

**SCAVO RESOURCE CORP**  
**909 Bowron Street**  
**Coquitlam, British Columbia V3J 7W3**

October 30, 2012

**Dear Scavo Resource Corp Shareholder:**

Re: Annual General Meeting of Shareholders

You are invited to attend the annual general meeting (the “**Meeting**”) of the holders of common shares of Scavo Resource Corp (Formerly Pure Living Media Inc) (the “**Company**”), to be held at Suite 300 - 576 Seymour Street Vancouver BC, V6B 3K1, on December 4, 2012 at 9:00 a.m. (Vancouver time).

At the Meeting, you will be asked to consider and, if deemed advisable, to approving the following by ordinary resolution:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended May 31, 2012;
2. To elect the directors of the Company until the Company’s next annual general meeting and to fix the number of directors at 4;
3. To appoint Davidson & Company LLP, Chartered Accountants, as the Company’s auditor for the fiscal year ended May 31, 2013 and to authorize the Board of Directors to fix the remuneration to be paid to the auditor; and
4. To approve the adaption of an incentive stock option plan.

Further Information

The accompanying Notice of Annual General Meeting and Information Circular provide a full description of the matters to be considered at the Meeting and include certain additional information to assist you in considering how to vote in respect such matters. You are encouraged to consider carefully all of the information in the Information Circular. If you require assistance, you should consult your financial, legal or other professional advisor.

Your vote is important, regardless of the number of the Company’s common shares that you own. If you are a registered shareholder of the Company, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy by not later than 5:00 p.m. (Vancouver time) on November 30, 2012 to the transfer agent in accordance with the instructions set out in the form of proxy and in the Information Circular to ensure that your shares will be voted at the Meeting in accordance with your instructions, whether or not you are able to attend in person. If you hold your shares in the Company through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your shares.

Thank you for your continued support.

Yours very truly,

*“Arndt Roehlig”*  
Arndt Roehlig  
Chief Executive Officer

**SCAVO RESOURCE CORP  
909 Bowron Street  
Coquitlam, British Columbia  
V3J 7W3**

**NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF  
SCAVO RESOURCE CORP**

NOTICE IS HEREBY GIVEN THAT the annual general meeting and (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of SCAVO RESOURCE CORP (formerly Pure Living Media Inc) (the “**Company**”) will be held at the offices of Fang and Associates Barristers & Solicitors (“**Fang**”), at Suite 300, 576 Seymour St, Vancouver, British Columbia V6C 3L2, on December 4, 2012 at 9:00 a.m. (Vancouver time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended May 31, 2012 ;
2. To elect the directors of the Company until the Company’s next annual general meeting and to fix the number of directors at 4;
3. To appoint Davidson & Company LLP, Chartered Accountants, as the Company’s auditor for the fiscal year ended May 31, 2013 and to authorize the Board of Directors to fix the remuneration to be paid to the auditor; and
4. To approve the adaption of an incentive stock option plan

Specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Information Circular. Any registered Shareholder may attend the Meeting in person or may be represented by proxy. Registered Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, such proxy must be received by the transfer agent at its office in accordance with the instructions set out in the form of proxy and in the Information Circular no later than November 30, 2012 at 5:00 p.m. (Vancouver time), or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the start of such adjourned or postponed meeting. Non-registered Shareholders should complete and return the accompanying voting instruction form or other authorization provided to them in accordance with the instructions provided therein. Failure to do so may result in the shares held by such Shareholder not being voted at the Meeting. If you have any questions about the information contained in the Information Circular or require assistance in completing your form of proxy or letter of transmittal, please contact the transfer agent.

The record date for determining the Shareholders entitled to receive notice of and to vote at the Meeting is October 30, 2012. Only Shareholders whose names have been entered in the central securities register of the Company on the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

The Information Circular and a form of proxy accompany this Notice.

If you have any questions about the information contained in the Information Circular or require assistance in completing your form of proxy or letter of transmittal, please contact the transfer agent.

Dated at the City of Vancouver, in the province of British Columbia, this 30th day of October, 2012.

