



**NOTICE OF MEETING AND  
INFORMATION CIRCULAR**

**2012  
ANNUAL GENERAL MEETING  
OF SHAREHOLDERS**

**INNOVATIVE PROPERTIES INC.  
NOTICE OF ANNUAL GENERAL MEETING**

The 2012 Annual General Meeting (the "Meeting") of the Shareholders of Innovative Properties Inc. (the "Company" or "Innovative") will be held at 8338 120th Street, Surrey, British Columbia, at 10:30 a.m. (local Vancouver time) on May 4, 2012 for the following purposes:

1. to receive the audited consolidated financial statements of the Company for its financial year ended October 31, 2011, the Report of the Auditor on those statements and the related Management Discussion and Analysis;
2. to appoint an auditor for the ensuing year and to authorize the Directors to fix the auditor's remuneration;
3. to set the number of directors at 3;
4. to elect directors for the ensuing year;
5. to consider any amendment to or variation of any matter identified in this Notice and to transact such other business as may properly be brought before the Meeting.

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

**Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares are voted at the Meeting are requested to complete, sign, date and return the enclosed form of Proxy or Voting Instruction Form in accordance with the instructions set forth therein. The Proxy or Voting Instruction Form must be completed in accordance with the instructions set out therein and in the Information Circular accompanying this Notice, and, to be valid, must be received by Computershare Trust Company of Canada, at 300-510 Burrard St, Vancouver B.C. not fewer than 48 hours before the time fixed for the Meeting.**

**DATED** at Vancouver, British Columbia this 4<sup>th</sup> day of April, 2012

BY ORDER OF THE BOARD

*Sonny Janda, President and Chief Executive Office*

**INNOVATIVE PROPERTIES INC.**  
**INFORMATION CIRCULAR**

This Information Circular is furnished in connection with the solicitation of proxies by the management of Innovative Properties Inc. (“Innovative” or the “Company”) for use at the Meeting to be held on May 4, 2012 and at any adjournments thereof.

The Information Circular is being mailed by the management of the Company to everyone who was a shareholder of record on March 30, 2012, which is the date that has been fixed by the directors of the Company as the record date to determine the shareholders who are entitled to receive notice of the meeting.

While it is expected that the solicitations will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of Innovative Properties or by agents retained for that purpose. Innovative Properties may reimburse shareholders, nominees or agents for any costs incurred in obtaining from their principals proper authorization to execute proxies. Innovative Properties may also reimburse brokers and other persons holding shares in their own name or in the names of their nominees for expenses incurred in sending proxies and proxy materials to the beneficial owners thereof in obtaining their proxies. All costs of all solicitations on behalf of management will be borne by the Company.

## **PART 1 - VOTING**

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### ***Appointment of Proxyholder***

**Shareholders of Innovative Properties who hold Innovative Properties Shares in their own names are “registered shareholders”. Each registered shareholder has the right to appoint a person, who need not be a shareholder, to attend and act for and on behalf of such shareholder at the Meeting other than the person(s) designated by management in the form of proxy accompanying this circular. Voting instructions for non-registered shareholders are set forth below under “ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES”.**

The persons designated as proxyholders on the accompanying form of proxy have been selected by management. A registered shareholder desiring to appoint some other person as proxyholder may do so by striking out the printed names and inserting the name of the desired person in the space provided in the form of proxy. If no choice of proxyholder is made in such manner then the first named proxyholder will exercise the proxy with automatic substitution of the succeeding named proxyholder if such first named proxyholder does not attend the Meeting and automatic substitution of the third named proxyholder, if any, if such second named proxyholder does not attend the Meeting. A person appointed as proxyholder need not be a shareholder of Innovative Properties. All completed proxy forms must, to be valid, be deposited at Computershare Trust Company of Canada, at Computershare Trust Company of Canada, Proxy Dept., 300-510 Burrard St, Vancouver B.C. V6C 3B9, not fewer than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting.

### ***Revocability of Proxy***

A registered shareholder giving a proxy may revoke it either by signing a proxy bearing a later date and depositing it at the place and within the time aforesaid or by signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed as set out in the notes to the proxy) and either

depositing the same at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting, or on the day of any adjournment thereof, or registering with the Scrutineer at the Meeting as a registered shareholder present in person, or in any other manner provided by law, whereupon such proxy shall be deemed to have been revoked. Revocation of a proxy will not affect any matter on which a vote has been taken before the revocation.

