



**Fireswirl**  
Technologies Inc.

**NOTICE OF ANNUAL GENERAL MEETING  
AND MANAGEMENT INFORMATION CIRCULAR**

Date and Time: Monday, December 22, 2014  
at 10:00 a.m. (Vancouver time)

Place: 1000 Cathedral Place  
925 West Georgia Street  
Vancouver, British Columbia  
V6C 3L2

November 17, 2014



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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MONDAY, DECEMBER 22, 2014**

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TO: The shareholders of Fireswirl Technologies Inc.

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Fireswirl Technologies Inc. (the "**Corporation**") will be held at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada, on Monday, December 22, 2014, at 10:00 a.m. (Vancouver time) (the "**Meeting**"), for the following purposes:

1. to receive the financial statements of the Corporation for the financial year ended December 31, 2013, together with the report of the auditors thereon;
2. to re-appoint MNP Meyers Norris Penny LLP as auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors for the ensuing year;
3. to consider and, if thought fit, to pass, with or without variation, an ordinary resolution in the form attached as Schedule "A" to the management information circular of the Corporation dated November 17, 2014 (the "**Circular**") affirming, ratifying and approving the Corporation's stock option plan in substantially the form attached as Schedule "B" to the Circular;
4. to elect directors of the Corporation for the ensuing year; and
5. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice of meeting is the Circular and a form of proxy, which includes a financial statement request form.

Registered shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the Circular accompanying this notice of meeting. A proxy will not be valid unless it is received by Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 or by facsimile to 416-263-9524 or 866-249-7775 (toll free in North America) not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The chairman of the Meeting has the discretion to accept proxies received after that time.

DATED at Vancouver, British Columbia, this 17<sup>th</sup> day of November, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS**

/s/ Tony Lau

Tony Lau  
Chairman

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



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## MANAGEMENT INFORMATION CIRCULAR

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### INFORMATION CONTAINED IN THIS CIRCULAR

This management information circular (the "**Circular**") is being furnished to holders (the "**Shareholders**") of common shares ("**Common Shares**") in the capital of Fireswirl Technologies Inc. (the "**Corporation**") in connection with the solicitation of proxies by management of the Corporation for use at the Annual General Meeting of Shareholders to be held at 10:00 a.m. (Vancouver time) on Monday, December 22, 2014 at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada, and any adjournment(s) or postponement(s) thereof (the "**Meeting**") for the purposes set forth in the notice of meeting dated November 17, 2014 (the "**Notice of Meeting**").

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Corporation at nominal cost. The cost of this solicitation will be borne by the Corporation. The Notice of Meeting, this Circular and a form of proxy (the "**Proxy**"), which includes a financial statement request form, will be mailed to beneficial owners of Common Shares commencing on or about Wednesday, November 26, 2014. In this Circular, except where otherwise indicated, all dollar amounts are expressed in Canadian currency.

The information contained in this Circular is given as at November 17, 2014, unless otherwise noted.

### RECORD DATE

The board of directors of the Corporation has set the close of business on Thursday, November 20, 2014, as the record date (the "**Record Date**") for determining which Shareholders shall be entitled to receive notice of and to attend and vote at the Meeting. Only Shareholders of record as of the Record Date are entitled to receive notice of and to attend and vote at the Meeting. Persons who acquire Common Shares after the Record Date will not be entitled to vote such Common Shares at the Meeting.

### APPOINTMENT OF PROXYHOLDERS

The persons named in the accompanying Proxy as proxyholders are management's representatives. **A Shareholder has the right to appoint a person or company who need not be a Shareholder, other than the persons designated in the enclosed Proxy, to attend and act on behalf of the Shareholder at the Meeting.** A Shareholder wishing to exercise this right may do so either by striking out the printed names and inserting the desired person or company's name in the blank space provided in the Proxy or by completing another proper Proxy.

To be valid, the Proxy must be signed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney. The Proxy, to be acted upon, must be deposited with the Corporation, c/o its agent, Computershare Investor Services Inc., by delivery to: Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1 or by telephone or over the internet as specified in the form or proxy, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. **Failure to properly complete or deposit a Proxy may result in its invalidation.**

## VOTING OF PROXIES

If the Proxy is completed, signed and delivered to the Corporation, the persons named as proxyholders therein shall vote or withhold from voting the Common Shares in respect of which they are appointed as proxyholders at the Meeting in accordance with the instructions of the Shareholder appointing them, on any show of hands and/or on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the persons appointed as proxyholders shall vote accordingly. The Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to all amendments, variations and other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, the board of directors of the Corporation knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the Proxy.

