



NOTICE OF SPECIAL MEETING AND INFORMATION CIRCULAR

December 16, 2011

Innovative Properties Inc.
404-647 Bedford Hwy.,
Halifax, Nova Scotia
Canada, B3M 0A5

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JANUARY 20, 2012

NOTICE IS HEREBY GIVEN that the special meeting (the “Special Meeting”) of Innovative Properties Inc. (“Innovative” or the “Corporation”) will be held at 8338-120th Street, Surrey, British Columbia, Canada, to:

1. consider and, if thought fit, pass, with or without amendment, a special resolution to alter Innovative’s share capital by consolidating its issued common shares on a 7 old for 1 new basis, or such lesser ratio as the directors may determine appropriate as more particularly described in the section of the Information Circular entitled “The Business of the Special Meeting – Share Consolidation;
2. consider and if thought fit, pass, a special resolution to move the registered and records office of the Company to British Columbia;
3. consider and if thought fit, pass an ordinary resolution to amend By-Law No. 1;
4. transact such other business as may properly come before the Special Meeting or any adjournments thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Special Meeting and is deemed to form part of this Notice.

Shareholders who are unable to attend the Special Meeting are requested to complete sign, date and return the enclosed form of proxy indicating your voting instructions. A proxy will not be valid unless it is deposited at the office of Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Facsimile: (866) 249-7775) not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Special Meeting or any adjournments thereof. If you are not a registered shareholder, please refer to the accompanying Information Circular for information on how to vote your shares.

DATED at Vancouver, British Columbia, this 16th day of December, 2011

BY ORDER OF THE BOARD OF DIRECTORS

“Sonny Janda”
Sonny Janda
Chief Executive Officer

INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of December 16, 2011.

This Information Circular is being mailed by the management of Innovative Properties Inc. (“Innovative”) to everyone who was a shareholder of record on December 16, 2011, which is the date that has been fixed by the directors of Innovative as the record date to determine the shareholders who are entitled to receive notice of the Special Meeting. Innovative is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of Innovative’s management for use at the special meeting (the “Special Meeting”) of the shareholders that is to be held on January 20, 2012, at 2:00 pm Pacific Standard Time at **8338 – 120 Street, Surrey, British Columbia**. The solicitation of proxies will be primarily by mail. Certain employees or directors of Innovative may also solicit proxies by telephone or in person. The cost of solicitation will be borne by Innovative.

Details of the time and place of the Special Meeting are contained in the Notice of Special Meeting that accompanies this Information Circular.

A quorum of Shareholders will be present at the meeting if two holders of the Common shares entitled to vote at the Special Meeting are present in person before any action may validly be taken at the Special Meeting. If such a quorum is not present in person or by proxy, we will reschedule the Special Meeting.

PART 1 - VOTING

HOW A VOTE IS PASSED

THE MATTERS THAT WILL COME TO A VOTE AT THE SPECIAL MEETING, AS DESCRIBED IN THE ATTACHED NOTICE OF SPECIAL MEETING, ARE SPECIAL RESOLUTIONS – THAT IS, NOT LESS THAN SEVENTY-FIVE PERCENT (75%) OF THE VOTES THAT ARE CAST MUST BE IN FAVOR OF THE RESOLUTION FOR IT TO BE APPROVED AND ORDINARY RESOLUTIONS – THAT IS, A MAJORITY OF THE VOTES THAT ARE CAST MUST BE IN FAVOR OF THE RESOLUTION FOR IT TO BE APPROVED.

WHO CAN VOTE?

If you are a registered shareholder of Innovative as at December 16, 2011, you are entitled to notice of, and to attend the Special Meeting and cast a vote for each share registered in your name on all resolutions put before the Special Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf, but documentation indicating such officer’s authority should be presented at the Special Meeting. If you are a registered shareholder but do not wish to, or cannot attend the Special Meeting in person you can appoint someone who will attend the Special Meeting and act as your proxyholder to vote in accordance with your instructions (see “Voting By Proxy” below). If your shares are registered in the name of a “nominee” (usually a bank, trust company, securities dealer or other financial institution), you should refer to the section entitled “Nonregistered Shareholders” set out below.

It is important that your shares be represented at the Special Meeting regardless of the number of shares you hold. If you will not be attending the Special Meeting in person, please complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

VOTING BY PROXY

If you do not come to the Special Meeting, you can still make your votes count by appointing someone who will be there to act as your proxyholder. You can either tell that person how you want to vote or you can let him or her decide for you. You can do this by completing a form of proxy.

In order to be valid, you must return the completed form of proxy by 4:00 pm. Pacific Standard Time, at least 48 hours prior to January 20, 2012, to Innovative’s transfer agent, Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Facsimile: (866) 249-7775).

What Is A Proxy?

A form of proxy is a document that authorizes someone to attend the Special Meeting and cast your votes for

you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

Appointing a Proxyholder

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the Special Meeting. If you do not fill in a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy will be deemed to be appointed to act as your proxyholder. Such persons are directors and/or officers of Innovative (the "**Management Proxyholders**").

