



VoodooVox Inc.
(formerly Call Genie Inc.)

ANNUAL INFORMATION FORM
For the year ended December 31, 2011

March 30, 2012

TABLE OF CONTENTS

INTRODUCTORY INFORMATION	1
FORWARD-LOOKING INFORMATION	1
THIRD PARTY INFORMATION, MARKET AND INDUSTRY DATA	3
CORPORATE STRUCTURE	3
GENERAL DEVELOPMENT OF THE BUSINESS.....	5
General.....	5
Recent Acquisitions	5
Three Year History	6
DESCRIPTION OF THE BUSINESS.....	11
Business Strategy of the Corporation	11
Software as a Service	11
Industry Consolidation.....	12
Expanded Product Offering	12
International Expansion	12
Revenues by Product Type	12
Customer Retention and Acquisition	12
Business Model.....	13
Industry Trends and Competitive Conditions	13
Adoption of smartphones.....	14
Apps Development.....	14
Increased Competition from On-line Advertisers.....	14
Increase in Mobile Advertising.....	14
Market 14	
Selling and Marketing Plans and Strategy	15
Technology Overview.....	16
Intellectual Property.....	17
Employees and Facilities	17
Risk Factors Relating to the Business of the Corporation	17
Substantial Capital Requirements; Liquidity; Going Concern	18
No Record of Profit.....	18
Developing Market	19
Current Enterprise Value assigned by the Market; Liquidity	19
Third Party Technology	19
Rapid Technological Change	19
Competition.....	20
Need for Research and Development	20
Defects and Liability.....	20
Patents and Other Intellectual Property	20
Ability to Manage Growth	21
Personnel Resources	21
Potential Fluctuations in Quarterly Operating Results	21
Risk of Industry Consolidation	22
Government Regulation	22
Costs Associated with Compliance with Securities Laws	22
MATTERS RELATING TO THE COMMON SHARES OF THE CORPORATION.....	22
Market for the Common Shares.....	22

Share Capitalization	23
Description of Common Shares	23
Description of Options	23
Description of Warrants	24
Dividends	25
Escrowed Securities	25
DIRECTORS AND OFFICERS	25
Conflicts of Interest.....	27
Cease Trade Orders, Bankruptcies, Penalties and Sanctions	27
AUDIT COMMITTEE INFORMATION	29
Audit Committee Mandate.....	29
Composition of the Audit Committee.....	29
Relevant Education and Experience	29
Audit Committee Oversight.....	30
Reliance on Certain Exemptions.....	30
Pre-Approval Policies and Procedures.....	31
External Auditor Service Fees (By Category)	31
LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....	31
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	32
TRANSFER AGENT AND REGISTRAR.....	32
MATERIAL CONTRACTS	32
INTERESTS OF EXPERTS	32
ADDITIONAL INFORMATION.....	32
APPENDIX A – AUDIT COMMITTEE TERMS OF REFERENCE	1

INTRODUCTORY INFORMATION

On January 9, 2012, Call Genie Inc. changed its name to VoodooVox Inc. In this Annual Information Form ("**AIF**"), VoodooVox Inc. is referred to as "**VoodooVox**" or the "**Corporation**" and VoodooVox, together with its subsidiaries, is referred to as "**VoodooVox Group**". The Corporation is the result of a merger involving GRD Enterprises Inc. ("**GRD**") (the "**Merger**"), which closed on August 17, 2004. In connection with the Merger, GRD (then a publicly traded corporation, the shares of which were listed on TSXV) acquired all of the common shares of Call Genie Inc. (then a private corporation). GRD and Call Genie Inc. subsequently amalgamated in accordance with the provisions of the *Business Corporations Act* (Alberta), to form a new corporation, which continued to be named Call Genie Inc. until its name was changed in January 2012.

On August 17, 2004, the common shares of the Corporation ("**Common Shares**") were listed on the TSX Venture Exchange. On December 12, 2007, the Common Shares of the Corporation were delisted from the TSX Venture Exchange and began trading on the Toronto Stock Exchange (the "**Exchange**"). On January 6, 2012, Call Genie Inc. completed the acquisition of the business assets of VoodooVox, Inc., a Delaware corporation. On January 9, 2012 the name of the Corporation was changed to VoodooVox Inc. and on January 17, 2012, the Common Shares commenced trading under the name "VoodooVox Inc." and the ticker symbol VVX.

This AIF is dated March 30, 2012. In this AIF, all references to "dollars" or "\$" are to Canadian dollars and all references in this AIF to "US\$" are to United States dollars.

FORWARD-LOOKING INFORMATION

Certain information set out in this AIF 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 this AIF includes, amongst other things, the following specific information:

- (i) expectations that VoodooVox's historical solution based arrangements will continue to generate software license and maintenance fees, hosting Fees and consulting services and additional growth opportunities for the Corporation (set out under the heading "Description of the Business – Business Strategy of the Corporation – Business Model"); and
- (ii) expectations concerning the Corporation's positioning to capitalize on opportunities (set out under the heading "Description of the Business – Market").

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. These factors include such things as the Corporation's current stage of development, the lack of a corporate track record with respect to the generation of revenues from performance-

based arrangements with customers, the Corporation's 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 (such as lack of market acceptance) and commercialization of emerging technologies, timing of execution of various elements of the Corporation's business plan, the availability of human resources, the emergence of competing business models and new laws (domestic or foreign) and the other risk factors noted below in this paragraph and under the heading "Business Risks and Uncertainties" herein. In respect of expectations that VoodooVox's historical solution based arrangements will continue to generate software license and maintenance fees, hosting fees and consulting services and additional growth opportunities for the Corporation, those risks, uncertainties and factors include, but are not limited to, such things as the existence of competition, ongoing capital requirements of the Corporation, lack of market acceptance for emerging technologies, the risks inherent in an industry subject to rapid technological change, and user acceptance rates not reaching the levels anticipated, the emergence of competing business models and new laws (domestic or foreign) and the other risk factors noted below under the heading "Business Risks and Uncertainties" herein. In respect of expectations that the competition for advertising revenue from the traditional customer base now advertising online will be significant among directory services companies and online search companies, those risks, uncertainties and factors include, but are not limited to, such things as existence of competition, lack of market acceptance for emerging technologies, the risks inherent in an industry subject to rapid technological change, and user acceptance rates not reaching the levels anticipated, the risks inherent in an industry subject to rapid technological change, the emergence of competing business models and new laws (domestic or foreign) and the other risk factors noted below under the heading "Business Risks and Uncertainties". In respect of expectations concerning the shifting directory usage from print to online and mobile sources and expectations concerning the future efficiency of online and mobile searching, those risks, uncertainties and factors include, but are not limited to, such things as 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), the emergence of competing business models, the risks inherent in an industry subject to rapid technological change, and new laws (domestic or foreign) and the other risk factors noted below under the heading "Business Risks and Uncertainties" herein.

In light of the foregoing risk factors, readers should not place undue reliance upon the forward-looking information contained herein and the forward-looking statements contained in this AIF should not be considered or interpreted as guarantees of future outcomes or results.

Forward-looking information respecting:

- (i) expectations that VoodooVox's historical solution based arrangements will continue to generate software license and maintenance fees and consulting services and additional growth opportunities for the Corporation are based upon the Corporation's historical experiences with prior customer projects, information received from existing and potential customers with respect to anticipated projects and trends in the industry, information received from industry publications relating to trends and developments, customers efforts in devoting resources to the development of innovative solutions in

accordance with business plan expectations of management, and the terms of existing customer agreements and relationships; and

- (ii) expectations concerning the Corporation's positioning to capitalize on opportunities are based upon management's estimates of revenues to be derived from existing customer arrangements, the terms of the agreements entered into with those customers, information received from customers with respect to anticipated call volumes for VoodooVox enabled services, customers devoting sufficient resources to the advertising of VoodooVox-enabled services to effectively promote awareness and usage of such services and management's assessment of interactions and discussions with existing and potential customers; and

VoodooVox does not assume responsibility for the accuracy and completeness of the forward-looking statements set out in this AIF and, subject to applicable securities laws, does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. VoodooVox's forward-looking statements are expressly qualified in their entirety by the foregoing cautionary statement.

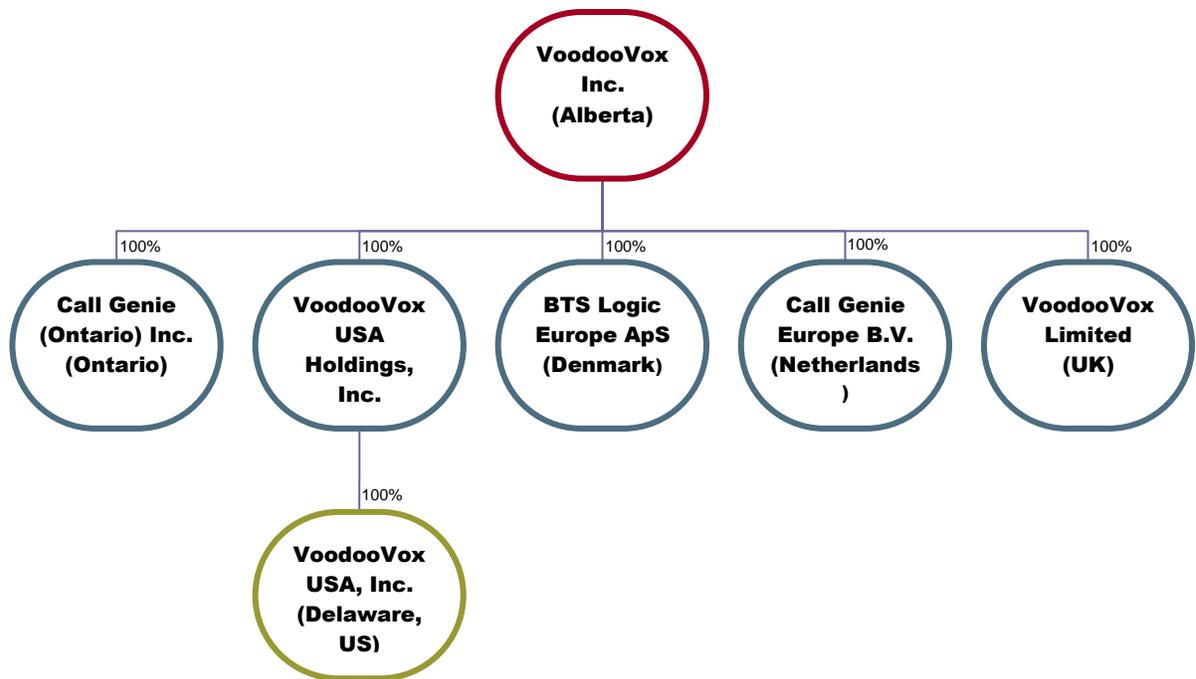
THIRD PARTY INFORMATION, MARKET AND INDUSTRY DATA

The market and industry data contained in this AIF is based upon information set out in independent industry and other publications (including publications of the International Data Corporation ("**IDC**"), Forester Research Inc. ("**Forester**") Gartner Inc. ("**Gartner**"), and eMarketer Inc. ("**eMarketer**") and management's knowledge of and experience in the markets in which VoodooVox Group operates. Market and industry data is subject to change and cannot be verified with precision due to limits on the availability and reliability of raw data at any particular point in time, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, while VoodooVox believes these sources to be generally reliable, the accuracy and completeness of this data are not guaranteed. VoodooVox has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources. References in this AIF to research reports, surveys or articles should not be construed as presenting the complete findings of the entire referenced report or article. The information in any such report, survey or article is not incorporated by reference into this AIF. The sources of any third party information referred to in this AIF have been identified in the paragraphs in which the information appears.