**If no choice is specified by a Shareholder with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the persons designated by management in the Proxy will vote the Common Shares represented thereby in favour of such matter.**

## NON-REGISTERED HOLDERS

**Only registered Shareholders or duly appointed proxyholders are permitted to attend and vote at the Meeting. Most Shareholders are "non-registered Shareholders" because the shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased their shares.** More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of applicable securities laws, the Corporation has distributed copies of the Notice of Meeting, this Circular and the Proxy, which contains a financial statement request form (collectively, the "**Meeting Materials**"), to the depositories and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) receive a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete and deliver the Proxy; or
- (b) more typically, receive a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to attend and vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders and insert the Non-Registered Holder's name in the blank space provided, or in the case of a proxy authorization form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

### REVOCABILITY OF PROXY

Any Shareholder returning the enclosed Proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairperson of the Meeting prior to the commencement of the Meeting. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation's authorized capital consists of an unlimited number of Common Shares without par value. The Corporation is also authorized to issue an unlimited number of preferred shares without par value, issuable in series. The Common Shares are the only issued and outstanding voting securities of the Corporation, the holders thereof being entitled to one vote for each Common Share held. As at November 20, 2014, being the Record Date, there were a total of 53,571,285 Common Shares issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, the only person who beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the votes attached to the issued and outstanding Common Shares is disclosed in the table below:

Name	Number of Common Shares Owned	Approximate Percentage of Total Issued Common Shares
Tony Lau <sup>(1)</sup>	8,496,840	15.86%

<sup>(1)</sup> 3,350,000 of these Common Shares are held through Profit Star Investments Limited, a British Columbia private company owned by Mr. Lau. Mr. Lau also holds options to purchase up to 90,000 Common Shares.

### EXECUTIVE COMPENSATION

Pursuant to applicable securities legislation, the Corporation is required to provide a summary of all annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of the individuals comprised of the Chief Executive Officer, Chief Financial Officer and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and the Chief Financial Officer, of the Corporation whose individual total compensation for the most recently completed financial year exceeds \$150,000 and any individual who would have satisfied these criteria but for the fact that the individual was not serving as such an officer, nor acting in a similar capacity, at the end of the most recently completed financial year (each referred to as a "**Named Executive Officer**").

#### Compensation Discussion and Analysis

The board of directors of the Corporation has appointed a compensation and corporate governance committee (the "**CCGC Committee**") to assist it in determining compensation for its executive officers. In determining compensation, the Corporation's goal is to provide sufficient compensation opportunities for executive officers

in order to attract, retain and motivate the best possible management team and to align the interests of the Corporation's executive officers with the interests of the Shareholders. The Corporation's compensation policy with respect to executive officers is designed to provide both short-term and long-term rewards that are consistent with individual and corporate performance. Compensation for executive officers, including the Chief Executive Officer and Chief Financial Officer, consists of a base salary and options granted on a discretionary basis under the Corporation's stock option plan (the "**Option Plan**").

Each executive officer's base salary is determined with reference to such officer's experience, skill level, past performance, level of responsibility and regulatory guidelines in respect of executive compensation levels. In setting base salaries, the board of directors and the CCGC Committee rely primarily on their own experience and knowledge and ensure that compensation remains at a level that is both in line with the Corporation's fiscal resources and its stage of development. Compensation of the executive officers of the Corporation is reviewed annually to take into account performance contributions for the year and to reflect sustained performance contributions from past years.

The Corporation also considers stock options to be an important component of executive compensation. The objective of making grants under the Option Plan is to encourage executive officers to acquire an ownership interest in the Corporation over a period of time, thus better aligning the interests of executive officers with the interests of Shareholders. Options are granted in consideration of the level of responsibility of the executive as well as the executive's impact or contribution to the longer-term operating performance of the Corporation. In determining the number of options to be granted to the executive officers, the board of directors and the CCGC Committee take into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "**Exchange**"), and closely align the interests of the executive officers with the interests of Shareholders.

### **Compensation Governance**

The CCGC Committee is appointed by the board of directors to, among other things, discharge the board of director's responsibilities relating to compensation of the Corporation's directors and officers. The CCGC Committee is comprised of James Borkowski, Steven Hsieh and Ji Yoon. James Borkowski and Steven Hsieh are "independent" members of the CCGC Committee as that term is used in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). For further information about the role of the CCGC Committee, please see the sections of this Circular entitled "*Corporate Governance – Compensation Committee*" and "*Executive Compensation – Compensation Discussion and Analysis*".

All members of the CCGC Committee have experience in compensation matters either as members of compensation committees of other companies and/or from having served as senior executives with significant responsibility for or involvement in compensation matters. For further information about the experience of the members of the CCGC Committee, see the sections of this Circular entitled "*Election of Directors*" and "*Audit Committee – Relevant Education and Experience*".

### **Risk Management**

Neither the board of directors of the Corporation nor the CCGC Committee formally considered the implications of risks associated with the Corporation's compensation policies and practices during the year ended December 31, 2013. However, due to the relatively small size of the Corporation and its current management group, the board of directors of the Corporation and the CCGC Committee are able to monitor and consider, on an informal basis, risks which may be associated with the Corporation's compensation policies and practices. Risks, if any, may be identified and mitigated through regular board and committee meetings during which financial and other information of the Corporation is reviewed. The Corporation does not have any formal policy respecting the purchase by a Named Executive Officer or a director of financial instruments.

