NANOTECH SECURITY CORP.
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INFORMATION CIRCULAR

as at March 3, 2014
(except as otherwise indicated)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Nanotech Security Corp. (the "Company") for use at the annual general meeting (the "Meeting") of its shareholders to be held on April 16, 2014 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.

In this Information Circular, references to the "Company", "we" and "our" refer to **Nanotech Security Corp.** "Common Shares" means common shares without par value in the capital of the Company. "Beneficial Shareholders" means shareholders who do not hold Common Shares in their own name and "intermediaries" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

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

Voting by Proxyholder

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

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,

(b) any amendment to or variation of any matter identified therein, and

(c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a Proxy may do so by:

(a) complete, date and sign the Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc. ("Computershare"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9;

(b) use a touch-tone phone to transmit voting choices to the toll free number given in the Proxy. Registered shareholders who choose this option must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or

(c) log on to Computershare's website at www.investorvote.com. Registered shareholders must follow the instructions that are given by the website and refer to the Proxy for the holder's account number and the proxy access number.

Whatever method a registered shareholder chooses to submit their Proxy, they must ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

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 the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker ("Intermediaries"). The vast majority of such Common Shares are registered in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms) and, in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "OBOs" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" that permit it to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders should carefully follow the instructions of your broker or their intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a Proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act* of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia) ("BCA"), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

Revocation of Proxies

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

(a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare or at the address of the registered office of the Company at 1055 West Georgia Street, Suite 1500, PO Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or

(b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

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

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "Board") of the Company has fixed March 3, 2014 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares of the Company are listed for trading on the TSX Venture Exchange (the "TSXV"). As of March 3, 2014, there were 38,756,136 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. The Company is also authorized to issue an unlimited number of Preferred shares. There were no Preferred shares issued and outstanding as at March 3, 2014.

To the knowledge of the directors and executive officers of the Company, the only person that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at March 3, 2014 is:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Douglas H. Blakeway	5,787,137[(2)]	14.9%

Notes:

(1) The above information was supplied to the Company by Mr. Blakeway and can be confirmed from insider reports available at www.sedi.ca.

(2) Included in this figure are 546,593 Common Shares which Mr Blakeway does not now own but will receive upon the wind-up of IDME Technologies Corp., which is planned for 2014. These shares were acquired by IDME in 2010 and were excluded from the valuation of IDME when IDME was acquired by the Company in September 2013 (see "*Particulars of Other Matters to be Acted Upon*"). This figure does not include the 117,918 shares for which shareholders approval is being sought as described under "Particulars of Other Matters to be Acted Upon- Issuance of Shares to Insider".

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation. A simple majority of affirmative votes cast at the Meeting by "disinterested" shareholders is required to pass the resolution with respect to the issuance of shares to insiders. See section (B.) of Particulars of Matters to be acted Upon.

ELECTION OF DIRECTORS

The size of the Board of the Company is currently at five. The Board proposes that the number of directors be increased to six. Shareholders will be asked to approve an ordinary resolution that the number of directors elected be fixed at six (subject to the Board's prerogative to increase this figure by two persons in the course of the ensuing year). The term of office of each of the current five directors will end at the conclusion of the Meeting.

Unless the director's office is earlier vacated in accordance with the provisions of the BCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management's six nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction as at March 3, 2014.

Nominee Position with the Company and Province and Country of Residence	**Period as a Director of the Company**	**Common Shares Beneficially Owned or Controlled[1]**
Douglas H. Blakeway[2] President, Chief Executive Officer and Director British Columbia, Canada	Since May 4, 1984	5,787,137[4]
Brian Causey Secretary, Chief Financial Officer and Director British Columbia, Canada	Since October 27, 2009	Nil
Rene Carrier British Columbia, Canada	Nominee for election in 2014	None
Dr. Bozena Kaminska Director and Chief Scientific Officer British Columbia, Canada	Since March 23, 2011	2,309,775[5]
Kenneth R. Tolmie[2][3] Director British Columbia, Canada	Since April 15, 1987	529,857
Bernhard J. Zinkhofer[2][3] Director British Columbia, Canada	From April 15, 1993 to July 23, 2004 and since February 15, 2007	786,771[6]

Notes:

(1) The information as to principal occupation, business or employment and Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

(2) Member of the Audit Committee.

(3) Member of the Compensation Committee.

(4) see "Voting Securities" for details of these holdings

(5) Included in this figure are 635,141 Common Shares which Dr Kaminska will receive upon the wind-up of IDME Technologies Corp., which is planned for 2014. These shares were acquired by IDME in 2010 and were excluded from the valuation of IDME when IDME was acquired by the Company in September 2013. This figure does not include the 116,979 shares for which shareholders approval is being sought as described under "Particulars of Other Matters to be Acted Upon- Issuance of Shares to Insider". Dr. Kaminska also holds options to purchase up to 150,000 common shares expiring on September 30, 2016.

(6) Mr Zinkhofer holds 35,000 of these securities through his 100% owned company, Bernhard Zinkhofer Law Corp.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person.

Occupation, Business or Employment of Director Nominee Douglas H. Blakeway –Chief Executive Officer, President, Director and Member of Audit Committee

Mr. Blakeway is the full time chief executive officer (CEO) of the Company. He has over 40 years of experience in executive management and technology business development. He founded the Company in 1984, and has been instrumental in its development. He also founded IDME Technologies Corp. ("IDME") and IDIT Technologies Corp., in 2009. These companies acquired the master license from Simon Fraser University to the nano-imaging technologies that became the Company's key intellectual property rights. IDME also served as the research and development vehicles for much of the work funded by the Company in furthering development of its anti-counterfeiting technology. From September 2006 until June 2012 he was also a consultant providing product manufacturing management services to G4S Justice Services (Canada)

Inc. which purchased the Company's wireless offender monitoring business in 2006.

