

CELLSTOP SYSTEMS INC.

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

**to be held on June 7, 2012 at 11:00 a.m. (Vancouver time)
at 302 – 1620 West 8th Avenue, Vancouver, British Columbia, V6J 1V4**

**MANAGEMENT INFORMATION CIRCULAR
AND PROXY STATEMENT**

May 3, 2012

CELLSTOP SYSTEMS INC.

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an annual general meeting (the "Meeting") of the shareholders of CellStop Systems Inc. (the "Company") will be held at 302 – 1620 West 8th Avenue, Vancouver, British Columbia, V6J 1V4, on Thursday, June 7, 2012 at 11:00 a.m. (Vancouver time) for the following purposes:

1. to receive and consider the financial statements of the Company as at and for the year ended August 31, 2011, together with the report of the auditors thereon;
2. to fix the number of directors of the Company to be elected at the Meeting at four members;
3. to elect the directors of the Company for the ensuing year;
4. to appoint the auditors of the Company for the ensuing year and to authorize the directors of the Company to determine the remuneration to be paid to the auditors; and
5. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Proxy Circular.

A shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date, sign and return the accompanying instrument of proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the accompanying Management Proxy Circular. An instrument of proxy will not be valid unless it is deposited at the offices of Computershare Trust Company (Attention: Proxy Department) at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. An instrument of proxy may also be voted by using a touch tone telephone 1-866-732-VOTE (8683). Alternatively, a registered shareholder can complete internet voting by logging on at www.investorvote.com and entering the WEB VOTING ID NUMBER located on the address box of the shareholder's instrument of proxy. A person appointed as proxy holder need not be a shareholder of the Company.

Only shareholders of record as at the close of business on May 3, 2012 are entitled to receive notice of the Meeting.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.

DATED at Vancouver, British Columbia as of the 3rd day of May, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

"Michelle Gahagan"

Michelle Gahagan

CELLSTOP SYSTEMS INC.
(the "Company")

Information Circular
(Containing information as at May 3, 2012 unless indicated otherwise)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Annual General Meeting of Shareholders of the Company (the "Meeting") and any adjournment thereof to be held on **Thursday, June 7, 2012** at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone, e-mail, fax or other means of telecommunications by the directors, officers and employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

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

APPOINTMENT AND REVOCATION OF PROXIES

The persons named as proxyholder in the accompanying form of proxy were designated by the management of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM OR HER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STROKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by **Computershare Investor Services Inc.** not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the meeting or any adjournment thereof.

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting. Please contact your broker if you have questions.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the office of the Company, Suite 302 – 1620 West 8th Avenue, Vancouver, British Columbia, at any time up to and including the last business day preceding the day of the meeting, or if adjourned, any reconvening thereof, or to the Chairman of the meeting on the day of the meeting or, if adjourned, any reconvening thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF PROXIES

SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES IN FAVOUR OF PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY WILL, ON ANY POLL WHERE A CHOICE WITH RESPECT TO ANY MATTER TO BE ACTED UPON HAS BEEN SPECIFIED IN THE FORM OF PROXY, BE VOTED IN ACCORDANCE WITH THE SPECIFICATION MADE.

SUCH SHARES WILL, ON A POLL, BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the meeting or any further or other business is properly brought before the meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the meeting.

NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxy holders are permitted to vote at the Meeting. Most shareholders of the Company are “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. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP’s, RRIF’s, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant.

These security holder materials are being sent to both registered shareholders and Non-Registered Holders. If you are a Non-Registered Holder, and the Company or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Circular and the Proxy (collectively, the “Meeting Materials”) directly to the NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

By choosing to send these materials to the NOBOs directly, the Company (and not the Intermediary holding on their behalf) has assumed responsibility for (i) delivering these materials to the NOBOs, and (ii) executing their proper voting instructions.

The Meeting Materials sent to Non-Registered Holders who have not waived the right to receive meeting materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Non-Registered Holder is able to instruct the registered shareholder how to vote on behalf of the Non-Registered Holder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to

attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder, or his or her nominee, the right to attend and vote at the Meeting.

Please return your voting instructions as specified in the VIF. Non-Registered Holders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

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

No director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. Only the holders of common shares are entitled to receive notice of or to attend and vote at any meetings of the Members of the Company. As at May 3, 2012 there were 25,058,196 common shares without par value issued and outstanding.

Only shareholders of record at the close of business on May 3, 2012 who either personally attend the meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

Each shareholder is entitled to one vote for each common share registered in his/her/its name on the list of shareholders.

