

**INFORMATION CIRCULAR**  
**FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF**  
**MERCURY CAPITAL II LIMITED**

(this information is given as of August 21, 2013)

**1. SOLICITATION OF PROXIES**

This Information Circular is provided in connection with the solicitation of proxies by the management of Mercury Capital II Limited (the “Corporation”) for use at the Annual and Special Meeting of the Shareholders of the Corporation (the “Meeting”), to be held on September 27, 2013, at the place and time and for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the “Notice of Meeting”) and at any adjournment thereof. This solicitation is being made primarily by mail, but proxies may also be solicited by directors, officers or employees of the Corporation. The cost of the solicitation of proxies will be borne by the Corporation.

**2. APPOINTMENT OF PROXYHOLDERS**

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A shareholder has the right to appoint a person other than the persons named in the enclosed forms of proxy to attend and vote for him or her at the Meeting.** In order to do so, the shareholder may cross out the names printed in these forms of proxy and insert such person’s name in the blank space provided thereon or complete another form of proxy. In either case, the duly completed forms of proxy must be delivered to the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof or the Secretary of the Meeting, on the day of the Meeting or any adjournment thereof. It is not necessary to be a shareholder in order to act as a proxy.

**3. REVOCATION OF PROXIES**

A shareholder may revoke his proxy at any time, relating to any question for which the voting right granted by the proxy has not yet been exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Such revocation must be deposited with the Corporation, c/o Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, M5J 2Y1, facsimile: (416) 263-9524, at any time up to an including the day preceding the day of the Meeting, or with the Chairman or Secretary of the Meeting on the day of the Meeting, or in any other manner permitted by law.

**4. EXERCISE OF PROXY**

The voting rights attached to the common shares in the capital of the Corporation (the “Common Shares”) represented by proxies will be voted or withheld from voting in accordance with the instructions indicated therein. **If no instructions are given, the voting rights attached to said Common Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the matters described therein.**

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments or other matters to come before the Meeting.

**5. NON-REGISTERED HOLDERS**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Common Shares in their own name (the “Beneficial Shareholders”) are advised that only proxies from shareholders of record can be recognized and voted at the Meeting.** Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their Common Shares as a registered shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The instrument of proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in such shareholder’s name on the record of the Corporation. Such Common 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 Common Shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Corporation do not know for whose benefit the shares registered in the name of CDS & Co. are held.

Under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, brokers and other intermediaries are required to request voting instructions from Beneficial Shareholders prior to shareholder meetings. Brokers and other intermediaries have their own procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. In Canada, most brokers now delegate the responsibility of obtaining their clients’ instructions to Broadridge Investor Communications Inc. (“**BIC**”). Beneficial Shareholders who receive a voting instruction form from BIC may not use the said form to vote directly at the Meeting. If you have questions on how to exercise voting rights attached to shares held through a broker or other intermediary, please contact the broker or intermediary directly.

Although a Beneficial Shareholder will not be recognized at the Meeting for the purposes of directly exercising voting rights attached to shares registered in the name of his broker (or a representative thereof), he may attend the Meeting as proxy of the registered shareholder and, as such, exercise the voting rights attached to such shares.

**Unless otherwise indicated in this Information Circular and in the form of proxy and Notice of Meeting attached hereto, shareholders shall mean registered shareholders.**

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

Except as described elsewhere in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Corporation, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

## **7. VOTING SECURITIES AND PRINCIPAL HOLDERS**

As at the date hereof, the Corporation had 1,852,065 Common Shares outstanding, representing the Corporation’s only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share carries the right to one vote at the Meeting. A quorum for the transaction of business at the Meeting is two shareholders, or one or more proxyholders representing two shareholders, or one shareholder and a proxyholder representing another shareholder, holding or representing not less than five percent (5%) of the issued and outstanding Common Shares enjoying voting rights at the Meeting.

The record date to determine the shareholders eligibility to receive the Notice of Meeting and vote at the Meeting was fixed at August 23, 2013 (the “**Record Date**”).