CORPORATE STRUCTURE

The head office of VoodooVox is located at 1001, 325 Milner Avenue, Toronto, Ontario, M1B 5S8. The registered address of VoodooVox is located at 4500, 855 - 2nd Street S.W., Calgary, Alberta T2P 4K7.

VoodooVox has five material subsidiaries: (i) Call Genie (Ontario) Inc., (ii) VoodooVox Holding USA, Inc., (iii) Call Genie Europe B.V., (iv) VoodooVox Limited; and (v) BTS Logic Europe ApS (see diagram below).



Call Genie (Ontario) Inc. was incorporated under the *Business Corporations Act* (Ontario) on September 11, 2003. All of the issued and outstanding shares of Call Genie (Ontario) Inc. are legally and beneficially owned by VoodooVox.

On January 17, 2012, Call Genie USA, Inc. changed its name to VoodooVox USA Holdings, Inc. and is referred to in this AIF as "**VoodooVox USA Holdings**". VoodooVox USA Holdings was incorporated under the laws of the State of Delaware, USA on October 7, 2003 and all of the issued and outstanding shares of VoodooVox USA Holdings are legally and beneficially owned by VoodooVox.

BTS Logic ApS ("**BTS**") was incorporated under the laws of Denmark on October 13, 1997. All of the issued and outstanding shares of BTS are legally and beneficially owned by VoodooVox.

Call Genie Europe B.V. was incorporated under the laws of the Netherlands on July 6, 2007. All of the issued and outstanding shares of Call Genie Europe B.V. are legally and beneficially owned by VoodooVox.

Pursuant to a merger transaction that closed on January 2, 2008, PhoneSpots, Inc. ("**PhoneSpots**") (a Delaware corporation incorporated on May 25, 1999 as StreetSmart, Inc., which later changed its name to PocketThis, Inc. and then to PhoneSpots, Inc.) became a wholly owned subsidiary of VoodooVox USA Holdings. On January 17, 2012, PhoneSpots changed its name to VoodooVox USA, Inc.

PhoneSpots Limited was, at the time of the January 2008 merger transaction, a wholly owned subsidiary of PhoneSpots, Inc. PhoneSpots Limited was incorporated under the laws of the United Kingdom and has been in operation since 2000. Following the January 2008 merger transaction, all of the issued and outstanding shares of PhoneSpots Limited became, and continue to be, legally and beneficially owned by VoodooVox. On January 31, 2012, PhoneSpots Limited changed its name to VoodooVox Limited.

GENERAL DEVELOPMENT OF THE BUSINESS

General

Prior to 2011, VoodooVox focused on being a global solutions provider of mobile local search and mobile digital interactive advertising solutions, which were intended to enable traditional industries to move to new business models that support the connection of mobile consumers and local merchants. The Corporation has developed or acquired technology, services and solutions that utilize advanced wireless networks as well as the mobile web to enable a "mobile ecosystem" that encompasses advertisers, advertising publications (*e.g.* internet yellow pages) and mobile users. Initially, the Corporation developed a voice automated, location based category search product that would, in response to caller-provided inputs, search for, identify and provide information concerning relevant local businesses (the "**Category Search Product**"). This technology was supplemented with acquired technology from BTS in 2007 and PhoneSpots in 2008. The acquired BTS technology includes certain directory assistance products such as business name search and agent workstation software. The acquired PhoneSpots technology includes mobile content delivery, mobile advertising, and mobile campaign management products that identify and distribute to callers relevant mobile content information as well as mobile advertisements sourced from third parties. With the acquisition of these two entities, the VoodooVox Group was in a position to provide multiple solutions to enable its customers to generate revenues from mobile local search and mobile advertising applications. To advertisers and advertising publications, the VoodooVox Group provided a range of tools and marketing solutions designed to support the connection of mobile consumers to local merchants through mobile devices and the mobile web, using both voice commands and data services. The information or advertising communicated is presented to users in voice or data format (or both) and sent to advanced mobile devices such as the Blackberry and the iPhone.

In 2011, the Corporation identified market demand and commercialization opportunities to transform its existing technology and solutions into an enhanced mobile advertising solution. As a mobile advertising company, VoodooVox enters into business arrangements directly with publishers to place advertising. VoodooVox secures advertising directly from advertising agencies or advertisers and earns fees by either placing ads within third party publications or by triggering performance based events such as initiating a click-to-call phone call to a direct response call center, selecting an alternative merchant from a disconnected telephone number or providing additional merchant information.

Recent Acquisitions

During late 2011 and early 2012, two acquisitions of business assets were completed as follows:

- (i) UpSnap

On October 23, 2011, pursuant to the terms of a definitive agreement (the "**UpSnap Acquisition Agreement**") with UpSnap Services LLC ("**UpSnap**"), the Corporation acquired all of the assets and business operations of UpSnap, which was located in North Carolina, USA. UpSnap owned certain mobile advertising products that include direct response mobile landing pages and other click to call products. The

UpSnap solution is used by the Corporation to provide mobile internet users with relevant ads.

(ii) Old VoodooVox

On January 6, 2012, the Corporation acquired the assets and business operations from a Delaware company then operating as VoodooVox, Inc. ("**Old VoodooVox**"). Old VoodooVox, located in Massachusetts, provided real-time demographic information on phone calls and mobile ad traffic. Working with proprietary information developed by Old VoodooVox and data provided by third party aggregators, the acquired assets enable companies to gain valuable insight into their call volume and mobile game/application activity.

With the acquisition of the assets and business operations of UpSnap and Old VoodooVox, the Corporation has branded itself as the Smarter Mobile Advertising Company and is in a position to provide highly targeted, relevant ads to mobile consumers including users of mobile smartphones.

Three Year History

2009

During 2009, the Corporation continued to focus on being a global solutions provider of mobile local search and mobile digital interactive advertising solutions, which were intended to enable traditional industries to move to new business models that support the connection of mobile consumers and local merchants. The agreement with Dex Media, Inc. ("**DEX**") and NBC/Endemol described below were the key commercialization events in 2009.

R.H. Donnelley Inc. and Dex Media, Inc.

In June 2009, the Corporation signed an amending agreement with DEX, which extended the term of its contract with DEX to December 31, 2012. The amending agreement also expanded the scope of the relationship to include new product deployment, custom development and ongoing operational support and maintenance for a comprehensive lead generation and advertising solution. In addition, the amendment provided the Corporation with exclusivity over the extended term of the agreement.

In October 2008, the Corporation announced that DEX had made its award winning 1-800-Call-Dex™ service (enabled by the Corporation) available throughout the 14-state footprint where DEX was the official yellow pages directory for Qwest. The expansion of the service into an additional 35 major metropolitan markets in the United States followed successful trials in Denver, Phoenix, Spokane and Tucson.

The contract amendments contemplated a significant expansion of the capabilities of the system, enhancements to the customer experience and possible extensions of the geographical reach of the 1-800-Call-Dex service. The amended agreement provided that 1-800-Call-Dex would utilize virtually all of the Corporation's product solutions (as they then existed), including the following services: Open Location (search technology using geographic parameters), Open

Listing (search technology using name or category information), Open Agent (workstation technology that supports directory search by name or category, local search and search for other types of local and enhanced information), Open Search (search engine technology that supports Open Agent), and Interact Voice (Automated Business Name and Business Category search technologies).

Under the amended agreement with DEX, upfront fees for product deployment and custom development work were paid to the Corporation in 2009. The amended agreement also provided that the Corporation would be entitled to further revenues over the balance of the term of the contract from: (i) reoccurring maintenance and hosting fees; and (ii) transaction fees based on call volume upon commercial deployment of the applications.

NBC/Endemol

In July 2009, the Corporation entered into a three-year agreement with Endemol USA Inc. ("**Endemol**") and NBC Universal ("**NBC**") for a consumer-oriented local search sweepstakes platform for the hit syndicated game show "Deal or No Deal."

Under the terms of the agreement, the Corporation was to develop, manage and promote "Deal Mania," a consumer-oriented sweepstakes contest conducted during syndicated episodes of "Deal or No Deal" and apply its technology components to leverage the brand and campaign across a multi-platform strategy.

Financing Activities

In 2009, the Corporation completed two convertible debenture offerings. The first closed in July for aggregate gross proceeds of approximately \$2.5 million. Members of management and directors of the Corporation purchased approximately \$330,000 aggregate principal amount of the debentures. The principal amount of the debentures bears interest at a rate of 10% per annum, payable semi-annually, and the debentures were scheduled to mature on May 30, 2012. Principal and accrued interest under the debentures were convertible into Common Shares, at the option of the holder, based on a conversion price of \$0.50 per share (subject to anti-dilution adjustments). Further, the debenture holders each received 240 purchase warrants per \$1,000 principal amount of debentures. Each warrant entitled the holder to purchase one Common Share, at an exercise price of \$0.225 (subject to anti-dilution adjustments), at any time and from time to time until June 26, 2011. The proceeds of the July 2009 private placement were used for working capital and general corporate purposes and to establish a 10% reserve for future interest obligations under the debentures.

Between November 12, 2009 and January 11, 2010, the Corporation distributed a further \$4.0 million aggregate principal amount of convertible secured debentures. Under the terms of those debentures, outstanding principal bears interest at a rate of 12% per annum, payable semi-annually, and the debentures are scheduled to mature on October 31, 2012. Principal and accrued interest under the debentures was convertible into Common Shares, at the option of the holders, at a conversion price of \$0.50 per share (subject to anti-dilution adjustments). In addition, each debenture holder received 480 purchase warrants per \$1,000 principal amount of debentures. Each warrant entitled the holder to purchase one Common Share, at an exercise price of \$0.225 (subject to anti-dilution adjustments), at any time prior to October 31, 2011.

