

KAIYUE INTERNATIONAL INC.

**2011
ANNUAL AND SPECIAL
MEETING**

Notice of Annual and Special Meeting of Shareholders

Management Information Circular

Place: Blake, Cassels & Graydon LLP
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary, Alberta T2P 4J8

Time: 4:00 p.m.

Date: February 18, 2011

KAIYUE INTERNATIONAL INC.

Notice of Annual and Special Meeting of Shareholders

Notice is hereby given that the annual and special meeting of the holders of common shares of Kaiyue International Inc. (the “**Corporation**”) will be held at Blake, Cassels & Graydon LLP, 855 - 2nd Street S.W., Suite 3500, Bankers Hall East Tower, Calgary, Alberta T2P 4J8 on February 18, 2011 at 4:00 p.m. (Calgary time) for the following purposes:

- (a) to receive the audited financial statements of the Corporation for the financial year ended December 31, 2009, and the accompanying report of the auditors;
- (b) to set the number of directors of the Corporation for the ensuing year at four ;
- (c) to elect directors of the Corporation for the ensuing year;
- (d) to appoint auditors and to authorize the Board of Directors to fix their remuneration;
- (e) to ratify and approve the continuation of the rolling incentive stock option plan for the Corporation;
- (f) to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution of the disinterested shareholders of the Corporation, the participation of an insider in respect of the non-brokered private placement of common shares in the capital of the Corporation, as more particularly described in the accompanying Management Information Circular;
- (g) to consider and, if thought appropriate, to pass, with or without variation, a special resolution to approve the change of name of the Corporation to “China Easy-Pay Inc.” or such other name as may be agreed to by the Directors of the Corporation, as more particularly described in the accompanying Management Information Circular; and
- (h) to transact such other business as may properly come before the meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the meeting are set forth in the Management Information Circular accompanying this Notice of Meeting.

Shareholders are invited to attend the meeting. *Registered shareholders* who are unable to attend the meeting in person are requested to complete, date and sign the enclosed form of proxy and send it in the enclosed envelope or otherwise to the Secretary of the Corporation c/o Equity Transfer & Trust Company, 1185 W Georgia Street, Vancouver, British Columbia, V6E 4E6 (“**Equity**”), or to the Secretary of the Corporation at the Corporation’s head office, which is located at 3500, 855 - 2 Street SW, Calgary, Alberta, T2P 4J8. *Non-registered shareholders* who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary.

To be effective, a proxy must be received by Equity or the Secretary of the Corporation not later than February 16, 2011 at 4:00 p.m. (Calgary time), or in the case of any adjournment of the meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

DATED the 19th day of January, 2011.

By Order of the Board of Directors

(signed) Hilda Sung

Hilda Sung
President and Chief Executive Officer

KAIYUE INTERNATIONAL INC.

Management Information Circular for the Annual and Special Meeting of Shareholders

THIS INFORMATION CIRCULAR CONTAINS INFORMATION AS AT JANUARY 19, 2011

SOLICITATION OF PROXIES

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation, by or on behalf of the management of Kaiyue International Inc. (the “Corporation”), of proxies to be used at the Corporation’s annual and special meeting of the holders of common shares (the “Common Shares”) to be held on February 18, 2011 (the “Meeting”) or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation’s transfer agent, Equity Transfer & Trust Company (“Equity”) at nominal cost. The cost of solicitation will be borne by the Corporation.