Instructing Your Proxy

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the Special Meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares at the Special Meeting as follows:

FOR the Share Consolidation Resolution;

FOR the change of Registered and Records Office address to British Columbia, Canada Resolution;

FOR the amendment to By-Law No. 1 resolution;

For more information about these matters, see Part 3 – The Business of the Special Meeting. **The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Special Meeting.** At the time of printing this Information Circular, the management of Innovative is not aware of any other matter to be presented for action at the Special Meeting. If, however, other matters do properly come before the Special Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

Changing Your Mind

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the Special Meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to Innovative at 8338 – 120 Street, Surrey, British Columbia V3W 3N4; or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (Vancouver time) on the last business day before the day of the Special Meeting, or any adjournment thereof, or delivered to the person presiding at the Special Meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with us before the deadline, you can still vote your shares but to do so you must attend the Special Meeting in person.

NON-REGISTERED SHAREHOLDERS

If your shares are not registered in your own name, they are likely held in the name of a "nominee", usually a bank, trust company, securities dealer or other financial institution. Your nominee must seek your instructions as to how to vote your shares.

Accordingly, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders' Special Meetings, you will have received this Information Circular from your nominee, together with a form of proxy or voting instruction form. If that is the case, **it is most important that you comply strictly with the instructions that have been given to you by your nominee on the voting instruction form.**

If you have voted and wish to change your voting instructions, you should contact your nominee to discuss whether this is possible and what procedures you must follow.

If your shares are not registered in your own name, we will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote in person at the Special Meeting, therefore, please insert your own name in the space provided on the form of proxy or voting instruction form that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. Please adhere strictly to the signing and returning instructions provided by your nominee. It is not necessary to complete the form in any other respect, since you will be voting at the Special Meeting in person.

The Notice of Special Meeting and this Information Circular are being sent to both registered and non-registered owners of Innovative common shares. If you are a non-registered owner and we have sent these materials to you directly, your name and address and information about your holdings of common shares of Innovative have been obtained in accordance with applicable securities regulatory requirements from the nominee holding the securities on your behalf. By choosing to send these materials to you directly, Innovative (and not your nominee) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions form which is included with this Information Circular.

PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of Innovative consists of an unlimited number of common shares. At the close of business on December 16, 2011, 24,537,825 common shares were outstanding. Each shareholder is entitled to one vote for each common share registered in his or her name at the close of business on December 16, 2011, the date fixed by the Board of Directors as the record date for determining who is entitled to receive notice of and to vote at the Special Meeting. To the knowledge of the directors and officers of Innovative only the following persons beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the common shares on that date:

Robert J. Bell, of 38 Hazelhurst Street, Dartmouth, NS owns Common shares of Innovative representing over 10% of the issued and outstanding shares.

PART 3 - THE BUSINESS OF THE SPECIAL MEETING

The form of proxy delivered with this Information Circular provides a means for a shareholder to vote for or against the Special Resolution. It is the intention of the persons whose names are printed on the enclosed form of proxy to vote such proxy IN FAVOUR of the Resolution, unless specifically instructed on the form of proxy to vote against the Special Resolution.

If the Special Resolution is approved, shareholders are required to take the specific actions set out below after the Special Meeting.

SHARE CONSOLIDATION

Shareholders will be asked at the Special Meeting to consider and, if thought fit, pass a special resolution to consolidate all of the issued common shares of Innovative (of which 24,537,825 are issued as of the date of this Information Circular) on the basis of seven pre-consolidation common shares, or such lesser number as Innovative's Board of Directors may determine, for one post-consolidation common share (the "Share Consolidation"). The proposed resolution (the "Share Consolidation Resolution") is attached as Appendix A to this Information Circular. The Board intends to reduce the consolidation ratio if and to the extent required to ensure compliance with the share distribution requirements of the Exchange. Innovative is distributing with this Information Circular, Letters of Transmittal to be completed by Innovative shareholders, if the Share Consolidation is approved at the Special Meeting, for the purpose of exchanging existing share certificates for post-Consolidation certificates.

The Share Consolidation is subject to Exchange acceptance. If the Exchange does not grant approval the consolidation will not proceed.

The Board of Directors believes that Innovative's ability to conduct the equity financing required for its operations is contingent upon, among other things, a consolidation of its outstanding common shares. Therefore, the Board of Directors recommends that the Innovative shareholders vote in favour of the Share Consolidation Resolution. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Share Consolidation Resolution as set out in Appendix A to this Information Circular.**

RELOCATION OF INNOVATIVE'S REGISTERED AND RECORDS OFFICES

Shareholders will be asked at the Special Meeting to consider and, if thought fit, pass a special resolution to move the registered and records offices and the head office to 8338 – 120 Street, Surrey, British Columbia. The proposed resolution is attached hereto as Schedule "A";

The Board of Directors believes that Innovative's ability to conduct the equity financing required for its operations is contingent upon, among other things, moving the registered and records offices and the head office to 8338 – 120 Street, Surrey, British Columbia.