Mr Blakeway is a member of Simon Fraser University Surrey – Business Advisory Council and Entrepreneur in Residence SFU Venture Connection, Canadian Listed Company Association, Wireless Industry Partnership Connector Inc. and TEC (The Executive Committee), an international organization for CEOs. Since 1982, he has been a director of a number of public companies listed on the TSX-V however at this time he only serves on the Board of the Company.

Rene Carrier- Nominee for Director

Mr. Carrier is a past Vice President of Pacific International Securities Inc. where he worked for 10 years until 1991. Since that time he has been President of Euro-American Capital Corporation, a private company which specialized in restructuring, administration and raising venture capital funds for junior mining companies until 2012. Mr. Carrier also serves as an independent director of a number of TSX and TSX Venture Exchange listed companies listed below.

Brian Causey, B.Com, CA –Chief Financial Officer, Corporate Secretary and Director

Mr. Causey is a Chartered Accountant since 1971, and was formerly a Partner in KPMG, LLP. He has been Secretary and Chief Financial Officer of the Company since October 2009. He is CFO of Curis Resources Ltd., a public company, since March, 2012; and has been Vice President, Project Finance for Hunter Dickinson Inc., (mining and exploration companies) since 2001. He is principally involved with financings, corporate reorganizations and specialized tax planning initiatives.

He is a director of Cascadero Copper Corporation since January 2012 and was formerly a director of Quartz Mountain Resources Ltd. from 2003 to 2011, and was a director and Chief Financial Officer of Yaletown Capital Corp. from 2007 to 2010.

Kenneth R. Tolmie – Director and Member of Audit Committee and Compensation Committee

Mr. Tolmie is the Chief Financial Officer, principal shareholder and a director of APRIO Inc., a privately held governance information software company. He is presently a director and officer of a number of private companies and he has, in the past, held various senior executive and financial positions with Hastings West Investment Ltd., The Beacon Group of Companies, and other junior companies in the technology, film and other industries. Mr. Tolmie was a director of Premier Diagnostic Health Services Inc. a CNSX listed British Columbia Company from September 22, 2006 to March 29, 2012.

Bernhard J. Zinkhofer - Director and Member of Audit Committee and Compensation Committee

Mr. Zinkhofer is a partner in the Vancouver office of McMillan LLP, Barristers & Solicitors where he practices law full time since 1991. He practises in the areas of corporate securities and related commercial matters including natural resource and technology transfer. Mr. Zinkhofer has been a lawyer since 1984 after earning his a chartered accountant designation in 1980.

Dr. Bozena Kaminska – Director and Chief Scientific Officer

Bozena Kaminska, Ph.D. is presently a professor at Simon Fraser University's School of Engineering Science and the Canada Research Chair. She is Chairman of the Board of Directors for CMC Microsystems and Council (Board) Member for the Natural Sciences and Engineering Research Council of Canada (NSERC). Dr. Kaminska is a prolific inventor with major contributions to science. Many successful spin-off companies have resulted from her research. She holds multiple patents and has authored more than 300 peer-reviewed publications in top scientific journals. She was named Innovator of the Year in 1997 by EDN magazine and was the recipient of the British Columbia Innovation Council's Entrepreneurship Fellow Award in 2010.

Cease Trade Orders and Bankruptcies

Mr. Zinkhofer served as a director of Austral-Pacific Energy Ltd., an oil and gas company which went into receivership and ceased operations in 2009 on account of loans and oil hedging agreements entered into prior to the time when Mr. Zinkhofer was a director. Two companies in which Mr Zinkhofer served as a non-insider

corporate secretary as part of his legal services also ceased operations due to insolvency, Inviro Medical Inc (2010) and Great Basin Gold Inc. (2012).

Mr. Tolmie served as a director of Premier Diagnostic Health Services Inc. ("Premier"), a Canadian company which provides advanced medical diagnostic tools. On January 31, 2012, the British Columbia Securities Commission issued a management cease trade order in connection with the delay in filing of its September 30, 2011 audited annual financial statements which order was lifted on March 2, 2012 when the overdue statements were filed.

Except as set out above and within the last 10 years before the date of this Information Circular, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Information Circular is prepared) acted in that capacity for a company that was:

(a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days;

(b) subject to an event that resulted, after the director or executive 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 the securities legislation, for a period of more than 30 consecutive days;

(c) 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 has 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;

(d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

APPOINTMENT OF AUDITOR

Deloitte & Touche LLP, Chartered Accountants, P.O. Box 49279, Four Bentall Centre, 2800 – 1055 Dunsmuir Street, Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditor of the Company at remuneration to be fixed by the directors.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

As a company listed on the TSXV, the Company relies on an exemption from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110 (Audit Committees) ("NI 52-110"). As a consequence, NI 52-110 requires the Company, as a "venture issuer" (as defined), to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor. Such disclosure is set forth below.

The Audit Committee's Charter

The audit committee has a charter. A copy of the Audit Committee Charter can be viewed on SEDAR at www.SEDAR.com and/or as Schedule "A" attached to the information circular for the February 15, 2006 annual general meeting.

Composition of the Audit Committee

The audit committee is comprised of three directors, Kenneth R. Tolmie (Chairman), Douglas H. Blakeway and Bernhard J. Zinkhofer. Mr. Tolmie and Mr. Zinkhofer are the independent members of the audit committee and therefore a majority of its members are independent. Mr. Zinkhofer's law firm acts as counsel to the Company, however, annual billings (disclosed below) are currently below the threshold where the amount creates what can reasonably be perceived as a material interest. Mr. Blakeway is the President and Chief Executive Officer of the Company and is therefore not an independent director for the purposes of NI 52-110. All members are considered to be financially literate. The audit committee's mandate and responsibilities are detailed in its Audit Committee Charter, and include:

(a) assisting in the identification of the principal risks of the Company's business and, with the assistance of management, establishing procedures to ensure that these risks are monitored;

(b) overseeing the work of external auditors engaged for the purpose of preparing or issuing an audit report or related work;

(c) recommending to the Board the nomination and compensation of the external auditors;

(d) approving all non-audit services to be provided by the external auditors; and

(e) reviewing the Company's financial statements, MD&A and earnings press releases before the Company publicly discloses this information and satisfying itself that all regulatory compliance matters have been considered in the preparation of the financial statements of the Company.