BY ORDER OF THE BOARD OF DIRECTORS

*“Arndt Roehlig”*

Arndt Roehlig  
Chief Executive Officer and Director

**SCAVO RESOURCE CORP**  
**909 Bowron Street**  
**Coquitlam, British Columbia V3J 7W3**

**INFORMATION CIRCULAR**  
as at October 30, 2012

This Information Circular is being furnished in connection with the solicitation of proxies by the management of Scavo Resource Corp (Formerly Pure Living Media Inc) (the “**Company**”) for use at the annual general meeting (the “**Meeting**”) of the holders of its common shares (the “**Common Shares**”) to be held on December 4, 2012 at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

Cautionary Note Regarding Forward Looking Statements

This Information Circular includes “forward-looking statements” within the meaning of Canadian securities laws. All statements, other than statements of historical facts, included in this Information Circular that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements. When used in this Information Circular, the words “estimate”, “plan”, “anticipate”, “expect”, “intend”, “believe” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, you should not place undue reliance on forward-looking statements.

The forward-looking statements contained in this Information Circular are expressly qualified in their entirety by this cautionary statement. Such forward-looking statements are made as of the date of this Information Circular and, except as required under applicable securities laws, the Company does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise.

General

In this Information Circular, references to “**Beneficial Shareholders**” means shareholders who do not hold Common Shares in their own name; and “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that hold securities on behalf of Beneficial Shareholders. Unless otherwise indicated herein, all references to currency are to Canadian dollars.

No person has been authorized to give any information or to make any representation in connection with any matter described in this Information Circular other than those contained herein and, if given or made, any such information or representation should be considered not to have been authorized by the Company. This Information Circular does not constitute the

solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation. The information contained in this Information Circular should not be construed as legal, tax or financial advice.

## PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be by mail and the Internet, and the Company will bear all costs of the solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Beneficial Shareholders and the Company may reimburse such Intermediaries for their reasonable fees and disbursements in that regard.

### Appointment of Proxyholder

The individuals designated in the accompanying form of proxy (the “**Proxy**”) are officers and/or directors of the Company. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the individuals designated in the Proxy, who need not be a shareholder of the Company, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of the Company’s auditor and the election of directors,
- (b) any amendment to or variation of any matter identified in the Notice of Meeting, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

### Registered Shareholders

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a Proxy, you must complete, date and sign the Proxy, and then return it by mail to the offices of the transfer agent in accordance with the instructions set out in the form of proxy and in the Information Circular, by November 30, 2012 at 5:00 p.m. (Vancouver time), or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the start of such adjourned or postponed meeting at which the Proxy is to be used.

## Beneficial Shareholders

The following information is of significant importance to Beneficial Shareholders, who should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares).

If Common Shares are listed in an account statement provided to a shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. If you are a Beneficial Shareholder you should carefully follow the instructions of your Intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your Intermediary will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of the Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person or company other than the individuals designated in the voting instruction form (who need not be a shareholder of the Company), to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. If you receive a voting instruction form from Broadridge, you cannot use it to vote your Common Shares directly at the Meeting – the voting instruction form must be completed and returned to Broadridge well in advance of the Meeting in order to have your Common Shares voted.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common

Shares.

### Revocation of Proxies

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Bacchus at any time up to and including the last business day preceding the day of the Meeting or any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

If you are a Beneficial Holder you should contact your Intermediary and carefully follow the instructions provided by the Intermediary in order to revoke a voting information form or a proxy.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Board of Directors of the Company (the “**Board**”) has fixed October 30, 2012 as the record date (the “**Record Date**”) for determining persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of October 30, 2012 there were 13,342,235 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. As of October 30, 2012, the Company had no other class of securities.

To the knowledge of the directors and executive officers of the Company, the only persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at October 30, 2012 are:

Name of Shareholder	Number of Common Share Held	Percentage of Issued Common Shares
Bruno Gasbarro	2,190,000	16.41%
Arndt Roehlig	1,350,000	10.12%

The above information was supplied to the Company by Mr. Gasbarro and Mr. Roehlig compiled from Mr. Gasbarro and Mr. Roehlig’s insider reports available at [www.sedi.ca](http://www.sedi.ca).

## ELECTION OF DIRECTORS

The number of directors on the Board is currently set at four, and the Board proposes that the number of directors remain at four. Shareholders will therefore be asked to approve, by ordinary resolution, that the number of directors elected be fixed at four.

The term of office of each of the current directors will expire at the conclusion of the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) (the “**Act**”), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management’s nominees for election as directors, all positions with the Company and any of its subsidiaries each now holds, each nominee’s principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at October 30, 2012.