## Summary Compensation Table

The following table states the names of each Named Executive Officer, his annual compensation, consisting of salary, bonus, option-based awards and other annual compensation for each of the Corporation's three most recently completed financial years.

Name and Principal Position	Year	Salary (\$)	Option-Based Awards (\$) <sup>(1)</sup>	All Other Compensation (\$)	Total Compensation (\$)
Tony Lau Chairman, President, Chief Executive Officer and Chief Technology Officer	2013	175,154	Nil	Nil	175,154
	2012	175,154	3,773	Nil	178,927
	2011	158,400	11,480	Nil	169,880
Ji Yoon Interim Chief Financial Officer and Corporate Secretary	2013	72,000	Nil	Nil	72,000
	2012	72,000	2,934	Nil	74,934
	2011	67,500	8,929	Nil	76,429

<sup>(1)</sup> The amounts in this column represent the fair value of stock options, which is estimated on the date of grant using a Black-Scholes option pricing model. See discussion below.

The compensation amounts reported as option-based awards in the above table represent the estimated grant date fair value of the stock options granted during the year. All of these stock options were granted with an exercise price equal to the market price of the Common Shares on the date of grant. The amounts reported do not represent the net cash proceeds received by the individuals from the exercise of stock options.

The Corporation uses a Black-Scholes option pricing model to estimate the fair value of stock options at the date of grant. The following assumptions were used in the valuation model:

Expected volatility:	80% to 150%
Risk-free interest rate:	1.30% – 3.85%
Expected life:	1 year to 5 years
Dividend yield:	Nil

## Outstanding Option-Based Awards

Name	Option-based Awards			
	Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
Tony Lau	50,000	0.05	Nov. 10, 2014	12,750
	90,000	0.15	Aug. 29, 2016	13,950
Ji Yoon	70,000	0.15	Aug. 29, 2016	10,850

The table above states the name of each Named Executive Officer, the number of options available for exercise, the option exercise price and the expiration date for each option as at December 31, 2013. The closing price of the Corporation's Common Shares on the Exchange on December 31, 2013 was \$0.305. As at December 31, 2013, the value of in-the-money unexercised options held by the Named Executive Officers was \$37,550.

The Corporation did not have a long-term incentive plan pursuant to which cash or non-cash compensation intended to serve as an incentive for performance (whereby performance is measured by reference to financial

performance or the price of the Corporation's securities) was paid or distributed to the Named Executive Officers during the most recently completed financial year.

### Option-Based Awards – Value Vested during the Year

Name	Option-based awards – Value vested during the year (\$)
Tony Lau	Nil
Ji Yoon	Nil

The table above discloses the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised by the Name Executive Officers on the vesting date. During the financial year ended December 31, 2013, no options held by the Named Executive Officers vested.

### Termination and Change of Control Benefits

Mr. Lau receives an annual salary pursuant to an employment agreement with the Corporation and all benefits which the Corporation offers to its senior executives and board of directors for his services as President and Chief Executive Officer of the Corporation. Upon termination without just cause by the Corporation of Mr. Lau's employment agreement, Mr. Lau is entitled to a payment from the Corporation consisting of one year's salary plus a one-time adjustment of fifteen percent (15%) of such amount. Had Mr. Lau's employment agreement been terminated without just cause on December 31, 2013, he would have been entitled to a payment of \$190,440 from the Corporation.

Mr. Yoon receives a monthly salary for his services as interim Chief Financial Officer pursuant to a consulting agreement dated December 15, 2008. The Corporation may terminate the consulting agreement at any time by providing 30 days written notice, or providing a lump sum payment of in lieu of notice, plus any amounts due to Mr. Yoon under the agreement up to the date of termination. Had Mr. Yoon's consulting agreement been terminated December 31, 2013, Mr. Yoon would not have been entitled to any payment from the Corporation unless the termination occurred without notice, in which case he would have been entitled to a payment of \$6,000 in lieu of such notice.

### Director Compensation

Outside directors of the Corporation are paid on the basis of an annual retainer of \$8,000, paid quarterly. The Corporation had no arrangements, standard or otherwise, pursuant to which outside directors were compensated by the Corporation or its subsidiaries for committee participation, involvement in special assignments or for services as a consultant or an expert during the most recently completed financial year. The following table (and notes thereto) states the names of each director, who is not also a Named Executive Officer, and the fees earned for the most recently completed financial year of the Corporation.

Name <sup>(1)</sup>	Fees earned (\$)	Option-based awards (\$) <sup>(2)</sup>	All other compensation (\$)	Total (\$)
James Borkowski	8,000	Nil	Nil	8,000
Steven Hsieh	8,000	Nil	Nil	8,000
Liang Li	Nil	Nil	Nil	Nil

<sup>(1)</sup> Disclosure relating to compensation for each of Mr. Lau and Mr. Yoon is contained in the Summary Compensation Table above. As inside directors, Mr. Lau and Mr. Yoon are not paid directors' fees.

