



QUANTUM INTERNATIONAL INCOME CORP.

NOTICE OF MEETING

and

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO

THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 18, 2016

Dated April 14, 2016

QUANTUM INTERNATIONAL INCOME CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the "**Meeting**") of the holders of common shares ("**Shareholders**") of Quantum International Income Corp. (the "**Corporation**") will be held at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto ON, M5X 1A4 on Wednesday, May 18, 2016 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive and consider: (a) the financial statements of the Corporation for the financial year ended February 28, 2015 and the report of the auditors thereon, and (b) the financial statements of the Corporation for the three and nine months ended November 30, 2015;
2. to elect the directors of the Corporation for the ensuing year;
3. to re-appoint Mazars Harel Drouin, S.E.N.C.R.L. as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration;
4. to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution approving the amended stock option plan of the Corporation (the "**Quantum Stock Option Plan**");
5. provided the above ordinary resolution approving the Quantum Stock Option Plan is adopted by Shareholders, to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution, approving the amendment of the exercise price of certain outstanding stock options of the Corporation, as described further in the accompanying management information circular of the Corporation;
6. to consider, and if deemed advisable, to pass, with or without variation, a special resolution authorizing the directors of the Corporation, to amend the articles of the Corporation to consolidate the Corporation's common shares on the basis of one post-consolidation common share for every three pre-consolidation common shares outstanding, and amend the Corporation's articles accordingly, all described further in the accompanying management information circular of the Corporation;
7. to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution approving the creation of a "Control Person" within the meaning of the rules and policies of the TSX Venture Exchange, as described further in the accompanying management information circular of the Corporation;
8. to consider, and if deemed advisable, to pass, with or without variation, a special resolution authorizing the directors of the Corporation to amend the articles of the Corporation to create a class of preferred shares of the Corporation, issuable in one or more series; and
9. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

An "ordinary resolution" is a resolution passed by at least a majority of the votes cast by Shareholders who were entitled to vote and voted in respect of that resolution at the Meeting.

A "special resolution" is a resolution passed by at least a supermajority of 66⅔% of the votes cast by Shareholders who were entitled to vote and voted in respect of that resolution at the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular of the Corporation.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is April 18, 2016 (the "**Record Date**"). Shareholders whose names have

been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with Equity Financial Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

These Shareholder materials are being sent to both registered and non-registered Shareholders. If you are a non-registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

DATED this 14th day of April, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS
OF QUANTUM INTERNATIONAL INCOME CORP.**

"Peter Shippen"

Peter Shippen
Director

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this management information circular constitute forward-looking statements and forward-looking information (collectively, "**Forward-Looking Statements**") and the Corporation (as defined below) cautions investors about important factors that could cause the Corporation's actual results to differ materially from those expressed, implied or projected in any Forward-Looking Statements included in this Circular. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will likely result", "are expected to", "expects", "will continue", "is anticipated", "anticipates", "may", "could", "believes", "estimates", "intends", "plans", "forecast", "projection" and "outlook") are not historical facts and may be Forward-Looking Statements that involve projections, estimates, assumptions, known and unknown risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in such Forward-Looking Statements or otherwise be materially inaccurate. No assurance can be given that these expectations or assumptions will prove to be correct and such Forward-Looking Statements included in this Circular should not be unduly relied upon. These Forward-Looking Statements speak only as of management's beliefs and expectations as of the date of this Circular and will be updated as required by applicable securities laws. In addition, this Circular may contain Forward-Looking Statements drawn from or attributed to third party sources. Accordingly, any such statements are qualified in their entirety by reference to the information discussed throughout this Circular.

In particular, this Circular contains Forward-Looking Statements regarding anticipated future financial, structural, growth and operating performance of the Corporation. These Forward-Looking Statements reflect the current beliefs of management with respect to, among other things, the performance and results of the Corporation and completion of future acquisitions. Actual results may differ materially due to a number of risks and uncertainties faced by the Corporation, including, but not limited to: general economic and business conditions; global financial conditions; material changes in rulings of the Internal Revenue Service of the United States or the Canada Revenue Agency, case law or the interpretation of such rulings by such entities; the failure of the Corporation to identify acquisition targets or complete future acquisitions; third parties honouring their contractual obligations with the Corporation or its subsidiaries, or both; relationships with operating or joint venture partners, or both; inaccuracy, incompleteness or omissions in any of the financial and other information upon which management bases its analysis of potential acquisitions; factors relating to the healthcare industry, including reliance on third-party payors for revenue; licensing, certification and accreditation risk; healthcare regulatory requirements; dependence on physician relationships and the ability to attract new physicians to perform procedures at facilities in which the Corporation has an interest; litigation, professional liability claims; insurance coverage limitations and uninsured risks; a reduction in the number of surgical procedures because of physician treatment methodologies and government or commercial health insurance controls; dependence on key personnel at the Corporation and operations level; competition from other healthcare providers; competition for, among other things, capital, equipment and skilled personnel; the inability to generate sufficient cash flow from operations to meet future obligations; the inability to obtain required debt or equity, or both types of financing for future acquisitions on suitable terms; competition for acquisition targets; inability to service debt obligations; seasonality and fluctuations in results; any unanticipated effects of any consolidation of the Corporation's common shares or the creation of a new class of preferred shares of the Corporation; and limited diversification of the Corporation's business industries, structures and operations.