To the knowledge of the directors and senior officers of the Company, the only persons or companies that beneficially owned, directly or indirectly, or exercised control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company as at May 5, 2011 were:

Shareholder	No. of Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Shares
CDS & Co. ⁽¹⁾	5,072,784	40.09%
Virginia Olnick	1,300,000	10.27%
Nicole Schultz	1,300,000	10.27%

Notes:

1. *The Company does not know the beneficial owners of these shares.*

ELECTION OF DIRECTORS

The number of directors on the board of directors is currently set at four. Management of the Company proposes to nominate the persons named in the following table for election as Directors of the Company. The term of each of the current directors of the Company will expire at the Meeting and each Director elected will hold office until the next Annual General Meeting or until his or her successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a Director. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees set out below. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The Company does not have an Executive Committee but does have an Audit Committee as indicated below.

The following information concerning the proposed nominees has been furnished by each of them:

Name, Present Office Held with Company and Province or State and Country of Residence	Director Since	# of Common Shares Beneficially Owned, Directly or Indirectly, or Over which Control or Direction is Exercised at the Date of this Information Circular	Principal Occupation and if not at Present an Elected Director, Occupation During the Past Five Years
Michael Curtis ⁽¹⁾ Quebec, Canada Director	March 19, 2010	Nil	President of Cardwell Capital Corporation, a private investment and trading company.
Michelle Gahagan ⁽¹⁾ B.C., Canada Director	January 9, 2008	Nil	Ms. Gahagan is currently a principal in a privately-held merchant bank based in Vancouver and London. Prior to the commencement of her involvement in merchant banking five years ago, Ms. Gahagan practiced corporate law for 20 years.
Lucas Marchak B.C., Canada Director	January 9, 2008	Nil	Office Coordinator and IT Specialist for Skana Capital Corp., a position he has held since April, 2006.
Gerald Tuskey ⁽¹⁾ B.C. Canada Director	January 9, 2008	200,000 ⁽²⁾	Vancouver based corporate securities lawyer practicing with the firm Macdonald Tuskey.

Notes:

1. Member of the Audit Committee.
2. Held indirectly through Gerald R. Tuskey Personal Law Corporation.

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Company is, as of the date of this information circular, or has been, within the 10 years prior to the date of this information circular been a director, chief executive officer or chief financial officer of any company, including the Company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) 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.

No director or proposed director of the Company:

- (a) is, as at the date of this information circular, or has been within 10 years before the date of this information circular, a director or executive officer of any company, including the 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; or
- (b) has, within the 10 years before 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 any of the directors or proposed directors.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this section:

“**CEO**” means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**incentive plan**” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“**incentive plan award**” means compensation awarded, earned, paid, or payable under an incentive plan;

“**NEO**” or “**named executive officer**” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

Named Executive Officers

During the fiscal year ended August 31, 2011 the Company had one Named Executive Officer, Henry Bromley, the Chief Financial Officer of the Company.

COMPENSATION DISCUSSION AND ANALYSIS

In the last financial year of the Company, no NEO received any salary from the Company. Certain NEO's received compensation for providing specific services to the Company as consultants.

The Company's NEO compensation program has been designed to reward NEO's for reinforcing the Company's business objectives and values, for achieving the Company's performance objectives and for their individual performances. Compensation of the NEO's of the Company is reviewed annually by the Board of Directors of the Company.

In addition, NEO's are eligible under the Company's Stock Option Plan (the "Plan") to receive grants of stock options.

Option-based awards

The Company has established the Plan under which stock options are granted to directors, officers, employees, and consultants as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board of Directors determines which NEO's (and other persons) are entitled to participate in the Company's stock option plan; determines the number of options granted to such individuals; takes previous grants of option-based awards into consideration when considering new grants; and determines the date on which each option is granted and the corresponding exercise price. For further information regarding the Stock Option Plan refer to "*Securities Authorized for Issuance Under Equity Compensation Plans*".

The Board of Directors makes these determinations subject to the provisions of the existing Plan and, where applicable, the policies of the TSX Venture Exchange.

SUMMARY COMPENSATION TABLE

The following table sets forth compensation of each Named Executive Officer for each of the three most recently completed financial years.

Name and principal position (a)	Year (b)	Salary (\$) (c)	Share-based awards (\$) (d)	Option-based awards (\$) (e)	Non-equity incentive plan compensation (\$) (f)		Pension value (\$) (g)	All other compensation (\$) (h)	Total compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
Henry Bromley CFO	2011	\$24,000	-	-	-	-	-	-	-
	2010	\$24,000	-	-	-	-	-	-	-
	2009	\$32,000	-	-	-	-	-	-	-
Michelle Gahagan Acting CEO	2011	-	-	-	-	-	-	-	-
	2010	-	-	-	-	-	-	-	-
	2009	-	-	-	-	-	-	-	-

INCENTIVE PLAN AWARDS

Incentive plan awards – Outstanding share-based awards and option-based awards

There were no share-based awards or option-based awards outstanding with any of the NEO's of the Company at the end of the most recently completed financial year.