The Board, through the audit committee, is responsible for the integrity of the internal control and management information systems of the Company. The audit committee meets or exchanges e-mails at least quarterly to review quarterly financial statements and management's discussion and analysis and meets at least twice annually with the Company's external auditor. The audit committee discusses, among other things, the annual audit, the adequacy and effectiveness of the Company's internal control and management information systems and management's discussion and analysis and reviews the annual financial statements with the external auditor.

Relevant Education and Experience of Audit Committee

The current members of the audit committee either have post-secondary education or extensive business and financial experience. One member holds professional accounting accreditation. See heading "*Occupation, Business or Employment of Director Nominee*". In particular, each of the members of the audit committee has:

- an understanding of the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Deloitte & Touche LLP, Chartered Accountants.

Reliance on Certain Exemptions

The Company's auditor, Deloitte & Touche LLP, Chartered Accountants, has not provided any material non-audit services.

Pre-Approval Policies and Procedures

The specific policies and procedures for the engagement of material non-audit services are described in the Company's Audit Committee Charter.

External Auditor Service Fees

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

Nature of Services	Fees Paid to Auditor in Year Ended September 30, 2012.	Fees Paid to Auditor in Year Ended September 30, 2013.
Audit Fees[(1)]	$42,000	$75,000
Audit-Related Fees[(2)]	Nil	Nil
Tax Fees[(3)]	$7,500	Nil
All Other Fees[(4)]	$5,300	Nil
Total	$54,800	$75,000

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under NI 52-110 for the year ended September 30, 2013. This exemption exempts a "venture issuer" (as defined in the policy) from the requirement to have 100% of the members of its audit committee be independent, as would otherwise be required by NI 52-110.

CORPORATE GOVERNANCE

General

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

Board of Directors

The Company has two independent directors and three non-independent directors. Messrs. Tolmie and Zinkhofer are the two independent directors. Following Mr. Carrier's appointment at the Meeting, he will be the third independent director of the Company. Messrs. Blakeway and Causey are the CEO and CFO, respectively, and Dr. Kaminska cannot be considered independent since she is the Chief Scientific Officer. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The following table outlines the Company's independent and non-independent directors, as proposed for the forthcoming year, and the basis for a determination that a director is non-independent:

Name	Independent/Non-Independent
Douglas H. Blakeway	Non-Independent **Basis for determination:** Serves as President and Chief Executive Officer of the Company
Brian Causey	Non-Independent **Basis for determination:** Serves as Secretary and Chief Financial Officer.
Rene Carrier Director Nominee	Independent
Dr. Bozena Kaminska	Non-Independent **Basis for determination:** Serves as Chief Scientific Officer
Kenneth R. Tolmie	Independent
Bernhard J. Zinkhofer	Independent **Basis for determination:** While the law firm of which he is a partner provides legal services to the Company, the arrangement can be cancelled at any time by either party and the amounts billed are not considered to be of a level where a reasonable person could question whether the amounts impact the ability of Mr. Zinkhofer to act independently.

The full board generally meets in person at least twice annually however directors otherwise communicate via e-mail and teleconference generally at the time of finalization of the quarterly financial statements and in connection with business developments and transactions. Individual directors are free to engage personal advisors at the expense of the Company in appropriate circumstances.

The following table sets out the disclosure about any of Company's directors who currently serve on the board of directors for other publicly traded companies

Director	Company	Exchange
Brian Causey	Cascadero Copper Corporation	TSXV
Rene G. Carrier,(Director Nominee)	Amarc Resources Ltd.	TSXV
	Cayden Resources Inc.	TSXV
	Curis Resources Ltd.	TSX
	Heatherdale Resources Ltd.	TSXV
	Rathdowney Resources Ltd.	TSXV

The directors' attendance record at the Company's Board meetings is as follows

Attendance Record of Directors from October 1, 2012 to September 30, 2013		
Name	**Board Meetings Attended (excludes quarterly consent resolutions and informal communications)[(1)]**	**% of Board Meetings Attended**
Douglas H. Blakeway	3	100%
Brian Causey	3	100%
Kenneth R. Tolmie	3	100%
Bernhard J. Zinkhofer	3	100%
Dr. Bozena Kaminska	3	100%

Note:

(1) The above does not include ad hoc teleconferences with some business completed by consent resolution.

Board Mandate

The Board has not adopted a formal mandate but understands that its role is (i) to assume responsibility for the overall stewardship and development of the Company and monitoring of its business decisions, (ii) identification of the principal risks and opportunities of the Company's business and ensuring the implementation of appropriate systems to manage these risks, (iii) ethical management and succession planning,

including appointing, training and monitoring of senior management and directors, (iv) implementation of a communication policy for the Company, and (v) the integrity of the Company's internal financial controls and management information systems. There are two primary Canadian regulatory policies which deal with corporate governance and its disclosure namely National Instrument 58-101 and National Policy 58-201 (the "Policies"). The Policies suggest that the Company should maximize the number of independent directors generally and especially on committees of the Board and to formalize its governance practices with written charters and mandates which allow verification that they are being observed.

Since late 2009, the Company has been pursuing development and commercialization of a novel nano-technology which originated with researchers at Simon Fraser University ("SFU") in British Columbia and was licensed by SFU to an affiliate of IDME, which in turn sublicenses the Company. The Board is of the view that the strategic planning process for the Company consists primarily of maintaining sufficient financial reserves in order to continue development funding for nano-technology development activities primarily through SFU while seeking commercial licensing and or co-development opportunities. The principal risk to the Company is that it will be unable to secure sufficient financing to allow the Company to see a commercial product developed from the nano-technology or that the development work the Company is conducting will not result in a commercial product.