MANAGEMENT INFORMATION CIRCULAR

PART I - GENERAL INFORMATION RESPECTING THE MEETING

SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Quantum International Income Corp. ("Quantum" or the "Corporation") for use at the annual and special meeting (the "Meeting") of the holders of common shares of the Corporation (the "Shareholders") to be held at 10:00 a.m. (Toronto time) on May 18, 2016 at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto ON, M5X 1A4 for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders. References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail; however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

In this Circular, "Quantum", or the "Corporation" refers to Quantum International Income Corp. and its subsidiaries, and where the context permits or requires, Centers For Special Surgery, LLC ("CSS").

The board of directors of the Corporation (the "Board" or the "Board of Directors") has fixed the close of business on April 18, 2016 as the record date for the Meeting, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the "Record Date").

In this Circular, unless otherwise indicated, all dollar amounts "\$" or "C\$" are to Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of April 14, 2016.

PROXY INSTRUCTIONS

Voting of Proxies

The Common Shares (as defined below) represented by the enclosed form of proxy (if same is properly executed and is received at the offices of Equity Financial Trust Company at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted or withheld from voting at the Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting accordingly. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.** At the time of the printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Appointment of Proxies

The persons named in the enclosed form of proxy are officers or directors, or both officers and directors of the Corporation. **A Shareholder desiring to appoint some other person or company, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person or company's name in the blank space provided in the enclosed form of proxy or by properly completing another form of proxy and, in either case, depositing the completed and executed proxy at the offices of Equity Financial Trust Company, at the**

address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item of business by checking the appropriate space. If the Shareholder giving the proxy wishes to confer discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the enclosed form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney of the body corporate.

Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Equity Financial Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Equity Financial Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Annual and Special Meeting, this Circular and the enclosed form of proxy (collectively the "**Meeting Materials**") to the Intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward meeting materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or

otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting; or**

- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Equity Financial Trust Company, 200 University Avenue, Suite 300, Toronto, Ontario M5H 4H1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person or company attend and vote on the Non-Registered Shareholder's behalf), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person's or company's name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered or the form of proxy is to be delivered.**

A Non-Registered Shareholder who has submitted a proxy or voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary may revoke it at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a proxy, a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

The Corporation is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders. The Corporation will send proxy-related materials directly to non-objecting Non-Registered Shareholders, through the services of its registrar and transfer agent, TMX Equity Transfer Services Inc. The Corporation does not intend to pay for intermediaries to forward to objecting Non-Registered Shareholders the proxy-related materials and Form 54-101F7 - *Request for Voting Instructions Made by Intermediary*.

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

Except as disclosed in the section of this Circular entitled "*Part V - Particulars of Matters to be Acted Upon - Amendment of Certain Stock Options*", no person that has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year on March 1, 2014, any proposed nominee for election as a director of the Corporation, nor any associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any of the matters to be acted upon at the Meeting, other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The directors of the Corporation have fixed April 18, 2016 as the record date for the determination of Shareholders entitled to receive notice of, and vote at, the Meeting. Shareholders of record at the close of business on April 18, 2016 will be entitled to vote at the Meeting and at all postponements or adjournments thereof.

The authorized share capital of the Corporation consists of an unlimited number of voting common shares without par value (the "**Common Shares**"). As of the date hereof, there are 86,325,179 Common Shares issued and outstanding. The holders of Common Shares are entitled to receive notice of and attend at any meeting of the Shareholders and are entitled to one vote on all matters to be acted upon at any such meeting or postponement or adjournment thereof for each Common Share held. The holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board.

To the knowledge of the Corporation's directors and executive officers, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding Common Shares as of the date of this Circular.

PART II - EXECUTIVE COMPENSATION

The purpose of this section is to describe the compensation of certain executive officers of the Corporation (the "**Named Executive Officers**" or "**NEOs**") and the directors of the Corporation for the most recently completed financial year of the Corporation in accordance with Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers* published by the Canadian Securities Administrators. The Named Executive Officers during the financial year of the Corporation ended February 28, 2015 were Grant White (Chief Executive Officer), Roy Booth (Chief Financial Officer), William Edwards (Chief Financial Officer), and Manu K. Sekhri (President). Notwithstanding their status as NEOs for the financial year of the Corporation ended February 28, 2015, Messrs. White, Booth and Edwards have since left the Corporation. See the section of this Circular entitled "*Director and Named Executive Officer Compensation*" below. The current directors of the Corporation are Mr. Sekhri, Sheila Ogilvie-Harris, and Peter Shippen. If the proposed directors are elected to the Board, the directors of the Corporation will remain unchanged.

