



MANAGEMENT PROXY CIRCULAR

DECEMBER 2, 2011

FORWARD LOOKING STATEMENTS AND DISCLAIMER

Certain information set out in the attached Management Proxy Circular constitutes forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "hope", "plan", "continue", "estimate", "expect", "may", "will", "intend", "could", "might", "should", "scheduled", "believe" and similar expressions. The forward-looking information set out in the attached Management Proxy Circular (principally under the heading "Debenture Conversion Price Amendment and Debenture Conversion Program") includes statements concerning (i) the anticipated benefits of the elimination of certain fixed payment obligations and improved working capital if outstanding convertible secured debentures of the Corporation are converted into Call Genie common shares, and (ii) expectations regarding the aggregate amount of principal and accrued interest under outstanding convertible secured debentures of the Corporation, to be converted into Call Genie common shares.

Forward-looking statements are based upon the opinions, expectations and estimates of management and, in some cases, information received from or disseminated by third parties, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. In addition to the risks discussed elsewhere in this Information Circular, these factors include such things as the Corporation's current stage of development, the lack of a track record with respect to the generation of revenues from performance-based arrangements with customers, its reliance on third parties and third party technology, the existence of competition, the availability of external financing, the inherent risks associated with research and development activities and commercialization of emerging technologies (such as lack of market acceptance), timing of execution of various elements of the Corporation's business plan, the availability of human resources, the emergence of competing business models, new laws (domestic or foreign), lack of acceptance by customers, management's estimates of project requirements being incorrect, information received from third parties with respect to anticipated transaction volumes being incorrect, a lack of advertising sources for integration into the platform, and management's understanding of the competitive and regulatory environment being incorrect. **Accordingly, readers should not place undue reliance upon the forward-looking information contained herein and the forward-looking statements contained in the attached Management Proxy Circular should not be considered or interpreted as guarantees of future outcomes or results.**

Forward-looking information respecting the anticipated benefits of the elimination of certain fixed payment obligations and improved working capital if outstanding convertible secured debentures of the Corporation are converted into Call Genie common shares is based upon various assumptions and factors, including the absence of extraordinary or other unbudgeted expenses or liabilities, conversion of a significant portion of the outstanding principal amount of convertible secured debentures into Call Genie common shares at the amended conversion price, and that improved working capital will allow the Corporation to continue to raise additional funds through the offering of equity securities of the Corporation for working capital and other corporate purposes.

Forward-looking information respecting the aggregate amount of principal and accrued interest under outstanding convertible secured debentures of the Corporation that may be converted into Call Genie common shares and the agreement of holders of those debentures to reduce the price at which principal and interest thereunder may be converted into Call Genie common shares is based upon various assumptions and factors, including preliminary discussions with certain holders of convertible secured debentures and directors and officers of the Corporation who hold convertible secured debentures and receipt by the Corporation of term sheets under which certain holders of outstanding convertible secured debentures have confirmed their willingness to convert the principal amount of those debentures and accrued but unpaid interest into Call Genie common shares.



**Special Meeting of Shareholders
to be held on Thursday, December 29, 2011**

**2:00 P.M. (Toronto time) at the offices of the Corporation, 1001, 325
Milner Avenue, Toronto, Ontario, M1B 5S8**

MANAGEMENT PROXY CIRCULAR

SOLICITATION OF PROXIES

This Management Proxy Circular (the "Information Circular") is furnished in connection with the solicitation by the management of Call Genie Inc. ("Call Genie" or the "Corporation") of proxies to be used at the Special Meeting (the "Meeting") of the shareholders of the Corporation (the "Shareholders"), which is to be held at the time and place and for the purposes set out in the accompanying Notice of Meeting and in this Information Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile, oral communication, e-mail or other form of electronic communication by the directors, officers and employees of the Corporation, at no additional compensation. The cost of the solicitation of proxies will be borne by the Corporation.

