Board determines the compensation for the Corporation's directors and executive officers. In fulfilling its responsibilities, the Board is responsible for the following:

- Overseeing the Corporation's compensation and benefits policies;
- Reviewing the performance criteria, evaluation and compensation recommendation for the Corporation's NEOs;
- Reviewing and identifying risks arising from the Corporation's compensation policies and considering appropriate risk mitigation policies and practices;
- Determining the compensation to be provided to directors of the Corporation;
- Reviewing the Corporation's management succession plan; and
- Reviewing compensation related disclosure to be filed or submitted by the Corporation pursuant to applicable laws.

### **Summary Compensation Table**

The following table provides a summary of the compensation for each of the Corporation's Named Executive Officers for the fiscal years ended December 31, 2014, 2013 and 2012.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)			All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans	Pension Value (\$)		
ISABELLE GAUTHIER <sup>(2)</sup> Chief Financial Officer	2014	-	-	-	-	-	-	100,563 <sup>(1)</sup>	100,563
	2013	-	-	-	-	-	-	40,728	40,728
	2012	-	-	-	-	-	-	40,552	40,552
DAVID CARBONARO President	2014	-	-	-	-	-	-	264,000 <sup>(4)</sup>	264,000
	2013	-	-	-	-	-	-	132,000	132,000
VISHY KARAMADAM Executive Vice-President	2014	126,000	-	-	-	-	-	24,000 <sup>(5)</sup>	150,000
	2013	114,000	-	-	-	-	-	12,000	126,000
VIKAS RANJAN <sup>(3)</sup> Executive Vice-President	2014	126,000	-	-	-	-	-	24,000 <sup>(5)</sup>	150,000
	2013	114,000	-	-	-	-	-	12,000	126,000



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- (1) Financial consulting services fees were paid to Ms Gauthier.
  - (2) Ms. Gauthier resigned as Chief Financial Officer of the Corporation effective June 25, 2015. Mr. Rishi Tibriwal was appointed as Chief Financial Officer of the Corporation effective June 25, 2015.
  - (3) Mr. Ranjan resigned as Executive Vice President and was appointed President of the Corporation effective June 25, 2015
  - (4) Management fees of \$240,000 and a car allocation amount of \$24,000 were paid to Mr. Carbonaro. In addition, Ravenal Corporation, a company over which Mr. Carbonaro had some direction, received consulting fees of \$380,000
  - (5) Each of Mr. Karamadam and Mr. Ranjan received a car allocation of \$24,000 listed under "All other Compensation" above. In addition, New Alliance Media Inc., a company controlled by Mr. Karamadam and Mr. Ranjan, received consulting fees of \$288,000

### **Incentive Plan Awards**

Although the Corporation has a Stock Option Plan (as defined and described below), no option-based awards or share-based awards have been earned by or granted to NEOs during the year ended December 31, 2014. There are no outstanding option-based awards or share-based awards as at December 31, 2014.

### **Pension Plan Benefits**

The Corporation does not have any pension plans.

### **Termination and Change of Control Benefits**

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Corporation or a change in an NEO's responsibilities.

### **Director Compensation**

Each of the non-employee directors of the Corporation is entitled to receive an annual retainer of \$24,000. The Chairman of the Board is entitled to an additional annual retainer of \$24,000. No additional retainers or fees are paid to any members of the Board. Non-employee Directors are reimbursed for all reasonable travel and ancillary expenses.

The following table describes director compensation for the year ended December 31, 2014. Directors who are also officers of the Company are not entitled to any compensation for their services as a director.

<b>Name</b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Ernie Eves	48,000	-	-	-	-	-	48,000
Robert Carbonaro	48,000	-	-	-	-	-	48,000

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

The following table sets out certain details, as at December 31, 2014, regarding the Corporation's compensation plans pursuant to which equity securities of the Corporation are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the second column)</b>
Equity compensation plans approved by Shareholders <sup>(1)</sup>	Nil	N/A	6,660,130
Equity compensation plans not approved by Shareholders <sup>(2)</sup>	N/A	N/A	N/A
<b>Total</b>	Nil	N/A	6,660,130

(1) The Stock Option Plan is the only equity compensation plan approved by Shareholders.

(2) The Corporation does not have any equity compensation plans not approved by Shareholders.