<b>Name of Nominee, Current Position(s) and Province or State and Country of Residence</b>	<b>Occupation, Business or Employment (1)</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled (1)</b>
Bruno Gasbarro (2) <i>Chief Financial Officer, Director</i> British Columbia, Canada	Chief Financial Officer of the Issuer since March 2010. President and CEO of Ravenstar Ventures Inc. (now Cancen Oil Canada Inc.) from September 2010 to October 2011 and a Director from September 2010 to January 2012. President and Chief Executive Officer of Coltstar Ventures Inc., a former CPC, which completed its qualifying transaction on April 29, 2009, from June 2007 to July 2009, and the CFO and a Director from June 2007 to April 2010. President and Chief Executive Officer of Eaglestar Ventures Inc. (now Waratah Coal Inc.) from January 2006 to December 2006.	January 16, 2007 – present	2,190,000
Arndt Roehlig (3) <i>President, Director</i> British Columbia, Canada	President and Director of Issuer since June 10, 2011, CEO. President of Coltstar Ventures Inc. since March 2012 and a Director since February 2012, President of Golden Raven Resources Inc. from July 20, 2010 to June 2012 and a Director from March 2007 to June 2012. President of Trivello Energy Corp. from March 2000 to May 2010. Director of Montello Resources Ltd. from March 2009 to July 2009.	June 10, 2011 - present	1,350,000
Salvatore Giantomaso (3)	Director of the Issuer since January 2012, and previously from January 2007 to December 2009. Director of Petrostar Petroleum Corporation from January 1997 to June 2010. Director of Ravenstar Ventures Inc. from March 2010 to October 2011. Director of Coltstar Ventures Inc. from June 2007 to June 2010.	January 2012 – present	365,000

Name of Nominee, Current Position(s) and Province or State and Country of Residence	Occupation, Business or Employment (1)	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled (1)
Jurgen Wolf (3)	Director of the Issuer January 2012. Director of Altima Resources Ltd since February 2006. Director of Iconic Minerals Ltd. since February 2005. Director of Golden Raven Resources Ltd. from March 2007 to June 2012. Director, President & CEO of Gold Jubilee Capital Corp. since July 2007. Director of Petrichor Energy Inc. since January 1994. Director of Transamerican Energy Inc. since July 2005. Director of Gainey Resources Ltd. since October 2008. Director, of Tasty Fries Inc. since September 1995, and the President, CEO, and CFO since October 2007. Director of Emerick Resources Corp from April 2007 to February 2010 and CFO from April 2007 to May 2007. Director of Garuda Capital Corp. from January 2003 to December 2010. Director of Gulfside Minerals Ltd from July 2001 to February 2008. Director of Trivello Energy Corp from June 2009 to March 2010. Director of Equitas Resources from June 2009 to March 2010.	January 2012 - present	100,000

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled by each director nominee is not within the knowledge of the management of the Company and has been furnished by each respective nominee. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) Mr. Gasbarro also holds options to purchase 12,500 Common Shares at an exercise price of \$2.40 per share expiring on January 19, 2015, and options to purchase 12,500 Common Shares at an exercise price of \$5.20 per share expiring on May 20, 2015.
- (3) Member of the Company's audit committee.

#### Further Information

Arndt Roehlig, a director and President of the issuer, has been a director of Montello Resources Ltd. from March 13, 2009 to August 7, 2009. On April 8, 2009, Montello was subject to a cease order (the "CTO") issued by the British Columbia Securities Commission for failure to file quarterly financial statements ("FS"). Montello was reinstated to trading on June 8, 2009.

Management of Montello did not make Mr. Roehlig aware of the pending failure to file FS and MD&A. Mr. Roehlig then immediately introduced a new accountant to Montello, who was subsequently appointed CFO of Montello on June 23, 2009.

Further, Mr. Roehlig joined the BOD of Coltstar Ventures Inc. on February 6, 2012 and was appointed President on March 14, 2012. Mr. Roehlig joined as director and President to represent certain dissenting shareholders, which were disappointed in the performance of Coltstar Ventures Inc. On May 10, 2012 Coltstar Ventures Inc was issued a cease trade order for failure to file annual financial statements for the year ending December 31, 2011. Since this time, Mr. Roehlig along with the new board of directors have worked diligently with the Company's auditors Davidson & Co. to address certain issues that arose during the audit for 2011. The outcome is still pending as of October 30, 2012.