APPOINTMENT OF PROXYHOLDER

The person(s) designated by management of the Corporation in the enclosed form of proxy are **directors and/or officers** of the Corporation. **Each shareholder has the right to appoint as proxyholder a person or company (who need not be a shareholder of the Corporation) other than the person(s) or company(ies) designated by management of the Corporation in the enclosed form of proxy to attend and act on the shareholder’s behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person or company in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

In the case of *registered shareholders*, the completed, dated and signed form of proxy should be sent in the enclosed envelope or otherwise to the Secretary of the Corporation c/o Equity, 1185 W Georgia Street, Vancouver, British Columbia, V6E 4E6 or to the Secretary of the Corporation at the Corporation’s head office, which is located at 3500, 855 - 2 Street SW, Calgary, Alberta, T2P 4J8. To be effective, a proxy must be received by Equity or the Secretary of the Corporation not later than February 16, 2011 at 4:00 p.m. (Calgary time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

REVOCATION OF PROXY

A shareholder who has given a proxy may revoke it by:

- (a) depositing an instrument in writing signed by the shareholder or by the shareholder’s lawyer, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the shareholder or by the shareholder’s attorney, who is authorized in writing, to or at the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof; or
- (b) any other manner permitted by law.

VOTING OF PROXIES

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the form of proxy, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

NON-REGISTERED SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (i.e. non-registered or beneficial shareholders) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the beneficial shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, beneficial shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by beneficial shareholders in order to ensure that their shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services Inc. ("**Broadridge**"). Broadridge typically uses its own form of proxy, mails those forms to the beneficial shareholders and asks beneficial shareholders to either return the proxy forms to Broadridge or alternatively provide voting instructions by utilizing the Broadridge automated telephone system. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A beneficial shareholder receiving a proxy from Broadridge cannot use that proxy to vote shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.**

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a beneficial shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of

proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING SHARES

As of the Record Date (as defined below), the Corporation had 4,180,000 Common Shares outstanding, each carrying the right to one vote per Common Share. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date no person beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding Common Shares of the Corporation except as stated below.

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
Hilda Sung	1,700,000	77.98%

RECORD DATE

The Board of Directors has fixed January 17, 2011 as the record date (the "Record Date") for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the record date is entitled to vote the Common Shares registered in such shareholder's name at that date on each matter to be acted upon at the Meeting.

MATTERS TO BE ACTED UPON AT MEETING

1. Election of Directors

Shareholders will be asked to fix the number of directors to be elected at the Meeting at four. Under the constituting documents of the Corporation, directors of the Corporation are elected annually. Each director will hold office until the next annual meeting or until the successor of such director is duly elected or appointed, unless such office is earlier vacated in accordance with the by-laws.

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the proposed nominee's name. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as at the Record Date.

Nominee Name and Place of Residence	Principal Occupation	Director of the Corporation Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control is Exercised⁽²⁾
Joseph Shuen Chuen Chan⁽¹⁾ Ontario, Canada <i>Director, CFO and Corporate Secretary</i>	Businessman	November 23, 2009	100,000
Bradley Cran⁽¹⁾ Ontario, Canada <i>Director</i>	Lawyer	December 9, 2009	100,000
Hilda Sung Central, Hong Kong <i>Director, President and CEO</i>	Businesswoman	December 9, 2009	1,700,000
Paul Zhang⁽¹⁾ Vancouver, Canada <i>Director</i>	Businessman	January 5, 2010	100,000

⁽¹⁾ Member of Audit Committee.

⁽²⁾ Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, at the date hereof, based upon information furnished to the Corporation by individual directors and officers.

Ms. Hilda Sung serves as the Chief Executive Officer and President of Kaiyue International Inc. Ms. Sung serves as the Managing Director of China High Growth Fund Limited and YF Investment China Ltd. She serves as Vice President of the Hong Kong Society of Economists. She joined M Dream Inworld Ltd., on October 11, 2004. From May 2005 to September 2007, she was Marketing Director of HantecInternational Finance Group Limited. From July 2007 to September 2009, she was director of wealth management at Taifook Lexton Consultants Limited and from January 2008 to October 2009, was managing director at Taifook Lexton Investment Consultants (Shenzhen) Ltd. She has over 12 years of experience in the fields of investment and financial management. From December 2002 to August 2004, Ms. Sung was vice president of investment banking at Kingsway SW Securities Limited and managing director of Kingsway Finance Holdings Co. Ltd. She previously worked for Everbright Securities Company Limited and China Southern Securities Limited. Ms. Sung serves as the Chairman of the board of directors at YFFinancial Consultants (Shenzhen) and as a director for China Southern Futures Co. Ltd., and the Hong Kong Chamber of Medium Business Ltd. She has been a Director of Kaiyue International Inc., since December 9, 2009. Ms. Sung served as an Independent Non Executive Director of M Dream Inworld Ltd., (formerly, Inworld Group Limited). She obtained Master of Business Administration degree from the University of South Australia in 2002 and a bachelor of laws degree from the Tsing Hua University, Beijing, China in 2007.