The Corporation granted a security interest to holders of all debentures distributed in 2009/2010 under a general security agreement covering all of the assets of the Corporation.

2010

During 2010, the Corporation continued to diversify its client base while transitioning some key customer accounts into the operational stage. Some of the key developments included the following:

- (a) **TDC Denmark:** In late 2009, the Corporation entered into a three year agreement to design, deploy and maintain an end-user facing directory assistance website for TDC Denmark, the leading telecommunications company in Denmark. The project was to be delivered in two phases through 2010, beginning with a design phase, then a development, user acceptance testing and full production deployment phase. The agreement with TDC Denmark provides for development and implementation fees, as well as ongoing maintenance and support fees.
- (b) **Ad Network Components:** 2010 saw the continued development of the Corporation's ad network. Agreements were entered into with a number of content providers and customers for the delivery of and access to ad content. The Corporation continued to develop innovative delivery systems and software relating to the delivery of relevant local mobile advertising to ready-to-transact consumers.
- (c) **DEX One:** During 2010, the Corporation continued to develop applications and solutions for this customer. 2010 also saw the early commercialization of the DEX One relationship, with the Corporation technology being successfully deployed in DEX One regions.
- (d) **Master Supplier relationships:** In 2010, the Corporation entered into two significant master vendor agreements with major US corporations in the local mobile advertising industry.
- (e) **France Telecom:** During 2010, the Corporation entered into a contract with France Telecom S.A. to provide the Corporation's AdExchange technologies to the France Telecom advertising network.

Financing Activities

In 2010, the Corporation completed two financings.

On August 12, 2010, the Corporation distributed \$1,625,000 aggregate principal amount of convertible secured debentures in connection with a brokered private placement and closed an \$875,000 non-brokered secured debt financing. The principal amount of the debentures bear interest at a rate of 15% per annum, payable semi-annually, and the debentures are scheduled to mature on August 12, 2012. At the option of each debenture holder, outstanding principal under the debentures may be converted into Common Shares based on a conversion price of \$0.10 per share. In addition, each debenture holder received 2,000 purchase warrants per \$1,000 principal

amount of debentures. Each warrant entitles the holder to purchase one Common Share, at an exercise price of \$0.12 (subject to anti-dilution adjustments), at any time until August 12, 2014.

The Corporation granted a security interest to the debenture holders, pursuant to a general security agreement covering all of the assets of the Corporation, as well as a security interest in certain other assets not owned by the Corporation, which were made available by the Chairman of the Board of Directors of the Corporation or companies controlled by him.

On August 12 2010, the Corporation also completed a non-brokered private placement of secured debt for aggregate proceeds of \$875,000. Certain insiders of the Corporation participated in that financing; including the Chairman of the Board, the CEO and the CFO, and amounts borrowed by the Corporation bear interest at 15%. At the option of the Corporation, repayment may be made in the form of interest only payments, with the principal being repayable at the end of the two year term for an additional 2.5% interest. The Corporation reserved the right to pre-pay such debt prior to maturity and without penalty. Holders of this indebtedness share in the security provided to the holders of the debentures distributed on August 12, 2010 on a *pari passu* basis.

On November 5, 2010, the Corporation completed a private placement of 1,500 units (each, a "**Unit**") for aggregate gross proceeds of \$1,500,000 (representing a per Unit price of \$1,000). Each Unit consisted of 1,000 Common Shares and \$1,000 principal amount of secured non-convertible debentures. Interest was payable on the principal amount of the debentures at a rate of 10% per annum and the debentures were scheduled to mature on May 5, 2011, provided that the Corporation had the right to prepay all or any portion of the debentures and interest prior to the maturity date without any premium or penalty. Performance by the Corporation of its obligations under the November 2010 debentures was secured by a security interest in all of the Corporation's present and after-acquired personal property. In addition, holders of the November 2010 debentures were granted a second security interest in an asset, not owned by the Corporation, which was made available by a company controlled by the Chairman of the Board of Directors of the Corporation. In conjunction with a financing completed by the Corporation on March 2, 2011, these debentures were repaid in full.

2011

During 2011, the Corporation identified market demand and commercialization opportunities to transform its existing technology and solutions into an enhanced mobile advertising solution. Some of the key developments included the following:

- (a) **Software as a Service ("SaaS"):** In the second half of 2011, the Corporation took the transformative step of offering its full host of mobile advertising solutions as a principal operator.
- (b) **UpSnap Acquisition:** UpSNAP was one of the largest direct response advertising networks available on mobile phones in the United States and a pioneer in the pay-per-call industry. With over 1,000 advertising customers and effective campaign management resources, UpSNAP served over one billion ads in the first half of 2011 converting consumers using mobile devices into qualified in-bound

calls for advertisers through various mobile advertising networks and strategic relationships.

- (c) DEX One: During 2011, DEX One reviewed its operations and concluded that the 1-800-Call-Dex solution would not continue as a program in its existing structure. The Corporation continues to work with DEX One on various other projects.
- (d) Microsoft: During 2011, VoodooVox entered into a contract with Microsoft Inc. to provide the Corporation's AdExchange reporting technologies to Microsoft's advertising network.

Financing Activities

In 2011, VoodooVox completed two financings and an Incentive Program for holders of certain outstanding debentures (see "General Development of the Business – Three Year History – Financing Activities").

On March 2, 2011, the Corporation distributed \$5,000,000 aggregate principal amount of convertible secured debentures in connection with a brokered private placement. The principal amount of the debentures bears interest at a rate of 12.0% per annum, payable semi-annually, and the debentures are scheduled to mature on March 2, 2015. At the option of each debenture holder, outstanding principal under the debentures may be converted into Common Shares based on a conversion price of \$0.25 per share. In addition, each debenture holder received 1,250 purchase warrants per \$1,000 principal amount of debentures. Each warrant entitles the holder to purchase one Common Share, at an exercise price of \$0.12 (subject to anti-dilution adjustments), at any time until March 2, 2013. The Corporation granted a security interest to the debenture holders, pursuant to a general security agreement covering all of the assets of the Corporation.

On October 25, 2011, the Corporation completed a private placement of 12,000,000 units (each, a "**2011 Unit**") for aggregate gross proceeds of \$1,200,000 (representing a per 2011 Unit price of \$0.10). Each 2011 Unit consisted of 1 Common Share and ½ of a purchase warrant. Each full purchase warrant entitles the holder to acquire one Common Share, at an exercise price of \$0.12, at any time and from time to time until expiry on October 25, 2014.

On December 29, 2011, the shareholders and directors of the Corporation approved an Incentive Program in an effort to encourage holders of outstanding debentures to convert outstanding principal and interest into Common Shares. To promote the conversion of the principal amount of the debentures and the accrued but unpaid interest thereon, management and the directors of the Corporation proposed a reduction in the conversion price (to \$0.10 per Common Share) applicable to those debentures previously convertible at rates higher than \$0.10 per Common Share. Additionally, for those debentures that already provided for a conversion price of \$0.10 per Common Share, the conversion incentive program provided for the issuance of warrants to holders of debentures previously convertible at \$0.10 who agreed to convert such debentures (and accrued but unpaid interest) and granted 5,000 warrants per \$1,000 principal amount converted. Each such warrant was convertible into one Common Share at a price of \$0.12 any time prior to December 31, 2013. Shareholders of the Corporation approved such proposals (collectively, the "**Incentive Program**") at a special meeting on December 29, 2011.

Under the Incentive Program, holders of debentures have converted an aggregate of \$6,675,000 of principal and \$184,543.15 of interest and the Corporation issued 68,595,454 Common Shares and 2,275,000 Warrants.

DESCRIPTION OF THE BUSINESS

Business Strategy of the Corporation

VoodooVox is engaged in the business of providing mobile advertising solutions to advertisers, publishers, and operators. See "Technology Overview". The Corporation's technology, tools and services help publishers maximize their advertising revenues, acquire users and gain insight into their users. The Corporation offers advertisers significant audience reach, sophisticated targeting capabilities and the ability to deliver rich and engaging ad experiences to consumers on their mobile connected devices.

VoodooVox's business strategy is based on developing and expanding its own network of third party organizations that have direct consumer and advertising relationships. Those third party entities can be wireless carriers, directory assistance providers or other companies that have significant wireless or wireline customer bases. The third party organizations that have advertising relationships can be search engine companies, yellow page publishers or media companies that have developed significant advertising publications in traditional or online media. In addition, the VoodooVox network is supplemented with direct deals with both advertisers and publishers. The Corporation has access to both national and local advertisers and endeavours to facilitate the delivery of the most relevant advertisement to a consumer. The Corporation is focused on leveraging its proprietary technology and caller analytics to provide the targeted advertisements to mobile consumers.

VoodooVox's products and services are available internationally in more than 11 countries in North America, Europe and other parts of the world. The principal countries in which VoodooVox operates, directly and indirectly, are the United States, Canada and various European jurisdictions.

The following sections set out summary information concerning key elements of VoodooVox's business strategy.

Software as a Service

Prior to 2011, the Corporation's solution based revenues were dependent on its customers commercializing its services. In 2011, the Corporation identified market demand and commercialization opportunities to transform its existing technology and solutions into an enhanced mobile advertising solution. The Corporation transitioned many of its customers onto its proprietary SaaS platform, which provides the Corporation with direct control over the selection and placement or insertion of advertisements. The Corporation manages traffic flow and determines the publisher sources to be used on a real-time basis in an effort to maximize yield.

Industry Consolidation

In the last half of 2011, the Corporation undertook a strategy of consolidating certain early providers of mobile advertising solutions. In October 2011, the Corporation acquired the assets and business operations of UpSnap and in January 2012, the Corporation acquired the assets and business operations of Old VoodooVox. The Corporation continues to explore various acquisition opportunities.

Expanded Product Offering

In 2011, the Corporation continued the expansion of its bundled solution (that constitutes its suite of products and services) through the development and expansion of the Corporation's ad network. The key product acquired was the caller analytics technology purchased from Old VoodooVox at the end of 2011. This product has wide applicability to the Corporation's historical customer base which included a number of telcos and 411 providers.

International Expansion

VoodooVox continues to pursue international opportunities by leveraging its global customer base and contacts established through the acquisition of BTS and PhoneSpots. The breakdown of revenues for 2011 was as follows: 63% from US contracts and 37% from Europe and Rest of World.

Revenues by Product Type

The following table sets out additional information concerning revenue by product line for the years indicated.