To the knowledge of the directors and senior officers of the Corporation as at the date hereof, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR), no person or corporation beneficially owned, directly or indirectly, or exercised control or discretion over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, other than the following:

<b>Name</b>	<b>Number of Common Shares</b>	<b>Percentage of Common Shares</b>
Carlo Sansalone	233,333	12.6%
Scott Johnson	233,333	12.6%

## **8. BUSINESS OF THE MEETING**

To the knowledge of the directors of the Corporation, the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

### **(i) Financial Statements**

Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”), the directors of the Corporation will place before the shareholders at the Meeting the audited financial statements of the Corporation for the financial years ended March 31, 2013 and 2012, and the auditors’ report thereon, and pursuant to securities laws, the financial statements of the Corporation for the three months ended June 30, 2013, accompanying this Information Circular. Shareholder approval is not required in relation to the financial statements.

**(ii) Election of Directors**

The board of directors of the Corporation presently consists of six (6) directors, each of whom management propose to nominate for re-election at the Meeting until the next annual meeting. All of the current directors have been directors since the dates indicated below and all will be standing for re-election. The board of directors recommends that shareholders vote **FOR** the election of the six (6) nominees of management listed in the following table.

Each director will hold office until his re-election or replacement at the next annual meeting of the shareholders unless he resigns his duties or his office becomes vacant following his death, dismissal or any other cause prior to such meeting.

Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted for the election of the proposed nominees. **If any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.**

*Nominees to the Board of Directors*

<b>Name, Residence and Position with Corporation</b>	<b>Principal Occupation for Past Five Years <sup>(1)</sup></b>	<b>Served as Director Since</b>	<b>Number of Common Shares over which Control or Direction is Exercised<sup>(1)</sup></b>
Thomas Sears <sup>(2)(3)</sup> <i>Toronto, Ontario</i>	Institutional Sales at Dominick & Dominick Securities Inc. since October 2010; Sales Consultant for PasWord Protection Inc. from February 2010 to August 2010; Investment Advisor at Canaccord Capital Corporation (now known as Canaccord Genuity Corp.) from 2009 to 2010; Investment Advisor at Research Capital Corporation (now known as Mackie Research Capital Corporation) from 2002 to 2007.	March 19, 2013	33,333
Robbie Grossman <sup>(4)</sup> <i>Toronto, Ontario</i>	Corporate finance and securities lawyer at Garfinkle Biderman LLP	March 27, 2012	33,333
Dr. Reiza Rayman <sup>(2)(5)</sup> <i>London, Ontario</i>	President of Titan Medical Inc. and practicing physician	March 19, 2013	33,333
Anton Konovalov <sup>(6)</sup> <i>Toronto, Ontario</i>	President of Amber Capital Corp.	March 19, 2013	100,000
Carlo Sansalone <sup>(7)</sup> <i>Vaughan, Ontario</i>	President of Sanscon Construction Ltd.	March 19, 2013	233,333
Scott Johnson <sup>(2)(8)</sup> <i>Aurora, Ontario</i>	General Manager of Beacon Utility Contractors Limited	March 19, 2013	233,333

**Notes:**

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee.
- (3) Mr. Sears holds options giving him the right to purchase from the Corporation 25,558 Common Shares at an exercise price of \$0.30 per share.
- (4) Mr. Grossman holds options giving him the right to purchase from the Corporation 25,558 Common Shares at an exercise price of \$0.30 per share.
- (5) Dr. Rayman holds options giving him the right to purchase from the Corporation 25,558 Common Shares at an exercise price of \$0.30 per share.
- (6) Mr. Konovalov holds options giving him the right to purchase from the Corporation 27,782 Common Shares at an exercise price of \$0.30 per share.
- (7) Mr. Sansalone options giving him the right to purchase from the Corporation 40,375 Common Shares at an exercise price of \$0.30 per share.
- (8) Mr. Johnson options giving him the right to purchase from the Corporation 40,375 Common Shares at an exercise price of \$0.30 per share.

*Corporate Cease Trade Orders or Bankruptcies*

None of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the proposed directors of the Corporation is, as at the date hereof, or has been, within the previous 10 years, 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.

*Penalties or Sanctions*

Except for Mr. Sears, who had his securities license suspended for two months in 2007 for failing to complete a Canadian Institute Course by a certain date, none of the proposed directors 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.