### **Stock Option Plan**

Pursuant to the Stock Option Plan, the Board may, from time to time and at its discretion, grant to directors, officers, employees or consultants of the Corporation (the “**Beneficiaries**”) options to acquire common shares of the Corporation for a maximum of 10 % of the number of outstanding Shares of the Corporation at the time of the grant.

Options are not transferable and are valid for five years from the date of grant. The exercise price per Share is fixed by the Board but cannot be less than the closing price of the shares on the Canadian Securities Exchange the day before the grant. Options granted to a Beneficiary who is no longer eligible under the Stock Option Plan will expire three months following the date such person ceases to be a Beneficiary for the purposes of the Stock Option Plan.

The Board may appoint a committee to administer the Stock Option Plan (the “**Stock Option Plan Committee**”), If such a committee is not so appointed, the Board shall be deemed to constitute the Stock Option Plan Committee. The exercise price per Common Share is fixed by the Stock Option Plan Committee but shall not be less than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the options; and (b) the date of the grants of the options.

The number of Shares which may be issued pursuant to options granted pursuant to the Stock Option Plan to any one person may not exceed 5% of the aggregate issued and outstanding Shares (calculated as at the time of grant of such option) in any 12-month period unless disinterested shareholder approval is obtained. No consultant nor any employee conducting investor relations activities may be granted options to acquire more than 2% of the issued and outstanding Common Shares (calculated as at the time of grant of such option) in any 12- month period

The expiry date of each option shall be determined by the Board or the Stock Option Plan Committee or, failing such determination and in any event, not later than that date which is five years after the grant of the option. The vesting of each option shall be determined by the Stock Option Plan Committee, failing which, the options shall vest as to 25% immediately upon the date of grant and as to a further 25% in each of (i) one year, (ii) 18 months and (iii) two years, after the date of grant.

Options are not transferable except by will or the laws of succession and distribution. If the optionholder (a) dies, or (b) ceases to be eligible under the Stock Option Plan (for any reason other than resignation termination for cause or resignation or failure to be re-elected as a Director), then generally, options that are entitled to be exercised may be exercised (subject to certain entitlements to exercise unvested options at the discretion of the Board or the Stock Option Plan Committee) until the earlier of (i) one year or three months, respectively, of the applicable date, or (ii) the expiry date of the option. If the Corporation or its Shareholders receive and accept an offer to acquire all of the Shares or substantially all of the assets of the Corporation (the “**Sale Transaction**”), the Stock Option Plan Committee may, in its sole discretion, deal with the options issued under the Stock Option Plan in the manner it deems fair and reasonable, including accelerating the expiry date of the options, providing for cash compensation or

exchanging options for options to acquire shares in the capital of the acquirer or resulting corporation in connection with the Sale Transaction.

The Stock Option Plan Committee may at any time amend any provision of the Stock Option Plan subject to obtaining any necessary approval of the applicable regulatory authorities, provided that any such amendment shall not adversely affect or impair any option previously granted to an optionee under the Stock Option Plan, without its consent.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Corporation subscribes to insurance on behalf of its Directors and officers to cover for potential liabilities incurred in connection with their services to the Corporation. The coverage is for \$5,000,000 per insurance period, with a cost is \$15,000 per year and a \$25,000 deductible. The Corporation also maintains run-off insurance with coverage of \$1,000,000 per insurance for a period of six years starting June 23, 2013 with a cost of \$8,500 and a \$15,000 deductible.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

During the fiscal year ended December 31, 2014, and as at the date of this Circular, none of the directors, executive officers, employees (or former directors, executive officers or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Corporation with respect to the purchase of securities of the Corporation or for any other purpose.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No informed persons of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction since the beginning of the Corporation's most recently completed financial year, or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

#### **MANAGEMENT CONTRACTS**

None of the management functions of the Corporation or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Corporation or a subsidiary.

#### **CORPORATE GOVERNANCE DISCLOSURE**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

##### **Board of Directors**

Half of the Board is constituted of individuals who qualify as independent directors since, of the five current directors; two are unrelated to the Corporation. Ernie Eves and Robert Carbonaro are deemed "independent" since in the Board's opinion, they are unrelated to management and free of all interests, business dealings or other relationships, which could or could conceivably be perceived as being able to significantly interfere with the ability of such directors to act in the best interests of the Corporation, other than the interest and relationship that arises from stock ownership.