<sup>(2)</sup> The amounts in this column represent the fair value of stock options which is estimated on the date of grant using a Black-Scholes option pricing model. See discussion under the section entitled "Summary Compensation Table" above.



### Outstanding Option-Based Awards – Directors

Name <sup>(1)</sup>	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)
James Borkowski	50,000	0.05	Nov. 10, 2014	12,750
	50,000	0.15	Aug. 29, 2016	7,750
Steven Hsieh	50,000	0.05	Nov. 10, 2014	12,750
	50,000	0.15	Aug. 29, 2016	7,750
Liang Li	Nil	N/A	N/A	N/A

<sup>(1)</sup> Relevant disclosure for each of Mr. Lau and Mr. Yoon is contained in the "Outstanding Option-Based Awards" table above.

The table above states the name of each director, the number of options available for exercise, the option exercise price and the expiration date for each option as at December 31, 2013. The closing price of the Corporation's Common Shares on the Exchange on December 31, 2013 was \$0.305. As at December 31, 2013, the value of in-the-money unexercised options held by the directors was \$41,000.

### Option-Based Awards – Value Vested During the Year – Directors

Name <sup>(1)</sup>	Option-based awards – Value vested during the year (\$)
James Borkowski	Nil
Steven Hsieh	Nil
Liang Li	Nil

<sup>(1)</sup> Relevant disclosure for each of Mr. Lau and Mr. Yoon is contained in the "Option-Based Awards – Value Vested during the Year" table above.

The table above discloses the aggregate dollar value that would have been realized if the options under the option-based awards had been exercised by the directors on the vesting date. During the financial year ended December 31, 2013, no options held by the directors vested.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The board of directors and the Shareholders have adopted the Option Plan, attached hereto as Schedule "B", for its directors, officers, employees and consultants. The purpose of the Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to acquire Common Shares thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

The Option Plan is administered by the board of directors of the Corporation. The Option Plan provides that options will be issued pursuant to option agreements which shall provide for the expiration of such options on a date not later than the maximum term permitted by the Exchange. A maximum number of Common Shares issuable upon the exercise of all options granted under the Option shall not exceed ten percent (10%) of the issued and outstanding Common Shares, from time to time, provided that options may not be granted to an individual director, officer or employee to purchase a number of Common Shares equalling more than five percent (5%) of the issued Common Shares in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets Exchange requirements. Options will not be granted if the exercise thereof would result in the issuance to any one consultant in any twelve-month period of more than two percent (2%) of the issued Common Shares, or in the case of persons employed to provide investor relation services, would result in the issuance of more than two percent (2%) of the issued Common Shares in any twelve-month period. Options issued pursuant to the Option Plan will have an exercise price determined by the directors of the Corporation, provided that the exercise price shall not be less than the price permitted by the Exchange.

Options granted under the Option Plan are non-transferable (unless specifically provided in the Option Plan or as may be permitted by the Exchange) and expire the earlier of the period set by the directors of the Corporation (not to exceed the maximum term permitted by the Exchange) or ninety (90) days from the date the optionee ceases to be an officer, director, employee or consultant of the Corporation, unless such participant was engaged in investor relations activities in which case such exercise must occur within thirty (30) days after the cessation of the participant's services to the Corporation. In the event of death of an optionee, options held by such optionee will expire the earlier of the period set by the directors of the Corporation (not to exceed the maximum term permitted by the Exchange) or one (1) year from the date of ceasing to be an officer, director, employee or consultant of the Corporation due to death.

The Option Plan provides for a cash surrender option, pursuant to which, while the Common Shares are listed and posted for trading on a recognized stock exchange, participants may elect to surrender unexercised options granted pursuant to the Option Plan that are vested and exercisable to the Corporation in consideration of the receipt by the participant of an amount equal to the excess, if any, of the aggregate fair market value of the Common Shares (based on the weighted average trading price of the Common Shares on such stock exchange during the five trading days preceding the date of surrender or the price pursuant to an offer made for all of the issued and outstanding Common Shares, whichever is greater) able to be purchased pursuant to the vested and exercisable portion of such options on the date of surrender, over the aggregate exercise price for the Common Shares pursuant to such options. In no circumstances will the participant at any time be obligated to surrender options as provided by the cash surrender option. The Corporation may, in its sole discretion, refuse to accept the surrender of unexercised options and if any such surrender is not accepted by the Corporation or completed for any reason, the notice of surrender shall be deemed to be withdrawn and the options in respect of which such notice was provided shall again become subject to their original terms as if such notice of surrender had not been provided.

### Equity Compensation Plan Information

The following table sets out securities authorized for issuance under equity compensation plans as of December 31, 2013, the end of the Corporation's most recently completed financial year.

Option Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders (Option Plan) <sup>(1)</sup>	1,550,000	\$0.14	3,457,128

<sup>(1)</sup> The aggregate number of Common Shares issuable upon the exercise of all options granted under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares from time to time.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or was a director, executive officer, employee or former director, executive officer or employee of the Corporation or any of its subsidiaries was, within thirty (30) days before the date of this Circular, indebted to the Corporation or any of its subsidiaries or indebted to another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### MANAGEMENT CONTRACTS

To the best of the knowledge of the directors and officers of the Corporation, management functions of the Corporation are not, to any substantial degree, performed by a person other than the directors and executive officers of the Corporation.