Mr. Joseph Shuen Chuen Chan, MBA serves as the Chief Financial Officer and Corporate Secretary of Kaiyue International Inc. Mr. Chan also serves as an Qualified Accountant of Harmony Asset Ltd. Mr. Chan has over 30 years of accounting and management experience in the fields of industrial manufacturing, service industry, academic and Government. He has been a Director of Kaiyue International Inc. since November 23, 2009 and Champion Minerals, Inc. since November 2009. He has been a Director of Medifocus Inc. since 2010. He served as an Executive Director of Harmony Asset Ltd. since December 29, 2006. Professionally, Mr. Chan is a Fellow member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, and the Chartered Institute of Management

Accountants, as well as a Member of the Certified General Accountants Association of Canada. He is an Associate Member of The Institute of Chartered Accountants in England and Wales. Mr. Chan holds a Master of Business Administration degree from Heriot-Watt University, Edinburgh Business School, Scotland, UK.

Mr. Paul W. Zhang, CA, CPA (IL) has been the Chief Financial Officer and Vice President of Finance at Minco Gold Corporation, Minco Silver Corporation and Minco Base Metals Corporation since June 8, 2009. Mr. Zhang serves as President and Chief Executive Officer of 7177429 Canada Limited. He served as the Chief Financial officer of China One Corp. from 2007 to December 12, 2008. Mr. Zhang served as the Chief Financial Officer of Mountain China Resorts Holdings Limited (also known as Melco China Resorts (Holding) Ltd). from 2005 to January 1, 2009. He served as Chief Financial Officer of Migao Corporation (formerly H.K Migao Industry Limited) from May 18, 2006 to April 3, 2008. He served as Chief Financial Officer of IND DairyTech Limited until December 12, 2008. He founded Zhang & Du LLP and served as its Managing Partner from November 2001 to November 2005. From November 1, 2001 to March 2003, Mr. Zhang served as Controller and Manager of Accounting of Retirement Residences Real Estate Investment Trust. He has been Director of Asian Resource Global Strategies Inc. since September 2007; and Kaiyue International Inc., since January 5, 2010. He served as a Director of China One Corp., from 2007 to December 2008. He served as a Director of IND DairyTech Ltd. from October 22, 2010 to November 8, 2010. He is a member of the Canadian Institute of Chartered Accountants. He is a member of the Institute of Chartered Accountants of Ontario, the Institute of Chartered Accountants of British Columbia and is a Certified Public Accountant in the United States. Mr. Zhang obtained the degree of Bachelor of Business Administration from Simon Fraser University in 1993.

Mr. Bradley Cran has been a Director of Kaiyue International Inc. since December 9, 2009. Mr. Cran obtained his Bachelor of Laws degree from Dalhousie Law School, Halifax, Canada in 2000. After becoming a lawyer, Mr. Cran practiced corporate/commercial law at Blake, Cassels & Graydon LLP in Toronto, Canada until 2009 and was subsequently employed as legal counsel at Research In Motion Limited. He has much experience advising public and private companies on compliance with applicable regulatory requirements and Canadian corporate laws. Currently, he provides consulting services to Chinese companies doing business in Canada.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

None of the nominee directors of the Corporation:

- (a) is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:
 - (i) was the subject of a cease trade or similar order, or an order that denied the other relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) is, at the date of this Circular, or has been, within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or

insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

- (c) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

No proposed director of the Corporation has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

2. Appointment of Auditors

Deloitte Touche Tohmatsu are the current auditors of the Corporation. At the Meeting, the holders of Common Shares will be requested to re-appoint Deloitte Touche Tohmatsu as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board of Directors to fix the auditors' remuneration.