Salvatore Giantomaso, a director of the Issuer, has been a director of Saintstar Ventures Inc. when trading of the company's shares were halted on September 22, 2004 and suspended on February 10, 2005 for failure to complete a qualifying transaction within 18 months of listing. Saintstar Ventures Inc. was voluntarily delisted on October 7, 2005. Mr. Giantomaso was also a director of Petrostar Petroleum Corporation when it was halted on November 7, 2003, pending clarification on company affairs. Petrostar Petroleum Corporation was then suspended on December 8, 2003, pending a review of TSX Venture Exchange requirements and reinstated on January 7, 2004.

### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Accountants ("**Davidson**"), will be nominated at the Meeting for reappointment as the Company's auditor with remuneration to be fixed by the Board. Davidson was first appointed as the auditor of the Company on January 16, 2007.

### **CORPORATE GOVERNANCE**

#### General

Corporate governance refers to the policies and structure of the board of directors of a company whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the Board of Directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

#### Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its independent supervision over management through choosing management who demonstrate a high level of integrity and ability and also by having strong independent Board members.

The independent Board members are Jurgen Wolf and Salvatore Giantomaso. The non-independent Board members are Arndt Roehlig, the Chief Executive Officer of the Company, and Bruno Gasbarro, the Chief Financial Officer of the Company. A majority of the Board of

Directors is independent, as only two directors are officers of the Company.

### Directorships

Arndt Roehlig is a director of Coltstar Ventures Inc, a reporting issuer.

### Orientation and Continuing Education

When new directors are appointed to the Board, they receive an orientation, commensurate with their previous experience, on the Company's business, technology and industry and on the responsibilities of directors.

Meetings of the Board may also include presentations by the Company's management to give the directors additional insight into the Company's business.

### Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### Compensation

Compensation for the directors and executive officers of the Company is determined solely based on discussion by the Board. The Board follows a compensation philosophy that aligns the interests of such directors and officers with those of the Company's shareholders and seeks to provide incentives designed to ensure that the Company attracts, retains and motivates qualified individuals in the highly competitive technology industry.

The Board believes that a compensation package including consulting fees and equity-based incentives is appropriate in achieving its objectives. The Company does not have any predetermined performance goals for its executive officers, but expects each executive officer to serve the Company and its shareholders to the best of his abilities.

Each of the executive officers who serve the Company in both full time and part time capacities are compensated primarily by a consulting fee that is negotiated between the Board and the executive officer. The rationale of providing a consulting fee is to reward the executive officer's time spent on the Company and its development, and provide a reasonable incentive for the executive officer to focus his attention on the Company.

Stock options are granted to executive officers when the Board wishes to align such officers'

interests with those of the shareholders. The number of stock options granted to each executive officer is determined solely by the Board and is based on the executive officer's performance, his consulting fee, if any, and the Company's share price at the time such options are granted.

### Other Board Committees

The Board has no other committees other than the audit committee.

### Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and the audit committee.

## **COMPENSATION OF EXECUTIVE OFFICERS**

### Executive Compensation

In this section "Named Executive Officer" means the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end.

Arndt Roehlig, the Company's Chief Executive Officer, and Bruno Gasbarro, the Company's Chief Financial Officer, are each Named Executive Officers for the purposes of the following disclosure. Pursuant to Item 1.3(2) of Form 51-102F6, the Company has omitted certain tables and columns of tables that do not apply to this disclosure.

### Summary Compensation Table

The following summary compensation table discloses the compensation paid to the Named Executive Officers during the Company's three most recently completed financial years:

<b>Name and Proposed Principal Position</b>	<b>Year Ended May 31</b>	<b>Option-based awards<sup>(1)</sup> (\$)</b>	<b>Total compensation (\$)</b>
Arndt Roehlig, CEO	2012	Nil	\$60,000
Bruno Gasbarro, CFO	2012	Nil	\$60,000

### Narrative Discussion

There are currently no formal agreements in place to compensate the Company's executive officers. The Company may pay remuneration to its directors and officers if the Board feels the Company is able to do so. At present, the Company is in the development stage and has not

generated any revenue, therefore no cash compensation was paid during the year ended May 31, 2012.

### Outstanding Share-Based Awards and Option-Based Awards

<b>Option-Based Awards</b>				
<b>Name</b>	<b>Number of Securities Underlying Unexercised Options</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-The-Money Options <sup>(1)</sup></b>
Bruno Gasbarro	12,500	\$5.40	January 19, 2015	Not in the money
	12,500	\$2.40	May 20, 2015	Not in the money

- (1) "In-the-Money Options" means the difference between the market value of the Common Shares on May 31, 2010, and the exercise or base price of the options. The calculation is based on a market price of \$0.10 per share on May 31, 2010.