### ***Voting by Proxy***

If the instructions of a registered shareholder are certain, the shares represented by any proxy given by that registered shareholder will be voted on any ballot that may be called for, and where the registered shareholder specifies a choice with respect to any matter to be acted on, the shares will be voted on any ballot that may be called for in accordance with the specifications so made. **WHERE NO CHOICE IS SPECIFIED, THE PROXY CONFERS DISCRETIONARY AUTHORITY ON THE REGISTERED SHAREHOLDER'S APPOINTED PROXYHOLDER. IF A REGISTERED SHAREHOLDER HAS NOT APPOINTED HIS OR HER OWN PROXYHOLDER, SUCH SHARES WILL BE VOTED BY MANAGEMENT'S DESIGNATES IN FAVOUR OF THE MATTERS DESCRIBED IN THE PROXY.**

### ***Exercise of Discretion by Proxyholder***

The accompanying form of proxy gives each registered shareholder the ability to confer discretionary authority upon the proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. At the time of printing this Circular, Management of Innovative Properties knows of no such amendments, variations or other matters which are anticipated to be presented for consideration or action at the Meeting.

### ***Advice to Beneficial Holders of Innovative Properties Shares on Voting Innovative Properties Shares***

**The information set forth in this section is of significant importance to any shareholders of Innovative Properties who do not hold Innovative Properties Shares in their own name.** Shareholders who do not hold shares in their own name (referred to in this Information Circular as "Non-registered Owners") should note that only proxies or other recognized voting instructions deposited by shareholders whose names appear on the records of Innovative Properties as the registered holders of Innovative Properties Shares can be recognized and acted upon at the Meeting. If Innovative Properties Shares are listed in an account statement provided to a shareholder by an "intermediary" (a term used to refer to, among others, securities dealers, brokers, banks, trust companies and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans), then, in almost all cases, those Innovative Properties Shares will not be registered in the shareholder's name on the records of Innovative Properties. Such Innovative Properties Shares will more likely be registered under the name of the Non-registered Owner's intermediary or an agent of that intermediary. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the nominee of The Canadian Depository for Securities, which acts as depository for many Canadian intermediaries. Innovative Properties Shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Non-registered Owner. Without specific instructions, an intermediary and its agents and nominees are prohibited from voting Innovative Properties Shares for that intermediary's clients. **Therefore, Nonregistered Owners should ensure that instructions respecting the voting of their Innovative Properties Shares are communicated to the appropriate person.**

These shareholder materials are being sent to both registered and non-registered owners of Innovative Properties Shares. If you are a Non-registered Owner and Innovative Properties or its agent has sent these

materials directly to you, your name and address and information about your holdings of Innovative Properties Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, Innovative Properties (and not the intermediary holding on your behalf) 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.

Non-Registered Owners who have not objected to their intermediary disclosing certain ownership information about themselves to Innovative Properties are referred to as "NOBOs". Those Non-Registered Owners who have objected to their intermediary disclosing ownership information about themselves to Innovative Properties are referred to as "OBOs".

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, Innovative Properties has elected to send its shareholder materials respecting the meeting referred to herein (collectively, the "Meeting Materials") directly to NOBOs, as well as registered shareholders, and indirectly through intermediaries to OBOs. Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived its right to receive them. The majority of intermediaries now delegate responsibility for obtaining instructions from their clients to Broadridge Financial Solutions, Inc.

As noted above under "Appointment of Proxyholder", Meeting Materials sent to registered shareholders are accompanied by a form of proxy. Meeting Materials sent to Non-Registered Owners who have not waived the right to receive Meeting Materials, regardless of whether they are NOBOs or OBOs, are accompanied by a Request for Voting Instructions (a "VIF"), as required by the Canadian Securities Administrators. A VIF is provided to Nonregistered Owners instead of a proxy. By returning a VIF in accordance with the instructions noted on it, a Non-Registered Owner is able to instruct the registered shareholder or, in the case of NOBOs, Innovative Properties how to vote on behalf of the Non-Registered Owner. VIF's, whether provided to the Non-registered Owner by Innovative Properties or by an intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

The purpose of this procedure is to permit Non-Registered Owners to direct the voting of the Innovative Properties Shares which they beneficially own. **A Non-registered Owner receiving a VIF cannot use that VIF to vote Innovative Properties Shares directly at the Meeting and will not by virtue of possession of that VIF be entitled to attend the Meeting. Should a Non-Registered Owner who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Owner may request a legal proxy as set forth in the VIF. Such a legal proxy will grant the Non-Registered Owner or his/her nominee the right to attend and vote at the Meeting. Non-Registered Owners 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 ON**

No person who has been a director or senior officer of the Company at any time since the beginning of the last completed financial year of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, except as may be disclosed herein under the heading "Particulars of Matters to be Acted Upon".