David Carbonaro, Vishy Karamadam and Vikas Ranjan are deemed directors who are “not independent” since they are part of the senior management.

### **Directorships**

The following table sets forth details regarding other public company directorships and committee appointments currently held by the Corporation’s directors:

<b>Director</b>	<b>Name of Reporting Issuer</b>	<b>Name of Exchange or Market</b>	<b>Position</b>
Ernie Eves	Nighthawk Gold Corp.	TSX	Director
	Superior Copper Corporation	TSXV	Director
Vishy Karamadam	The Mint Corporation	TSXV	Director
	Prime City One Capital Corp.	NEX	Director
Vikas Ranjan	Homeland Energy Group Ltd	NEX	Director

### **Orientation and Continuing Education**

The directors keep up to date and receive copies of all the necessary and latest information during meetings of the Board or the Audit Committee. On account of the limited number of directors and the venture nature of the Corporation, no formal training system has been created.

### **Ethical Business Conduct**

The Board acknowledges that it shall take on the responsibility of overseeing the competent and ethical operation of the Corporation. In order to guarantee that the directors exercise their judgment in an independent fashion when examining operations and contracts in which a director or a member of senior management has a significant interest, such transactions shall be reviewed and approved only by directors assembled together in a committee of the Board, where the director who has such an interest shall refrain from participating in the discussions and from voting on the matter. In addition, the Corporation shall take steps to ensure that directors do not undertake any transactions involving the Corporation’s stock when important information is about to be communicated.

### **Nomination of Directors**

The President of the Corporation will propose qualified candidates to fill vacant positions on the Board.

### **Compensation**

In order to determine the compensation of the directors, the Board shall notably take into account the contribution made by the directors to the Corporation.

### **Other Board Committees**

Apart from the Audit Committee, the Board has no other committee.

### **Assessments**

Given the small size of the Corporation, it has limited human and financial resources, the Board, as a whole, is not subject to a formal evaluation. The members of the Board can always freely express their opinion and suggest changes if the contribution of a member is judged unsatisfactory.

## AUDIT COMMITTEE

### Charter and Composition of the Audit Committee

The text of the Audit Committee's charter is attached hereto as Schedule "A".

### Composition of the Audit Committee

The following are the current members of the Audit Committee:

<b>Name</b>	<b>Independence</b>	<b>Financial Literacy</b>
Ernie Eves	Independent	Financially Literate
David Carbonaro	Non-Independent	Financially Literate
Robert Carbonaro	Independent	Financially Literate

### Education and Relevant Experience

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

**Ernie Eves** was the former Minister of Finance (Ontario) and in this capacity, was responsible for managing the fiscal, financial and related regulatory affairs for the Province of Ontario.

**David Carbonaro** is a partner at the law firm of Dentons Canada LLP and practices corporate finance and international law. He also advises public companies, securities dealers and investment banks on corporate finance and international matters. Mr. Carbonaro holds an LL.B. from Osgoode Hall Law School.

**Robert Carbonaro** is a partner and the Head of Investment Banking at Portfolio Strategies Securities Inc., a national investment dealer. Mr. Carbonaro's practice has focused on advising and financing emerging growth companies in various sectors.

### Audit Committee Oversight

At no time since the commencement of the Corporation's fiscal year ended December 31, 2014 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended December 31, 2013 has the Corporation relied on the exemption provided under section 2.4 (De minimis Non-audit Services) of National Instrument 52-110 – *Audit Committees* ("NI 52-110") or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions). However, the Corporation is not required to comply with Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

### Pre-Approval Policies and Procedures

The Audit Committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee's charter attached hereto as Schedule "A".

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors during the fiscal years ended December 31, 2014, 2012 and 2011 were as follows:

Fiscal Year	Audit Fees	Audit Related Fees	Tax Fees <sup>(1)</sup>	All Other Fees
2014	93,260	-	-	93,260
2013	-	\$25,750 <sup>(2)</sup>	-	-
2012	\$28,355	-	\$683	-

(1) Income tax report.

(2) Related to the preparation of quarterly financial statements.