## AUDIT COMMITTEE

The Corporation has an Audit Committee whose primary function is to assist the board of directors of the Corporation in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and Shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes.

### **Audit Committee Charter**

The Audit Committee operates under a written charter that sets out its responsibilities and composition requirements. The text of the Audit Committee's charter is set forth at Schedule "C" attached hereto.

### **Composition of the Audit Committee**

The members of the Audit Committee are James Borkowski, Ji Yoon and Steven Hsieh. Messrs. Borkowski and Hsieh are considered by the board of directors of the Corporation to be independent members of the Audit Committee within the meaning of NI 52-110, and all of the members of the Audit Committee are considered by the board of directors of the Corporation to be financially literate within the meaning of NI 52-110.

### **Relevant Education and Experience**

The education and experience of each Audit Committee member which is relevant to the performance of his responsibilities as an Audit Committee member, including education or experience that would provide the member with an understanding of accounting principles used by the Corporation to prepare its financial statements, experience preparing, auditing, analyzing or evaluating financial statements and an understanding of internal controls and procedures for financial reporting is set forth below.

**James Borkowski** – Mr. Borkowski is currently the Chairman and Chief Executive Officer of StonePoint Global Brands Inc. and has acted in such capacity since February 2003. Mr. Borkowski has also been a director of StonePoint Global Brands Inc. since January 1997.

**Ji Yoon** – Mr. Yoon is presently the Finance Director and Corporate Secretary of SeaStar Solutions (formerly known as Teleflex Canada Inc. and formerly owned by Teleflex Incorporated (NYSE: TFX)) and was formerly the Chief Financial Officer and Corporate Secretary of JER Envirotech International Corp. Mr. Yoon has also acted as Chief Financial Officer and Controller for Taiga Building Products Ltd., Corporate Controller of Seon Design Inc. and Controller of BC Hot House Foods Inc. Mr. Yoon is a Certified Management Accountant and holds a Bachelor of Commerce degree from the University of Alberta, a Business Diploma (Honours) from Lambton College of Applied Arts and Technology in Sarnia, Ontario and an MBA from Queen's University, Ontario. Mr. Yoon is a member of the American Institute of Certified Public Accountants and also serves on the adjudicating board of the Certified Management Accountants Strategic Leadership Program.

**Steven Hsieh** – Mr. Hsieh is in public practice as a Certified Management Accountant in Vancouver, British Columbia. In addition to serving as a director of the Corporation, Mr. Hsieh also served as a director and Chairman of the audit committee of Chai-Na-Ta Corp, which is listed on the OTCBB.

### **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 the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), 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 adopted specific policies and procedures for the engagement of non-audit services by its external auditors. The Audit Committee's charter provides that the Audit Committee shall pre-approve all non-audit-related services and the fees and other compensation for such non-audit services provided by the Corporation's external auditors.

## External Auditor Service Fees (by category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending December 31,	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees
2013	\$86,601	Nil	Nil	Nil
2012	\$92,546	Nil	Nil	Nil

- (1) Audit fees were for professional services rendered by the auditors for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related relate to performance of limited procedures performed by the Corporation's auditors related to interim reports.
- (3) Tax fees relate to tax compliance, tax advice and tax planning services.

## Exemption

In providing the disclosure in this section, the Corporation is relying on the exemption in section 6.1 of NI 52-110.

## CORPORATE GOVERNANCE

The board of directors believes that sound corporate governance practices are essential to the effective, efficient and prudent operation of the Corporation and to the enhancement of shareholder value. The board of directors fulfils its mandate directly and through committees at regularly scheduled meetings or as required.

### Board of Directors

The directors are responsible for managing and supervising the management of the business and affairs of the Corporation. Each year, the board of directors must review the relationship that each director has with the Corporation in order to satisfy themselves that the relevant independence criteria have been met.

Steven Hsieh and James Borkowski are independent directors of the Corporation in that they are free from any interest which could reasonably interfere with their exercise of independent judgment as directors of the Corporation. Tony Lau and Ji Yoon are executive officers of the Corporation and therefore not independent. Liang Li is an executive officer of a subsidiary of the Corporation and therefore also not independent.

### Directorships

James Borkowski is currently a director of StonePoint Global Brands Inc.

## **Orientation and Continuing Education**

The Corporation does not have a formal process of orientation and education for new members of the board of directors. The current directors are experienced in boardroom procedure and corporate governance and generally have a good understanding of the business. As necessary, new members of the board of directors are provided with information about the Corporation, the role of the board, the board's committees, the board of directors and the Corporation's industry. In addition, the Corporation provides continuing education for its directors as such needs arise.

## **Ethical Business Conduct**

Each director, officer and employee in the exercise of their duties and responsibilities must act in honesty and good faith in the best interest of the Corporation and in compliance with applicable laws, rules and regulations.