In thousands	year ended December 31, 2009	year ended December 31, 2010	year ended December 31, 2011	% of total 2011
Voice	893	1,291	3,491	56%
SMS Data	1,195	382	1,234	20%
Workstation	1,399	2,533	1,478	24%
Total	3,487	4,206	6,203	100%

For 2011, the Corporation's overall increase in revenues, as compared to fiscal 2010, was primarily attributed to the increased revenues from the Corporation's voice projects in the United States.

Customer Retention and Acquisition

The Corporation has entered into, and is reliant to a large degree, on a number of key contracts with customers, including those referred to above in this AIF under the heading "General Development of the Business – Three Year History". The Corporation continues to seek out opportunities to expand existing relationships and to enter into additional similar agreements with other industry participants.

Business Model

VoodooVox's current business model is based on establishing long-term relationships with advertisers either directly or indirectly through advertising agencies and other media companies. VoodooVox enters into performance arrangements with advertisers which typically include the signing of an insertion order. Each insertion order, which generally remains in effect for a limited time period and involves a limited budget, outlines the performance criteria under which VoodooVox earns a fee. The fees can be classified into two broad categories: CPM fees and CPA fees. Cost Per Thousand, or "**CPM**" fees, are earned based on simple insertion or display of the ad into any advertising inventory slot. No action is required by the consumer in order to earn this type of fee. Cost Per Action, or "**CPA**" fees, are earned when a consumer who hears or sees the ad and then takes a specific action. Performance criteria for CPA fees can include, but are not limited to, initiating a click-to-call phone call to a direct response call center, selecting an alternative merchant from a disconnected telephone number or providing additional merchant information.

In order to earn CPM or CPA fees, VoodooVox must source publishers who have places to insert advertisements ("**Ad Traffic**"). The arrangements to purchase Ad Traffic can be either on a fixed fee or revenue share basis. Fixed fees have a higher risk/return profile as the amount paid to the publisher is fixed and VoodooVox's revenues vary based on the effectiveness of the ad campaigns. Alternatively, the publisher arrangements can be revenue share based where the publisher earns a percentage of the CPM or CPA fees earned by VoodooVox. This has lower risk to VoodooVox, but costs are potentially higher than a fixed fee. To date, VoodooVox has generally favored revenue share arrangements.

VoodooVox believes that the key to delivering an effective mobile advertising experience is providing publishers with highly relevant, targeted ads. To assist in sourcing these ads, VoodooVox relies on its caller analytics technology, which provides relevant demographic information about consumers who use the publishers' service. Increased knowledge and predictability regarding traffic sources generally translates into higher CPM rates and higher yield on CPA revenue sources.

VoodooVox believes that a smarter mobile advertising solution is not exclusively an audio ad, a text or graphic ad, or a video ad, but rather the combination of available communication tools to optimize a seamless consumer search, based upon relevance, mode and timing. Smarter mobile advertising is also viewed as being transparent – advertising that is actually more of a solution to a consumer's problem (or need) versus an interruption or a nuisance.

In addition, VoodooVox expects that its historical solution based arrangements will continue to generate software license and maintenance fees, hosting fees and consulting services. The potential to expand and leverage existing long term relationships, with the cross selling of newly acquired technologies such as caller analytics, presents additional growth opportunities for the Corporation.

Industry Trends and Competitive Conditions

Management of VoodooVox believes that the Corporation is positioned at the intersection of two fast growing trends in the technology industry, being the widespread adoption of smartphones

and mobile app development. Mobile advertising has become a focus for merchants looking to maximize the effectiveness of their on-line advertising dollars. Mobility has grown to the point where more calls are now made and received in North America and elsewhere on mobile networks than on land line networks (Forester).

Adoption of smartphones

Driven by intuitive user interfaces, increased functionality, faster processing speeds, and advanced display technologies with touch capabilities, it has become possible to deliver rich innovative consumer media experiences on a wide variety of mobile connected devices or smartphones. The growth of worldwide 3G network penetration, advanced next-generation 4G networks and prevalence of Wi-Fi access have facilitated the delivery of content on mobile connected devices. According to IDC, the number of smartphones shipped by vendors is expected to increase significantly during the period from 2010 to 2015.

Mobile usage has altered how content is consumed. Consumers are increasingly using their mobile devices instead of personal computers or other traditional media to consume content. Mobile devices have become increasingly important to daily life as users rely on mobile connectivity to read newspapers, magazines, blogs, watch movies, play games, check sports scores, monitor weather forecasts, conduct banking transactions and obtain maps and directions.

Apps Development

Mobile apps have been created by developers as an easy, intuitive and interactive way to instantly delivery content on mobile devices. Gartner forecasts that the number of free and charged-for downloads from mobile application stores worldwide will increase significantly during the period from 2011 to 2015. Developers are pursuing a variety of approaches to monetize their apps. One of the key opportunities is to place advertisements within apps.

Increased Competition from On-line Advertisers

The mobile advertising market is highly competitive and unpredictable because of the fragmented nature of the industry and its early stage of development. Despite the prospects for significant growth in the area of digital directional media, the competition for advertising dollars is expected to be significant among directory services companies and online search companies such as Google, Apple, Yahoo and Microsoft.

Increase in Mobile Advertising

As advertisers seek to maximize the effectiveness of their ad campaigns, the attractiveness of traditional advertising such as newspapers, radio, and television is declining relative to digital advertising. The increasing influence of demographic groups such as the "Net Generation" is one of the drivers behind a major shift in advertising models away from mass-market, interrupt driven vehicles and toward more targeted, search driven vehicles.

Market

Based on the benefits of mobile advertising as compared to traditional offline advertising and PC-based advertising, VoodooVox believes that advertisers will continue to shift their

advertising budgets to mobile. The proliferation of smartphones, mobile apps downloads, and general reliance on mobile connectivity provides a high growth market for mobile advertising. In March 2011, Gartner, an independent market research company, estimated that worldwide mobile advertising will expand from US\$1.8 billion in 2011 to \$13.5 billion in 2015. Management believes that the Corporation is well positioned to capitalize on opportunities in these markets and views the Corporation's established presence in such markets as a competitive advantage.

Readers are cautioned that VoodooVox has not independently verified the accuracy of the information provided by Gartner, Forester, eMarketer, and IDC, nor is VoodooVox certain of whether that information is empirically verifiable as it involves expectations of future developments.

Selling and Marketing Plans and Strategy

VoodooVox sells its mobile advertising solutions to large brand and performance advertisers (being advertisers that pay for specific actions initiated by the consumer) through a number of channels. Primarily, VoodooVox employs direct sales personnel in Canada, the United States, and Europe. The direct sales force is organized into individual account teams that include a sales executive as well as personnel from the Corporation's client services organization. At December 31, 2011, the Corporation had 10 staff dedicated to the sale and marketing of its products and services.

In addition, the Corporation relies upon various arrangements with industry participants to resell its products and solutions. To advertising aggregators, VoodooVox provides a range of tools and multi-modal advertising solutions designed to enable them to target and reach ready to transact consumers using mobile devices and the mobile web. To service providers who support or have access to mobile consumers, VoodooVox provides solutions that enable such providers to offer users mobile local search or opt-in ("know me"), which, in turn, enables consumers to access relevant local merchants/content.

VoodooVox's products and services have been implemented internationally in more than 11 countries in North America, Europe and other parts of the world. The principal countries in which VoodooVox operates are the United States, Canada and various European jurisdictions.

VoodooVox generates sales leads through existing business relationships, marketing partners, industry conferences, targeted advertisements and its public relations efforts. VoodooVox qualifies all leads and opportunities through an internal bid qualification process and assigns account teams to each potential opportunity. The account team then initiates the sales process, which generally involves multiple meetings and presentations focused on VoodooVox's technologies, products and services as well as the development of an appropriate business case.

VoodooVox also relies on a series of alliances with leading companies in the mobile local search market. These alliances are intended to provide an international extension of VoodooVox's direct sales force as well as sales leads and referrals. VoodooVox has adopted this multi-channel distribution model in an effort to more aggressively seek out new opportunities as well as leverage the marketing, distribution, and overall resources of companies that are much larger and strategically placed in target markets.

Key elements of VoodooVox's marketing strategy include:

- Educating, enabling and driving direct and indirect channels to market;
- Attendance and presentation at leading industry conferences; and
- Proactive and ongoing industry and community public relations campaigns.

VoodooVox has consolidated and integrated key mobile advertising technologies, platforms and services; the value proposition for which is being packaged and delivered to its sales channels for communication to existing and prospective customers.

Technology Overview

VoodooVox has a suite of products that support multi-modal mobile search and advertising. These products are used internally by VoodooVox to manage relationships with advertisers and publishers. These products may also be sold as software solutions used by other companies - either as a comprehensive solution, or as individual standalone components.

Advertisement management tools support the creation, management and targeting of a wide range of different ad units (being advertisements, coupons, listings, or any ad content displayed via advertising platforms). Ad units may be created for different kinds of publications including display in mobile applications and on the mobile web as well as in audio calls. Ad units can be configured to support different business models such as CPM and CPA and targeting in different ways. Targeting can include location, categories and keywords. These management tools support access by administrative users such as agents. They also support self-service interfaces so individual advertisers and merchants can manage their own advertising directly. VoodooVox uses these tools internally to manage relationships with their own advertisers and also sells these tools to third parties such as Orange plc.

Ingestion and mediation tools allow VoodooVox to access and manage advertising from third party sources such as yellow pages publishers. Access to third party advertising data may be through application programming interfaces or periodic bulk file transfers. VoodooVox maintains a repository of third party advertisements along with advertising sourced directly from advertisers.

Ad serving platforms employ proprietary algorithms that are designed to select the most relevant and valuable advertisements. Publications retrieve ads through flexible, high performance application programming interfaces.

Advertising reporting platforms provide a comprehensive suite of reports and analytical tools that are used to monitor and optimize advertising performance. The Corporation's caller analytics technology is used to provide relevant demographic information about the consumers who use the publishers' service. Increased knowledge and predictability regarding traffic sources generally translates into higher CPM rates and higher yield on CPA revenue sources.

VoodooVox provides a fully automated, voice-based business directory search product or service and also supports live agent assistance to callers searching for directory and other information

through its workstation search technologies. These services can incorporate advertising from VoodooVox's suite of advertising products.

Intellectual Property

VoodooVox owns three patents in the United States. In 2009, the Australian Patent Office also granted the Corporation a patent related to the "Method and System of Providing Personal and Business Information". VoodooVox continues to pursue two patent applications in Canada and the United States.