*Personal Bankruptcies*

None of the proposed directors of the Corporation has, within the 10 years before the date hereof, 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 the proposed director.

**(iii) Appointment of Auditor**

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the re-appointment of MNP LLP (formerly MSCM LLP), as auditors of the Corporation to hold office until the next annual meeting of shareholders and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that shareholders vote in favour of the appointment of MNP LLP, and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**(iv) Stock Option Plan**

Under section 2.9(b) of Policy 4.4 – *Incentive Stock Options* (“**Policy 4.4**”) of the TSX Venture Exchange (the “**Exchange**”) all rolling stock option plans, such as the Corporation's stock option plan, originally approved by the directors of the Corporation on May 22, 2013 (the “**2013 Option Plan**”), must receive shareholder approval yearly, at the Corporation's annual shareholders meeting.

At the Meeting, shareholders will be asked to pass a resolution approving the 2013 Option Plan, a copy of which is attached hereto as Schedule “A”. Accordingly, at the Meeting, shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

**“BE IT RESOLVED THAT:**

- (1) the stock option plan of the Corporation, substantially in the form attached at Schedule “A” to the information circular of the Corporation dated August 21, 2013, be and the same is hereby ratified, confirmed and approved as the stock option plan of the Corporation;
- (2) any director or officer be and is hereby authorized to amend the stock option plan of the Corporation should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
- (3) any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the 2013 Option Plan. The directors of the Corporation recommend that shareholders vote in favour of the approval of the 2013 Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

**(v) Change of Name to Revive Therapeutics Ltd.**

As announced on July 18, 2013, pursuant to a letter of intent (the “**LOI**”) dated July 14, 2013, the Corporation agreed to complete an arm's length acquisition of 100% of the common shares of Revive Therapeutics Inc. (“**Revive**”), a company incorporated under the OBCA. Pursuant to the terms of the LOI and subject to completion of satisfactory due diligence, any required financings and receipt of all necessary regulatory and Exchange approvals, the proposed acquisition of Revive will qualify as the Corporation's Qualifying Transaction (as such term is defined by Exchange Policy 2.4 *Capital Pool Companies* (the “**CPC Policy**”)) (the “**Revive QT**”).

To more accurately reflect the new course of the Corporation (assuming the Corporation completes the Revive QT), the directors wish to change the Corporation's name. Management is seeking shareholder approval to change the name of the Corporation from “Mercury Capital II Limited” to “Revive Therapeutics Ltd.” or such other name as may be acceptable to the directors and the Director appointed under section 278 of the OBCA.

The directors of the Corporation will only take the steps necessary to change the Corporation's name to Revive Therapeutics Ltd. if the Revive QT is successfully completed.

Accordingly, shareholder approval is sought for the following special resolution:

**“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

- (1) the name of the Corporation be and it is hereby changed from “Mercury Capital II Limited” to “Revive Therapeutics Ltd.” or such other name as may be determined by the directors and found acceptable by the Director appointed under section 278 of the *Business Corporations Act* (Ontario);
- (2) the directors of the Corporation may revoke or amend the foregoing resolution without further approval of the shareholders at any time prior to the issuance of a Certificate of Articles of Amendment in respect of the change of name by the Director appointed under section 278 of the *Business Corporations Act* (Ontario) for any reason including in the event the proposed transaction with Revive Therapeutics Ltd. does not proceed or the name is not available; and
- (3) any officer or director of the Corporation be and he is hereby authorized to execute and deliver for and on behalf of the Corporation all such documents and to do all such other acts and things as may be considered necessary or desirable to give effect to this resolution including, without limitation, the delivery of articles of amendment in such form as may be prescribed under the *Business Corporations Act* (Ontario).”

Based on the foregoing, the directors of the Corporation unanimously recommends that shareholders approve this resolution. Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the foregoing resolution. To be adopted, this special resolution is required to be passed by the affirmative vote of two-thirds (66<sup>2</sup>/<sub>3</sub>%) of the votes cast at the Meeting.