In addition, the board of directors must comply with conflict of interest provisions in the *Business Corporations Act* (British Columbia) and relevant securities regulatory instruments in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest. To ensure directors of the Corporation exercise independent judgement in considering transactions, agreements or decisions in respect to which a director or executive officer has declared a material personal interest (in accordance with relevant corporate law requirements), the board follows a practice whereby any such board member must be absent during any board discussion pertaining thereto and not cast a vote on any such matter.

## **Nomination of Directors**

Although the Corporation has not constituted a nominating committee to propose new director nominees, the CCGC Committee is responsible for advising the board of directors with respect to the filling of vacancies on the board of directors and making recommendations as to nominees for the board of directors. The CCGC Committee analyzes the needs of the board of directors when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet such needs. New candidates are introduced to the board of directors by members of the CCGC Committee. In order to foster and objective nomination process, the independent members of the board are encouraged to recommend nominees for the board.

## **Compensation**

The CCGC Committee is appointed by the board of directors to, among other things, discharge the board of director's responsibilities relating to compensation of the Corporation's directors and officers.

The CCGC Committee annually reviews and approves corporate goals and objectives relevant to the compensation of the Chief Executive Officer, evaluates the Chief Executive Officer's performance in light of those goals and objectives and sets the Chief Executive Officer's compensation level based on this evaluation. The CCGC Committee meets without the presence of other executive officers when approving the Chief Executive Officer's compensation but may invite the Chief Executive Officer to be present during approval of other executive officer compensation.

## **Assessments**

The board of directors is responsible for keeping management informed of its evaluation of the performance of the Corporation and its senior officers in achieving and carrying out the board of directors established goals and policies, and is also responsible for advising management of any remedial action or changes which it may consider necessary. Additionally, directors are expected to devote the time and attention to the Corporation's business and affairs as necessary to discharge their duties as directors effectively. The board does not have a

formal process to monitor the effectiveness of the board, its committees and individual members, but rather relies on an informal review process. In order to gauge performance, the board considers the following:

- (i) input from directors, when appropriate;
- (ii) attendance of directors at meetings of the board and any committee; and
- (iii) the competencies and skills each individual director is expected to bring to the board and each committee.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Ordinary Resolution Approving the Corporation's Stock Option Plan**

The Shareholders will be asked to vote for an ordinary resolution (in substantially the form of resolution set out in Schedule "A" to this Circular) affirming, ratifying and approving the Option Plan in substantially the form attached to this Circular as Schedule "B". As the Corporation's Option Plan is a "rolling plan", the Exchange requires that such plans receive yearly approval at the Corporation's annual meeting.

The resolution also authorizes any amendment to the form of the Option Plan in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation and authorizes each director and officer of the Corporation to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the resolution approving the Option Plan, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination. Further, notwithstanding that the resolution has been duly passed by the Shareholders, the resolution authorizes the directors of the Corporation to revoke the resolution at any time prior to it being acted upon without further approval from the Shareholders.

In order to be effective, the proposed resolution must be passed by a simple majority of the votes cast by the Shareholders who vote in respect of such resolution. Unless instructed in the Proxy to the contrary, the persons named in the accompanying Proxy intend to vote to affirm, ratify and approve the Option Plan.

## **ELECTION OF DIRECTORS**

The Corporation currently has five directors. Management does not propose to change the number of directors.

It is the intention of the persons named in the enclosed form of proxy to nominate and vote in favour of the election of the persons listed below (the "**Nominees**") (unless the Shareholder submitting a form of proxy otherwise directs, as provided in the form of proxy). The Board of Directors knows of no reason why any of these nominees would be unable to serve, but in the event of any such inability, the form of proxy received will be voted in favour of the election of such substituted nominees as the Board of Directors may recommend.

The following table (and notes thereto) states the name of the proposed Nominees and each director of the Corporation whose term will continue after the Meeting, all offices of the Corporation now held by him, his principal occupation, the period of time for which he has been a director of the Corporation and the number of Common Shares beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name, Province and Country of Residence	Principal Occupation	Current Position(s) with the Corporation	Director Since	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Tony Lau <i>Hong Kong SAR, China</i>	Chairman, President, Chief Executive Officer and Chief Technology Officer of the Corporation.	Chairman, President, Chief Executive Officer, and Chief Technology Officer	May 18, 2006	8,496,840 <sup>(1)(2)</sup>
Ji Yoon <i>British Columbia, Canada</i>	Finance director and Corporate Secretary of SeaStar Solutions (formerly Teleflex Canada Inc., a subsidiary of Teleflex Incorporated (NYSE: TFX)) a global provider of medical technology products, and a member of the adjudicating board of the Certified Management Accountants Strategic Leadership Program.	Interim Chief Financial Officer and Director	January 2, 2008	Nil <sup>(3)</sup>
James Borkowski <i>British Columbia, Canada</i>	Chairman and Chief Executive Officer of StonePoint Global Brands Inc., an international brand development and deployment company.	Director	January 2, 2008	Nil <sup>(4)</sup>
Steven Hsieh <i>British Columbia, Canada</i>	Certified Management Accountant in Vancouver, British Columbia, and previously a director and Chairman of the audit committee of Chai-Na-Ta Corp., a company engaged in the growing, processing and marketing of North American ginseng.	Director	September 1, 2006	100,500
Liang Li <i>Beijing, China</i>	Senior Vice President of Xinchang Xinda Technology Development Co. Ltd. since August 2010 and previously Assistant to the Chief Executive Officer of Beijing Comsenz Innovative Technology Co. Ltd.	Senior Vice President of Beijing Xinchang Xinda Technology Development Co. Ltd. <sup>(5)</sup>	December 21, 2012	1,000,000 <sup>(6)</sup>