The Board will be considering succession planning in the near term given the relative age of the Company's current principal operating officers. The Board monitors the activities of the senior management through regular discussions between the Board and senior management. The Board is of the view that its communication policy between senior management, Board members and shareholders is good.

The Company's small and entrepreneurial status makes the Board significantly reliant on the Company's two senior officers, and the Board's verification of the Company's internal control and information systems is limited to the audit committee's annual discussions with the Company's auditors and a review of the auditor's annual report to the audit committee.

The Board has overall responsibility for the stewardship of the Company. The mandate includes:

(a) responsibility for advancement of a strategic plan for the Company in consultation with the senior officers;

(b) responsibility for the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;

(c) responsibility for appointing, monitoring, evaluation and, where necessary, terminating senior management;

(d) responsibility for implementation of a communication policy for the Company regarding disclosure of corporate information; and

(e) responsibility for developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.

Stewardship of the Company

The Company's Board is empowered by the BCA, the Company's Articles and the common and statutory law to manage, or supervise the management of, the affairs and business of the Company. The Board has not yet adopted any formal mandate and believes that the Company's small size and early stage of technology development warrants a less formal approach to governance.

The Board performs its functions through regular e-mail and telephone communications with face-to-face meetings less common. It does not rely on committees except for the audit committee. In addition, the Board ensures that management does not engage in material transactions without the involvement of the Board. Long-term strategies and annual operating and capital plans with respect to the Company's operations are developed by senior management and discussed with the Board.

The Board has not developed a written position set of descriptions for its Board or any committee other than the Audit Committee Charter. Inquiries by shareholders are directed to and dealt with by senior management. Material corporate disclosure is reviewed by all Board members prior to its dissemination. Assuming the Company grows it is likely that these governance issues will require more formality and documentation.

The Board has delegated responsibility for the integrity of internal controls and management information systems to the audit committee. The Company's external auditors report directly to the audit committee. In its annual meetings with the external auditors, the audit committee discusses, among other things, the Company's financial statements and the adequacy and effectiveness of the Company's internal controls and management information systems. The Company does not yet enjoy any revenues from what it believes will ultimately be its principal business product namely nanotechnology-derived security and anti-counterfeiting products however should this occur the Company's internal controls and management information systems will require further development. The Company is principally an expenditure based business at this time.

Orientation and Continuing Education

The Company has no formal education process for new directors. Mr. Causey was the first new director added in many years and he has now served for almost four years. Dr. Kaminska is an experienced director who is intimately aware of the nano-technology given she was one of the originators of the technology while serving as a Professor at SFU. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business. The Board has not adopted a Directors' Education Policy or requirement.

At this time the Board has not established a formal process for assessing its effectiveness or the contribution of individual members nor a formal education program. Board compensation is considered from time to time; however, the Company's limited resources are unable to provide compensation that realistically reflects the efforts and risks involved. The directors expect to be primarily compensated from their holdings of common shares which the directors believe more closely align their interests with those of other shareholders.

Ethical Business Conduct

The Board relies on the reputation and integrity of its members to conduct themselves and the business of the Company ethically. The Board believes it is justified in doing so. The Company has never received a complaint or allegation of unethical behaviour by a board member or senior officer.

Compensation Committee

The compensation committee is currently comprised of two independent directors, Kenneth R. Tolmie and Bernhard J. Zinkhofer. The compensation committee recognizes that as a development stage technology company the Company does not have the resources to pay market salaries for its executive positions.

Prior to July 1, 2012, the Company's CEO, Douglas Blakeway, was receiving only nominal compensation as he was not employed full time by the Company.

As of July 1, 2012, Mr. Blakeway assumed a full time role with the Company and is likely to seek to add other members to the executive staff of the Company for development of commercial opportunities of the nano-technology. Assuming additional full time executives are retained the compensation committee expects it will have a more active role in the Company's governance.

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

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

Other Board Committees

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

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees. These evaluations and assessments are used in connection with its duty of evaluating and recommending persons as nominees for the position of director of the Company.

COMPENSATION OF EXECUTIVE OFFICERS

Named Executive Officer

In this section "Named Executive Officer" means the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year of September 30, 2013, and whose total compensation exceeds $150,000 as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

Douglas H. Blakeway, President and CEO, Brian Causey, Secretary and CFO and Richard Snyder (President of Tactical Technologies, Inc., a subsidiary of the Company) are the Named Executive Officers ("NEOs") for the purposes of the following disclosure.

Compensation Discussion and Analysis

The Compensation Committee is of the view that compensation arrangements of its executive officers do not incentivize any risk taking behaviour. The Compensation Committee appreciates that Mr Blakeway ultimately expects to receive the bulk of his compensation through capital appreciation in his approximately 15% common share equity interest in the Company rather than from his salary.

Philosophy

Of the Company's two NEO's the CFO, now receives a salary of $24,000 reflective of his part-time services. As the Company's technology has progressed to the point where commercialization opportunities may be presenting themselves, the Company now requires full time executive staff and since July 2012 the Company has been paying a more realistic compensation to Mr. Blakeway who is now engaged full time in the management of the Company. Mr. Blakeway is also intending to retain additional executive staff in the area of business development. There are currently no specific milestones which the CEO is required to achieve, it being understood that funds will need to be raised to continue research and development of the Company's principal products and partnering with a financially stronger entity will be actively sought to minimize the need for equity dilution to fund operations.

No stock options were granted to Mr. Blakeway in the last three years. He does not have any bonus plan and no termination fees are payable in the event he is terminated.

Mr. Snyder, manager of the Company's subsidiary Tactical Technologies Inc., does not receive equity at the parent company level; however, he is entitled to receive a bonus if performance warrants it. No bonuses have been paid to him in the last three years.

There have been no changes to the above disclosure since September 30, 2013 to the date hereof.

Summary Compensation Table

The compensation paid to the NEOs during the Company's three most recently completed financial years ended September 30th is as set out below and expressed in Canadian dollars unless otherwise noted.