Appointment of Proxyholders and Revocation of Proxies

Michael Durance and Christopher Shelton (the management designees named in the accompanying instrument of proxy (the "**Instrument of Proxy**")) are both senior officers of the Corporation. Mr. Durance is also a director of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder), other than Michael Durance or Christopher Shelton, to represent such Shareholder at the Meeting.** To exercise this right, a Shareholder should cross out the names of Mr. Durance and Mr. Shelton and insert the name of the other person in the blank space provided on the Instrument of Proxy. Alternatively, a Shareholder may complete another appropriate form of proxy. **A proxy will not be valid unless it is deposited at the offices of Computershare Trust Company of Canada (by mail or courier, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department; or by facsimile at 416-263-9524 or 1-866-249-7775), at least forty-eight hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.**

A *registered* Shareholder who has submitted a proxy may revoke it by depositing a written instrument of revocation (signed by the Shareholder or by an authorized attorney or, if the Shareholder is a corporation (or other entity), by a duly authorized representative), either: (i) at the registered office of the Corporation (4500, 855-2nd St., S.W., Calgary, Alberta T2P 4K7 (Attention: Nicholas P. Fader)) at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities to which the proxy relates (or, if the Shareholder is a corporation (or other entity), by a representative of that corporation (or other entity) attending at the Meeting and voting such securities); or (ii) in any other manner permitted by law.

The foregoing information respecting the appointment of proxyholders and the revocation of proxies is generally applicable only to *registered* Shareholders, being persons who are named as holders of common shares of Call Genie (the "Common Shares") on the register of shareholders maintained by the Corporation's registrar and transfer agent (the "Register of Shareholders"). A significant number of persons who beneficially own Common Shares, hold those shares in a brokerage account or through some other intermediary. In almost all cases, a person whose shares are held through a broker (or other intermediary) will not appear as the holder of record of such shares on the Register of Shareholders (and, accordingly, will not be a *registered* Shareholder). As non-registered shareholders (i.e., persons whose shares are not held in their own name) do not have the same legal rights as *registered* Shareholders in respect of shareholder meetings (including the rights described above to appoint a proxyholder and revoke a deposited proxy), non-registered shareholders are required to act indirectly through their broker (or other intermediary) in order to have their shares voted at the Meeting, and non-registered shareholders should refer to the information set out under the heading "*Voting of Common Shares - Advice to Non-Registered Holders of Common Shares*" in this Proxy Circular.

Exercise of Discretion by Proxyholders

On any ballot that may be called for at the Meeting, the management designees named in the accompanying Instrument of Proxy will vote (or withhold from voting) the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them, and if the Shareholder specifies a choice with respect to any matter to be acted upon the shares will be voted accordingly. **In the absence of such direction, the relevant shares will be voted FOR: (i) the special resolution authorizing an amendment to the Articles of Amalgamation of the Corporation (the "Articles") to change the name of Call Genie to "VoodooVox, Inc.", "UpSnap Mobile Inc. ", or such other name as may be approved by the directors of Call Genie and applicable regulatory authorities; (ii) the ordinary resolution approving and authorizing (a) a reduction in the prices at which Common Shares may be issued upon the conversion of outstanding principal and accrued but unpaid interest under various series of convertible secured debentures (previously issued by the Corporation and maturing May 30, 2012, October 31, 2012 and March 2, 2015), to \$0.10 per Common Share and (b) the issuance of up to 134,083,288 Common Shares upon the exercise of conversion rights (at the reduced conversion price) attached to such convertible debentures; and (iii) the ordinary resolution approving and authorizing the issuance of up to 8,125,000 Common Share purchase warrants (the "Warrants" and each individually a "Warrant") in connection with a debenture conversion program proposed to be implemented by the Corporation (to incentivize holders of up to \$1,625,000 aggregate principal amount of outstanding convertible secured debentures previously issued by the Corporation and maturing August 31, 2012 to convert those debentures into Common Shares), on the basis that for each \$1,000 principal amount of debentures converted, the Corporation will issue to the former holder of such debentures 5,000 Warrants, each of which will entitle the holder to purchase one Common Share, at any time and from time to time until December 31, 2013, at an exercise price of \$0.12 per Common Share, all as more particularly set out in this Information Circular.**

The accompanying Instrument of Proxy confers discretionary authority upon the proxyholder with respect to amendments to, or variations of, the matters identified in the Notice of Meeting and with respect to other matters that may properly be brought before the Meeting. As of the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to be brought before the Meeting.