## **PART 2 - VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

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Innovative Properties is authorized to issue an unlimited number of Shares, of which 9,244,891 Shares were issued and outstanding on March 30, 2012, the record date (the “**Record Date**”) for the Meeting. Each Share carries the right to one vote on any poll at meetings of shareholders of Maxtech. Innovative Properties has no other class of voting securities.

In respect of currently issued and outstanding Shares, those persons entitled to receive notice of and to vote at the Meeting in person or by proxy will be determined by the record of registered shareholders of Innovative Properties at 4:00 p.m. (local Vancouver time) on the Record Date. If Innovative Properties should issue additional Shares from treasury after the Record Date, the person or persons to whom those Shares are issued shall not be entitled to receive notice of the Meeting, but shall, if included on the record of registered shareholders of Innovative Properties before the time for the meeting, be entitled to vote at the meeting in person or, if they have deposited a proxy not fewer than 48 hours (Saturdays, Sundays and statutory holidays excluded) before the time for the Meeting, by proxy.

To the best of the knowledge and belief of the directors and senior officers of Maxtech, as at the Record Date, no person beneficially owned, directly or indirectly, or exercised control or direction over shares carrying more than 10% of the voting rights attached to any class of voting securities of Innovative Properties

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

For the purposes of this Information Circular, “informed person” means:

- (a) a director or executive officer of Innovative;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of Innovative;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of Innovative Properties or who exercises control or direction over voting securities of Innovative Properties or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of Innovative Properties other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) Innovative Properties if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

No informed person of Innovative Properties nor any proposed director of Innovative Properties nor any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transactions since the commencement of Inovative’s last completed financial year, or has any material interest, direct or indirect, in any proposed transaction which, in either case, has materially affected or would materially affect Innovative Properties except as may otherwise be disclosed herein.

## **PART 3 – THE BUSINESS OF THE MEETING**

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### **FINANCIAL STATEMENTS**

The audited consolidated financial statements of the Company for the year ended October 31, 2011 will be placed before you at the Meeting. They have been mailed to the shareholders together with the Notice of Meeting and this Information Circular. These financial statements and MD&A are also available for review on SEDAR. Shareholders can request a copy of our future financial statements and MD&A by completing the supplemental request card which accompanies the Notice of Meeting and this Information Circular. See Part 8 – Other Information below.

### **ELECTION OF DIRECTORS**

#### Number of Directors

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless he resigns or otherwise vacates office before that time. Under the Company's Articles and pursuant to the Canada Business Corporations Act, the number of directors cannot be fewer than three (3). Innovative Properties currently has six (6) directors. It is proposed to fix the number of directors at three. This requires the approval of the shareholders of the Company by an ordinary resolution, which approval will be sought at the Meeting.

The Company's management recommends that shareholders vote in favour of the resolution setting the number of directors at 3 (3).

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution setting the number of directors at three (3).

Management proposes to nominate the three persons named under the heading "Nominees for Election" below for election as directors of the Company.

#### **Nominees for Election**

The following information relating to the nominees for directors is based partly on the Company's records and partly on information received by the Company from the nominees, it states the name of each person proposed to be nominated by management for election or re-election as a director, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

While management does not contemplate that the Nominees will be unable to serve as directors, if prior to the Meeting a vacancy occurs in this slate of Nominees for any reason, the management representatives designated in the Proxy solicited in respect of the Meeting will have the discretionary authority to vote for the election of any other person as director. Proxies received by the directors on which no designation is made will be voted for the Nominees for election as directors or any substitute nominee thereof as may be determined by management, if necessary.

Ronald Smith and George Findlay resigned from the Board of Directors on November 14, 2011. Gordon Neal, Robert Bell, Jamie Lewin and William Crandell are not nominated selection to the Board of Directors.