(1) 3,350,000 of these Common Shares are held through Profit Star Investments Limited, a Hong Kong private company owned by Mr. Lau.

(2) Tony Lau also holds options to purchase 90,000 Common Shares.

(3) Ji Yoon also holds options to purchase 70,000 Common Shares.

(4) James Borkowski holds options to purchase 50,000 Common Shares.

(5) Beijing Xinchang Xinda Technology Development Co. Ltd. is a subsidiary controlled by the Corporation.

(6) These shares are held by Zhai Lina, spouse of Mr. Li.

The Corporation has an Audit Committee of which James Borkowski, Ji Yoon and Steven Hsieh are members. The general function of the Audit Committee is to review the overall audit plan and the Corporation's system of internal controls to review the results of the external audit and to resolve any potential dispute with the Corporation's auditors. The Corporation has a CCGC Committee, of which James Borkowski, Steven Hsieh and Ji Yoon are members.

Except as otherwise disclosed herein, to the knowledge of management of the Corporation, each of the Nominees is not as at the date hereof and has not been within the past ten (10) years: (i) a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while he was acting in such capacity, or after he ceased to act in such capacity and which resulted from an event that occurred while he was acting in such capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied such company access to any exemption under securities legislation, that was in effect for more than thirty (30) consecutive days; (ii) a director or executive officer of any company (including the Corporation) that, while he was acting in such capacity or within a year of him ceasing to act in such 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 (iii) has been bankrupt, made a proposal under any legislation relating to

bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold any of his assets.

To the knowledge of management of the Corporation, each of the Nominees has not been subject to 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 any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for him as director of the Corporation.

### **APPOINTMENT OF AUDITORS**

Management of the Corporation will recommend at the Meeting that the Shareholders re-appoint MNP Meyers Norris Penny LLP as auditors of the Corporation to hold office until the next annual general meeting of Shareholders, and authorize the directors to fix their remuneration.

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

Except as otherwise disclosed herein, no director, executive officer or proposed Nominee for election as a director of the Corporation, or any associate or affiliate of such director, officer or proposed Nominee has any material interest, direct or indirect, by way of beneficial ownership of securities of the Corporation or otherwise, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors of the Corporation.

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

Except as otherwise disclosed herein, no informed person of the Corporation, proposed director of the Corporation or any associate or affiliate of an informed person or proposed director, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation of any of its subsidiaries.

For the purposes of this Circular, an "informed person" means (i) a director or officer of the Corporation, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

On October 28, 2014, the Corporation announced that it had entered into an asset purchase agreement with Fung Holdings (1937) Limited ("**Fung**"), pursuant to which the Corporation agreed to sell its Shenzhen e-commerce platform and related assets to Fung for an aggregate purchase price of up to \$8 million. As a condition precedent to the closing of the transaction, Mr. Tony Lau has agreed to resign his role as the Chief Executive Officer of the Corporation no later than six months from the date of closing, at which time Mr. Lau is expected to join Fung as an employee. Mr. Lau is expected to serve on a consultancy basis to Fung in the interim period, if any, between the closing of the transaction and his resignation. For additional information, see the Corporation's news release of October 28, 2014, available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **REGISTRAR AND TRANSFER AGENT**

The registrar and transfer agent for the Corporation is Computershare Investor Services Inc. through its office located in Vancouver, British Columbia.



## **OTHER BUSINESS**

Management of the Corporation knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matters which are not known to management of the Corporation shall properly come before the Meeting, the Proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis by sending a written request to: Suite 2823, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1L4, Attention: President. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year which are also available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **APPROVAL OF INFORMATION CIRCULAR**

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED at Vancouver, British Columbia, this 17<sup>th</sup> day of November, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF FIRESWIRL TECHNOLOGIES INC.**

*/s/ Tony Lau* \_\_\_\_\_

Tony Lau  
Chairman

## SCHEDULE "A"

### RESOLUTIONS FOR THE ANNUAL GENERAL MEETING

#### To approve the Stock Option Plan of Fireswirl Technologies Inc.

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the stock option plan (the "**Plan**") of Fireswirl Technologies Inc. (the "**Corporation**") in or substantially in the form attached as Schedule "B" to the management information circular of the Corporation dated November 17, 2014 be, and is hereby, affirmed, ratified and approved. The form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation and each director and officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and
2. notwithstanding this resolution having been duly passed by the shareholders of the Corporation, the directors of the Corporation be, and are hereby, authorized and empowered to revoke this resolution at any time prior to it being acted upon without further approval of the shareholders of the Corporation.