COMPENSATION DISCUSSION AND ANALYSIS

Overview

The executive compensation program of the Corporation is administered by the Compensation Committee. The directors of the Corporation believe that the Corporation should provide a compensation package that is competitive and motivating, that will attract, hold and inspire qualified executives, and that will encourage performance by executives. Achievement of these objectives is expected to contribute to an increase in Shareholder value.

Unless otherwise noted, all information in this section refers to the Corporation as at and for the financial year ended February 28, 2015.

Objectives of the Compensation Policy

The Corporation's policies on executive compensation are intended to provide appropriate compensation for executives, including the NEOs, that is internally equitable, externally competitive and reflects individual achievements in the context of the achievements of the Corporation. The overriding principles in establishing executive compensation provide that compensation should reflect:

- (a) fair and competitive compensation commensurate with an individual's experience and expertise in order to attract and retain highly qualified executives;
- (b) recognition and encouragement of leadership, entrepreneurial spirit and team work;
- (c) an alignment of the financial interests of the executives with the financial interests of Shareholders;
- (d) stock options and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives; and
- (e) a contribution to enhancement of shareholder value.

The independent members of the Board have the responsibility for recommending the level of salary and incentives for executive officers. The recommended salary and incentives are then reviewed and approved by the directors of the Corporation, and the Corporation maintains an Audit, Compensation, Corporate Governance and Nominating Committee. During the financial year ended February 28, 2015, the executive officers of the Corporation, including

the NEOs (apart from Messrs. Edwards and Booth, both former Chief Financial Officers of the Corporation), were compensated through the Management Agreement (as defined herein) and not through a salary from the Corporation. See the section of this Circular entitled "*Employment Agreement*" below for a description of the material terms of the employment agreement that was in place between Mr. Booth and the Corporation (the "**Booth Employment Agreement**") during the financial year of the Corporation ended February 28, 2015.

As of the date of this Circular, both the Management Agreement and the Booth Employment Agreement have been terminated. The Booth Employment Agreement was terminated as a result of Mr. Booth's resignation as Chief Financial Officer of the Corporation. In respect of the termination of the Management Agreement, the impact of this termination led to an 'at will' employment relationship with Mr. Sekhri until the Consulting Agreement (as defined below) was entered into. During this interim period, the compensation payable to Mr. Sekhri, directly or indirectly, was reduced. See the sections of this Circular entitled "*Part IV - Management Contracts*" and "*Part II - Executive Compensation - Employment Agreement*" for further information regarding the termination of the Management Agreement and the Booth Employment Agreement, respectively, subsequent to the financial year of the Corporation ended February 28, 2015.

Elements of Executive Compensation

There are three elements to the Corporation's executive compensation program:

- (1) base salary;
- (2) short-term compensation incentives for annual and personal performance; and
- (3) long-term compensation incentives (primarily stock options) related to long-term increase in Common Share value.

Short-Term Incentives

Base Salary

In respect of the financial year of the Corporation ended February 28, 2015, and all periods subsequent thereto, all executive officers of the Corporation have received compensation either pursuant to the Management Agreement, Booth Employment Agreement or other third party management or consultant contracts. Base salaries were, for the financial year of the Corporation ended February 28, 2015 and, to the extent such agreements are still in place, continue to be, based on the particular executive officer's personal performance and seniority, contribution to the business of the Corporation and the size and stage of development of the Corporation. As noted herein, during the financial year ended February 28, 2015, other than the former Chief Financial Officers of the Corporation, Messrs. Edwards and Booth, the executive officers of the Corporation received their compensation pursuant to the Management Agreement (as defined herein). Since the completion of the financial year ended February 28, 2015, the Management Agreement was terminated. See the section of this Circular entitled "*Part IV - Management Contracts*" for more information regarding the termination of the Management Agreement.

Short-Term Incentive Compensation

The Corporation may from time to time award discretionary bonuses; however, the Corporation did not and does not expect to place great emphasis on the awarding of annual bonuses. Bonuses may be awarded to certain executives, including NEOs, where such executives meet personal objectives or where the Corporation achieves certain objectives as a direct or indirect result of such executive's efforts. It is not expected that the current executive officers will receive any such incentives.

Long-Term Incentives

Existing Stock Option Plan

Long-term incentive compensation for executive officers may be provided through grants of stock options pursuant to the Existing Stock Option Plan (as defined herein). Stock option grants to executive officers will be generally reviewed annually. The number of stock options to be granted is expected to be based on each executive's salary range, responsibility and performance and will take into account the number and terms of stock options that have been granted to that executive previously.