In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the re-appointment of Deloitte Touche Tohmatsu as auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board of Directors to fix the remuneration of the auditors.

3. Ratification of Stock Option Plan

Shareholders will be asked to approve an ordinary resolution set forth below in this Circular (the "**Option Plan Resolution**") ratifying the Corporation's existing stock option plan (the "**Option Plan**"), which is considered a "rolling" stock option plan, which reserves a maximum of 10% of the Corporation's total outstanding Common Shares at the time of grant for issuance pursuant to the Option Plan. Any previous granted options are governed by the Option Plan, and if options granted expire or terminate for any reason without having been exercised, the unpurchased Common Shares will again be available under the Option Plan. The policies of the TSX Venture Exchange (the "**Exchange**") provide that, where a Corporation has a rolling stock option plan in place, it must seek shareholder approval for such plan annually.

At present, the Corporation has 4,180,000 Common Shares issued and outstanding. This means that 418,000 Common Shares are currently available for options granted under the Option Plan at the date hereof. As the number of options currently outstanding is 200,000 the number of options available for grant is 218,000.

A full copy of the Option Plan will be available for inspection at the Meeting. A summary of the Option can also be found herein under "*Executive Compensation – Option Plan*"

In order for the resolution approving and ratifying the Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting.

The Board of Directors believes that the Option Plan is in the best interests of the Corporation and unanimously recommends that shareholders vote FOR the Option Plan. In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the Option Plan Resolution ratifying the Option Plan.

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

- A. The Option Plan of the Corporation is hereby ratified and shall continue and remain in effect until further ratification is required pursuant to the rules of the Exchange or other applicable regulatory requirements.
- B. Any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”

4. Approval of Related Party Transaction

The Corporation announced its proposal to complete a non-brokered private placement of common shares to raise approximately \$1,500,000, at a price of \$0.15 per share (the **“Private Placement”**) through a news release dated December 3, 2010. The proceeds of the Private Placement will be added to the Corporation’s working capital to be used towards the completion of its Qualifying Transaction in accordance with the rules of the Exchange. It is expected that Hilda Sung, the President and Chief Executive Officer of the Corporation, will subscribe for 4 million common shares of the Private Placement (the **“Transaction”**).

The Transaction constitutes a “related party transaction” under *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (**“MI 61-101”**), as Hilda Sung is a director, and officer of the Corporation, as well as a common shareholder with holdings greater than 10% in the Corporation.

Under MI 61-101, an issuer involved in a related party transaction must, among other things, (i) obtain minority approval (as defined in MI 61-101) of the transaction (the **“Minority Approval Requirement”**), and (ii) obtain a formal valuation of the subject matter of the transaction and provide a summary of the formal valuation in the disclosure document for the transaction (the **“Valuation Requirement”**), unless an exemption is available. In connection with the Transaction, the Corporation is entitled to rely upon an exemption from the Valuation Requirement under MI 61-101 applicable to issuers who are solely listed on the Exchange, as found in section 5.5(b) of MI 61-101.

The Transaction is subject to, among other things, TSX Venture Exchange approval and disinterested shareholder approval. In order to satisfy the Minority Approval Requirement, none of the common shares of the Corporation owned or controlled by Hilda Sung and her respective affiliates or person acting jointly or in concert with these parties may be voted with respect to this resolution. As of the date of this Circular, a total of 1,700,000 shares of the Corporation will be excluded from voting. At the Meeting, disinterested shareholders will be asked to approve the resolution below in order to complete the Transaction.

The Board of Directors believes that it is in the best interests of the Corporation and its shareholders that the Transaction be approved.