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($) Annual incentive plans	Non-equity incentive plan compensation ($) Long-term incentive plans	Pension value ($)	All other compensation ($)	Total compensation ($)
Douglas H. Blakeway President and CEO	2013	$200,040[1]	Nil	Nil	Nil	Nil	Nil	Nil	$200,040
	2012	$76,260[1]	Nil	Nil	Nil	Nil	Nil	Nil	$76,260
	2011	$35,000[1]	Nil	Nil	Nil	Nil	Nil	Nil	$35,000
Brian Causey[2] Secretary and CFO	2013	$18,000	Nil	Nil	Nil	Nil	Nil	$6,000[3]	$24,000
	2012	Nil	Nil	Nil	Nil	Nil	Nil	$6,000[3]	$6,000
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	$6,000
Richard Snyder President, Tactical Technologies	2013	$83,044	Nil	Nil	Nil	Nil	Nil	Nil	$83,044
	2012	$80,406	Nil	Nil	Nil	Nil	Nil	Nil	$80,406
	2011	$81,993	Nil	Nil	Nil	Nil	Nil	Nil	$81,993

Notes:

(1) These funds were paid to Geni D Ventures Inc., a company controlled by Mr. Blakeway.

(2) Mr. Causey was appointed as CFO on October 27, 2009 and as Corporate Secretary on March 16, 2010.

(3) Directors' fees.

Option-Based Awards

As at September 30, 2013, the only equity compensation plan the Company had in place was the share option plan (the "Plan") last approved by shareholders on April 11, 2013. The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the compensation committee. The compensation committee takes into account previous grants of options when considering new grants of options. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than 10 years after the date of grant of such option. As at September 30, 2013, there were options outstanding to purchase an aggregate of 960,000 Common Shares. In October 2012, the Directors exercised options totalling 1,225,000.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-based Awards

The following table sets out all option-based awards outstanding as at September 30, 2013 for each NEO:

	Option-based Awards			
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date (m/d/y)	Value of unexercised in-the-money options ($)[1]
Douglas H. Blakeway	Nil	Nil	Nil	Nil
Brian Causey[1]	Nil	Nil	Nil	Nil

(1) Value of in-the-money unexercised options was based on the approximate difference between exercise price and market price at year end which was $1.34.

Value Vested or Earned During the Year

There was no value vested or earned options under incentive plans during the fiscal year ended September 30, 2013 because all previously granted options had vested and no new options were granted.

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Douglas H. Blakeway	Nil	Nil	Nil
Brian Causey	Nil	Nil	Nil

Termination and Change of Control Benefits

The terms and conditions of the employment contract or arrangement between the Company or its subsidiary and an NEO are:

(a) The Company retains Douglas H. Blakeway through a contract with his company, Geni D Ventures Inc., which can be terminated without cause or termination fees to either party on 90 days' notice.

(b) Brian Causey was paid $24,000 during the year for his services as Secretary, CFO and Director in 2013.

Director Compensation

There were no arrangements under which directors were compensated by the Company or its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants other than as set out herein.

The compensation provided to directors who were not an NEO for the Company's most recently completed financial year of September 30, 2013 is:

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Kenneth R. Tolmie	$6,000[(1)]	Nil	Nil	Nil	Nil	Nil	$6,000
Dr. Bozena Kaminska	$6,000[(1)]	Nil	Nil	Nil	Nil	Nil	$6,000
Bernhard J. Zinkhofer	Nil[(2)]	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Tolmie and Dr. Kaminska received the sum of $1,500 each per quarter for their services as a director of the Company. Mr. Tolmie was paid $6,000 during the fiscal year ended September 30, 2013 for his services as a director of the Company. Dr. Kaminska was paid $6,000 during the fiscal year ended September 30, 2013 for her services as a director of the Company.

(2) Mr. Zinkhofer does not receive director's fees per se; however, his time is charged as part of the legal services of his firm at regular rates. Mr. Zinkhofer's law firm invoiced $72,356 for fees, exclusive of taxes and disbursements, (2012: $50,110) for services rendered during the fiscal year ended September 30, 2013.

The following table sets out all option-based awards and share-based awards outstanding as at September 30, 2013, for a director who was not an NEO for the Company's most recently completed financial year of September 30, 2013. The value of options is based on an in-the-money estimate of $1.34 per option at September 30, 2013.

	Option-based Awards			
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date (m/d/y)	Value of unexercised in-the-money options ($)[(1)]
Dr. Bozena Kaminska	150,000	$0.80	September 30, 2016	81,000

Notes:

1. "In-the-Money Options" means the excess of the market value of the Corporation's shares on September 30, 2013 over the exercise price of the options. As at September 30, 2013, the Common Shares were trading at $1.34 per Common Share which is above the exercise price of the options.

The following table sets out the value vested or earned under incentive plans during the fiscal year ended September 30, 2013, for a director, excluding a director who is already set out above for an NEO for the Company:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Kenneth R. Tolmie	Nil	Nil	Nil
Bernhard J. Zinkhofer	Nil	Nil	Nil
Dr. Bozena Kaminska	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

See disclosure on the Plan under heading "*Option-Based Awards*".

The following table sets out equity compensation plan information as at the end of the financial year ended September 30, 2013.

	Number of securities to be issued upon exercise of outstanding options.	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans approved by security holders - (the Plan)	986,500	$0.80	2,889,113
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	986,500	$0.80	2,889,113

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During Year Ended September 30, 2013 ($)	Amount Outstanding as at March 3, 2014 ($)	Financially Assisted Securities Purchases or Other Programs During Year Ended September 30, 2013 (#)	Security for Indebtedness	Amount Forgiven During Year Ended September 30, 2013 ($)
Brian Causey,[(1)] Director, CFO	Company	$12,148	$5,741 (represents prepayment of 2014 services as CFO)	N/A	N/A	N/A

Note:

(1) At year end Mr. Causey, CFO, was indebted to the Company for $12,148 for funds advanced by the Company to Canada Revenue Agency on behalf of Mr. Causey's income tax liability related to an exercise of stock options. The funds are accounted for as a prepayment of annual accounting services which are expected to be fully rendered during the ensuing 6 months

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended September 30, 2013, or has any interest in any material transaction in the current year, except for the following:

(a) Management fees of $245,800 (2012 - $100,210) were charged by Geni D. Ventures Inc., a company controlled by Mr. Blakeway who is the President, CEO and a director of the Company.