**9. CORPORATE GOVERNANCE DISCLOSURE**

Set forth below is a description of the Corporation's current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”):

**Board of Directors**

The directors have determined that Dr. Reiza Rayman, Anton Kononov, Carlo Sansalone and Scott Johnson, current and prospective members of the board of directors of the Corporation, are independent as such term is defined in NI 58-101, and that Thomas Sears and Robbie Grossman, current and prospective members of the board of directors of the Corporation, are not independent as such term is defined in NI 58-101, as Mr. Sears, the Chief Executive Officer and Chief Financial Officer of the Corporation, is an executive officer (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”)) of the Corporation and Robbie Grossman is a partner of Garfinkle Biderman LLP, the Corporation's legal counsel.

**Directorships**

The following directors and prospective directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Dr. Reiza Rayman	Titan Medical Inc.
Robbie Grossman	Solid Gold Resources Corp.
	Prospect Park Capital Corp.

### **Orientation and Continuing Education**

While the Corporation does not currently have a formal orientation and education program for new members of the board of directors, the Corporation provides such orientation and education on an ad hoc and informal basis. The directors believe that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, the number, experience and expertise of its directors.

### **Ethical Business Conduct**

The directors' maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the OBCA.

### **Nomination of Directors**

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present board of directors and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, support for the Corporation's business objectives and a willingness to serve.

### **Compensation**

At present, no compensation (other than the grant of incentive stock options) is paid to the directors of the Corporation in their capacity as directors. The directors do not currently have a compensation committee. As a capital pool company ("CPC") pursuant to the CPC Policy of the Exchange the Corporation is not permitted to compensate officers, including the Chief Executive Officer and Chief Financial Officer, for their services.

### **Assessments**

The directors' believe that nomination to the Corporation's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.

## **10. AUDIT COMMITTEE**

National Instrument 52-110 – *Audit Committees* ("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.

### **Audit Committee Charter**

The Corporation's Audit Committee is governed by an audit committee charter that was established by the directors of the Corporation on March 20, 2013, a copy of which is attached hereto as Schedule "B".

### **Composition of Audit Committee**

The Corporation's Audit Committee is currently comprised of the three (3) directors of the Corporation, Thomas Sears, Dr. Reiza Rayman and Scott Johnson. Each member of the Audit Committee is financially literate, as such term is defined in NI 52-110,

and two of the members, Dr. Reiza Rayman and Scott Johnson, are independent, as such term is defined in NI 52-110 and in the OBCA.

### Relevant Education and Experience

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

Thomas Sears obtained his Bachelor of Commerce from the University of Windsor in 2002. Since October 2010, Mr. Sears has been in Institutional Sales at Dominick & Dominick Securities Inc. From February 2010 to August 2010 he was a Sales Consultant for PasWord Protection Inc. From 2009 to 2010 he was an Investment Advisor at Canaccord Capital Corporation (now known as Canaccord Genuity Corp.) and from 2002 to 2007 he was an Investment Advisor at Research Capital Corporation (now known as Mackie Research Capital Corporation).

Dr. Reiza Rayman holds a M.Sc. (Medical Biophysics) in Fluid Dynamics from the University of Western Ontario, an M.D. from the University of Toronto, and a Ph.D. in Telesurgery from the University of Western Ontario. Dr. Rayman has been the President and a director of Titan Medical Inc. (TSXV:TMD) and its predecessor, Synergist Medical Inc., since May 2006, and has been a practicing physician since 1991. Dr. Rayman is the former Assistant Professor, Department of Surgery, at the University of Western Ontario.

Scott Johnson holds an Industrial Electrician Diploma from Humber College. He has been the General Manager of Beacon Utility Contractors Limited since 2007. From 1997 to 2007 he was the Superintendent at Stacey Electrical Contractors Ltd.

### External Auditor Matters

Since the commencement of the Corporation's most recently completed financial year, the Corporation's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. 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 fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's directors and, where applicable, the Audit Committee, on a case-by-case basis.