VoodooVox's future success may be influenced by the quality of its intellectual property, as incorporated into its products and services. VoodooVox views its intellectual property, particularly its copyright and ownership of its software code and databases as critical to its business. VoodooVox takes a variety of steps, including the filing of patent applications, where appropriate, in order to protect its intellectual property. VoodooVox also enters into non-disclosure or confidentiality agreements and restricted license agreements with persons to whom it reveals proprietary information.

Certain risks are inherent in all forms of intellectual property assets. See "Description of the Business - Risk Factors Relating to the Business of the Corporation - Patents and Other Intellectual Property."

Employees and Facilities

As at December 31, 2011, VoodooVox employed 33 full-time employees, 7 part-time employees and 4 contractors and as at March 30, 2012, VoodooVox employed 43 full-time employees, 7 part-time employees and 3 contractors. At March 30, 2012, the Corporation had 27 full-time and part-time employees and contractors located in Canada - predominantly in Calgary, Alberta and Toronto, Ontario. Of the remaining 23 people, 17 were located in the United States, and six were in Europe. Of the Corporation's 50 full-time and part-time employees and contractors, 11 are allocated to sales activities (including account management, business development and marketing); 19 are allocated to research and development activities; 14 are allocated to client services; and 9 are allocated to corporate development, finance, human resources and administration.

The Corporation leases approximately 14,278 sq. feet of office space in Calgary, Alberta and approximately 10,341 sq. feet of office space in Toronto, Ontario. In addition, the Corporation utilizes offices in Aarhus, Denmark, Cornelius, North Carolina and Williamstown, Massachusetts. Employees and contractors work from these locations or home-based offices.

Risk Factors Relating to the Business of the Corporation

In addition to the other information contained in this AIF, readers should give careful consideration to the following risk factors, which should be read in conjunction with the detailed information and risk factors appearing elsewhere in this AIF and in the Corporation's annual MD&A for the year ended December 31, 2011, a copy of which has been filed with various securities regulatory authorities in Canada and which is available on SEDAR at www.sedar.com.

Any of the matters highlighted in these risk factors could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

The risks and uncertainties described below are not the only ones facing the Corporation. Additional risks and uncertainties that the Corporation is not aware of, or that are currently deemed immaterial, may also impair the Corporation's business results of operations and financial condition.

An investment in and ownership of Common Shares should be considered highly speculative due to the nature of VoodooVox's business, its current stage of development and the Corporation's requirement for additional financing.

Substantial Capital Requirements; Liquidity; Going Concern

Because of the costs associated with further development of VoodooVox's technology and business, and the fact that VoodooVox's ability to generate revenue will depend on a variety of factors (including the ability of VoodooVox to meet its development schedule and consumer and merchant acceptance of VoodooVox technologies), additional funds are required to support VoodooVox's business. VoodooVox has accumulated a substantial deficit and currently has a significant working capital deficiency. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Corporation's ability to continue as a going concern. Additional funds (whether through additional equity financing, debt financing or other sources) may not be available (at all or on terms acceptable to VoodooVox) or may result in significant dilution to VoodooVox shareholders or significant interest obligations. The inability to obtain additional funds may have a material adverse affect on VoodooVox's business, results of operations, and financial condition.

No Record of Profit

VoodooVox has incurred significant losses to date, and there can be no assurance that the future business activities of VoodooVox will be profitable. Since its organization, VoodooVox has incurred costs to develop and enhance its technology, to establish strategic relationships, to acquire complementary technologies and to build administrative support systems. VoodooVox has incurred negative operational cash flow to date. VoodooVox incurred losses from operations of \$13.2 million for the year ended December 31, 2011, \$8.6 million for the year ended December 31, 2010, \$12.4 million for the year ended December 31, 2009, \$20.5 million for the year ended December 31, 2008, \$12.6 million for the year ended December 31, 2007, and \$6.5 million for the year ended December 31, 2006. VoodooVox's ability to operate profitably and generate positive cash-flow in the future will be affected by a variety of factors (including its ability to further develop and test its technology on schedule and on budget, the pace at which it secures additional customers, the time and expense required for the roll-out of its products, its success in marketing its solutions and services to consumers and merchants, the intensity of the competition experienced by VoodooVox and the availability of additional capital to pursue its business plan, including development of new solutions and services). An inability to generate sufficient funds from operations will have a material adverse affect on VoodooVox's business, results of operations and financial condition.

Developing Market

VoodooVox is engaged in the development and marketing of solutions and services that are relatively new and, as such, the primary market for VoodooVox's solutions and services is underdeveloped and continues to evolve. As is typical in the case of a new evolving industry segment, the demand for the Corporation's solutions and services is subject to a high level of uncertainty. If the markets for the VoodooVox solutions and services fail to develop, develop more slowly than expected or become saturated with competitors, or if the Corporation's solutions and services do not achieve and maintain market acceptance, the Corporation's business, results of operations and financial condition will be materially adversely affected.

Current Enterprise Value assigned by the Market; Liquidity

The actions of all stakeholders in the business may be adversely affected by the current market capitalization of the Corporation. These stakeholders include customers, potential customers, competitors, channel delivery counterparties, technology counterparties, and current or prospective employees. These stakeholders may ascribe a higher business risk to the Corporation due to its relatively low market capitalization, and any perception of higher risks may have a material adverse effect on VoodooVox's business, results and financial condition.

Third Party Technology

In providing its solutions and services, VoodooVox is, and will continue to be, dependent on technologies and infrastructure that are beyond VoodooVox's control, including landline and cellular telephone networks, directory databases and speech recognition and text-to-speech applications. There can be no assurance that if weaknesses or errors in third party software or hardware are detected, VoodooVox will be able to correct or compensate for such weaknesses or errors. If VoodooVox is unable to address weaknesses or errors and the Corporation's solutions and services are therefore unable to meet consumer or merchant needs or expectations, VoodooVox's business, results of operations and financial condition will be materially adversely affected. In addition, there can be no assurance that the Corporation will continue to have access to required third-party technology on terms acceptable to VoodooVox. If VoodooVox is unable to obtain third party technology on acceptable terms, VoodooVox's business, results of operations and financial condition will be materially adversely affected.

Rapid Technological Change

The technology industry is subject to rapid change, and the inability of VoodooVox to adapt to such change may have an adverse affect on VoodooVox's business, results of operations and financial condition. The effect of new developments and technological changes on the business sector in which VoodooVox is active cannot be predicted. Such developments would include, but are not limited to, change in how mobile advertising is delivered by advertisers and transacted with potential consumers, declining paid directory assistance transactions and resulting advertising opportunities arising on a global basis, a change in the success rate on the application of data analytics in advertising, consumer backlash resulting from the collection and use of demographic intelligence, clients' ability to execute and industry consolidation. VoodooVox's failure to adapt to any of the above could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

Competition

VoodooVox is subject to competition from other organizations (many of which have substantially greater human and financial resources) and there can be no assurance that VoodooVox will be able to compete effectively in its target markets. Technologies exist that are competitive with the Corporation's product suite. Certain organizations with substantially greater financial and human resources than the Corporation have active research and development initiatives involving the development and implementation of voice search capabilities, workstation applications, call analytics and ad network arrangements. The inability of VoodooVox to preserve existing customers and secure additional customers due to competitive technologies will have a material adverse effect on VoodooVox's business, results of operations and financial condition.

In addition, advances in communications technology as well as changes in the marketplace and the regulatory environment are constantly occurring and any such change could have a material adverse effect on VoodooVox.

Need for Research and Development

To achieve its business objectives and obtain market share and profitability, VoodooVox will need to continually research, develop and refine the Corporation's various technologies. Many factors may limit VoodooVox's ability to develop and refine required technologies or to create, acquire or negotiate access to new technologies. VoodooVox may also be exposed to marketplace resistance to new technology and services. Any failure of VoodooVox to develop new technologies or refine its existing technologies, or offer new solutions and services could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

Defects and Liability

The hardware and software utilized to deliver the Corporation's solutions and services is complex and sophisticated and may contain design defects or software errors that are difficult to detect and correct. There can be no assurance that the Corporation's technologies will be free from errors or defects, or, if discovered, that VoodooVox will be able to successfully correct such errors in a timely manner or at all. Errors or failures in the Corporation's technologies could result in loss of or delay in market acceptance of the Corporation's solutions and services and correcting such errors and failures could require significant expenditures. Because of the competitive nature of the marketplace in which the Corporation's product suite is delivered, the reputational harm resulting from errors and failures could be very damaging to VoodooVox. The consequences of such errors and failures could have a material adverse effect on VoodooVox's businesses, results of operations and financial condition.

Patents and Other Intellectual Property

While VoodooVox has applied for patents for certain elements of its technology, there can be no assurance that such applications will result in the granting of patent protection. Competitors may have filed patent applications or hold issued patents relating to services or processes competitive with those of VoodooVox. Any patents covering elements of the VoodooVox technology granted to third parties (or the inability of VoodooVox to successfully challenge such patents)

may impair VoodooVox's ability to do business in a particular area including in key markets. Others may independently develop similar services or duplicate unpatented elements of the Corporation's technologies.

VoodooVox's success will be largely dependent upon its ability to protect its proprietary technologies. VoodooVox relies upon copyrights, trademarks and trade secrets to protect its intellectual property. Where appropriate, VoodooVox also enters into non-disclosure agreements with persons to whom it reveals proprietary information. Any failure or inability on the part of VoodooVox to protect its intellectual property could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

VoodooVox may be required to engage in litigation in the future to enforce or protect its intellectual property rights or to defend against claims of invalidity and VoodooVox may incur substantial costs as a result. Any claims or litigation initiated by VoodooVox to protect its intellectual property could result in significant expense to VoodooVox and diversion of the efforts of VoodooVox's technical and management resources, whether or not the claims or litigation are determined in favor of VoodooVox.

Ability to Manage Growth

Responding to consumer and merchant demands, expansion into other geographical markets and targeted growth in VoodooVox's business has placed, and is likely to continue to place, significant strains on VoodooVox's administrative and operational resources and increased demands on its management, internal systems, procedures and controls. If VoodooVox experiences rapid acceptance of its solutions and services, the need to manage such growth will add to the demands on VoodooVox's management, resources, systems, procedures and controls. There can be no assurance that VoodooVox's administrative infrastructure, systems, procedures and controls will be adequate to support VoodooVox's operations or that VoodooVox's officers and personnel will be able to manage any significant expansion of operations. If VoodooVox is unable to manage growth effectively, VoodooVox's business, operating results and financial condition will be materially adversely affected.

Personnel Resources

VoodooVox is (and will continue to be) reliant upon its management and technical personnel in all aspects of its business, including to anticipate and address consumer and merchant demands in areas such as software development, customer service, marketing, finance, strategic planning and management. There can be no assurance that qualified management or technical personnel will be available to VoodooVox in the future. The loss of services of any of the Corporation's management or technical personnel could have a material adverse effect on its business, results of operations and financial condition.