Signing of Proxy

A proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation (or other entity), by a duly authorized representative. A proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should clearly indicate that person's capacity and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Corporate History

Call Genie Inc. was formed on August 17, 2004, upon the amalgamation ("**Amalgamation**") of: (i) GRD Enterprises Inc. (a public corporation incorporated under the laws of the Province of Alberta, the shares of which were listed on the TSX Venture Exchange (the "**Venture Exchange**") on March 19, 2004) and; (ii) Call Genie Inc. (a predecessor of the Corporation incorporated under the *Canada Business Corporations Act* on October 17, 2000 and continued under the *Business Corporations Act* (Alberta) on February 5, 2003 (such predecessor being referred to in this Information Circular as "**Old Call Genie**"). At the time of the Amalgamation, Old Call Genie was a wholly-owned subsidiary of GRD Enterprises Inc. ("**GRD**"). Immediately prior to the Amalgamation (which was effected pursuant to the vertical short form amalgamation procedures in the *Business Corporations Act* (Alberta) (the "**Act**")), GRD acquired: (i) all of the issued and outstanding shares of Old Call Genie in exchange for common shares of GRD; and (ii) all of the outstanding share purchase warrants of Old Call Genie in exchange for replacement GRD share purchase warrants. The foregoing business combination transaction constituted the "Qualifying Transaction" of GRD, and a reverse takeover of GRD by Old Call Genie, under the policies of the Venture Exchange. The amalgamated corporation retained the name "Call Genie Inc." On December 12, 2007, the Common Shares of the Corporation were voluntarily delisted from the Venture Exchange and began trading on the Toronto Stock Exchange ("**TSX**").

INTEREST OF CERTAIN PERSONS IN MATERIAL TRANSACTIONS AND MATTERS TO BE ACTED UPON AT THE MEETING

In 2010 and 2009, certain existing directors and officers of the Corporation purchased \$905,000 aggregate principal amount of non-convertible debt and \$195,000 aggregate principal amount of convertible debt, respectively. During the nine months ended September 30, 2011, these directors and officers received \$118,000 of interest in accordance with the terms of the applicable debt instruments. In addition, certain debentures issued by the Corporation in 2010 have been secured with assets made available by the Chairman of the Board of Directors. Except as otherwise disclosed in this Information Circular, there has been no transaction since January 1, 2010, and there is no proposed transaction, that has materially affected, or would materially affect, the Corporation or any of its subsidiaries in respect of which any of the following persons had, or has, a direct or indirect material interest: (i) any director or executive officer of the Corporation; (ii) any director or executive officer of any subsidiary of the Corporation; (iii) any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation (a "**10% Holder**"); (iv) any director or executive officer of a 10% Holder; or (v) any associate or affiliate of any of the foregoing.

During the period from June, 2009 to March, 2011, the Corporation issued \$13,090,000 aggregate principal amount of secured convertible debentures (the "**Debentures**"). At the Meeting, among certain other items of business, Shareholders will be asked to consider and, if thought fit, pass, resolutions approving and authorizing a reduction in the conversion price associated with up to \$11,465,000 principal amount of Debentures issued by the Corporation in June, 2009 (\$2,465,000), November, 2009 (\$4,000,000) and March, 2011 (\$5,000,000). Certain directors and officers of the Corporation purchased

Debentures in connection with prior private placement transactions and continue to hold those Debentures. Additional information relating to Debentures held by directors and officers of the Corporation is set out in the following table:

Name of Director/Officer	Aggregate Principal Amount of Debentures Held	Date of Acquisition of Debentures	Conversion Price	Number of Common Shares That May Be Acquired upon Conversion (at Current Conversion Price)	Number of Common Shares That May Be Acquired at a \$0.10 Conversion Price
Michael Durance	\$100,000	June 2009	\$0.50	200,000	1,000,000
	\$50,000	November 2009	\$0.50	100,000	500,000
Nick Fader	\$25,000	June 2009	\$0.50	50,000	250,000
Chris Shelton	\$10,000	June 2009	\$0.50	20,000	100,000
Chet Chan	\$10,000	June 2009	\$0.50	20,000	100,000

VOTING SHARES AND PRINCIPAL HOLDERS OF COMMON SHARES

Voting of Common Shares - General

As at the close of business on November 30, 2011, there were 106,400,201 Common Shares issued and outstanding, each of which carries the right to one vote at meetings of the Shareholders.