In the following table, "Audit fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees billed to the Corporation by its auditor in its previous two financial year-ends, by category, are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
March 31, 2013	\$3,000	\$Nil	\$Nil	\$Nil
March 31, 2012	\$3,000	\$Nil	\$Nil	\$Nil

### Exemptions:

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## 11. EXECUTIVE COMPENSATION

The Corporation is not required to provide disclosure of executive compensation pursuant to Form 51-102F6 – *Statement of Executive Compensation* as the Corporation was not a reporting issuer at any time in the Corporation's most recently completed financial year (period ending March 31, 2013).

**12. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

As of March 31, 2013 (the date of the Corporation's most recently completed financial year), the Corporation did not have any equity compensation plans in place.

**13. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors, the proposed nominees for election as director, the executive officers of the Corporation, or any of their respective associates or affiliates is or has been indebted to the Corporation or any of its subsidiaries in respect of loans, advances or guarantees of indebtedness.

**14. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of the informed persons (as such term is defined in NI 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

**15. MANAGEMENT CONTRACTS**

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

**16. PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

Other than the foregoing, management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

**17. ADDITIONAL INFORMATION**

Additional information relating to the Corporation, including copies of the Corporation's financial statements and Management's Discussion and Analysis, is available on SEDAR at [www.sedar.com](http://www.sedar.com), copies of which may be obtained from the Corporation upon request. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

**DATED** this 21<sup>st</sup> day of August, 2013.

**BY ORDER OF THE BOARD**

*(signed) "Thomas Sears"*  
Chief Executive Officer



**SCHEDULE "A"**  
**STOCK OPTION PLAN**

(see attached)

**STOCK OPTION PLAN OF  
MERCURY CAPITAL II LIMITED**  
(approved by directors on May 22, 2013)

**PART 1 - INTRODUCTION**

**1.01 Purpose**

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

**1.02 Definitions**

- (a) "Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) as amended from time to time.
- (b) "Blackout Period" means a period during which the Corporation prohibits Optionees from exercising their Options.
- (c) "Board" means the board of directors of the Corporation.
- (d) "Completion of the Qualifying Transaction" has the meaning ascribed to such term in Policy 2.4.
- (e) "Consultant" has the meaning ascribed to such term in Policy 4.4.
- (f) "Corporation" means Mercury Capital II Limited, a corporation duly incorporated under the laws of the Province of Ontario, and its Affiliates, if any.
- (g) "Discounted Market Price" has the meaning ascribed to such term in Policy 1.1.
- (h) "Eligible Person" shall mean an officer or director of the Corporation ("**Executive**") or an employee of the Corporation ("**Employee**") or a Management Company Employee or a Consultant.
- (i) "Exchange" means the TSX Venture Exchange.
- (j) "Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate, duly executed by the Optionee.
- (k) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with section 2.03.
- (l) "Final Exchange Bulletin" has the meaning ascribed thereto in the Policy 2.4.
- (m) "Insider" means (i) an insider as defined in the *Securities Act* (Ontario), other than a person who falls within the definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation, and (ii) an associate of any person who is an insider by virtue of the preceding sub-clause (i).
- (n) "Investor Relations Activities" has the meaning ascribed to such term in Policy 1.1.
- (o) "Listing Date" means the date the Shares are listed and posted for trading on the Exchange.

- (p) "Management Company Employee" has the meaning ascribed to such term in Policy 4.4.
- (q) "Material Information" has the meaning ascribed to such term in Policy 1.1.
- (r) "Option" shall mean an option granted under the terms of the Plan.
- (s) "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option.
- (t) "Option Period" shall mean the period during which an option may be exercised.
- (u) "Optionee" shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan.
- (v) "Outstanding Issue" means the number of Shares outstanding on a non-diluted basis.
- (w) "Plan" means the stock option plan established and operated pursuant to Part 2 hereof.
- (x) "Policy 1.1" means the Exchange's Policy 1.1 entitled "Interpretation" as amended from time to time.
- (y) "Policy 2.4" means the Exchange's Policy 2.4 entitled "Capital Pool Companies" as amended from time to time.
- (z) "Policy 4.4" means the Exchange's Policy 4.4 entitled "Incentive Stock Options" as amended from time to time.
- (aa) "Shares" shall mean the common shares of the Corporation.

## **PART 2 - SHARE OPTION PLAN**

### **2.01 Participation**

Options shall be granted only to Eligible Persons.