Incentive plan awards – value vested or earned during the year

There were no value vested option-based awards or share-based awards earned by the NEO's of the Company during the most recently completed financial year.

PENSION PLAN BENEFITS

Defined benefit plans table

The Company does not have a Defined Benefits Pension Plan.

Defined contribution plans table

The Company does not have a Defined Contribution Pension Plan.

Deferred compensation plans

The Company does not have a Deferred Contribution Pension Plan.

TERMINATION AND CHANGE OF CONTROL BENEFITS

During the most recently completed financial year there were no employment contracts, agreements, plans, or arrangements 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 Company, or a change in an NEO's responsibilities.

DIRECTOR COMPENSATION

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries, other than through the grant of stock options, for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year or subsequently, up to and including the date of this information circular.

SHARE-BASED AWARDS, OPTION-BASED AWARDS AND NON-EQUITY INCENTIVE PLAN COMPENSATION

Incentive plan awards – Outstanding share-based awards and option-based awards

There were no share-based awards or option-based awards outstanding with any of the directors of the Company at the end of the most recently completed financial year.

Incentive plan awards – value vested or earned during the year

There were no value vested option-based awards or share-based awards earned by the directors of the Company during the most recently completed financial year.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

At the end of the most recently completed financial year, there were no compensation plans under which equity securities of the Company were authorized for issuance.

Stock Option Plan

The Company's stock option plan (the "Plan") was adopted by the Board of Directors on December 10, 2007 and approved by the shareholders of the Company on January 9, 2008. Pursuant to the Plan:

- At the present time, a maximum of 5,011,639 common shares may be issued under the Plan (20% of the common shares issued and outstanding of the Company as at August 25, 2010, the date on which the Company's shares were consolidated);
- The maximum number of common shares which may be reserved for issuance in favour of a beneficiary, in any twelve (12) month period, is limited to 5% of the shares issued and outstanding;
- The maximum number of common shares which may be reserved for issuance in favour of a consultant, in any twelve (12) month period, is limited to 2% of the shares issued and outstanding;
- The total number of common shares which may be reserved for issuance to persons employed to provide investor relations activities may not exceed, in any twelve (12) month period, 2% of the shares issued and outstanding on a non-diluted basis;
- The exercise price of options granted under the Plan must not be less than the closing price the day before the options are granted;
- Options are exercisable for a maximum period of five (5) years;
- Upon the retirement, resignation, or termination of the optionee's employment, the optionee's options will expire ninety (90) days from the date of termination, subject to the options' date of expiration. In the case of death, the options granted to the optionee will expire twelve (12) months following the date of each, subject to the options' date of expiration;
- The options are non-assignable and not-transferable.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness and Indebtedness of Directors and Executive Officers under (1) Securities Purchase and (2) Other Programs

As of the most recently completed financial, and as at the date of this information circular, none of the directors, executive officers, employees, or previous directors, executive officers, or employees of the Company was indebted to the Company with respect to the purchase of securities of the Company or any other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

APPOINTMENT OF AUDITOR

Management of the Company proposes to nominate the Company's current auditor, Watson Dauphinee & Masuch, Chartered Accountants, for re-appointment as auditor of the Company to hold office until the next Annual General Meeting of the shareholders at remuneration to be fixed by the directors. Watson Dauphinee & Masuch have been the Company's auditor since September, 2000.

AUDIT COMMITTEE

The Audit Committee's Charter

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

Composition of the Audit Committee

National Instrument 52-110 Audit Committees, ("NI 52-110") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company's board of directors, reasonably interfere with the exercise of the member's independent judgment.

The Company is required to have an Audit Committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Company or of an affiliate of the Company.

The Company's current Audit Committee consists of Michelle Gahagan, Michael Curtis and Gerald Tuskey, all of whom are independent.

Financial Literacy

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. All of the directors of the Company are financially literate as that term is defined.

Relevant Education and Experience

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

Michelle Gahagan Ms. Gahagan is currently a principal of a privately-held merchant bank based in Vancouver and London. Prior to the commencement of her involvement in merchant banking five years ago, Ms. Gahagan graduated from Queens University Law School and practiced corporate law for 20 years. Ms. Gahagan has extensive experience advising companies with respect to international tax-driven structures, mergers and acquisitions. Ms. Gahagan has successfully completed the Investment Management Certificate course and is a Qualified Person under the Financial Services Authority (UK) regime. Ms. Gahagan has been a director of the Company since January 2008 and is currently the President of Suparna Gold Corp. (TSX-V: SUG), the President and Chief Executive Officer of Declan

Resources Inc. (TSX-V: LAN) and a director of Bowood Energy Inc. (TSX-V: BWD) and ArPetrol Ltd. (TSX-V: RPT).