Potential Fluctuations in Quarterly Operating Results

VoodooVox expects to be exposed to significant fluctuations in quarterly operating results caused by many factors, including changes in the demand for the Corporation's solutions and services, the introduction of competing technologies, market acceptance of enhancements to the Corporation's solutions and services, delays in the introduction of enhancements to the Corporation's solutions and services, changes in VoodooVox's pricing policies or those of its

competitors, the mix of solutions and services sold, foreign currency exchange rates and general economic conditions. Such fluctuations could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

Risk of Industry Consolidation

VoodooVox's customers include carriers, telecommunication providers, yellow pages providers, directory assistance providers, publishers, publisher aggregators, advertisers, advertising aggregators, agencies, directory data providers, mobile application and service providers, ad networks, in-call media, and search engines. Each of these industries is characterized by constant change, restructuring and consolidation. As a result, VoodooVox may have established working relationships with one such customer undermined by a business combination or other transaction with another business in the marketplace. This could have a material adverse effect on VoodooVox's business, results of operations and financial conditions.

Government Regulation

The marketplace within which VoodooVox operates is in constant flux in relation to government regulation. Areas being regulated include regulation relating to call handling, privacy, opt-in requirements for mobile application. Regulation is also being considered for use and application of consumer demographic information for mobile advertising purposes and other areas impacting on mobile advertising. The consequences of such regulation or changes to such regulation could have a material adverse effect on VoodooVox's business, results of operations and financial condition.

Costs Associated with Compliance with Securities Laws

VoodooVox is a publicly traded corporation and is subject to all of the obligations imposed on "reporting issuers" under applicable securities laws and all of the obligations applicable to a listed company under stock exchange rules. Direct and indirect costs associated with public company status have increased in recent years and regulatory initiatives under consideration may further increase the costs of being public in Canada and could have a material adverse effect on VoodooVox's business, results of operations and financial condition. If VoodooVox is unable to generate significant revenues from business operations, the cost of complying with applicable regulatory requirements will represent a significant financial burden to VoodooVox and may have a material adverse effect on VoodooVox's business, results of operations and financial condition.

MATTERS RELATING TO THE COMMON SHARES OF THE CORPORATION

Market for the Common Shares

Until January 16, 2012, the Common Shares were listed and posted for trading on the Exchange under the trading symbol "GNE". Since January 17, 2012, the Common Shares have been listed and posted for trading on the Exchange under the trading symbol "VVX". The following table sets out the market price ranges and the aggregate volume of trading of the Common Shares on the Exchange for the months indicated:

2011	High (\$)	Low (\$)	Close (\$)	Volume (Common Shares)
January	0.150	0.110	0.140	2,736,800
February	0.240	0.140	0.185	6,560,700
March	0.180	0.135	0.160	1,693,600
April	0.190	0.145	0.175	1,823,500
May.....	0.180	0.150	0.160	2,086,400
June.....	0.165	0.130	0.135	1,260,200
July	0.140	0.090	0.090	652,000
August	0.125	0.100	0.105	2,092,900
September.....	0.120	0.090	0.100	951,700
October	0.115	0.085	0.100	597,900
November.....	0.100	0.070	0.075	1,094,800
December.....	0.115	0.065	0.115	1,235,900

Share Capitalization

As at March 30, 2012, there were 188,179,112 Common Shares outstanding (151,836,882 as at December 31, 2011) and the Corporation has distributed options, warrants and debentures that entitle the holders of such instruments to acquire additional Common Shares from the treasury of the Corporation.

Description of Common Shares

The holders of the Common Shares are entitled to one vote per share at meetings of shareholders, to receive such dividends as may be declared by the Corporation and to receive the remaining property and assets of the Corporation upon dissolution or winding up of the Corporation. The Common Shares are not subject to any future calls or assessments and there are no pre-emptive, conversion or redemption rights attached to the Common Shares.

Description of Options

Under the Corporation's current Stock Option Plan (the "**Plan**"), the Corporation's directors may approve the issuance of options to directors, officers, employees and agents of the Corporation and its affiliates. The aggregate number of shares reserved for issuance under the Plan may not exceed 15% of the number of outstanding Common Shares. Since the inception of the Plan, the Corporation has granted 45,817,250 options to persons eligible to participate in the Plan. As at December 31, 2011 and March 30, 2012, 12,735,000 and 26,060,000 stock options, respectively, were outstanding at prices ranging from \$0.065 to \$0.50 per share. Options granted under the Plan may vest immediately or may be subject to vesting over a period of time determined by the directors of the Corporation – for example, options granted under the Plan may vest, as to one third thereof, on each of the first, second and third anniversaries of the date of grant. All outstanding options have been granted with an exercise period of five years and have expiry dates ranging from July 2, 2013 to March 1, 2017.

Description of Warrants

The Corporation has issued two categories of Common Share purchase warrants in the past: founder warrants and offering warrants (being warrants distributed in connection with financing transactions).

Founders' Warrants

The Corporation issued founders' warrants to individuals and corporations as part of its initial capital structure. At December 31, 2011, there were 2,888,523 of such founders' warrants outstanding. The founders' warrants were non-transferable (except in limited circumstances). Each founders' warrant entitled the holder thereof to acquire one Common Share at a price of \$0.225, subject to adjustment. These founders' warrants expired on February 16, 2012.

Offering Warrants

In conjunction with the private placements completed in 2009, the Corporation issued an aggregate of 2,511,600 purchase warrants, each of which entitled the holder to purchase one Common Share at an exercise price of \$0.225 (subject to anti-dilution adjustments). During 2011, 1,040,000 warrants were exercised and the remaining 1,671,600 warrants expired. Additionally, in conjunction with the private placement financing completed in December 2009, 90 broker's warrants (each consisting of \$1,000 principal amount of secured convertible debentures and 480 Common Share purchase warrants) were issued to Dundee Securities Limited. These broker warrants expired unexercised during 2011.

In conjunction with the private placements completed in 2010, the Corporation issued an aggregate of 3,350,000 purchase warrants, each of which entitles the holder to purchase one Common Share at an exercise price of \$0.12 (subject to anti-dilution adjustments). During 2011, 200,000 purchase warrants were exercised and the remaining 3,150,000 purchase warrants remained outstanding as of December 31, 2011 (and March 30, 2012). Additionally, in conjunction with the private placement financing completed in August 2010, 137.25 broker's warrants (each consisting of \$1,000 principal amount of secured convertible debentures and 2,000 Common Share purchase warrants) were issued to Wolverton Securities Limited. These broker warrants remained unexercised during December 31, 2011 (and March 30, 2012).

In conjunction with the private placements completed in 2011, the Corporation issued an aggregate of 6,250,000 purchase warrants, each of which entitles the holder to purchase one Common Share at an exercise price of \$0.12 (subject to anti-dilution adjustments). In addition, the Corporation issued 2,275,000 warrants in conjunction with the Incentive Program described in this AIF under the heading "Three Year History – 2011 – Financing Activities", each of which entitles the holder to purchase one Common Share at an exercise price of \$0.12 (subject to anti-dilution adjustments). As of December 31, 2011 (and March 30, 2012), an aggregate of 8,525,000 purchase warrants issued in 2011 remained unexercised and outstanding.

Dividends

The Corporation has not paid any dividends or made any distributions on its Common Shares to the date hereof. The future payment of dividends or distributions will be dependent upon the financial requirements of the Corporation to fund ongoing operations and future growth, the financial condition of the Corporation and other factors that the Board of Directors may consider appropriate in the circumstances. VoodooVox is subject to certain restrictions on the declaration and payment of dividends set out in the *Business Corporations Act* (Alberta). In particular, the *Business Corporations Act* (Alberta) provides that a corporation shall not declare or pay a dividend if there are reasonable grounds for believing that: (a) the corporation is, or would after the payment of the dividend be, unable to pay its liabilities as they become due; or (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and the stated capital of all classes of its shares.

Escrowed Securities

To the knowledge of the Corporation, none of its outstanding securities were subject to escrow restrictions as at December 31, 2011.

DIRECTORS AND OFFICERS

The names, municipalities of residence, positions with the Corporation and the principal occupations of the directors and executive officers of the Corporation as at December 31, 2011 are set out in the following table and the notes thereto.

<u>Name</u>	<u>Address (municipality)</u>	<u>Office or Position with Corporation as at December 31, 2011</u>	<u>Number of Common Shares held and % of outstanding Common Shares as at December 31, 2011 ⁽¹³⁾</u>		<u>Director Since</u>
Richard W. DeVries ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Freeport, GBI, Bahamas	Director	7,596,543	(4.04%)	August, 2004
S. Graeme Ross ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾	Wainfleet, Ontario Canada	Director	177,900	(<1%)	August, 2004
Nancy Shemwell ⁽¹⁾⁽²⁾⁽³⁾⁽⁶⁾	Dallas, Texas United States of America	Director	82,000	(<1%)	October, 2006
Daniel Gatti ⁽⁷⁾	Carlsbad, California United States of America	Director	Nil	Nil	April, 2007
Nicholas P. Fader ⁽⁸⁾	Calgary, Alberta Canada	Director	276,110	(<1%)	March, 2008

<u>Name</u>	<u>Address (municipality)</u>	<u>Office or Position with Corporation as at December 31, 2011</u>	<u>Number of Common Shares held and % of outstanding Common Shares as at December 31, 2011</u> ⁽¹³⁾	<u>Director Since</u>
Michael Durance ⁽⁹⁾	Toronto, Ontario Canada	Director, Chief Executive Officer	5,013,277 (2.66%)	June, 2005
Christopher Shelton ⁽¹⁰⁾	Markham, Ontario Canada	Chief Financial Officer	613,995 (<1%)	N/A
Chet Chan ⁽¹¹⁾	Calgary, Alberta Canada	General Manager – North America and Senior Vice President – Client Services	272,4663 (<1%)	N/A
Erin D. Oor ⁽¹²⁾	Uxbridge, Ontario Canada	Vice President, General Counsel, Corporate Secretary	123,797 (<1%)	N/A