Only persons who were *registered* as holders of Common Shares (i.e. whose names appeared on the Register of Shareholders) as of the close of business on November 29, 2011 (the "**Record Date**"), are entitled to receive notice of the Meeting. In accordance with the *Business Corporations Act* (Alberta), the Corporation will prepare a list of the *registered* holders of Common Shares as of the Record Date. At the Meeting, each person named on that list will be entitled to vote the Common Shares set out opposite that person's name on the list, except to the extent that: (a) the Shareholder has transferred any of his/her/its Common Shares after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes ownership of the shares and demands, at least 10 days before the Meeting, that the transferee's name be included on the Shareholders' list, in which case the transferee will be entitled to vote those shares at the Meeting.

Voting of Common Shares - Advice to Non-registered Holders of Common Shares

The information set out in this section is important to many Shareholders, as a substantial number of Shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Proxy Circular as "**Non-Registered Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the

Register of Shareholders (as the holders of Common Shares) will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Shareholder by a broker, those shares will, in almost all cases, not be registered in the Shareholder's name on the Register of Shareholders. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares registered in the names of brokers or their agents or nominees can only be voted by those intermediaries at the direction of the Non-Registered Shareholder who beneficially owns the shares. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for a broker's clients. **Therefore, Non-Registered Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") requires brokers and intermediaries (such as banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs or similar plans) to seek voting instructions from Non-Registered Shareholders in advance of shareholder meetings. Each intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their shares are voted at the Meeting. The majority of Canadian brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails that form to Non-registered Shareholders and asks them to return the instruction forms to Broadridge. Alternatively, Non-registered Shareholders can either call Broadridge's toll-free telephone line or access Broadridge's dedicated voting website at www.proxyvotecanada.com to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides instructions respecting the voting of Common Shares. **A Non-registered Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote Common Shares directly at the Meeting – voting instructions must be provided to Broadridge (in accordance with the instructions set out on the Broadridge form) well in advance of the Meeting in order to have the Common Shares voted.**

In accordance with NI 54-101, the Corporation has provided copies of this Proxy Circular and related materials (collectively, the "**meeting materials**") to depositories and intermediaries for distribution to Non-Registered Shareholders. Non-Registered Shareholders who have not waived the right to receive the meeting materials will receive either a voting instruction form (or, less frequently, a form of proxy) with the meeting materials forwarded to them. The purpose of those forms is to permit Non-Registered Shareholders to direct the voting of the shares they beneficially own, but which are not registered in their name. Non-Registered Shareholders should follow the procedures set out below, depending on the type of form they receive.

- (a) **Voting Instruction Form.** In most cases, a Non-Registered Shareholder will receive, with the meeting materials, a voting instruction form. If the Non-Registered Shareholder does not intend to attend the Meeting and vote in person (or have someone other than the Management Designees attend and vote on his/her/its behalf), the voting instruction form must be completed, signed and returned in accordance with the instructions on the form, in order to ensure the Non-Registered Shareholder's shares are voted at the Meeting. Voting instruction forms in some cases permit the communication of voting instructions by telephone or through the Internet. If a Non-Registered Shareholder intends to attend the Meeting and vote in person (or have someone other than the Management Designees attend and vote on his/her/its behalf), the Non-Registered Shareholder must complete, sign and return

the voting instruction form in accordance with the directions provided on (or with) the voting instruction form.

- (b) **Form of Proxy.** Less frequently, a Non-Registered Holder will receive, with the meeting materials, a form of proxy that has already been signed by an intermediary (typically by a facsimile stamped signature), which is restricted to the number of shares beneficially owned by the Non-Registered Shareholder, but which is otherwise incomplete. If the Non-Registered Shareholder does not intend to attend and vote at the Meeting in person (or have someone other than the Management Designees attend and vote on his/her/its behalf), the Non-Registered Shareholder must complete the form of proxy and deposit it with Computershare (by mail or courier, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department), in order to ensure that the shares beneficially owned by the Non-Registered Shareholder are voted at the Meeting. If a Non-Registered Shareholder intends to attend the Meeting and vote in person (or have someone other than the Management Designees attend and vote on his/her/its behalf), the Non-Registered Shareholder must insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided on the form of proxy, cross off the names of the Management Designees and deposit the completed proxy with Computershare prior to the Proxy Cut-Off Time (by mail or courier, at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department).