### **2.02 Determination of Option Recipients**

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

### **2.03 Price**

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than the Discounted Market Price. Notwithstanding the foregoing, from the Listing Date and until Completion of the Qualifying Transaction the Exercise Price per Share when Options are granted shall not be less than the greater of \$0.10 and the Discounted Market Price.

### **2.04 Grant of Options**

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized.

From the Listing Date and until Completion of the Qualifying Transaction the Board shall not grant Options to an Eligible Person providing Investor Relations Activities.

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions shall be as set forth in the Option Certificate issued in respect of such Option

## **2.05 Term of Options**

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant, or earlier date as the Board shall decide when the Option is granted.

Upon the expiration of the Option Period the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

## **2.06 Exercise of Options**

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;

- (a) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
- (b) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
- (c) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have been such a director or officer continuously since the grant of his or her Option.

No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (EST) on the last day of the Option Period by delivering to the Corporation an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

Notwithstanding anything to the contrary herein, Options granted prior to the issuance of the Final Exchange Bulletin may not be exercised before the Completion of the Qualifying Transaction unless the Optionee agrees in writing to deposit the shares acquired into escrow until the issuance of the Final Exchange Bulletin.

## **2.07 Vesting of Options**

### Executives, Employees and Management Company Employees

All Options granted to an Executive, Employee or Management Company Employee pursuant to this Plan shall vest and become fully exercisable as follows or as determined by the Board when the Option is granted:

- (a) one half (1/2) of the Options on the date of grant; and
- (b) the final one half (1/2) of the Options on the date which is one (1) year from the date said Options are granted.

### Consultants

All Options granted to Consultants pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted:

- (a) one third (1/3) of the Options on the date of grant;
- (b) one third (1/3) of the Options on the date which is one (1) year from the date said Options are granted; and
- (c) the final one third (1/3) of the Options on the date which is two (2) years from the date said Options are granted.

### Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and
- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

## **2.08 Restrictions on Grant of Options**

The granting of Options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue may be granted to any one Consultant in any 12 month period;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue may be issued to any one individual in any 12 month period;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders in any 12 month period; and
- (e) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price of Options previously granted to Insiders.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

## **2.09 Lapsed Options**

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

## **2.10 Effect of Termination of Employment, Death or Disability**

- (a) If an Optionee shall die while employed by the Corporation or its Affiliate, or while an Executive, any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date of death, with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee.
- (b) If the employment of an Optionee shall terminate due to disability while the Optionee is employed by the Corporation or its Affiliate, any Option held by the Optionee on the date the employment of the Optionee is terminated due to disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the date the employment of the Optionee is terminated due to disability which have not yet vested shall vest immediately upon such date. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner,

provided that Options that become exercisable due to disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the Option.

- (c) Subject to section 2.10(d), Options granted to any Optionee must expire not later than one (1) year following the date the Optionee ceases to be an Executive, Employee, Consultant or Management Company Employee, which shall be determined by the Board at the time of each grant. Notwithstanding the foregoing, the Board, in its discretion, may resolve that all of the Options held by an Optionee on the date the Optionee ceases to be an Executive, Employee, Consultant or Management Company Employee which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause no Option held by such Optionee may be exercised following the date upon which Termination occurred.

### **2.11 Effect of Amalgamation, Consolidation or Merger**

If the Corporation amalgamates, consolidates with or merges with or into another corporation any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his or her option immediately prior to the record date applicable to such amalgamation, consolidation or merger, and the Exercise Price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

### **2.12 Adjustment in Shares Subject to the Plan**

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

### **2.13 Hold Period**

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

### **2.14 Notification of Grant of Option**

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

### **2.15 Options Granted To Corporations**

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

## **PART 3 - GENERAL**

### **3.01 Number of Shares**

The aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue. Notwithstanding the foregoing, from the Listing Date and until Completion of the Qualifying Transaction the aggregate number of Shares that may be reserved for issuance, from time to time, under the Plan shall not exceed ten (10%) percent of the total Outstanding Issue upon completion of the Corporation's initial public offering.