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of Governance and Nominating Committee.
- (4) Mr. DeVries is a businessman and lawyer (inactive member of the Alberta Bar).
- (5) Mr. Ross has been President and Director of Bovinia Inc. (a private consulting company) since 1993. Since September, 2009, Mr. Ross has been a financial advisor with Dundee Wealth in St. Catherines, Ontario.
- (6) Ms. Shemwell is currently at Principle of Renver LLC. Between May of 2009 and February of 2011, Ms. Shemwell served as President and CEO of Multi-Link, Inc., a manufacturer of linesharing and remote power rebooting equipment. Ms. Shemwell served as Executive Vice President, Global Sales and Services of Symmetricon, Inc. (a public corporation involved in the generation of precise time and frequency signals used in wireline and wireless telecom networks and other applications) from September 2004 to September 2007. Ms. Shemwell served as Acquisition Partner of the Canux Group (a private company formed to purchase a division of a major telecommunications company) from 2002 to 2004.
- (7) Mr. Gatti has been President and CEO of Data Center Rebates Inc. (a private services company) since January 2010. From January 2008 to January 2010, Senior Vice President of Worldwide Market Operations for Verari Inc. (a private technology company); President and Chief Executive Officer of Onsite Systems Inc. (a private provider of network edge voice and data platforms for mobile backhaul), from July 2005 to January 2008; Managing Partner of the Gatti Group (a provider of executive management services) from October 2001 to July 2005.
- (8) Mr. Fader is a partner with the law firm of Bennett Jones LLP and has held that position since March 1998.
- (9) Mr. Durance has served as Chief Executive Officer of the Corporation since June 2005; Vice President and General Manager at Toshiba America Information Systems in Irvine, California from December 2001 to May 2005.
- (10) Mr. Shelton has served as Chief Financial Officer of the Corporation since March 2006; Self-employed consultant for 2005; General Manager and Director of Finance of BigBangwidth Inc. a private corporation in the research development business, from 2000 to 2004; Vice President, Treasury of Saville Systems Inc. (a public corporation in the business of software billing and customer care solutions for telecom companies) from 1998 to 2000.
- (11) Mr. Chan has served as the Corporation's General Manager - North America since July, 2010 and as Sr. Vice President - Client Services Senior Vice President, Client Services of VoodooVox since February 28, 2008; Vice President, Client Services of the Corporation from July 1, 2007 to February 28, 2008; Independent Management Consultant from June 2005 to July 2007; Director of Strategy Planning for Design Group Staffing Inc. (a private staffing and employment service company) from 2001 to 2005.
- (12) Mr. Oor has served as General Counsel for the Corporation since June 2007; Self employed as a sole legal practitioner in St. Albert, Alberta from 2004 to 2007; President of Robin's RK West Ltd., an Alberta private corporation from 2003 to 2007; General Counsel for Roadking Travel Centres Inc., a TSX Venture Exchange listed company, from 2003 to 2007; Partner with Bryan & Corporation LLP (a legal services firm) from 1993 to 2003.
- (13) Does not include shares issuable upon the exercise of outstanding options or other convertible securities.

The term of each director expires at the next annual meeting of shareholders of the Corporation.

As at December 31, 2011, the directors and executive officers of the Corporation, as a group, beneficially owned, or exercised control or direction over, directly or indirectly, 13,956,995 Common Shares representing approximately 9.19% of the issued and outstanding Common Shares and held options, convertible debentures and share purchase warrants entitling them to acquire up to a further 9,980,000 Common Shares. Assuming the exercise or conversion of all options, convertible debentures and share purchase warrants, the directors and executive officers of the Corporation, as a group, would beneficially own, or exercise control or direction over, directly and indirectly, 23,936,995 Common Shares representing approximately 13.53% of the then issued and outstanding Common Shares. The information set out above in this section, as to shares beneficially owned by officers and directors not being within the knowledge of the Corporation, has been furnished by the respective directors and officers.

Conflicts of Interest

Certain of the directors of VoodooVox are also officers, directors or consultants of other companies engaged in the technology industry. As a result, situations may arise where the interests of such directors conflict with their interests as directors of other companies. The resolution of such conflicts will be governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of VoodooVox and, in the case of the *Business Corporations Act* (Alberta), VoodooVox's governing statute, that directors declare their interest in and refrain from voting on, any material contract or material transaction in which they may have a conflict of interest.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

To the knowledge of VoodooVox, other than as described below, no director or executive officer of the Corporation is, as at the date of this AIF, or has been, within the past 10 years before the date hereof, a director, chief executive officer, or chief financial officer any issuer that:

- (i) 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 (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of VoodooVox, no director or executive officer of the Corporation or shareholder holding a sufficient number of securities of VoodooVox to affect materially the control of VoodooVox:

- (i) is, as of the date of this AIF, or has been within ten years before the date hereof, a director or executive officer of any company (including

VoodooVox) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (ii) has, within the ten years before the date of this AIF, 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 manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of VoodooVox, no director, executive officer or shareholder holding a sufficient number of securities of VoodooVox to affect materially the control of VoodooVox has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Richard W. DeVries

In May 2007 CPI Crown Properties International Corporation ("**Crown Properties**"), a corporation in respect of which Mr. DeVries served as a director, became subject to a cease trade order due to its deficiency in publishing and distributing its audited financial statements for 2006 in accordance with applicable securities laws. The Corporation has been advised that this deficiency occurred due to internal accounting issues and that Crown Properties subsequently rectified the deficiency and completed all ancillary matters and has complied with all securities and regulatory requirements. Subsequent to the above rectification, Mr. DeVries resigned as a director of Crown Properties.

While Mr. DeVries was a director, a temporary cease trade order was issued by the British Columbia Securities Commission, being the Principal Regulator, on July 22, 2010, respecting Kinetex Resources Corporation ("**Kinetex**") for failure to file comparative audited annual financial statements for the year ended December 31, 2009 and interim financial statements for the period ended March 31, 2010 within the prescribed timeframe. As a result, trading in the common shares of Kinetex on the TSX Venture Exchange was temporarily halted effective July 23, 2010. On November 3, 2010 the Alberta Securities Commission issued a cease trade order respecting securities of Kinetex. Mr. DeVries resigned as a director of Kinetex on December 7, 2010.

While Mr. DeVries was a director of Pacific Lottery Corporation ("**PLC**"), the trading of the shares of PLC on the TSX Venture Exchange were halted on August 24, 2010 as a result of

concerns that David Aftergood (a former director of PLC who was prohibited from acting as a director and officer of PLC by the TSX Venture Exchange) was conducting himself as an officer of PLC. The Board of Directors, including Mr. DeVries, had provided clear instructions to management that Mr. Aftergood was not to act in any officer capacity. As a result of Mr. DeVries determining that Mr. Aftergood had acted as an officer of PLC, notwithstanding the Board's clear direction not to do so, Mr. DeVries resigned as a director of PLC on February 17, 2011.

AUDIT COMMITTEE INFORMATION

Audit Committee Mandate

Pursuant to the provisions of Section 171 of the *Business Corporations Act* (Alberta), and applicable securities legislation, the Corporation is required to have an audit committee comprised of at least three directors.

Under the provisions of National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), all of the members of the Audit Committee are, subject to certain exceptions, required to be independent and financially literate. As well, the Audit Committee is required to have a written charter that sets out its duties and responsibilities. A copy of the Corporation's Audit Committee Charter is attached to this AIF as Appendix A.

Composition of the Audit Committee

The Corporation's Audit Committee consists of Richard DeVries, S. Graeme Ross, and Nancy Shemwell. The Board of Directors of the Corporation considers each member of the Audit Committee to be independent and none of the Audit Committee members receives, directly or indirectly, any compensation from the Corporation other than for service as a member of the Board of Directors and its committees. The Board of Directors considers all members of the Audit Committee to be financially literate (as defined under NI 52-110).

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

Richard DeVries – Mr. DeVries, a Barrister and Solicitor (inactive member of the Law Society of Alberta), has provided legal advice to clients worldwide since 1978, primarily in the areas of the implementation of international financial and business strategies, wealth preservation, tax and estate planning, corporate finance and compliance with securities laws.

Mr. DeVries primary business focus is currently upon his various business interests, including serving as director and officer of various public and private companies.

Mr. DeVries holds a Bachelor of Commerce Degree (1974) as well as a Bachelor of Law Degree (1977), both from the University of Alberta.

Mr. DeVries is also a member of the Calgary Bar Association and the Canadian Bar Association.

S. Graeme Ross – Mr. Ross is President and a Director of Bovinia Inc., a consulting company engaged in activities relating to corporate management, technology, telecommunications and information systems. Mr. Ross is also a financial adviser with Dundee Wealth in St. Catherines, Ontario and has acted in that capacity since September 2009.

Mr. Ross was formerly President, Chief Executive Officer and a Director of Peartree Software Inc., a software company that develops and sells software used in the automotive parts manufacturing industry. Mr. Ross has also served as a Director of Glenbriar Technologies Inc. and of Smartcardesolutions.com Ltd., both Exchange listed companies.

Nancy Shemwell – Ms. Shemwell is currently at Principle of Renver LLC. Between May of 2009 and February of 2011, Ms. Shemwell served as President and CEO of Multi-Link, Inc., a manufacturer of linesharing and remote power rebooting equipment. Ms. Shemwell served as Executive Vice President, Global Sales and Services of Symmetricon, Inc. (a public corporation involved in the generation of precise time and frequency signals used in wireline and wireless telecom networks and other applications) from September 2004 to September 2007. Ms. Shemwell served as Acquisition Partner of the Canux Group (a private company formed to purchase a division of a major telecommunications company) from 2002 to 2004. Ms. Shemwell has also served as President and Chief Executive Officer of Jovial Test Equipment Inc., a private broadband test equipment corporation, and had a 16 year career with Nortel Networks including President of Micom Communications Corporation a Nortel subsidiary. Ms. Shemwell holds a Bachelor of Business Administration from Baylor University and a Master of Science in Business Administration from the American Technological University. Ms. Shemwell also serves as a member of the Board of Trustees for the North Texas Regional Center for Innovation and Commercialization, and the Southern Methodist University Cox School of Business Associate Board).

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on any exemption in Sections 2.4 (*De Minimis Non-audit Services*), 3.2 (*Initial Public Offerings*), 3.2(2) (*Controlled Companies*), 3.4 (*Events Outside Control of Members*), 3.5 (*Death, Disability or Resignation of Audit Committee Member*), 3.6 (*Temporary*

Exemption for Limited and Exceptional Circumstances) or 3.8 (*Acquisition of Financial Literacy*) 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 has established procedures respecting the engagement the Corporation's auditors to provide non-audit services and to consider the impact of any such services on the independence of the auditors. This is achieved through a meeting between the Audit Committee and the Corporation's auditor in advance of the commencement of each annual audit. During this meeting, the terms of the audit and the fees to be charged by the auditor are agreed to and approved by the Audit Committee. In addition, throughout the course of the year, regular communication occurs between the Corporation's Chief Financial Officer and the Auditor and any non-audit related services required are identified by the Chief Financial Officer and the Auditor and a pre-approval is obtained.