Therefore, the Board of Directors recommends that the Innovative shareholders vote in favour of the resolution to move the head office and the registered and records offices.. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution to move the registered and records office and head office as set out in Appendix A to this Information Circular.**

AMENDMENT OF BY-LAW NO. 1

Shareholders will be asked at the Special Meeting to consider and, if thought fit, pass an ordinary resolution to amend By-Law No. 1 as set out the in proposed ordinary resolution attached hereto as Schedule "A".

The Board of Directors believes that Innovative's ability to conduct the equity financing required for its operations is contingent upon, among other things, amending By-Law No. 1 as set out in Schedule "A" hereto.

Therefore, the Board of Directors recommends that the Innovative shareholders vote in favour of the resolution to amend By-Law No. 1. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the By-Law Amendment resolution as set out in Appendix A to this Information Circular.**

PART 4 – OTHER INFORMATION

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a Director or executive officer of Innovative at any time since the beginning of Innovative's last financial year end, that being October 31, 2010, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Special Meeting.

INCORPORATION BY REFERENCE AND ADDITIONAL INFORMATION

The following information is incorporated by reference in this Information Circular from the information circular prepared by Innovative on April 8, 2011, for its Annual General Meeting of Shareholders held on May 9, 2011: Executive Compensation, Securities Authorized for Issuance Under Equity Compensation Plans, Indebtedness of Directors and Executive Officers, Interest of Informed Persons in Material Transactions, Management Contracts, Corporate Governance and Audit Committee Charter. The above document is available on SEDAR at www.sedar.com.

Financial information about Innovative is contained in its comparative financial statements and Management's Discussion and Analysis for the fiscal year ended October 31, 2010, and additional information relating to Innovative is on SEDAR at www.sedar.com.

OTHER MATTERS

Management of Innovative is not aware of any other matters to come before the Special Meeting other than as set forth in the Notice of Special Meeting that accompanies this Information Circular. If any other matter properly comes before the Special Meeting, it is the intention of the persons named in the enclosed form of proxy

to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

You may obtain additional information about Innovative in its public disclosure documents filed on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

DIRECTORS' APPROVAL

The Board of Directors of Innovative Properties Inc. has approved the contents of this Information Circular and its distribution to each shareholder entitled to receive notice of the Special Meeting.

Vancouver, British Columbia, December 16, 2011

INNOVATIVE PROPERTIES INC.

"Sonny Janda"

President and Chief executive Officer

APPENDIX “A”

INNOVATIVE PROPERTIES INC. (the “Corporation” or the “Company” or “Innovative”)

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the issued common shares of the Corporation be consolidated on the basis of seven pre-consolidation shares for one post-consolidation share, or on the basis of such lesser ratio as the Board of Directors may determine and in such regard may change the name of the Company as necessary;
2. any fractional share remaining after giving effect to the aforementioned consolidation that is less than one-half of one share shall be deemed to be cancelled and each fractional share that is at least one-half of one share shall be deemed to be changed to one whole share;
3. notwithstanding the passage of this resolution by the shareholders of Innovative or the approval of the TSX Venture Exchange, the Board of Directors of Innovative may decide not to proceed with the Share Consolidation or, subject to the approval of the TSX Venture Exchange, to otherwise give effect to this resolution at any time before it is acted upon without further notice to or approval of the shareholders of Innovative.
4. Innovative shall relocate its registered and records offices and its head office to 8338 – 120 Street, Surrey, British Columbia, Canada;
5. notwithstanding the passage of this resolution by the shareholders of Innovative the Board of Directors of Innovative may decide not to proceed with the relocation of the registered and records office or the head office;
6. any director or officer of the Corporation is authorized to execute and deliver all such documents and instruments, including Articles of Amendment, and to do such further acts as may be necessary to give full effect to this resolution or as may be required to carry out the full intent and meaning of this resolution;
7. the directors have full power and authority in their unfettered discretion to do whatever acts or take whatever action, sign whatever documentation or otherwise as may be required to put the full intent and meaning of these resolutions into effect without further approval from the shareholders, including any name change of the Company.

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. By-Law No. 1, Section 53, dealing with shareholder quorum, of the Company be amended as follows:

“5% of shareholders entitled to vote at the meeting, either in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of shareholders”.
2. any director or officer of the Corporation is authorized to execute and deliver all such documents and instruments, including Articles of Amendment, and to do such further acts as may be necessary to give full effect to this resolution or as may be required to carry out the full intent and meaning of this resolution;
3. the directors have full power and authority in their unfettered discretion to do whatever acts or take whatever action, sign whatever documentation or otherwise as may be required to put the full intent and meaning of these resolutions into effect without further approval from the shareholders.