### **3.02 Transferability**

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

### **3.03 Employment**

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

### **3.04 Approval of Plan**

Options issued under the Plan shall only become exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) unless consistent with the terms contained herein and approved by the Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding;
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

### **3.05 Administration of the Plan**

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

### **3.06 Income Taxes**

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the



Exercise Price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

### **3.07 Amendments to the Plan**

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) a material increase in the benefits under the Plan; or
- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue); or
- (c) a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

### **3.08 No Representation or Warranty**

The Corporation makes no representation or warranty as the future market value of any Shares issued in accordance with the provisions of the Plan.

### **3.09 Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### **3.10 Compliance with Applicable Law, etc.**

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

### **3.11 Policy 2.4**

Notwithstanding anything to the contrary herein, any Options granted prior to the issuance of the Final Exchange Bulletin must comply with Policy 2.4.

**SCHEDULE "A"**  
**MERCURY CAPITAL II LIMITED**

**STOCK OPTION PLAN**  
**OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the Mercury Capital II Limited (the "**Corporation**") stock option plan (the "**Plan**") and evidences that ● is the holder (the "**Optionee**") of an option (the "**Option**") to purchase up to ● common shares (the "**Shares**") in the capital stock of the Corporation at a purchase price of \$ ● per Share (the "**Exercise Price**").

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is ● ;
- (b) the Option Period expires at 5:00 p.m. (EST) on ● ; and
- (c) the Options shall vest as follows ● ;

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (EST) on the expiration date of the Option Period by delivering to the Corporation an Exercise Notice, in the form attached, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ● day of ● , ● .

**MERCURY CAPITAL II LIMITED**

Per:

\_\_\_\_\_  
Authorized Signatory

**MERCURY CAPITAL II LIMITED**

**STOCK OPTION PLAN**  
**EXERCISE NOTICE**

**TO: Mercury Capital II Limited (the "Corporation")**

The undersigned, being the holder of options to purchase \_\_\_\_\_ common shares of Mercury Capital II Limited at the exercise price of \_\_\_\_\_ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such common shares of the Corporation.

The undersigned tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By executing this Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Signature of Option Holder**

**SCHEDULE "B"**  
**AUDIT COMMITTEE CHARTER**

(see attached)

**MERCURY CAPITAL II LIMITED**  
**(the “Company”)**

**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE BOARD OF DIRECTORS**

**I. PURPOSE**

The Audit Committee is a committee of the board of directors (the “**Board**”) of the Company. The function of the Audit Committee is to assist the Board in fulfilling its responsibilities to the shareholders of the Company, the securities regulatory authorities and stock exchanges, the investment community and others by:

- (a) reviewing the annual and interim (quarterly) financial statements, related management discussion and analysis (“**MD&A**”) and, where applicable, other financial information disclosed by the Company to any governmental body or the public, prior to its approval by the Board;
- (b) overseeing the review of interim (quarterly) financial statements and/or MD&A by the Company’s external auditor;
- (c) recommending the appointment and compensation of the Company’s external auditor, overseeing the external auditor’s qualifications and independence and providing an open avenue of communication among the external auditor, financial and senior management and the Board;
- (d) directly overseeing the work of the external auditor on the audit of annual financial statements; and
- (e) monitoring the Company’s financial reporting process and internal controls and compliance with legal and regulatory requirements related thereto.

The Audit Committee should primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles (“**GAAP**”), to conduct investigations, or to assure compliance with laws and regulations or the Company’s internal policies, procedures and controls, as these are the responsibility of management and in certain cases the external auditor.

**II. COMPOSITION**

1. The Audit Committee shall have a minimum of three members.
2. Every Audit Committee member must be a director of the Company. The Audit Committee shall be comprised of such directors as are determined by the Board, each of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”) the majority of the Audit Committee members must not be officers, nor employees of the Company or any of its affiliates.
3. All members of the Audit Committee must have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices and otherwise be financially literate within the meaning of NI 52-110 (or exempt therefrom). Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

4. The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Audit Committee members shall hold office until the next annual meeting of shareholders subsequent to their appointment.
5. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.
6. The Secretary of the Audit Committee will be appointed by the Chair.
7. Any member of the Audit Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Audit Committee on ceasing to be a Director. The Board may fill vacancies on the Audit Committee by election from among the directors on the Board. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains.