External Auditor Service Fees (By Category)

The Corporation's auditor is Ernst & Young LLP. Information concerning the aggregate fees billed to the Corporation by its external auditor in each of the last two fiscal years is set out in the following table:

Financial Year Ending	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
2010	\$110,000	\$nil	\$9,714	\$nil
2011	\$150,000	\$nil	\$nil	\$50,000

Notes:

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In 2009, a customer of the Corporation disputed its obligation to pay certain amounts owing to the Corporation. Discussions with the customer concerning this dispute did not led to a resolution of the matter and the Corporation commenced legal proceedings (through the filing of a Statement of Claim with the Ontario Superior Court of Justice) on September 21, 2010 (in which the Corporation claimed amounts owing pursuant to the agreement with the customer of \$1.9 million plus damages of \$1.0 million). The customer counter-claimed (claiming damages of \$5.0 million). In May 2011, the matter was settled out of court with the Corporation accepting full payment of all receivables recognized in its financial statements for the year ended December 31, 2010.

There were no penalties or sanctions imposed against the Corporation by: (i) a court relating to securities legislation or by a securities regulatory authority; or (ii) a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision

during the 2011 financial year. In addition, during 2011 the Corporation did not enter into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

From 2009 to 2011, the current directors and officers of the Corporation purchased \$905,000 aggregate principal amount of non-convertible debt and \$195,000 aggregate principle amount of convertible debt, respectively in connection with private placement transactions undertaken by the Corporation. A portion of the proceeds of the financing completed in March 2011 were used to repay non-convertible debentures issued in November of 2010 of which an officer of the Corporation had purchased \$100,000. Also during the year ended December 31, 2011, these directors and officers received \$182,000 of interest in accordance with the terms of the applicable debt instruments. As part of the Incentive Program, directors and officers converted \$195,000 aggregate principal amount of debentures and accrued but unpaid interest into a total of 2,186,989 Common Shares. 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 of the Corporation. Other than the foregoing, there are no material interests, direct or indirect, of any director, executive officer, person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years, or during the current financial year, that has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

There are no material contracts, other than contracts entered into in the ordinary course of business, which are material to VoodooVox (involving the Corporation or any of its affiliates) and were entered into during the most recently completed financial year, or entered into before the most recently completed financial year, but still in effect.

INTERESTS OF EXPERTS

The consolidated financial statements of the Corporation as at and for the year ended December 31, 2011, have been audited by Ernst & Young LLP. Ernst & Young LLP, have advised VoodooVox that they are independent in accordance with the auditors' rules of professional conduct applicable in Ontario.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration, principal holders of VoodooVox's shares and securities authorized for issuance under equity compensation plans is contained in the information circular for the most recent meeting of shareholders of VoodooVox, which was held in June 2011. VoodooVox anticipates that an information circular for the

meeting of shareholders scheduled for June 2012 will be disseminated in advance of that meeting and that such information circular will contain updated information of the nature described above in this paragraph. Additional financial information is provided in VoodooVox's consolidated financial statements as at and for the year ended December 31, 2011 and related MD&A.

These materials and additional information regarding the Corporation may be found on SEDAR at www.sedar.com or on the Corporation's website at www.voodoovox.ca.

APPENDIX A – AUDIT COMMITTEE TERMS OF REFERENCE

I. PURPOSE

- A.** The primary function of the Audit Committee (the "**Committee**") is to assist the Board in fulfilling its responsibilities relating to the integrity of the Corporation's financial statements including the financial reporting process and systems of internal controls, the compliance by the Corporation with legal and regulatory requirements and the qualifications, performance and independence of the Corporation's external auditor by reviewing:
- (a) the financial information that will be provided to the shareholders and others;
 - (b) the systems of internal controls management and the Board have established; and
 - (c) all audit processes.
- B.** Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is overseen by the Board. While the Committee has the responsibilities and powers set forth in these terms of reference, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles. These are the responsibilities of management and the external auditor. Nor is it the duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the external auditor or to assure compliance with laws and regulations.

II. COMPOSITION AND OPERATIONS

- A.** The Committee shall be composed of not fewer than three directors and not more than five directors, none of whom shall be officers or employees of the Corporation or any of its subsidiaries. The Committee shall only be comprised of unrelated directors and a majority shall be resident Canadians. In addition, the Committee shall meet the requirements of the *Business Corporations Act* (Alberta) and the Exchange with respect to the composition of audit committees. The Committee shall have a Chairman, who is a full member of the Committee, and who is appointed by the Board. The Chairman shall have a casting vote in the event of a tie on the Committee.
- B.** The Corporation's auditors shall be advised of the names of the committee members and when appropriate will receive notice of and be invited to attend meetings of the Audit Committee, and to be heard at those meetings on matters relating to the Auditor's duties.
- C.** The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or shareholders.
- D.** The Committee shall meet at least four times each year.

- E.** The Committee has access to the Corporation's senior management and documents as required to fulfill its responsibilities and is provided with the resources necessary to carry out its responsibilities.
- F.** The Committee provides open avenues of communication among management, employees, external and internal auditors and the Board.
- G.** The secretary to the Committee shall be either the Corporate Secretary or his/her delegate.
- H.** Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by other electronic means to each member of the Committee at least 48 hours prior to the time fixed for such meeting.

A member may, in any manner, waive notice of the meeting. Attendance of a member at a meeting shall constitute waiver of notice.

- I.** A majority of the voting membership of the Committee present in person or by telephone or other electronic telecommunication device shall constitute a quorum.
- J.** The CEO, Board Chair and CFO would be expected to be available to attend meetings or portions thereof.

The external auditors would meet at least twice annually with the Committee and would be expected to be available to attend meetings or portions thereof as requested by the Committee.

The Committee may, by specific invitation, have other resource persons in attendance to assist in the discussion and consideration of matters relating to the Audit Committee.

The Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

- K.** Minutes of Committee meetings shall be approved by the Committee Chair and maintained at Head Office by the Committee Secretary or designate. Minutes of Committee Meetings shall be sent to all Directors of the Board.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Committee will perform the following duties:

- A.** Financial Statements and Other Financial Information

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes:

- (a) review and recommend approval of the Corporation's annual financial statements and MD&A and report to the Board of Directors before the statements are approved by the Board of Directors;
- (b) review and approve for release the Corporation's quarterly financial statements, MD&A and press release;
- (c) review and approve for release all earnings press releases, press releases containing other financial information and any earnings or other financial performance guidance provided to analysts or rating agencies;
- (d) review and recommend to the Board for approval, the financial content of the annual report and any reports required by government or regulatory authorities;
- (e) review the Annual Information Form and any Prospectus/Private Placement Memorandums; and
- (f) review any management report that accompanies published financial statements (to the extent such a report discusses the financial position or operating results) for consistency of disclosure with the financial statements themselves.

Review and discuss:

- (g) the appropriateness of accounting policies and financial reporting practices used by the Corporation;
- (h) any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation;
- (i) any new or pending developments in accounting and reporting standards that may affect the Corporation;
- (j) management's key estimates and judgments that may be material to financial reporting; and
- (k) any other matters required to be reviewed under applicable legal, regulatory or stock exchange requirements.

B. Risk Management, Internal Control and Information Systems

- (a) review the Corporation's risk management controls and policies;
- (b) obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor;
- (c) review management steps to implement and maintain appropriate internal control procedures including a review of policies;

- (d) review adequacy of security of information, information systems and recovery plans;
- (e) monitor compliance with statutory and regulatory obligations;
- (f) review the appointment of the Chief Financial Officer; and
- (g) review the adequacy of accounting and finance resources.

C. Internal Audit

The Committee will oversee the Corporation's internal audit function and the internal audit relationship with the auditor and with management. This includes:

- (a) review the organization and independence of the internal auditor;
- (b) review goals, resources and work plans;
- (c) review any restrictions or problems;
- (d) review recommendations and significant responses;
- (e) meet periodically and at least annually, with the internal auditor without management present; and
- (f) review proposed changes in the Chief Internal Auditor.

D. External Audit

The Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

- (a) review and recommend to the Board, for shareholder approval, engagement of the external auditor including, as part of such review and recommendation, an evaluation of the external auditors' qualifications, independence and performance;
- (b) review and recommend to the Board the annual external audit plan, including but not limited to the following:
 - (i) engagement letter;
 - (ii) objectives and scope of the external audit work;
 - (iii) procedures for quarterly review of financial statements;
 - (iv) materiality limit;
 - (v) areas of audit risk;

- (vi) staffing;
 - (vii) timetable; and
 - (viii) proposed fees.
- (c) meet with the external auditor to discuss the Corporation's quarterly and annual financial statements and the auditor's report including the appropriateness of accounting policies and underlying estimates;
- (d) review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
- (i) any difficulties encountered, or restriction imposed by management, during the annual audit;
 - (ii) any significant accounting or financial reporting issue;
 - (iii) the auditors' evaluation of the Corporation's system of internal controls, procedures and documentation;
 - (iv) the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weaknesses;
 - (v) any other matters the external auditor brings to the Committee's attention; and
 - (vi) assess the performance and consider the annual appointment of external auditors for recommendation to the Board.
- (e) review the auditor's report on all material subsidiaries;
- (f) review and receive assurances on the independence of the external auditor;
- (g) review the non-audit services to be provided by the external auditor's firm or its affiliates (including estimated fees), and consider the impact on the independence of the external audit; all of which services shall be subject to pre-approval by the Committee; and
- (h) meet periodically, and at least annually, with the external auditor without management present.

E. Other

- (a) review insurance coverage of significant business risks and uncertainties including Directors and Officers coverage;

- (b) review material litigation and its impact on financial reporting;
- (c) review the company's use of derivative financial instruments and provide recommendations to the Board;
- (d) review the company's "Level of Authority Document" and provide recommendations to the Board;
- (e) review fees paid to outside professional consultants i.e.: lawyers, accountants, other than consultants placed in operations in lieu of full time staff;
- (f) review company loans to Executive/Employees/consultants;
- (g) review policies and procedures for the review and approval of officers expenses and perquisites;
- (h) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- (i) review and approve all hiring of employees and former employees of the present or former external auditor of the Corporation and review and approve the Corporation's policies with respect thereto; and
- (j) review the terms of reference for the Committee annually and make recommendations to the Board as required.

IV. ACCOUNTABILITY

The Committee shall report its discussions to the Board by distributing the minutes of its meetings and where appropriate, by oral report at the next Board meeting.

V. STANDARDS OF LIABILITY

Nothing contained in these terms of reference is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in these terms of reference are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.