Michael Curtis Mr. Curtis has more than 35 years of experience in the Canadian financial industry in areas including trading, research, corporate finance and the management of public companies. Beginning in 1972, he spent 16 years as an equity specialist on the Floor of the Toronto and Montreal Exchanges, working for Dean Witter Reynolds Inc. and later, as the chief equity trader for Prudential Bache Securities Inc., where he built a team of twelve stock and options inventory traders. He served on various committees at the Montreal Exchange and as chair of the Floor Procedures Committee. In 1988, he left Prudential Bache Securities to work in the management and development of a variety of publicly traded companies. In 1991 he became a director of Aurtec Inc., a public company trading on the Montreal Stock Exchange. In 1988, Mr. Curtis founded and became president and director of Cardwell Capital Inc., a private investment and trading corporation, which invests in small and mid capitalization public companies trading in North American markets

Gerald Tuskey For the past 18 years, Mr. Tuskey has worked as a self-employed corporate/securities lawyer based in Vancouver, British Columbia. Before establishing his independent practice, Mr. Tuskey was employed as an associate lawyer by firms in Calgary and Vancouver. Mr. Tuskey has 24 years experience in providing securities and corporate law counsel to a wide variety of domestic and international publicly traded clients. Mr. Tuskey is also a director of Eurasia Energy Limited (OTCBB: EUENF) and Opal Energy Corp. (TSX-V: OPA).

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board of Directors of the Company.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (De Minimis Non-audit Services) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

Pre-Approval Policies and Procedures

The Board of Directors has adopted a pre-approval policy requiring that the Audit Committee pre-approve the audit and non-audit services performed by the independent auditor in order to assure that the provision of such services do not impair the auditor's independence.

External Auditor Service Fees

The following table sets forth the fees paid by the Company to Watson Dauphinee & Masuch, Chartered Accountants, for services rendered in the last two fiscal years:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit-Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
August 31, 2011	\$14,866	-	-	-
August 31, 2010	\$19,250	-	-	-

Exemption

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE PRACTICES

The following describes the Company’s approach to corporate governance with reference to National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) and National Policy 58-201 Corporate Governance Guidelines (“NP 58-201”). The Company is a Venture Issuer within the meaning of NI 58-101 and believes that its practices are adequate and efficient for its organization. The matters pertaining to the corporate governance practices have been examined by the Board of Directors.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. All of the directors of the company are independent.

Directorships

The following directors or proposed directors are currently directors of other issuers that are reporting issuers:

Name of Director	Issuer
Michael Curtis	Argex Silver Capital Inc. Opal Energy Corp.
Michelle Gahagan	ArPetrol Ltd. Bowood Energy Inc. Declan Resources Inc. eShippers Management Ltd. Suparna Gold Corp.
Gerald Tuskey	Eurasia Energy Limited Opal Energy Corp.

Orientation and Continuing Education

Orientation and education of new members of the Board of Directors is conducted informally by management and members of the Board of Directors. The orientation provides background information on the Company’s history, performance and strategic plans.

Ethical Business Conduct

The Company does not have a Code of Business Ethics Conduct.

Nomination of Directors

The Board of Directors has not appointed a Nomination Committee or put in place formal procedures for the identification of new Board member candidates. These functions are currently performed by the Board of Directors as a whole.

Compensation

The directors of the Company do not receive any compensation for services rendered in their capacity as directors other than through the grant of stock options.

Other Board Committees

The Board's only standing committee is the Audit Committee, the functions of which are described herein.

Assessments

The Board of Directors regularly reviews the necessity of setting up other committees as well as the role of its directors, and individual directors are encouraged to give feedback regarding the effectiveness of the Board of Directors as a whole, its committees and individual directors.

MANAGEMENT CONTRACTS

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

RESTRICTED SECURITIES

No action the Company is taking involves a transaction that would have the effect of converting or subdividing, in whole or in part, existing securities into restricted securities, or creating new restricted securities.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Financial information is provided in the Company's audited financial statements and MD&A for its year ended August 31, 2011. Shareholders may contact the Company at 302 – 1620 West 8th Avenue, Vancouver, B.C., V6J 1V4 or by telephone at (604) 639-4450 to request copies of the Company's financial statements and MD&A including audited financial statements for the year ended August 31, 2011.

BOARD APPROVAL

The contents of this information circular have been approved and its mailing authorized by the directors of the Company.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

DATED at Vancouver, British Columbia, this 3rd day of May, 2011.

ON BEHALF OF THE BOARD OF DIRECTORS

"Michelle Gahagan"

Michelle Gahagan

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

Name

There shall be a committee of the Board of Directors (the "Board") of CellStop Systems Inc. (the "Company") known as the Audit Committee (the "Committee").

Mandate

The primary function of the Committee is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update the Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or

other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
- (b) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (c) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (d) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (e) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (f) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (g) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (h) Review certification process.
- (i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.