### OTHER MATTERS TO BE ACTED UPON

There are no other matters to be considered at the Meeting which are known to the directors or senior officers of the Corporation at this time. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting, and other matters which may properly come before the Meeting or any adjournment thereof.

### ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators at [www.sedar.com](http://www.sedar.com). Financial information regarding the Corporation is provided in the Annual Materials. Shareholders of the Corporation may contact the Corporation at 333 Bay Street, Suite 650, Toronto, Ontario M5H 2R2 to request copies of the Corporation's financial statements and management's discussion and analysis.

### DIRECTORS' APPROVAL

The contents and sending of this Circular have been approved by the directors of the Corporation.

DATED as of the 9<sup>th</sup> day of November, 2015.

### BY ORDER OF THE BOARD OF DIRECTORS

*"Ernie Eves"*

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Ernie Eves  
Chairman of the Board

## **SCHEDULE “A”**

### **AUDIT COMMITTEE CHARTER**

#### **Purpose**

The audit committee is a standing committee of the board of directors. Its primary duty is to assist the board of directors in fulfilling its supervisory role with regard to the following:

1. The completeness of the consolidated financial statements and the information provided to shareholders and to other persons concerned.
2. The Corporation’s compliance with financial regulatory requirements.
3. The accuracy and effectiveness of the internal control mechanisms implemented and maintained by management.
4. The competency, independence and performance of the external auditor who must report to the audit committee, to the board of directors and to the shareholders.

#### **Composition**

The audit committee is comprised of at least three directors, including one chairman, who are named by the board of directors every year after the annual meeting. The majority of the committee members must not be officers or other employee of the Corporation or of an affiliate.

Each committee member must meet the requirements in matters of independence, financial knowledge and experience, the requirements of the applicable laws that govern the Corporation and the rules of the Stock Exchanges on which the Corporation’s shares are listed as well as the requirements of competent securities authorities.

The board of directors may, at any time, terminate a committee member’s duties or replace him or her and it must fill vacant positions on the committee.

#### **Structure and functioning**

The chairman of the board, the chairman of the committee or two members of the committee may call a committee meeting at any time. The committee meets as required but not less than four times per year. Quorum is reached where two members are present at committee meetings, irrespective of their status, and the composition thereof must comply with the requirements of the *Canada Business Corporations Act*.

The chairman of the committee, in cooperation with the chairman of the board, draws up the agenda for each committee meeting taking into account the items appearing in the committee’s activity program which is approved each year by the board of directors. At each meeting, the committee may also sit privately with only the committee members in attendance. The committee may retain the services of special consultants, where it deems it expedient, at the expense of the Corporation.

The chairman of the committee or the person appointed by him or her submits a committee activity report to the board of directors after each meeting and makes recommendations to the board of directors regarding issues that require board approval.

Each year, the committee reviews this charter and the items appearing in the committee activity program and, where necessary, recommends changes to the board of directors so that it will approve them. The committee will prepare a report to be attached to the proxy documents regarding the annual meeting.

Together with the board of directors, the committee evaluates and considers the committee’s annual performance.

#### **Duties and responsibilities of the audit committee and review**

1. Review the unaudited interim consolidated financial statements and management’s analysis of the financial situation and operating results with management and the external auditors by addressing, in particular, with the external auditors, questions that must be the subject matter of discussion pursuant to the generally accepted auditing standards that apply to the Corporation.
2. Review the press releases announcing the Corporation’s financial results.