<p><b>Sonny Janda</b>  <i>Richmond,  British Columbia</i>  President &amp; CEO, Director</p> <p>Age 25</p> <p>Director since  November 28, 2011</p> <p><b>Non-Independent</b></p>	<p>Mr. Janda holds a B.A. in Economics from Simon Fraser University. He began his career in the Canadian real estate management, development and acquisitions market where he gained extensive experience. In 2010, he was appointed President and CEO of Grand Peak Capital Corp., a company that invests in public and private corporations, primarily in junior exploration companies.</p>				
	<b>Board and Committees</b>		<b>Other Directorships</b>		
	<p>Director of the Board  Audit Committee Member</p>		<p>Chimata Gold Corp. (TSXV:CAT)  Cielo Gold Corp. (CNSX:CMC)  Desert Gold Ventures Inc. (TSXV:DAU)  Firebird Resources Inc. (TSXV:FIX)</p>		
	<b>Securities Held</b>				
	Nil				
	<b>Options Held</b>				
	<b>Date granted</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Unexercised Options</b>	<b>Value of in-the-money options</b>
Nil					
<p><b>Gurdeep Johal</b>  <i>Surrey,  Canada</i>  Director</p> <p>Age 34</p> <p>Nominee</p> <p><b>Independent</b></p>	<p>Mr. Johal holds a B.A. from the University of British Columbia. He continued on with a legal education at the University of Cariff. He initially began his career in real-estate, overseeing large-scale residential developments and land assemblies. He currently acts as a consultant and advisor for publicly listed companies; providing management services. Mr. Johal brings considerable experience within the regulatory and compliance aspects of public companies and currently sits on the Board of Directors of ME Resource Corp.</p>				
	<b>Board and Committees</b>		<b>Other Directorships</b>		
	<p>Director of the Board  Audit Committee</p>		<p>ME Resource Corp. (CNSX:MEC)</p>		
	<b>Securities Held</b>				
	Nil				
	<b>Options Held</b>				
	<b>Date granted</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Unexercised Options</b>	<b>Value of in-the-money options</b>
Nil					



<b>Eugene Beukman</b> <i>Vancouver, Canada</i> Director  Age 53  Director since November 28, 2011  <b>Independent</b>	Eugene Beukman is the Corporate Counsel of the Pender Group of Companies, a position he has held since January, 1994. He graduated from the Rand University of Johannesburg, South Africa with a Bachelor of Law Degree. Mr. Beukman is the President and CEO of Bard Ventures Ltd., a TSX.V company. He has over twenty-five years of experience in the acquisition of assets and joint ventures.				
	<b>Board and Committees</b>		<b>Other Directorships</b>		
	Director of the Board Audit Committee Member		Acana Capital Holdings Bard Ventures Ltd.		
	<b>Securities Held</b>				
	Nil				
	<b>Options Held</b>				
<b>Date granted</b>		<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Unexercised Options</b>	<b>Value of in-the-money options</b>
Nil					

Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the nominees named in the Information Circular.

#### Corporate Cease Trade Orders or Bankruptcy

Save and except as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or
- (c) 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.

#### Penalties or Sanctions

Save and except as set forth below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or

sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

### **Personal Bankruptcy**

As of the date of this Information Circular, no proposed nominee for election as a director of the Company has, within the ten 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 the proposed director.

### **Conflicts of Interest**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a Conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of those other companies.

### **APPOINTMENT OF AUDITOR**

During the financial year ended October 31, 2011, Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants of 1500 – 1140 West Pender Street, Vancouver, British Columbia V6E 4G1 were the auditors of Innovative. For the upcoming fiscal year Management has nominated Dale Matheson Carr-Hill Labonte LLP ("DMCL") to continue to act as the Company's auditors..

The Company's management recommends that shareholders vote in favour of the appointment of DMCL, Chartered Accountants as the Company's auditor for the ensuing year and in favour of granting the Board of Directors the authority to determine the auditor's remuneration.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of DMCL, Chartered Accountants as the auditor of the Company until the close of the next annual meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.**

## **PART 4 - EXECUTIVE COMPENSATION**

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Pursuant to Form 51-102F6 adopted by the Canadian Securities Administrators, "Named Executive Officer" or "NEOs" is defined to include (i) each Chief Executive Officer of the Company, despite the amount of compensation of those individuals, (ii) each Chief Financial Officer of the Company, despite the amount of compensation of those individuals, (iii) each of the Company's three most highly compensated executive

officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000, and (iv) any additional individuals for whom disclosure would have been provided under (iii) except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end of the Company.

Pursuant to Form 51-102F6, the Company provides the following disclosure regarding all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given, or otherwise provided to the NEO or director for services provided, directly or indirectly, to the Company or a subsidiary of the Company.

Except as set forth in this Circular, no compensation has been awarded to, earned by, paid to, or become payable to any director or NEO, in any capacity with respect to the Company or its subsidiaries, and, to the best of management's knowledge and belief, no compensation has been awarded to, earned by, paid to, or become payable to, an NEO, or director, in any capacity with respect to the Company, by another person or company.