(b) Fees of $72,356 for fees, exclusive of taxes and disbursements (2012 - $50,110) in relation to legal services provided were paid to the law firm of McMillan LLP in which Mr. Zinkhofer, a director of the Company is a partner of the firm.

(c) As at September 30, 2013, $12,148 was receivable from Brian Causey, a director of the Company for amounts advanced by the Company to Canada Revenue Agency on his behalf. Interest of $1,172 was charged on this advance.

(d) As at September 30, 2013, included in accounts payable and accrued liabilities was $533,812 (2012 - $5,883) in advances, management fees and legal fees owing to officers and directors as follows: Geni D. Ventures Inc., a company controlled by Mr. Blakeway $339,252, Adigy Canada Inc., a company controlled by Dr. Kaminska $108,500. The amounts owing are unsecured, non-interest bearing and have no fixed repayment terms.

(e) During the year ended September 30, 2013, the Company paid $505,000 (2012 - $480,000) for research and development to IDME, a company which has common shareholders and directors as Nanotech and on September 27, 2013, the Company acquired 95% of IDME.

(f) During the year ended September 30, 2010, the Company acquired in consideration of an initial advance royalty payment, a license agreement from IDME, for the light based recognition nanotechnology being developed by the Company for use in anti-counterfeiting and authentication processes and commercial products. Advance royalty payments of $75,000 semi-annually were required to be paid between June 15, 2010 and June 15, As of the acquisition of IDME on September 27, 2013, $417,250 had been paid.

MANAGEMENT CONTRACTS

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

PARTICULARS OF MATTERS TO BE ACTED UPON

(A.) Alteration to Articles to Include Advance Notice Provisions

Introduction

The directors of the Company are proposing that the Articles of the Company be altered to include an advance notice provision (the "Advance Notice Provision"), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to

register an informed vote. The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Schedule "A" to this Information Circular.

Purpose of the Advance Notice Provision

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The Advance Notice Provision is the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

Effect of the Advance Notice Provision

Subject only to the BCA and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCA, or a requisition of the shareholders made in accordance with the provisions of the BCA; or (c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (D) a statement as to whether such person would be "independent" of the Company (within

the meaning of applicable securities law) if elected as a director at such meeting and the reasons and basis for such determination; and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below).

To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in §14.12 of the Company's Articles and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in a standard form to be provided by the Company at any time on request) that such candidate for nomination, if elected as a director of the Company, will comply with all publicly disclosed code (s) of conduct, corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director or alternatively, such candidate shall notify the Company in writing with reasonable details as to which of such codes, policies, etc. that the candidate does not intend to observe and the reasons why. The Company may publicly disclose such candidate's notification.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCA. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of the Advance Notice Provision: (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (b) "Applicable Securities Laws" means the Securities Act (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each applicable provinces and territories of Canada.

Notwithstanding any other provision of the Advance Notice Provision, notice or any delivery given to the Corporate Secretary of the Company pursuant to the Advance Notice Provision may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

Vote Required and Recommendation of the Board

Under the Articles and the BCA, the alteration of the Company's Articles requires the approval of a simple majority of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Company by an ordinary resolution. Accordingly, shareholders will be asked at the Meeting to vote on an ordinary resolution, the text of which is set forth below (the "Advance Notice Provision Resolution"), to approve the alteration of the Articles of the Company to include the Advance Notice Provision.

The Board has concluded that the Advance Notice Provision is in the best interests of the Company and its shareholders. Accordingly, the Board unanimously recommends that the shareholders ratify, confirm and approve an alteration of the Company's Articles by voting FOR the Advance Notice Provision Resolution at the Meeting. Except where a Shareholder who has given the proxy directs that his or her Common Shares be voted against such resolution, the appointees named in the accompanying Form of Proxy will vote the Common Shares represented by such proxy FOR such resolution.

"BE IT RESOLVED as an ordinary resolution that:

1. The Articles of the Company be altered by adding the text substantially as set forth in Schedule "A" to this Information Circular as and at § 14.12 of the Company's Articles;

2. The Company be authorized to revoke this ordinary resolution and abandon or terminate the alteration of the Articles if the Board deems it appropriate and in the best interest of the Company to do so without further confirmation, ratification or approval of the shareholders; and

3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."

The Board recommends that shareholders vote in favour of the Advance Notice Provisions.

(B.) Proposed Issuance of 234,897 Shares to Two Insiders

During early Summer of 2013 the Company required additional equity financing and so approached a number of potential investors who were introduced to it by Spectrum Capital and other intermediaries. In August the Company reached an agreement with certain investors who would invest approximately $3 million in new equity provided that it was a condition of the investors for such funding that the Company must concurrently acquire at least 95% (by value) the two private corporations (IDME Technologies Inc. and IDIT Technologies Inc) which held the master technology license rights from Simon Fraser University to the nano-imaging technology which the Company was developing under sublicense from IDME. The consideration for the acquisition of 98.5% of these two companies (95% of IDME Technologies Inc and 100% of IDIT Technologies Inc) was a total of 3.94 million common shares valued at $0.72 each of which 3,705,013 shares were to be issued concurrently with the closing of the new equity financing (upsized to $4.2 million). The combined corporate acquisition and equity financings closings occurred on September 27, 2013. As a result of TSX Venture Exchange rules, the issuance of 234,897 of the 3.94 million consideration shares would require prior disinterested shareholders' approval at a meeting of the Company's shareholders.