Disinterested shareholders will be asked to approve the following resolution authorizing the Transaction:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE DISINTERESTED SHAREHOLDERS THAT:

- A. The Transaction as set out in the Management Information Circular be approved.
- B. Any director or officer of the Corporation is hereby authorized to execute (whether under the corporate seal of the Corporation or otherwise) 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 in

connection with such approval, the execution of any such document or the doing of any such other act or thing by any director or officer of the Corporation being conclusive evidence of such determination.”

5. Approval of Name Change

Shareholders will be asked to approve a special resolution set forth below in this Circular (the “**Name Change Resolution**”) authorizing an amendment to the constating documents of the Corporation to change the name of the Corporation to “China Easy-Pay Inc.” or such other name as may be agreed to by the Directors of the Corporation (the “**Name Change**”).

The Name Change is being proposed to better reflect the nature of the Corporation's proposed business activities and proposed operations upon completion of the Corporation's proposed Qualifying Transaction, which is disclosed in the Corporation's news release of December 3, 2010. If the Name Change Resolution is approved by the requisite majority, Articles of Amendment in the prescribed form will, as soon as possible thereafter, be filed with the Registrar under the *Business Corporations Act* (Alberta) to give effect to the name change.

The Board believes that the Name Change is in the best interests of the Corporation and unanimously recommends that shareholders vote FOR the Name Change Resolution. In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the Name Change Resolution approving the Name Change.

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- A. Subject to any regulatory approvals, the articles of the Corporation are hereby amended to change the name of the Corporation to “China Easy-Pay Inc.” or to such other name as may be agreed to by the directors of the Corporation.
- B. The Corporation is hereby authorized to register the Name Change under the *Business Corporations Act* (Alberta) amending its constating documents as set forth above and any one director or officer of the Corporation is hereby authorized to execute and deliver for or on behalf of the Corporation all such documents and instruments, including doing such acts and things as may be considered necessary or desirable to give effect to the foregoing.
- C. Notwithstanding that this special resolution has been duly passed by the holders of Common Shares, the directors of the Corporation be, and they are hereby authorized and empowered to revoke this resolution at any time prior to the registration of the Name Change and to determine not to proceed without further approval of the holders of Common Shares or to complete the Name Change.
- D. Any one director or officer of the Corporation be and the same is hereby authorized and directed for an in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and deliver of such documents or the doing of any such act or thing.”

EXECUTIVE COMPENSATION

Compensation Discussion & Analysis

As the Corporation is a capital pool company, or “CPC” as defined in Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual (“**Policy 2.4**”), and except for the grant of a limited number of stock options, the Corporation is prohibited from paying any kind of remuneration, including salaries, consulting fees, management fees or directors’ fees, to non-arms length parties until such time as it completes its Qualifying Transaction (also as defined in Policy 2.4). The Corporation expects that it will provide compensation to its officers and directors upon completion of its Qualifying Transaction.

Summary Compensation Table

The following table sets out information concerning the compensation earned from the Corporation and any of the Corporation’s subsidiaries during the financial year ended December 31, 2010 by the Corporation’s Chief Executive Officer, Chief Financial Officer, and the Corporation’s other three most highly compensated executive officers whose total compensation was more than \$150,000, if applicable (collectively, the “**Named Executive Officers**”).

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Hilda Sung President and Chief Executive Officer	2010	Nil	Nil	\$5,000 ⁽¹⁾	Nil	Nil	Nil	Nil	\$5,000 ⁽²⁾
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Joseph Shuen Chuen Chan Chief Financial Officer and Corporate Secretary	2010	Nil	Nil	\$5,000 ⁽¹⁾	Nil	Nil	Nil	Nil	\$5,000 ⁽²⁾
	2009	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The full amount of the option-based award relates to the optionee’s role as an officer of the Corporation.
- (2) Pursuant to section 8.1 of Policy 2.4, no remuneration was paid to the officers of the Corporation other than the options disclosed.