The Company had two NEOs during the financial year ended October 31, 2011, being the CEO and the CFO, as set out below:

1. Gordon Neal, President and CEO; and
2. Boyd Hunter, Chief Financial Officer.

To the best of management's knowledge and belief, except as set forth in this Circular, there have been no awards, earnings, payments, or payables to an associate of an NEO, or of a director, as a result of compensation awarded to, earned by, paid to, or payable to the NEO or the director, in any capacity with respect to the Company.

## **Compensation Discussion and Analysis**

### **Goals and Objectives**

The Company's executive compensation program focuses primarily on rewarding the efforts of its executives in increasing shareholder value and meeting the Company's goals. The Board as a whole determine the final compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position.

Management directors are required to abstain from voting in respect of their own compensation.

### **Executive Compensation Program**

The Board's compensation philosophy is aimed at attracting and retaining quality and experienced people, which is critical to the success of the Company and may include a "pay-for-performance" element that supports the Company's commitment to delivering strong performance for the Shareholders.

Executive compensation is comprised of three elements: base fees (may be consulting fees) or salary, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (share

options). The Board reviews all three components in assessing the compensation of individual executive officers and of the Company as a whole.

Base fees or salaries and bonuses (discretionary) are intended to provide current compensation and a short-term incentive for executive officers to meet the Company's goals, as well as to remain competitive with the industry.

Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise, and capabilities demonstrated by the executive officers. Executive officers are also eligible to receive discretionary bonuses as determined by the Board based on each officer's responsibilities, his achievement of individual and corporate objectives and the Company's financial performance.

Cash bonuses are intended to reward the executive officers for meeting or exceeding the individual and corporate performance objectives set by the Board.

Mr. Neal has been President and Chief Executive Officer of the Company since September, 2008. On November 14, 2011 Mr. Sonny Janda was appointed President of Innovative Properties and Mr. Jamie Lewin was appointed CFO. Given Innovatives current stage of development and operational objectives, the CFO or the President do not currently receive a base salary and do not charge a consulting fee to the Company. At such time as the Company may proceed with a work program, a determination will be made as to an appropriate base compensation for the President and CFO.

Stock options are an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance as measured through the price of the Company's shares and enables executives to acquire and maintain an ownership position in the Company. See "Option Based Awards", below.

### **Option Based Awards**

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's stock option plan (the "Stock Option Plan") to receive grants of stock options. Individual stock options are granted by the Board as a whole and the size of the options is dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which an officer's long term contribution to the Company will be crucial to its overall long-term success.

Stock option grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's level of ongoing responsibility within the Company. The Board will evaluate the number of options an officer already has, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company's shares on the business day immediately preceding the date of grant and the current policy of the Board is that options expire two to five years from the date of grant.

The Company had no arrangements, standard or otherwise, under which Innovative Properties compensates its Directors for their services in their capacity as Directors, or for committee participation, or involvement in special assignments during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

### New Executive Team

The executive team has changed since October 31, 2011, the Company's most recent year-end. In connection with a reorganization of the management a new President, and CFO were appointed.

Mr. Sonny Janda was appointed President on November 14, 2011. Mr. Janda provides his services to the Company as a consultant and devotes such time to the Company's activities as is required.

Mr. Jamie Lewin was appointed CEO on November 14, 2011. Mr. Lewin provides his services as a consultant and devotes such time to the Company's activities as is required.

### Summary Compensation Table

The following table sets forth information concerning compensation earned by the Company's NEOs during the Company's three most recent financial years ended December 31.

**Summary Compensation Table**

Name and Principal Position	Year (period) Ended	Annual Compensation			Long Term Compensation			All other compensation (\$)	Total (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts		
					Securities Under Options/SARs Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)		
Gordon Neal President	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Boyd Hunter Chief Financial Officer	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2010	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Mr. Neal resigned as President on November 14, 2011.

(2) Mr. Hunter resigned as CFO on November 14, 2011.

### Incentive Plan Awards

#### Outstanding Share-based Awards and Option-based Awards

The following table describes all awards outstanding in favour of NEOs at the end of the Company's financial year ended October 31, 2011, including awards granted before the most recently completed financial year.



## Narrative Discussion

The significant terms of all plan-based awards, including non-equity incentive plan awards, issued or vested, or under which options have been exercised, during the year, or outstanding at the year end, to the extent not already discussed under “Compensation Discussion and Analysis” and “Incentive Plan Awards”, are described under “SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN”.

There are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors. Travel expenses and out of pocket costs to attend directors’ meetings are reimbursed by the Company.