The insiders who received shares on closing under the IDME/IDIT acquisition transactions were Doug Blakeway director and CEO (1,504,654 shares), Dr. Bozena Kaminska, Director and CSO (1,557,655 shares) and Clint Landrock, Executive VP Products (433,333 shares). Other than patents and other intellectual property, these two corporations had no other material assets or liabilities on completion of the acquisition except payables of approximately $448,000 for several years' unpaid wages to Mr. Blakeway and Dr. Kaminska. All of the 3.94 million shares were agreed to be pooled for two years but could be released earlier if the Company's

shares traded on the TSX Venture Exchange at a price of $1.60 or more for 10 consecutive days, (which they have since done). All 3.94 million shares were also subject to an escrow agreement which releases them over 18 months (25% released on the September 27, 2013 closing and 25% released each 6 months after closing).

The 3.94 million shares represented just over 10% of the approximately 37 million post-financing, post-acquisition shares. The acquisition benefitted the Company by eliminating 6% (of a total 9%) gross revenue royalty on product sales and gave the Company direct ownership of the principal nanotechnology patents as well as ownership of additional intellectual property in related fields which IDME and IDIT held. The Company's products and services are now subject only to a 3% sales royalty in favor of Simon Fraser University. Under TSX Venture Exchange rules no more than 9.9% of outstanding shares could be issued to insiders without prior disinterested shareholders approval. As a result of this rule Mr. Blakeway and Dr. Kaminska agreed that the issuance of 234,897 of the shares otherwise properly due to them would be made subject to such approval.

As a result of this accommodation, the Company agreed to seek disinterested shareholders approval to issue the 234,897 shares not permitted to be issued to Mr. Blakeway and Dr. Kaminska at closing. Because the issuance of all the 3.94 million shares was supported by an independent appraisal by Evans and Evans Inc, Certified Business Valuators, (publicly filed at www.sedar.com), the Board feels that it is fair and proper to recommend to shareholders that these 234,897 shares be approved by shareholders for issuance. The Board notes that neither Mr. Blakeway nor Dr. Kaminska has any legal recourse or entitlement to any payment lieu if shareholders do not approve the additional allotment.

Under TSX Venture Exchange rules it is also required that insiders to whom shares may be issued subject to shareholders' approval must abstain from voting on the approval resolution. Therefore at the Meeting, the votes attaching to the 8,096,912 shares held by Mr. Blakeway and Dr. Kaminska will be precluded from voting as set out below:

Insider / Shareholder	**Shares Held**
Douglas H. Blakeway	5,787,137
Bozena Kaminska	2,309,775
Total Shares Which May Not Be Voted on the Resolution	8,096,912

In the event of a negative vote by the disinterested shareholders with respect to the issuance of these shares, management reserves the right to resubmit the resolution at the next general meeting of the shareholders. It is the view of management that it is in the best interests of the Company to approve the issuance of these 234,897 shares.

Accordingly, disinterested shareholders will be asked to approve the following ordinary resolution in order to approve of the issuance of shares to insiders:

"BE IT RESOLVED by ordinary resolution by disinterested shareholders that:

(1.) the issuance of 234,897 common shares of the Company to Mr. Blakeway (as to 117,918) and Dr. Kaminska (as to 116,979) pursuant to the September 27, 2013 acquisition of IDME Technologies Corp. and IDIT Technologies Corp., as more particularly described in the Company's Information Circular dated March 14, 2014, is hereby ratified and approved;

(2.) any director or officer of the Company is authorized to execute and file such documents and take such further action, that may be necessary in connection with the foregoing resolutions; and

(3.) the board of directors is hereby authorized, in its sole discretion to effect such resolution as and when the board sees fit, in accordance with the policies of the TSX Venture Exchange and subject to receipt of all necessary regulatory approvals."

The Board of Directors recommends that the disinterested shareholders vote in favour of the ordinary resolution approving the issuance of shares to insiders.

An "ordinary resolution" is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy. A "disinterested shareholder" means a shareholder that is not an Insider to whom the issuance of shares is granted and any associates of such Insider.

The Board of Directors unanimously (Mr Blakeway and Dr Kaminska abstaining) recommends that shareholders vote in favour of the ordinary resolution approving the issuance of these 234,897 shares as being fair and proper and in the best interests of the Company.

(C.) Share Option Plan

TSXV policy requires all of its listed companies to have a share option plan if the company intends to grant options. Pursuant to the policies of the TSXV, the Plan requires shareholder approval for continuation at every annual meeting of the Company by ordinary resolution. and therefore management is seeking shareholder approval; for renewal of the Plan.

On February 15, 2010 the Board approved the adoption of a rolling share option plan (the "Plan") in order to increase the flexibility of the Company to provide incentives to directors, officers, employees, management and others who provide services to the Company and to bring the Company's share option plan in line with the current regulatory regime. On March 16, 2010, the Company's shareholders approved the adoption of the Plan and on April 4, 2012 the Company's shareholders approved amendments to the Plan. In 2012, the Board approved minor housekeeping amendments to the Plan to account for changes in certain Income Tax Act Canada requirements. Such changes are permitted by the policies of the TSXV to be effective without shareholders approval. Pursuant to the policies of the TSXV, the Plan requires shareholder approval for continuation at every annual meeting of the Company by ordinary resolution.

The Plan is a 10% rolling plan, meaning a maximum of 10% of the issued and outstanding Common Shares of the Company at the time an option is granted, less Common Shares reserved for issuance outstanding under the Plan, is reserved for options to be granted at the discretion of the Board to eligible optionees. The Board is of the view that the Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. As of March 3, 2014, options to purchase an aggregate of 1,045,000 Common Shares are outstanding, representing approximately 2.7% of the outstanding Common Shares in the capital of the Company.

Material Terms of the Plan

The following is a summary of the material terms of the Plan:

(a) Persons who are directors, officers, employees, consultants to the Corporation or its affiliates, or who are employees of a management company providing services to the Corporation are eligible to receive grants of options under the Plan.