Incentive Plan Awards

Pursuant to Policy 2.4, the Corporation is permitted to grant incentive stock options to acquire Common Shares to its directors and officers. The following table sets out the share and option based awards for each Named Executive Officer outstanding as of December 31, 2010.

Outstanding Share-Based Awards and Option-Based Awards for NEOs

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Hilda Sung President and Chief Executive Officer	50,000	\$0.10	August 6, 2015	\$5,000	N/A	N/A
Joseph Shuen Chuen Chan Chief Financial Officer and Corporate Secretary	50,000	\$0.10	August 6, 2015	\$5,000	N/A	N/A

Value Vested or Earned During the Year

The following table sets out for each Named Executive Officer information concerning the value of incentive plan awards, option awards as well as non-equity incentive plan compensation, vested or earned during the financial year ended December 31, 2010.

Name (a)	Option-based awards – Value vested during the year (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
Hilda Sung President and Chief Executive Officer	\$5,000	Nil	Nil
Joseph Shuen Chuen Chan Chief Financial Officer and Corporate Secretary	\$5,000	Nil	Nil

Equity Compensation Plan Information

The following table sets out information concerning the number and price of securities to be issued under equity compensation plans to employees and others as at the end of the Corporation's financial year ended December 31, 2010.

Plan Category	Number of Securities to be Issued upon Exercise of Options, Warrants and Rights (as at December 31, 2010) (a)	Weighted – Average Exercise Price of Outstanding Options, Warrants and Rights (as at December 31, 2010) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in (a)) (as at December 31, 2010) (c)
Equity Compensation Plans Approved by Securityholders	200,000	\$0.10	18,000
Equity Compensation Plans Not Approved by Securityholders	Nil	Nil	Nil
Total	200,000	\$0.10	18,000

Option Plan

The Corporation has adopted an incentive stock Option Plan that enables the directors, officers, employees and consultants of the Corporation and its affiliates to participate in the growth and development of the Corporation by providing such persons with the opportunity, through options to purchase Common Shares, to acquire an increased proprietary interest in the Corporation that is aligned with the interests of the shareholders.

The Option Plan provides that the directors of the Corporation may from time to time, in their discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issue will not exceed 10% of the number of then outstanding Common Shares. Such options will be exercisable for a period of up to five years after the date of grant thereof. The number of Common Shares reserved for issue to any individual director or officer will not exceed five per cent of the number of then outstanding Common Shares and the number of Common Shares reserved for issue to all technical consultants will not exceed two per cent of the number of then outstanding Common Shares. Options may be exercised the greater of 12 months after completion of the Corporation's Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Any Common Shares acquired pursuant to the exercise of options prior to completion of the Corporation's Qualifying Transaction must be deposited in escrow and will be subject to escrow until the bulletin is issued by the Exchange following closing of the Corporation's Qualifying Transaction that evidences the final acceptance by the Exchange of the Qualifying Transaction.

The Option Plan is administered by the Board of Directors which may grant options to directors, officers, employees and consultants of the Corporation and its affiliates. The Board of Directors has the discretion to determine to whom options will be granted, the number and exercise price of such options and the terms and time frames in which the options will vest and be exercisable. Options, however, may only be exercisable for a maximum of five calendar years from the date of grant and the exercise price of the options must be no less than the volume-weighted average trading price of the Common Shares on the Exchange for the five trading days preceding the date on which the granting of an option is approved by the Board of Directors.

As at the date hereof, the Corporation has reserved 200,000 Common Shares pursuant to the exercise of the directors' and officers' options. The directors' and officers' options were granted on the completion date of the

Corporation's initial public offering, and are qualified for distribution pursuant to the Corporation's prospectus, dated May 25, 2010.