### Value Vested or Earned Incentive Plan Awards

<b>Name</b>	<b>Option-Based awards – Value Vested During the Year (\$)(1)</b>	<b>Share-Based awards – Value Vested During the Year (\$)</b>	<b>Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)</b>
Arndt Roehlig <i>Chief Executive Officer</i>	Nil	N/A	N/A
Bruno Gasbarro <i>Chief Financial Officer</i>	Nil (2) Nil (3)	N/A	N/A

- (1) Determined by calculating the difference between the market price of the underlying Common Shares on the vesting date and the exercise price of the options.
- (2) The options vested on May 21, 2010, the date of grant. The exercise price of the options is \$2.40 per share and the market price was \$2.40 per share.
- (3) The options vested on January 19, 2010, the date of grant. The exercise price of the options is \$5.40 per share and the market price was \$5.40 per share.

### **PENSION PLAN BENEFITS**

The Company has no pension plans that provide for payments or benefits at, following, or in connection with retirement.

### **TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Company has no employment contracts with any of its Named Executive Officers.

There are no compensation plan(s) or arrangement(s) with respect to the Named Executive

Officers resulting from the resignation, retirement or any other termination of the Named Executive Officer's employment with the Company or from a change of control of the Company or a change in the Named Executive Officer's responsibilities following a change in control.

## COMPENSATION OF DIRECTORS

The following table discloses all amounts of compensation provided to the directors of the Company for the Company most recently completed financial year:

Director Name	Option-Based Awards (\$) (1)	Total
Jurgen Wolf	Nil	N/A
Salvatore Giantomaso	Nil	N/A

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

## MANAGEMENT CONTRACTS

There are no management functions of the Company or any of its subsidiaries which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company or its subsidiaries.

## AUDIT COMMITTEE CHARTER

### The Audit Committee's Charter

The Audit Committee's mandate and charter can be described as follows:

1. Each member of the Audit Committee shall be a member of the Board of Directors, in good standing, and the majority of the members of the audit committee shall be independent in order to serve on this committee.
2. At least one of the members of the Audit Committee shall be financially literate.
3. Review the Committee's charter annually, reassess the adequacy of this charter, and recommend any proposed changes to the Board of Directors. Consider changes that are necessary as a result of new laws or regulations.
4. The Audit Committee shall meet at least four times per year, and each time the Company proposes to issue a press release with its quarterly or annual earnings information. These meetings may be combined with regularly scheduled meetings, or more frequently as circumstances may require. The Audit Committee may ask members of the Management or others to attend the meetings and provide pertinent information as necessary.

5. Conduct executive sessions with the outside auditors, outside counsel, and anyone else as desired by the committee.
6. The Audit Committee shall be authorized to hire outside counsel or other consultants as necessary (this may take place any time during the year).
7. Approve any non-audit services provided by the independent auditors, including tax services. Review and evaluate the performance of the independent auditors and review with the full Board of Directors any proposed discharge of the independent auditors.
8. Review with the Management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the independent auditor.
9. Consider, with the Management, the rationale for employing accounting firms rather than the principal independent auditors.
10. Inquire of the Management and the independent auditors about significant risks or exposures facing the Company; assess the steps the Management has taken or proposes to take to minimize such risks to the Company; and periodically review compliance with such steps.
11. Review with the independent auditor, the audit scope and plan of the independent auditors. Address the coordination of the audit efforts to assure the completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
12. Inquire regarding the "quality of earnings" of the Company from a subjective as well as an objective standpoint.
13. Review with the independent accountants: (a) the adequacy of the Company's internal controls including computerized information systems controls and security; and (b) any related significant findings and recommendations of the independent auditors together with the Management's responses thereto.
14. Review with the Management and the independent auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet structures, if any.
15. Review with the Management, the independent auditors, the interim and annual financial report before they are filed with the regulatory authorities.
16. Review with the independent auditor that performs an audit: (a) all critical accounting policies and practices used by the Company; and (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Management of the Company, the ramifications of each alternative and the treatment preferred by the Company.
17. Review all material written communications between the independent auditors and the Management.
18. Review with the Management and the independent auditors: (a) the Company's annual financial statements and related footnotes; (b) the independent auditors' audit of the financial statements and their report thereon; (c) the independent auditor's judgments about the quality, not just the acceptability, of the Company's accounting principles as applied in its financial reporting; (d) any significant changes required in the independent auditors' audit plan; and (e) any serious difficulties or disputes with the Management encountered during the audit.
19. Periodically review the Company's code of conduct to ensure that it is adequate and up-to-date.