Non-Registered Shareholders should follow the instructions on the forms they receive and contact their intermediaries promptly if they have questions or require assistance.

Principal Holders of Shares

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, no person beneficially owned, directly or indirectly, or exercise control or direction over more than 10% of the outstanding Common Shares.

As at the close of business on November 30, 2011, CDS & Co. was the *registered* owner of 71,512,915 Common Shares, which represented approximately 67.21 % of the issued and outstanding Common Shares at that date (on a non-diluted basis). The directors and officers of the Corporation understand that CDS & Co. is a nominee and not a beneficial owner of Common Shares.

CHANGE OF NAME OF CORPORATION

The name "Call Genie" is a legacy company name from 2000 that is associated with a business model to voice-enable the Yellow Pages directories business. The name is associated with voice recognition, Yellow Pages, and phone "calls". The business of the Corporation has evolved dramatically since 2000, beyond audio and phones to include multi-modal local search and multi-modal advertising solutions over a variety of devices. Addressable markets are global and now include directory assistance providers, carriers, national search engines, broadcast television, online media, and smart phone advertising. The Corporation's applications include data search/advertising facilities such as 2 way SMS, mobile client, work-station, online, and interactive TV. Accordingly the content that the Corporation supports has evolved beyond directory listings to include online advertisers, campaigns, offers, deals, coupons and other information. The context of applications has moved from strictly "consumer pull" to also include consumer opt-in and trigger/event based transactions. In line with the Corporation's prior UpSnap announcement relating to the announcement of a brand name for a new service, existing product and service brands/naming conventions will continue and or change/evolve as required to support the

Corporation's marketing strategies. Management and directors of the Corporation believe that a new corporate name is required to better reflect the Corporation's business and scope and reduce the likelihood that the corporate name will lead to incorrect impressions regarding the Corporation's focus.

Exchange of Shares

Promptly after completion of the Name Change, Shareholders will receive a letter of transmittal (the "**Letter of Transmittal**"), which they will be asked to complete and return, together with the certificate(s) representing their pre-Name Change Common Shares, to Computershare. Upon: (i) surrender to Computershare for cancellation of a certificate; (ii) the Letter of Transmittal which has been completed and signed in the manner required thereby in respect of such certificate; and (iii) such additional documents and instruments as Computershare may reasonably require, the holder of such surrendered certificate will be entitled to receive in exchange therefor, and Computershare will deliver to such holder, a certificate representing that same number of Common Shares and reflecting the Name Change.

If any certificate that immediately prior to the Share Consolidation represented outstanding pre-Name Change Common Shares has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, Computershare will cause to be delivered in exchange for such lost, stolen or destroyed certificate, a certificate representing the post-Name Change Common Shares deliverable in respect thereof in accordance with such holder's Letter of Transmittal. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate, the person to whom a certificate representing post-Name Change Common Shares is to be issued must, as a condition precedent to the issuance thereof, give a bond satisfactory to Call Genie and Computershare, in such amount as Call Genie and Computershare may direct, or otherwise indemnify Call Genie and Computershare in a manner satisfactory to the Corporation and Computershare, against any claim that may be made against Call Genie and Computershare with respect to the certificate which is alleged to have been lost, stolen or destroyed.

Unless otherwise directed, the management designees named in the accompanying Instrument of Proxy intend to vote in favour of the special resolution approving and authorizing an amendment to the Articles to change the name of the Corporation to "VoodooVox Inc.", "UpSnap Mobile Inc. ", or such other name as may be approved by the directors and applicable regulatory authorities (the "Name Change").

In order to be approved, the foregoing special resolution must be passed by not less than 66 2/3% of the votes cast at the Meeting by Shareholders who vote in person or by proxy. **The directors of the Corporation recommend that Shareholders vote FOR the special resolution authorizing the Name Change at the Meeting.** The text of the special resolution to be presented to Shareholders at the Meeting is as follows:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. pursuant to subsection 173(1)(a) of the *Business Corporations Act* (Alberta), the Articles of the Corporation be amended by changing the name of the Corporation from "Call Genie Inc." to "VoodooVox Inc.", "UpSnap Mobile Inc. ", or such other name as may be approved by the board of directors of Call Genie and applicable regulatory authorities (the "**Name Change**");
2. notwithstanding the passing of this special resolution by the shareholders of the Corporation, the board of directors of the Corporation may, in its sole discretion, revoke and determine not to act upon this special resolution and not file articles of amendment giving effect to the Name Change, without further approval of the Shareholders;