Director Compensation

The following table sets out all compensation received by directors of the Corporation during the year ended December 31, 2010 who are not otherwise NEOs:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Bradley Cran <i>Director</i>	Nil	Nil	\$5,000	Nil	Nil	Nil	\$5,000
Paul Zhang <i>Director</i>	Nil	Nil	\$5,000	Nil	Nil	Nil	\$5,000

Pension Plan Benefits

As of the date hereof, the Corporation had no pension, defined benefit or defined contribution plans in place.

Termination and Change of Control Benefits

The Corporation has no plan or arrangement whereby any NEO may be compensated in the event of that NEOs resignation, retirement or other termination of employment, or in the event of a change of control of the Corporation or a change in the NEOs responsibilities following such a change of control.

Indebtedness of Directors and Executive Officers

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

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The Corporation is a “**venture issuer**” as that term is defined under *National Instrument 52-110 – Audit Committees* (“**NI 52-110**”). NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee's charter is attached as Appendix “A” to this Circular.

Composition of the Audit Committee

The members of the Audit Committee are Joseph Shuen Chuen Chan, Bradley Cran, and Paul Zhang. Each of Bradley Cran and Paul Zhang is independent. All members of the Audit Committee are financially literate.

Audit Committee Oversight

At no time since incorporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Relevant Education and Experience

Information regarding the relevant education and experience of the members of the Audit Committee is set out above in the section entitled “Matters to be Acted Upon – Election of Directors”.

Reliance on Certain Exemptions

At no time since incorporation has the Corporation relied on the exemption in Section 2.4 of NI 52-110 Audit Committees (“**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.

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

Pre-Approval Policies and Procedures

Except as otherwise set forth in the Audit Committee Charter, the audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The aggregate fees incurred with Deloitte Touche Tohmatsu for audit and non-audit services in the financial year ended December 31, 2009 and December, 2010 are outlined in the following table:

Nature of Services	Fees Paid to Auditor for the Year Ended December 31, 2010	Fees Paid to Auditor for the Year Ended December 31, 2009
Audit Fees ⁽¹⁾	\$11,930.00	\$7,000.00
Audit-Related Fees ⁽²⁾	\$5,000.00	\$4,000.00
Tax Fees ⁽³⁾	\$296.50	\$487.50
All Other Fees ⁽⁴⁾	Nil	Nil
Total	\$17,226.50	\$11,487.50

Notes:

- (1) “**Audit Fees**” include fees necessary to perform the annual audit and quarterly reviews of the Corporation’s financial statements and includes the fees of the Corporation’s auditor, Deloitte Touche Tohmatsu. Audit fees also 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 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 service.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Corporation, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. As used herein, an “informed person” means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the company or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself, if and for so long as, it has purchased, redeemed or otherwise acquired any of its shares.

MANAGEMENT CONTRACTS

Management functions of the Corporation and its subsidiaries are not, to any material degree, preformed by anyone other than directors or Named Executive Offices of the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation’s corporate governance disclosure obligations are set out in the Canadian Securities Administrators’ *National Instrument 58-101 – Disclosure of Corporate Governance Practices* (the “**National Instrument**”) and *National Policy 58-201 – Corporate Governance Guidelines*. These instruments set out a series of guidelines and requirements for effective corporate governance (together, the “**Guidelines**”). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. The National Instrument requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of the Corporation’s approach to corporate governance in relation to the Guidelines.

The Board of Directors

The National Instrument defines an “independent director” as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is in turn defined as a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of such member’s independent judgment. In determining whether a particular director is an “independent director” or a “non-independent director”, the Board of Directors considers the factual circumstances of each director in the context of the Guidelines.

The Board is currently comprised of four members, a majority of whom are “independent directors” within the meaning of the National Instrument. The two independent directors are: Bradley Cran and Paul Zhang. Two directors have material relationships with the Corporation and therefore are not independent. Hilda Sung is not independent as she is the President and Chief Executive Officer of the Corporation. Joseph Shuen Chuen Chan is not independent as he is the Chief Financial Officer and the Corporate Secretary of the Corporation.