## Share-based Awards, Option-based Awards and Non-equity Incentive Plan Compensation

The following table describes all awards outstanding in favour of directors who were not also NEOs at the end of the Company’s financial year ended October 31, 2011, including awards granted before the most recently completed financial year.

Name	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Ronald Smith	Nil				Nil	N/A
George Findlay	Nil				Nil	N/A
William Crandell	Nil				Nil	N/A

## Incentive Plan Awards – Value Vested or Earned During the Year

Incentive plan award (“IPA”) means compensation awarded, earned, paid, or payable under any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. The Company did not make any IPAs to any director who was not also an NEO during the most recently completed financial year.

## MANAGEMENT CONTRACTS

No management functions of the Company are to any substantial degree performed other than by the directors or senior officers of the Company.

## **PART 5 - SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

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The Company has in place a share option plan (the “Plan”) which was most recently approved by the Shareholders on May 11, 2019. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the directors of the Company. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than 10 years after the issuance of such option. The number of Common Shares reserved for issuance under the

Plan at any given moment in time cannot exceed twenty percent (20%) of the issued and outstanding Common Shares (equates to 1,848,978 as of the Record Date), and the number of Common Shares under option at any given time cannot exceed the number of Common Shares then reserved for issuance pursuant to the Plan.

The following table sets out equity compensation plan information as at the end of the financial year ended July 31, 2011.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights as at October 31, 2011	Weighted-average exercise price of outstanding options, warrants and rights as at October 31, 2011	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders –	Nil	N/A	1,848,978
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	Nil	•	1,848,978

## **PART 6 - AUDIT COMMITTEE**

The Corporation must, pursuant to the provisions of National Instrument 52-110, Audit Committees ("NI 52-110"), have a written charter which sets out the duties and responsibilities of its audit committee. The charter of the Corporation's audit committee (the "Audit Committee") is attached to this Circular as Schedule "A".

### **Composition of Audit Committee & Relevant Education and Experience**

As of October 31, 2011 the Audit Committee was comprised of three (3) directors, Dr. George Findlay (Chair), William E. Crandell and Robert J. Bell. Mr. Findlay and Mr. Bell are considered "independent", as defined in NI 52-110. Mr. Crandell is not considered independent as he is the former CFO of the Corporation. All of the Audit Committee members are "financially literate", as defined in NI 52-110.

### **Relevant Education and Experience**

Dr. Findlay, Mr. Crandell and Mr. Bell are each experienced in complementary ways in financial presentation and public company financial considerations.

Dr. Findlay holds an MBA from the University of Liverpool. He completed the Public Companies Director's Course at Simon Fraser University. He is also a director and former chair of the audit committee of Silver Spruce Resources Inc. ("SSRI") and the present chair of SSRI's governance committee.

Mr. Crandell holds an MBA with a concentration in finance, is a Certified Management Consultant, and has been consulting to businesses for over 35 years. He is the former CFO of the Corporation and has served as a director of the Corporation since October 31, 2002. He is the former president and chairman of Performance Property Capital Inc. and a past director and current financial advisor of Praxes Emergency Medical Specialists.



Mr. Bell has industry specific experience. He is the Chairman and director of Bell Enterprises Inc., a director of the Corporation, and a former director of Harbour Construction Limited. He has over 45 years experience in operating businesses. As part of running the businesses, Mr. Bell demonstrated a solid understanding of accounting principles, an ability to assess the general applicability of accounting principles, and a breadth of knowledge and experience in preparing and auditing financials.

#### **Audit Committee Oversight**

At no time since the commencement of the Corporation's last two (2) financial years was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

#### **Reliance on Certain Exemptions**

The Corporation is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

At no time since the commencement of the Corporation's last two (2) financial years has the Corporation relied on the exemption in Section 2.4 of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52- 110.

#### **Pre-Approval Policies and Procedures**

The Audit Committee will pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor, however the Audit Committee has not adopted specific policies and procedures for such approval.

#### **Audit Fees**

The following table sets forth the fees billed to the Company by DBO Dunwoody, Chartered Accountants, for services rendered in the last two fiscal years:

	October 31, 2010	October 31, 2011
Audit/Audit Related Fees:	\$59,951	\$15,000
Tax Fees:	\$Nil	\$Nil

Innovative Properties is a venture issuer as defined in MI 52-110 – Audit Committees and relies on the exemption in section 6.1 of MI 52-110 relating to parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## **PART 7 - CORPORATE GOVERNANCE**

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National Instrument 58-101 - "Disclosure of Corporate Governance Practices" requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "Guidelines") adopted in National Policy 58-201 – "Corporate Governance Guidelines". These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company's approach to corporate governance is set out below, having regard to the requirements set forth for Venture Issuers in Form 58-101F2 – "Corporate Governance Disclosure (Venture Issuers)".