3. upon the articles of amendment having become effective in accordance with the *Business Corporations Act* (Alberta), the Articles of the Corporation be amended accordingly; and
4. following receipt of all necessary approvals, any one officer or director of the Corporation is hereby authorized to execute (or cause to be executed) and file (or cause to be filed) with the Registrar of Corporations articles of amendment giving effect to the Name Change, and to do all such further acts and things as such officer or director may consider necessary or advisable having regard to the foregoing paragraphs of this resolution and the change of the name of the Corporation as aforesaid.

DEBENTURE CONVERSION PRICE AMENDMENT AND DEBENTURE CONVERSION PROGRAM

During the period from June, 2009 to March, 2011 the Corporation privately placed \$13,090,000 aggregate principal amount of convertible secured debentures in reliance upon exemptions from the prospectus requirements set out in applicable securities legislation. The Debentures bear interest at rates ranging from 10% to 15% and have maturity dates ranging from May, 2012 to March, 2015. Under the terms of the Debentures, holders are entitled to convert the outstanding principal amount of those Debentures and accrued but unpaid interest into Common Shares, at conversion prices ranging from \$0.50 to \$0.10 per share, subject to anti-dilution adjustments. If the aggregate principal amount of the Debentures distributed in 2009 were to be fully converted, at the \$0.50 conversion price applicable to those Debentures, an additional 12,930,000 Common Shares would be issued. If the aggregate principal amount of the Debentures distributed in 2010 were to be fully converted, at the \$0.10 conversion price applicable to those Debentures, an additional 16,250,000 Common Shares would be issued. If the aggregate principal amount of the Debentures distributed in 2011 were to be fully converted, at the \$0.25 conversion price applicable to those Debentures, an additional 20,000,000 Common Shares would be issued. The table set out below under the heading "Summary of Dilution Pre and Post Transactions" summarizes certain information relating to the Debentures.

A total of \$195,000 principal amount of Debentures is currently held by officers and directors of the Corporation.

If the Debentures mature in accordance with their terms and the principal amount owing under the Debentures is not converted into Common Shares, the Corporation will be required to make payments (on account of principal) to holders of those Debentures in the amounts and at the times set out in the following table:

Debenture Distribution Date	Aggregate Principal Amount Currently Outstanding	Accrued and Unpaid Interest to December 30, 2011	Maturity/Payment Date
June, 2009	\$2,465,000	\$40,521	May 30, 2012
November, 2009 and January, 2010	\$4,000,000	\$78,904	October 31, 2012
August, 2010	\$1,625,000	n/a	August 31, 2012
March, 2011	\$5,000,000	\$198,904	March 2, 2015
Total	\$13,090,000	\$318,329	

To promote the conversion of the principal amount of the Debentures and accrued but unpaid interest, management and the directors of the Corporation have proposed: (i) a reduction in the conversion price applicable to the Debentures issued in 2009/2010 (from \$0.50) and the Debentures issued in 2011

(from \$0.25) to \$0.10 in each case; and (ii) the implementation of a conversion incentive program in respect of the Debentures issued in August, 2010, which are currently convertible into Common Shares at a conversion price of \$0.10.

Management and the directors believe that the elimination of the fixed payment obligations set out above will alleviate certain financial stresses that the Corporation will otherwise experience and that the financial position of the Corporation will further improve as a result of the elimination of the interest payment obligations associated with the Debentures. If 100% of the principal amount of the Debentures and accrued but unpaid interest were to be converted into Common Shares by the holders of those Debentures (with effect as at December 31, 2011), the Corporation will eliminate approximately \$2,724,000 of interest payments over the next 3.5 years, of which \$1,224,000 is payable in the year ending December 31, 2012.

Management believes that the improved working capital position of the Corporation that will result from a reduction of the Corporation's indebtedness under the Debentures, will enhance the financial prospects of the Corporation and allow the Corporation to more readily use its Common Shares as consideration in connection with future acquisition transactions.