(b) Options may be granted only to an individual or to a company that is owned by individuals eligible for an option grant. If the option is granted to a company, the company must undertake that it will not permit any transfer of its shares, nor issue further shares, to any other individual or entity as long as the incentive stock option remains in effect without the consent of the TSXV.

(c) All options granted under the Plan will be exercisable only by the Optionee to whom they have been granted and the options are non-assignable and non-transferable, except in the case of the death of an Optionee, any vested option held by the deceased Optionee at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option.

(d) Vesting of options is determined by the Board.

- in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same; and
- in the event of a change of control occurring, options granted to directors and officers which are subject to vesting provisions shall be deemed to have immediately vested upon the occurrence of the change of control;

(e) All options granted under the Plan are exercisable for a period of up to 10 years and will vest at the discretion of the Board, provided that the term of such options may be extended in circumstances where the expiry date otherwise falls during a black-out period (defined below) as determined in accordance with the Corporation's policies or applicable securities legislation, and subject to:

(i) the Optionee remaining employed by or continuing to provide services to the Corporation or any of its subsidiaries and affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Corporation or its subsidiary or affiliate during the vesting period; or

(ii) remaining as a director of the Corporation or any of its subsidiaries or affiliates during the vesting period.

(f) A "blackout period" is any period of time during which a participant in the Plan is unable to trade securities of the Corporation as a consequence of the implementation of a general restriction on such trading by an authorized Officer or Director pursuant to the Corporation's governance policies that authorize general and/or specific restrictions on trading by Service Providers in circumstances where there may exist undisclosed material changes or undisclosed material facts in connection with the Corporation's affairs. The term of an option will expire on its Expiry Date as defined in the Plan unless the Expiry Date occurs during a blackout period or within five business days after the expiry of the blackout period, then the Expiry Date for that Option will be the date that is the tenth business day after the date the blackout period expires.

(g) The exercise price of the option is established by the Board at the time the option is granted, provided that the minimum exercise price shall not be less than the market price being the weighted average trading price of the Corporation's shares on the TSXV for the five trading days preceding the date of the grant.

(h) Subject to the policies of the TSXV, the Plan may be amended by the Board without further shareholder approval to:

(i) make amendments which are of a typographical, grammatical or clerical nature;

(ii) change the vesting provisions of an option granted hereunder or the Plan;

(iii) change the termination provision of an option granted hereunder or the Plan, which does not entail an extension beyond the original expiry date of such option;

(iv) add a cashless exercise feature payable in cash or Common Shares;

(v) make amendments necessary as a result in changes in securities laws applicable to the Corporation;

(vi) make such amendments as may be required by the policies of such senior stock exchange or stock market if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the TSXV; and

(vii) make such amendments to reduce, and not increase, the benefits of the Plan to Optionees. In this regard the Board in 2014 has reduced the period a vested option may be exercised

from 90 days to 30 days after a service provider is terminated for any reason, unless the Board otherwise resolves to keep the post termination period at 90 days.

(i) The Plan is subject to the following restrictions:

(i) Common Shares being issuable to Insiders under the Plan, when combined with all of the Corporation's other share compensation arrangements, may not exceed 10% of the outstanding Common Shares;

(ii) Common Shares being issued within a 12 month period to Insiders as a group under the Plan, when combined with all of the Corporation's other share compensation arrangements to Insiders, may not exceed 10% of the outstanding Common Shares; and

(iv) a reduction in the exercise price of an option granted to an Insider or an extension of the term of an option granted hereunder benefitting an Insider, would require the approval of the disinterested shareholders (define below) of the Corporation.

At the Meeting, Shareholders will be asked to vote on the following resolution:

"**RESOLVED** that the Company's 10% rolling share option plan dated for reference February 15, 2010, as amended and described in the Information Circular dated March 14, 2014 , be and is hereby ratified and approved until the next annual general meeting of the Company."

The Board recommends that shareholders vote in favour of the continuance of the Plan, as amended.

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

ADDITIONAL INFORMATION

The financial statements for the year ended September 30, 2013, report of the auditor and related management discussion and analysis as filed with the securities commissions in British Columbia, Alberta and Ontario. A copy of this material may be obtained by a Shareholder upon request without charge from Lynn Blakeway, at Telephone No.: (604) 420-0830 or Fax No.: (604) 420-1985. Additional information relating to the Company and copies of the Company's interim financial statements and related management discussion and analysis may also be obtained from Ms. Lynn Blakeway.

OTHER MATTERS

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

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

DATED at Burnaby, British Columbia, March 14, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

"Douglas H. Blakeway"

Douglas H. Blakeway
President and Chief Executive Officer

SCHEDULE "A"
ALTERATION OF ARTICLES

Nomination of Directors
14.12

(a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

(i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or

(iii) by any person (a "Nominating Shareholder") (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given (i) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this §14.12 and (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12 (e).

(c) To be timely under §14.12 (b) (i), a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:

(i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

(iii) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12 (c).

(d) (To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under §14.12 (b) (i) must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record

by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in a standard form to be provided by the Company at any time on request) that such candidate for nomination, if elected as a director of the Company, will comply with all publicly disclosed code (s) of conduct, corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director or alternatively, such candidate shall notify the Company in writing with reasonable details as to which of such codes, policies, etc that the candidate does not intend to observe and the reasons why. The Company may publicly disclose such candidate's notification.

(f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(g) For purposes of this §14.12:

(i) "Affiliate", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(ii) "Applicable Securities Laws" means the Securities Act (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;

(iii) "Associate", when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;

(iv) "Derivatives Contract" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

(v) "Meeting of Shareholders" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;

(vi) "owned beneficially" or "owns beneficially" means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such

shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and

(vii) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(h) Notwithstanding any other provision to this §14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12 (c) or the delivery of a representation and agreement as described in §14.12 (e).