## Board of Directors

The Board of Directors has the overall responsibility for the strategic planning and general management of the business and affairs of the Company. In fulfilling its responsibilities, the Board is responsible for, among other things:

- i. identification of the principal business risks of the Company and ensuring the implementation of the appropriate systems to manage these risks;
- ii. succession planning for the Company, as well as the appointment, development and monitoring of senior management;
- iii. a communications policy for the Company; and
- iv. the integrity of the Company's internal control and management information system.

The Company's board of directors (the "Board") is currently comprised of six directors.

The Guidelines suggest that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 58-101. Under NI 58-101, which refers in turn to Multilateral Instrument 52-110 – "Audit Committees", a director is considered independent if he or she has no direct or indirect "material relationship" with the Company (other than shareholdings) which could, in the view of the Board, reasonably interfere with the exercise of that director's independent judgment. Of the current directors and proposed nominee, the following persons would be considered to be an "inside" or management director and, accordingly, would not be considered to be "independent" within the meaning of MI 52-110:

- Sonny Janda, President
- Jamie Lewin, CEO

The other directors and proposed nominee are considered by the Board to be "independent" within the meaning of MI 52-110.

## Directorships

Director of Reporting Issuer	Reporting Issuer
Sonny Janda	Grand Peak Capital Corp. (TSXV:GPK) Lucky Minerals Corp. (TSXV:LJ) Chimata Gold Corp. (TSXV:CAT) Desert Gold Ventures Inc. (TSXV:DAU) Red Star Capital Ventures Inc. (TSXV:RSM.P) Grenville Gold Corporation (TSXV:GVG) Orofino Minerals Inc. (TSXV:ORR) Cache Exploration Inc. (TSXV:CAY) Acana Capital Holdings (CNSX:APB)
Eugene Beukman	Bard Ventures Inc. (TSXV:CBS) Acana Capital Holdings (CNSX:APB)

## Orientation and Continuing Education

The Board ensures that each new nominee has the competencies, skills and personal qualities required to perform his duty properly, and Company management does provide informal orientation and education to new directors respecting Innovative Properties history, properties, performance and strategic plans. However, the Board does not have any formal policies with respect to the orientation of new directors, nor

does it take any measures to provide continuing education for the directors. At this stage of Innovative Properties development, and having regard to the background and experience of its directors, the Board does not feel it necessary to have such policies or programs in place.

### **Ethical Business Conduct**

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited scope of Innovative's operations and the small number of officers and consultants allows the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As Innovative Properties grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

### **Nomination and Assessment**

The Board has not previously had a formal process in place with respect to the recruitment or appointment of new directors. Nominees have historically been recruited by existing Board members, and the recruitment process has involved both formal and informal discussions among Board members. The Board does not have a Nomination Committee.

The Board monitors, but does not formally assess, the performance of individual Board members and their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on Innovative's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time.

### **Compensation**

The Company does not currently have a formally constituted Compensation Committee. The Board as a whole determines compensation of directors and the President on recommendations from three independent board members. Directors are not currently compensated for acting as directors, save for being granted incentive stock options. Such options are set within guidelines prescribed by the Exchange. The Board is satisfied that currently outstanding stock options adequately reflect the responsibilities and risks involved in being an effective director of the Company.

### **Other Board Committees**

At the present time, the only standing committee is the Audit Committee. As Innovative Properties grows, and its operations and management structure become more complex, the Board expects it will constitute additional formal standing committees, such as a Compensation Committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

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

No current director, officer, promoter or other member of management of Innovative Properties and no proposed director, officer, promoter or other member of management of Innovative Properties is, or within the ten years prior to the date hereof has been, a director, officer, promoter or other member of management of any other issuer that, while that person was acting in the capacity of a director, officer, promoter or other member of management of that issuer, was the subject of a cease trade order or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than thirty consecutive days was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or appointed to hold the assets of that director, officer or promoter.

### **Penalties or Sanctions**

Save and except as set forth below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

### **Individual Bankruptcies**

No current director, officer, promoter or other member of management of Innovative Properties has, during the ten years prior to the date hereof, been declared bankrupt or made a voluntary assignment into bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his or her assets.