The Corporation has distributed to, and intends to enter into written agreements with, Debenture holders providing for the reduction of the conversion price of outstanding Debentures to \$0.10, subject to receipt of all required shareholder and regulatory approvals and subject to agreement that the Debenture holder converts the principal and interest under their debentures into Common Shares at the reduced conversion price.

As noted above, management and the directors of the Corporation have proposed a Debenture conversion program, which is intended to incentivize holders of the Debentures issued in August, 2010 to convert those Debentures into Common Shares. All of those Debentures are currently convertible into Common Shares at a conversion price of \$0.10 and, accordingly, are unaffected by the proposed reduction in the conversion price of certain outstanding Debentures. That program contemplates the issuance of Common Share purchase warrants (the "**Warrants**" and each individually a "**Warrant**") to holders of the affected Debentures who agree to convert their Debentures into Common Shares. The program contemplates that each Debenture holder who converts his/her/its Debentures into Common Shares will receive, for each \$1,000 principal amount of Debentures converted, 5,000 Warrants, each of which will entitle the holder to purchase one Common Share, at any time and from time to time until December 31, 2013, at an exercise price of \$0.12 per Common Share. If 100% of the principal amount of the affected Debentures is converted into Common Shares in connection with the conversion program, a total of 8,125,000 Warrants will be issued, which will entitle the holders thereof to acquire up to 8,125,000 Common Shares in accordance with the terms of the Warrants.

The Corporation requires the approval of the TSX to reduce the conversion price applicable to the foregoing Debentures and to distribute the Warrants. As a reduction in the conversion price applicable to the foregoing Debentures to \$0.10 and the issuance of the Warrants could result in the distribution by the Corporation of a number of Common Shares in excess of 25% of the number of outstanding Common Shares as at November 30, 2011, the TSX will, as a condition to its approval of such price reduction and distribution of Warrants, require those matters to be approved by the Shareholders. Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought advisable, pass: (i) an ordinary resolution approving and authorizing a reduction in the conversion price applicable to the Debentures and the issuance of up to 134,083,288 Common Shares upon the exercise of conversion rights (at the reduced conversion price) attached to such Debentures; and (ii) an ordinary resolution authorizing the issuance of Warrants (on the basis noted above) to holders of Debentures distributed in 2011 who agree to convert the principal amount of their Debentures and accrued but unpaid interest into Common Shares. **The**

directors of the Corporation recommend that Shareholders vote in favor of the foregoing ordinary resolutions at the Meeting.

Unless otherwise directed, the management designees named in the accompanying Instrument of Proxy intend to vote FOR the following ordinary resolutions at the Meeting. In order to be approved, each of the following ordinary resolutions must be passed by not less than 50% of the votes cast at the Meeting by Shareholders who vote in person or by proxy. The text of each of the ordinary resolutions to be presented to the Meeting is as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. a reduction in the prices at which common shares of the Corporation ("**Common Shares**") may be issued upon the conversion of an aggregate \$13,090,000 outstanding principal and \$318,329 accrued but unpaid interest to December 30, 2011 under various series of convertible secured debentures previously issued by the Corporation and maturing May 30, 2012, October 31, 2012, and March 2, 2015 (for purposes of this special resolution, the "**Debentures**"), to \$0.10 per Common Share (and (ii) the issuance of up to 134,083,288 Common Shares upon the exercise of conversion rights (at the reduced conversion price) attached to such Debentures representing 126% of the issued and outstanding Common Shares as of the date of this Circular on a partially diluted basis (assuming only the conversion of the Debentures) be and the same are hereby approved and authorized; and
2. the terms of the Debentures be amended to reflect the reduction in the conversion prices applicable to such Debentures (as approved pursuant to paragraph 1 above) and the directors of the Corporation be and are hereby authorized to approve the form and terms of any amending agreements or other instruments required to give effect to the same and to provide for the execution and delivery of such agreements or instruments."