The Chair of the Board, Hilda Sung, is not an independent director. The Chair of the Corporation's Board of Directors is also the President and Chief Executive Officer of the Corporation. The Board of Directors considers that this appointment is appropriate and beneficial to the Board of Directors, due to Ms. Sung's extensive knowledge of the Corporation's business and affairs.

Directorships

Name of Director	Name of other Reporting Issuer
Joseph Shuen Chuen Chan	Harmony Assets Ltd. (TSX, HSEI) Champion Minerals Inc. (TSX-V)
Paul Zhang	China One Corporation (TSX-V) Melco China Resorts (Holding) Limited (TSXV) Minco Gold Corporation (TSX, AMEX) Minco Silver Corporation (TSX) Minco Base Metals Gold Corporation Asian Resources Global Strategies Inc. (TSX-V)

Orientation and Continuing Education

The Board of the Corporation briefs all new directors with respect to the policies of the Board of Directors and other relevant corporate and business information. The Board does not provide any continuing education.

Nomination of Directors

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the required time, show support for the Corporation's mission and strategic objectives, and a willingness to serve.

Other Board Committees

The Board has no committees other than the Audit Committee. In light of the Corporation's current operations and small Board size the Corporation considers this reasonable.

Compensation

As a Capital Pool Company, the Corporation is not permitted to pay compensation to its management or Board of Directors in accordance with the policies of the TSX Venture Exchange. Following completion of the Company's Qualifying Transaction, the Board of Directors intends to conduct reviews with regard to the compensation of the directors and Chief Executive Officer once a year. To make its recommendations on such compensation, the Board of Directors intends to take into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

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.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information about the Corporation is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year.

Shareholders of the Corporation may request copies of the Corporation's financial statements and MD&A by contacting the Secretary of the Corporation at the Corporation's head office, which is located at 3500, 855 - 2 Street SW, Calgary, Alberta, T2P 4J8, telephone number (604) 631-3307.

* * * * *

DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the Board of Directors of the Corporation.

Dated as of January 19, 2011.

(signed) Hilda Sung

Hilda Sung
President and Chief Executive Office

APPENDIX “A”

Audit Committee Mandate

1. Introduction

The Audit Committee (the “Committee” or the “Audit Committee”) of Kaiyue International Inc. (“Kaiyue” or the “Company”) is a committee of the Board of Directors (the “Board”). The Committee shall oversee the accounting and financial reporting practices of the Company and the audits of the Company’s financial statements and exercise the responsibilities and duties set out in this Mandate.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Instrument 52-110 *Audit Committees*, as may be amended from time to time.

Chair

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this Mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, 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’s financial statements.

Term of Members

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Calling of Meetings

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Company's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

Meetings without Management

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

Access to Management

The Committee shall have unrestricted access to the Company's management and employees and the books and records of the Company.

4. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Company are traded, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "Applicable Requirements").

Financial Reports

(a) General

The Audit Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The auditors are responsible for auditing the Company's annual consolidated financial statements and for reviewing the Company's unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Audit Committee shall review the annual consolidated audited financial statements of the Company, the auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation ("MD&A"). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the Company, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;
- (iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under IFRS;

- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results;
- (x) review results of the Company's audit committee whistleblower hotline program; and
- (xi) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Approval of Other Financial Disclosures

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing, or based upon, financial results of the Company and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

Auditors

(a) General

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(c) Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) Discussions with Auditors

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) Audit Plan

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the Company.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Company that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(k) Communication with Internal Auditor

The internal auditor shall report regularly to the Committee. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.

The Committee shall periodically review and approve the mandate, plan, budget and staffing of the internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for the internal audit function.

(l) Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(a) General

The Audit Committee shall review the Company's system of internal controls.

(b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the Company's regulators;
- (iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the Company's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Company; the effectiveness of the Company's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Audit Committee Hotline Whistleblower Procedures

The Audit Committee shall establish for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Company's disclosure documents.

Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

6. Mandate Review

The Committee shall review and update this Mandate annually and present it to the Board for approval.