### **Conflicts Of Interest**

The directors of Innovative Properties are required by law to act honestly and in good faith with a view to the best interests of Innovative Properties and to disclose any interests which they may have in any project or opportunity of Innovative Properties. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of Innovative's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among Innovative Properties its promoters, directors, officers or other members of management or of any proposed promoter, director, officer or other member of management, as a result of their outside business interests except that certain of the existing and proposed directors, officers, promoters and other members of management of Innovative Properties serve as directors, officers, promoters and members of management of other companies, and therefore it is possible that a conflict may arise between their duties to Innovative Properties and their duties as a director, officer, promoter or member of management of such other companies.

### **Management Contracts**

No management functions of Innovative Properties are or will be performed to any substantial degree by a person other than the directors or senior officers of Innovative Properties

## **PART 8 – OTHER INFORMATION**

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The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

### **RESTRICTED SECURITIES**

No action is proposed to be taken at the Meeting which 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 is available for review on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis for its most recently completed financial year.

Shareholders wishing to request copies of the Company's financial statements and Management's Discussion and Analysis may contact the Company at:

Innovative Properties Inc.  
8338 120<sup>th</sup> Street  
Surrey, BC  
V3W 3N4

Telephone: 604-592-6881

## **BOARD APPROVAL**

This Information Circular contains information as at March 30, 2012, except where another date is specified. The contents of this Information Circular have been approved and its mailing authorized by the Board of Directors of the Company by resolution passed on April 3, 2012.

DATED at Vancouver, British Columbia as of April 4, 2012.

**BY ORDER OF THE BOARD OF DIRECTORS**

## Appendix A

### INNOVATIVE PROPERTIES INC.

#### AUDIT COMMITTEE CHARTER

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#### **PURPOSE**

To assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct.

#### **AUTHORITY**

The audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- (a) Appoint, compensate, and oversee the work of any registered public accounting firm employed by the organization.
- (b) Resolve any disagreements between management and the auditor regarding financial reporting.
- (c) Pre-approve all auditing and non-audit accounting services.
- (d) Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.
- (e) Seek any information it requires from employees-all of whom are directed to cooperate with the committee's requests-or external parties.
- (f) Meet with company officers, external auditors, or outside counsel, as necessary.

#### **COMPOSITION**

The audit committee will consist of at least three and no more than six members of the board of directors. The board or its nominating committee will appoint committee members and the committee chair.

The majority of the committee members will be independent and all member will be financially literate. At least one member shall be designated as the "financial expert," as defined by applicable legislation and regulation.

#### **MEETINGS**

The audit committee will meet at least four (4) times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or videoconference. The committee will invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary. It will hold private meetings with auditors (see below) and executive sessions. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

## **RESPONSIBILITIES**

The committee will carry out the following responsibilities:

### Financial Statements

- (a) Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- (b) Review with management and the external auditors the results of the audit, including any difficulties encountered.
- (c) Review the annual financial statements, and consider whether they are complete, consistent with information known to committee members, and reflect appropriate accounting principles.
- (d) Review other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.
- (e) Review with management and the external auditors all matters required to be communicated to the committee under generally accepted auditing principles and standards.
- (f) Understand how management develops interim financial information, and the nature and extent of internal and external auditor involvement.
- (g) Review interim financial reports with management and the external auditors before filing with regulators, and consider whether they are complete and consistent with the information known to committee members.

### Internal Control

- (a) Consider the effectiveness of the company's internal control system, including information technology security and control.
- (b) Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

### External Audit

- (a) Review the external auditors' proposed audit scope and approach, including coordination of audit.
- (b) Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors.
- (c) Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the company, including non-audit services, and discussing the relationships with the auditors.
- (d) On a regular basis, meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.

## Compliance

- (a) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- (b) Review the findings of any examinations by regulatory agencies, and any auditor observations.
- (c) Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- (d) Obtain regular updates from management and company legal counsel regarding compliance matters.

## Reporting Responsibilities

- (a) Regularly report to the board of directors about committee activities, issues, and related recommendations.
- (b) Provide an open avenue of communication between the audit committee, external auditors, and the board of directors.
- (c) Report annually to the shareholders, describing the committee's composition, responsibilities and how they were discharged, and any other information required by rule, including approval of non-audit services.
- (d) Review any other reports the company issues that relate to committee responsibilities.

## Other Responsibilities

- (a) Perform other activities related to this charter as requested by the board of directors.
- (b) Institute and oversee special investigations as needed.
- (c) Review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- (d) Confirm annually that all responsibilities outlined in this charter have been carried out.
- (e) Evaluate the committee's and individual members' performance on a regular basis.