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the issuance by the Corporation of up to 8,125,000 common share purchase warrants (the "**Warrants**" and each individually a "**Warrant**"), representing 8% of the issued and outstanding Common Shares as of the date of this Circular, in connection with the Debenture conversion program proposed to be implemented by the Corporation (to incentivize holders of up to \$1,625,000 aggregate principal amount of outstanding Debentures to convert those Debentures into Common Shares), on the basis that for each \$1,000 principal amount of Debentures converted, the Corporation will issue to the former holder of such Debentures 5,000 Warrants, each of which will entitle the holder to purchase one Common Share, at any time and from time to time until December 31, 2013, at an exercise price of \$0.12 per Common Share, be and the same is hereby approved and authorized; and
2. the directors of the Corporation be and are hereby authorized to approve the form and terms of any amending agreements or other agreements or instruments required to implement the Debenture conversion program referred to in paragraph 1 above and to provide for the execution and delivery of any such agreements or instruments."

SUMMARY OF DILUTION PRE AND POST TRANSACTIONS

The following table summarizes the dilution of the Corporation's Common Shares prior to the transactions contemplated in this Circular, and the dilutive impact of each of the transactions contemplated in this Circular.

		<u>Securities issued</u>	<u>Total fully diluted Common Shares</u>
1. Common Shares outstanding @	11/30/2011	106,400,201	106,400,201
Options outstanding		12,990,000	12,990,000
Warrants outstanding		13,728,523	13,728,523
Broker warrants - Dundee		90	223,200
Broker warrants - Wolverton		137.25	1,647,000
Current Full Dilution excluding Debenture Conversion			134,988,924

2. Proposed Debenture Conversion and Conversion Incentives
Date: 30-Dec-11

<u>Maturity Date</u>	<u>Int.%</u>	<u>Principal Amount</u>	<u>Last Interest Payment Date</u>	<u>Conversion Price</u>	<u>Accrued Interest to December 31, 2011</u>	<u>Total Amount Converted (Principal and Accrued Interest)</u>	<u>Number of Shares Issued Upon Conversion at \$0.10</u>
31-May-12	10%	\$2,465,000	31-Oct-11	\$0.50	\$40,521	\$2,505,521	25,055,205
12-Aug-12	15%	\$1,625,000	-	\$0.10	-	\$1,625,000	16,250,000
31-Oct-12	12%	\$4,000,000	31-Oct-11	\$0.50	\$78,904	\$4,078,904	40,789,041
2-Mar-15	12%	\$5,000,000	31-Aug-11	\$0.25	\$198,904	\$5,198,904	51,989,041
Additional warrants issued to holders of Debenture maturing on August 12, 2012							8,125,000
Maximum Dilution from Debenture Conversion and Conversion Incentives:							<u>142,208,228</u>

4. Total Dilution on a fully-diluted basis (i.e. including options and warrants) 277,983,489

As at November 30, 2011, the Corporation had not completed discussions with all Debenture holders to determine the level of participation in the Debenture Conversion Program. As at November 30, 2011, the Corporation had received commitments, in principle, from Debenture holders confirming their intention to convert the principal amount of their Debentures and accrued but unpaid interest into Common Shares as follows:

Maturity Date	Principal Amount	Commitments Received	Dilution resulting from committed amounts including additional Warrants
	(\$)	(\$)	(# Common Shares)
31-May-12	2,465,000	1,890,000	19,210,685
12-Aug-12	1,625,000	840,000	12,600,000
31-Oct-12	4,000,000	1,120,000	12,134,740
2-Mar-15	5,000,000	2,000,000	20,795,616
Total Dilution from commitments at November 30, 2011	13,090,000	5,850,000	64,741,041

AUDITOR

The auditor of the Corporation is Ernst & Young LLP. Ernst & Young LLP has acted as auditor of the corporation since December 19, 2007.

EFFECTIVE DATE

Except as otherwise specified, the information set out in this Information Circular is provided as of November 30, 2011.

ADDITIONAL INFORMATION

Additional information relating to Call Genie is available through the Internet at the website of the Canadian System for Electronic Document Analysis and Retrieval (SEDAR), which can be accessed at www.sedar.com. Audited financial information of Call Genie is provided in the financial statements and MD&A of Call Genie for the year ended December 31, 2010. Unaudited financial information of Call Genie is provided in the interim financial statements and MD&A of Call Genie for the three and nine months ended September 30, 2011. Copies of the financial statements and related MD&A may be obtained from the Chief Financial Officer of Call Genie at 325 Milner Avenue, Suite 1001, Toronto, Ontario, M1B 5S8, or by facsimile at **(416) 291-5377**.

Dated as of the 2nd day of December, 2011.