3. Review with management and the external auditors, after completion of the annual audit:
  - (a) the audited annual consolidated financial statements;
  - (b) the audit of the annual consolidated financial statements made by the external auditor as well as the latter's report thereon;
  - (c) management's analysis of the financial situation and operating results;
  - (d) any material change that had to be made to the external audit plan;
  - (e) any material question brought to management's attention during the audit, including any restriction on the scope of activities or access to information;
  - (f) any question related to the performance of the audit that must be the subject matter of discussion pursuant to the generally accepted auditing standards that apply to the Corporation.
4. Ensure that the external auditor is convinced that judgment and accounting estimates made by management as well as the accounting principles chosen by management reflect the adequate application of generally accepted accounting principles.
5. Review the Corporation's main accounting policies and methods with management and the external auditor.
6. Ensure the independence of the external auditor, given the requirements in respect thereto provided by the laws governing the Corporation and by the applicable rules of the Stock Exchanges on which the Corporation's shares are listed. At least once a year, the external auditor submits a written statement to the committee outlining all its relations with the Corporation; the committee reviews it with him or her and, where necessary, recommends that the board take the requisite measures to ensure the independence of the external auditors and their responsibility toward the committee and the board.
7. Evaluate the performance of the external auditor and recommend to the board the appointment or, where it deems it expedient, the replacement of the external auditor subject to shareholder approval.
8. Consider, review and approve the services offered by the external auditor and the fees to be paid to the external auditors with regard to the audit, to the related services rendered and to other services that are provided for by law and that comply with the guidelines established by the board limiting the recourse to the services of the external auditor.
9. Review with the external auditor and management the general scope of the annual audit plan and the resources that the external auditor will devote to the audit.
10. Require that management implement and maintain appropriate internal control mechanisms and review, evaluate and approve such mechanisms.
11. Review and discuss with the chief executive officer and chief financial officer the certificates related to the communication of the financial information and to the controls which such officers must file with securities authorities pursuant to the law.
12. Discuss the qualifications required to be a financial expert and determine if a committee member is a financial expert and ensure that the committee members have the financial knowledge.
13. Approve the methods established to deal with complaints, including anonymous complaints made by employees, regarding issues related to accounting, internal control and audit.
14. Review the Corporation's practices to ensure that any transaction made with affiliates and likely to adversely affect the solvency or the stability of the Corporation is identified.
15. Perform the other duties or exercise the powers that the board may, on a timely basis, entrust or assign to the committee as well as any other duty which the law, regulations or the applicable rules of the Stock Exchanges might impose on an audit committee.





Notice of Change of Auditor  
Pursuant to NI 51 -102 (Part 4.11)

To: **Ontario Securities Commission  
British Columbia Securities Commission  
Alberta Securities Commission  
Quebec Securities Commission**

And to: **Collins Barrow Toronto LLP  
MNP LLP**

Re: **Notice of Change of Auditor**

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**TAKE NOTICE THAT:**

Pursuant to National instrument 51-102 Continuous Disclosure Obligations, Gravitas Financial Inc. (the "Company") advises that effective January 12, 2015 (the "Effective Date"), Collins Barrow Toronto LLP (the "Former Auditors") have resigned as the auditors of the Company and that MNP LLP (the "Successor Auditors") have been appointed as the Company's auditors in their place.


The resignation of the Former Auditors and the appointment of the Successor Auditors was approved by the Company's audit committee and Board of Directors.

There have been no reservations in the Former Auditor's reports in connection with the audits of the two most recently completed fiscal years.

There are no reportable events, including disagreements, consultations or unresolved issues, as such terms are defined in National Instrument 51-102.

Date this 12<sup>th</sup> day of January, 2015.

Gravitas Financial Inc.



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David Carbonaro  
Director, President & CEO

January 15, 2015

Alberta Securities Commission  
Autorité des marchés financiers  
British Columbia Securities Commission  
Ontario Securities Commission

Dear Sirs:

**Re: Gravitas Financial Inc. (“the Corporation”)  
Notice of Change of Auditor Pursuant to NI 51-102 (Part 4.11)**

In accordance with Section 4.11 of National Instrument 51-102, we have reviewed the Corporation’s Change of Auditor Notice (“the Notice”) dated January 12, 2015. Based on our information as of this date we agree with the statements contained in the Notice.

Yours truly,



Chartered Professional Accountants,  
Licensed Public Accountants

January 15, 2015

Ontario Securities Commission  
British Columbia Securities Commission  
Alberta Securities Commission  
Quebec Securities Commission

Dear Sirs/Mesdames:

**Re: Gravitas Financial Inc. (the “Company”)**

We acknowledge receipt of a Notice of Change of Auditor (the “Notice”) dated January 12, 2015 delivered to us by the Company in respect of the change of auditor of the Company, to be effective as of January 12, 2015.

Pursuant to National Instrument 51-102 of the Canadian Securities Administrators, please accept this letter as confirmation by Collins Barrow Toronto LLP that we have reviewed the Notice and, based on our knowledge as at the time of receipt of the Notice, we agree with each of the statement therein.

Yours truly,

*Collins Barrow Toronto LLP*

Licensed Public Accounts  
Chartered Accountants.