## SCHEDULE "B"

### STOCK OPTION PLAN OF FIRESWIRL TECHNOLOGIES INC.

#### 1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of **FIRESWIRL TECHNOLOGIES INC.**, a corporation continued under the *Business Corporations Act* (British Columbia) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

#### 2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option to purchase shares (an "**Option**") granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

#### 3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

#### 4. Shares Subject to Plan

Subject to adjustment as provided in Section 16 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The

aggregate number of Shares issuable upon the exercise of all Options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any Option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

However, other than in connection with a "Qualifying Transaction" (as defined in Policy 2.4 of the Exchange) or otherwise accepted by the Exchange, during the time that the Corporation is a "Capital Pool Company" (as defined in Policy 2.4 of the Exchange), the aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the common shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering.

5. **Maintenance of Sufficient Capital**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. **Eligibility and Participation**

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. **Exercise Price**

- (a) The exercise price of the Options shall be determined by the Board at the time the Options are granted, but shall not be less than the "market price" of the Shares subject to the maximum discount permitted by the Exchange on the last trading day prior to the date on which such options are granted. For purposes of the Plan, the "market price" is the last closing price of the Shares before the issuance of any news release disclosing the grant of an option or the filing of a price reservation form, subject to the exceptions provided for by the applicable Exchange's policies or, if the Corporation does not issue a news release to fix the price, the market price is the last closing price of the Shares on the Exchange prior to the date of the grant of the option

(less the maximum applicable discount permitted by the Exchange). In the event that the Shares did not trade on the last business day prior to the issuance of the news release or the date of the grant of the option, as the case may be, the market price is the average of the bid and asked prices in respect of such shares at the close of trading on such date. In the event that the Shares are not listed and posted for trading on any exchange, the market price is the fair market value of such shares as determined by the Board in its sole discretion.

- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the Corporation's shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

## 8. **Number of Optioned Shares**

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Unless otherwise permitted by the Exchange, Insiders (as defined in the policies of the Exchange), as a group, of the Corporation may not be granted options to purchase a number of Shares equalling more than 10% of the issued common shares of the Corporation in any twelve-month period, calculated at the date an Option is granted to any Insider, unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries).
- (e) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.

## 9. **Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange ("**TSX Venture**"), the maximum term may not exceed 10 years if the Corporation is classified as

a "Tier 1" issuer by the TSX Venture, and the maximum term may not exceed 5 years if the Corporation is classified as a "Tier 2" issuer by the TSX Venture.

**10. Option Period, Consideration and Payment**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

**11. Ceasing To Be a Director, Officer, Consultant or Employee**

- (a) Subject to subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.
- (b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Corporation's Qualifying Transaction (as such terms are defined in the policies of the Exchange), the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.

- (c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. **Death of Participant**

Notwithstanding Section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the option at the date of his death.

13. **Rights of Optionee**

No person entitled to exercise any Option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

14. **Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

15. **Adjustments**

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

16. **Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and Options may only be exercised by the Participant.

17. **Amendment and Termination of Plan**

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

18. **Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

19. **Effective Date of Plan**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

20. **Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.



## SCHEDULE "C"

### Audit Committee Charter of the Corporation

#### I. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

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

#### II. Composition

The Committee shall be comprised of three directors as determined by the board of directors, each of whom shall be free from any relationship that, in the opinion of the board of directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation's charter, the definition of "financially literate" is the ability to read and understand a balance sheet, an income statement and a cash flow statement. The definition of "accounting or related financial management expertise" is the ability to analyze and interpret a full set of financial statements, including the notes attached thereto, in accordance with Canadian generally accepted accounting principles.

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

#### III. Meetings

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

IV. Responsibilities and Duties

To fulfil its responsibilities and duties, the Committee shall:

**Documents/Reports Review**

1. Review and update this charter annually.
2. Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

**External Auditors**

3. Review annually the performance of the external auditors who shall be ultimately accountable to the board of directors and the Committee as representatives of the shareholders of the Corporation.
4. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors.
5. Take, or recommend that the full board of directors take, appropriate action to oversee the independence of the external auditors.
6. Recommend to the board of directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
7. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
8. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
9. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
10. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;

- ii. such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and
- iii. such services are promptly brought to the attention of the Committee by the Corporation and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the board of directors to whom authority to grant such approvals has been delegated by the Committee.

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

### **Financial Reporting Processes**

- 11. In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- 12. Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- 13. Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- 14. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to the appropriateness of such judgments.
- 15. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- 16. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- 17. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- 18. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- 19. Review the certification process.
- 20. Establish a procedure for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

### **Other**

- 21. Review any related-party transactions.