### **III. DUTIES AND RESPONSIBILITIES**

1. The Audit Committee shall review and recommend to the Board for approval:
  - (a) the Company's annual and interim financial statements, including any certification, report, opinion or review rendered by the external auditor, and review related MD&A;
  - (b) press releases of the Company that contain financial information;
  - (c) other financial information provided to any governmental body, stock exchange or the public as they see fit
  - (d) documents referencing, containing or incorporating by reference the annual audited consolidated financial statements or interim financial results (e.g., prospectuses, press releases with financial results and Annual Information Form – when applicable) prior to their release; and
  - (e) any other matter not mentioned herein but otherwise required pursuant to applicable laws, including, without limitation, NI 52-110 and the OBCA.
2. The Audit Committee, in fulfilling its mandate, will:
  - (a) satisfy itself that adequate internal controls and procedures are in place to allow the Chief Executive Officer and the Chief Financial Officer to certify financial statements and other disclosure documents as required under securities laws;
  - (b) review with management relationships with regulators, and the accuracy and timeliness of filing with regulatory authorities (when and if applicable);
  - (c) ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
  - (d) recommend to the Board the selection of the external auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the external auditor;
  - (e) review the performance of the external auditor and approve any proposed discharge and replacement of the external auditor when circumstances warrant;
  - (f) review the annual audit plans of the internal and external auditors of the Company;
  - (g) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

- (h) monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion or disagreements between management and the external auditor;
  - (i) periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper;
  - (j) arrange for the external auditor to be available to the Audit Committee and the full Board as needed. Ensure that the auditors communicate directly with the Audit Committee and are made accountable to the Board and the Audit Committee, as representatives of the shareholders to whom the auditors are ultimately responsible;
  - (k) ensure that the external auditors are prohibited from providing non-audit services and approve any permissible non-audit engagements of the external auditors, in accordance with applicable legislation;
  - (l) review with management and the external auditor the Company's major accounting policies, including the impact of alternative accounting policies and key management estimates and judgments that can materially affect the financial results;
  - (m) review with management their approach to controlling and securing corporate assets (including intellectual property) and information systems, the adequacy of staffing of key functions and their plans for improvements;
  - (n) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
  - (o) review the expenses of the Chairman and President of the Company annually;
  - (p) establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters and the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters; and
  - (q) perform such other duties as required by the Company's incorporating statute and applicable securities legislation and policies, including, without limitation, NI 52-110 and the OBCA.
3. The Audit Committee may engage independent counsel and other advisors as it determines necessary to carry out its duties, and may set and pay the compensation of such counsel and advisors. The Audit Committee may communicate directly with the Company's internal and external counsel and advisors.

#### **IV. MEETING PROCEDURES**

1. The Audit Committee shall meet at such times and places as the Audit Committee may determine, but no less than four times per year. The Audit Committee should meet within forty-five (45) days (sixty (60) days in the event the Company is a "venture issuer" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*)) following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and shall meet within ninety (90) days (one hundred and twenty (120) days in the event the Company is a "venture issuer") following the end of the financial year end to review and discuss the audited financial results for the preceding year and the related MD&A as well as any accompanying press release, or in both cases, by

such earlier times as may be required in order to comply with applicable law or any stock exchange regulation.

2. Members of the Audit Committee shall be provided with reasonable notice of the time and place of meetings, which shall be not less than twenty-four (24) hours. The notice period may be waived by all members of the Audit Committee. Each of the Chairman of the Board, the external auditor, the Chief Executive Officer or the Chief Financial Officer shall be entitled to request that any member of the Audit Committee call a meeting.
3. The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and the external auditor of the Company, and others as they consider appropriate. The external auditor may, at its option, attend meetings of the Audit Committee.
4. In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Company's interim financial statements.
5. Meetings of the Audit Committee may be conducted with members in attendance in person, by telephone or by video conference facilities.
6. Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.
7. A resolution in writing signed by all the members of the Audit Committee is valid as if it had been passed at a meeting of the Audit Committee.
8. The Audit Committee shall ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the Company.