20. Review the procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization. Review any complaints that might have been received, current status, and resolution if one has been reached.
21. Review procedures for the confidential, anonymous submission by employees of the organization of concerns regarding questionable accounting or auditing matters. Review any submissions that have been received, the current status, and resolution if one has been reached.
22. The Audit Committee will perform such other functions as assigned by law, the Company's articles, or the Board of Directors.

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

The members of the Audit Committee are Arndt Roehlig, Salvatore Giantomaso and Jurgen Wolf, a majority of which are independent and at least one member of which is financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgement.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

### **Relevant Education and Experience**

The directors which are appointed as members of the Audit Committee will have an understanding of the accounting principles used by the Company to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Morgan & Company, Chartered Accountants, of Vancouver, British Columbia) not adopted by the Board.

### **Reliance on Certain Exemptions**

During the most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110 *Audit Committees*. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of all the non-audit services not pre-approved is reasonably expected to be no more than 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided, the Company did not recognize the services as non-audit services at the time of engagement, and the services are promptly brought to the attention of the audit committee and approved prior to the completion of the audit by the audit committee. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of the Instrument, in whole or in part.

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

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of National Instrument 52-110 *Audit Committees*, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case by case basis.

### External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audited services provided by Morgan & Company, Chartered Accountants, of Vancouver, British Columbia to the Company to ensure auditor independence. Fees incurred with Morgan & Company, Chartered Accountants, of Vancouver, British Columbia for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

Nature of Services	Fees Paid to Auditor in Year ended May 31, 2012	Fees Paid to Auditor in the prior Fiscal Year
Audit Fees (1)	\$27,417.60	\$37,128.00
Audit-Related Fees (2)	0	0
Tax Fees (3)	\$5,040.00	\$8,064.00
All Other Fees (4)	0	0
<b>Total</b>	<b>\$32,457.60</b>	<b>\$45,192.00</b>

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

### Exemption

The Company is relying upon the exemption in section 6.1 of National Instrument 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under NI 52-110.

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

### Stock Option Plan

To approve the adaption of an incentive stock option plan described as follows: under the Stock Option Plan, the Board of Directors may grant up to 10% of the issued number of shares issued and outstanding as at the date of the stock option grant. On this basis, the Stock Option Plan shall be operated as a “rolling” plan. Under the Stock Option Plan the maximum term of any option will be five years from the date of grant or such lesser period as determined by the Board of Directors. Under the Stock Option Plan the Board of Directors shall not: (i) issue more than 5% of the issued and outstanding shares of the Company (determined at the date of the stock option grant) to any one individual in any 12 month period; and (ii) grant to insiders, within a 12 month period, a number of options exceeding 10% of the number of the issued and outstanding shares of the Company (determined at the date of the stock option grant). A copy of the Stock Option Plan will be available for inspection at the Meeting. Management believes that the Stock Option Plan is in the Company's best interests and recommend that the shareholders approve the Stock Option Plan.

The Board recommends that you vote in favour of the above resolutions.

### **ADDITIONAL INFORMATION**

Financial information is provided in the audited consolidated financial statements of the Company for the year ended May 31, 2012 and in the related management discussion and analysis and filed on SEDAR at [www.sedar.com](http://www.sedar.com). The audited consolidated financial statements of the Company for the year ended May 31, 2012 will also be placed before the Meeting.

Additional information relating to the Company is filed on SEDAR at [www.sedar.com](http://www.sedar.com) and upon request from the Company at (604) 936-2701. Copies of documents will be provided free of charge to securityholders of the Company. The Company may require the payment of a reasonable charge from any person or company who requests a copy of any such document and is not a securityholder of the Company.

### **OTHER MATTERS**

As of the date of this Information Circular, the Board is not aware of any matters, other than those referred to in the Notice of Meeting, which it anticipates will come before the Meeting. Should any other matters properly be brought before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting such proxies.

The contents of the Notice of Meeting and this Information Circular and its distribution to the shareholders of the Company have been approved by the Board.

DATED at Vancouver, British Columbia, this 30th day of October, 2012.

By order of the Board

*“Arndt Roehlig”*

Arndt Roehlig  
Chief Executive Officer