Other Compensation Matters

Other than as specifically set forth above, the Corporation did not and does not anticipate paying any other long-term incentive awards to the executive officers, including the NEOs. The Corporation did not establish and does not anticipate establishing any supplemental executive retirement plans, pension plans or disability benefits for the directors or the executive officers, including the NEOs.

A NEO, director or officer is not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange traded funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such NEOs, directors and officers.

OPTION-BASED AWARDS

The stock option plan of Quantum (the "**Existing Stock Option Plan**") was last approved by Shareholders at the annual meeting of Shareholders held on February 19, 2015. The Existing Stock Option Plan is a "rolling" stock option plan, which authorizes the Corporation to grant options to acquire up to 10% of its issued and outstanding Common Shares, from time to time. For a summary of the Existing Stock Option Plan, see the section of this Circular entitled "*Part III - Securities Authorized for Issuance under Equity Compensation Plans - Existing Stock Option Plan*".

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, approve an ordinary resolution adopting an amended stock option plan of the Corporation. See the section of this Circular entitled "*Part V - Particulars of Matters to be Acted Upon - Approval of the Amended Quantum Stock Option Plan*" below.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

Compensation excluding Compensation Securities

The following table sets forth the total compensation paid to or earned by the NEOs and directors of the Corporation, excluding compensation securities, for services rendered to the Corporation and its subsidiaries for the financial years ended February 28, 2015 and 2014.

Table of Compensation excluding Compensation Securities							
Name and Position	Year ended February 28	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
William G. Edwards (CFO) ⁽¹⁾	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	14,770	Nil	Nil	Nil	Nil	14,770
Grant White (CEO) ⁽²⁾	2015	Nil	Nil	Nil	Nil	251,916	251,916
	2014	Nil	Nil	Nil	Nil	54,444 ⁽⁸⁾	54,444
Roy L. Booth (CFO) ⁽³⁾	2015	70,153	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Manu K. Sekhri (President and Director) ⁽⁴⁾⁽⁵⁾	2015	Nil	Nil	Nil	Nil	251,916	251,916
	2014	Nil	Nil	Nil	Nil	54,444 ⁽⁹⁾	54,444
Douglas Stuve (Director) ⁽⁶⁾	2015	3,598	Nil	Nil	Nil	Nil	3,598
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Geoffrey Boothe (Director) ⁽⁷⁾	2015	2,998	Nil	Nil	Nil	Nil	2,998
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Sheila Ogilvie-Harris (Director)	2015	3,598	Nil	Nil	Nil	Nil	3,598
	2014	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Edwards resigned as the Chief Financial Officer of the Corporation on March 18, 2014.
- (2) Mr. White was dismissed as the Chief Executive Officer and resigned as a director of the Corporation on October 28, 2015.
- (3) Mr. Booth resigned as the Chief Financial Officer of the Corporation on February 15, 2016.

- (4) Mr. Sekhri became a director of the Corporation on November 21, 2013 and the Chief Executive Officer of the Corporation on October 28, 2015.
- (5) Mr. Sekhri received no compensation during the applicable periods for services provided as a director of the Corporation.
- (6) Mr. Stuve resigned as a director of the Corporation on March 11, 2016.
- (7) Mr. Boothe resigned as a director of the Corporation on January 19, 2016.
- (8) Consulting fees were accrued at year end, payable to a holding company controlled by Mr. White.
- (9) Consulting fees were accrued at year end, payable to a holding company controlled by Mr. Sekhri.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and NEO by the Corporation during the fiscal year ended February 28, 2015 for services provided or to be provided, directly or indirectly, to the Corporation.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of Issue or Grant	Issue, Conversion, or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security as of February 28, 2015 (\$)	Expiry Date
William G. Edwards (CFO) ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grant White (CEO) ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roy L. Booth (CFO) ⁽³⁾	Stock options ⁽⁸⁾	500,000	December 10, 2014	0.35	0.33	0.22	December 10, 2019
Manu K. Sekhri (President and Director) ⁽⁴⁾⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Stuve (Director) ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Geoffrey Boothe (Director) ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sheila Ogilvie-Harris (Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Edwards resigned as the Chief Financial Officer of the Corporation on March 18, 2014.
- (2) Mr. White was dismissed as the Chief Executive Officer and resigned as a director of the Corporation on October 28, 2015.
- (3) Mr. Booth resigned as the Chief Financial Officer of the Corporation on February 15, 2016.
- (4) Mr. Sekhri became a director of the Corporation on November 21, 2013 and the Chief Executive Officer of the Corporation on October 28, 2015.
- (5) Mr. Sekhri received no compensation during the applicable periods for services provided as a director of the Corporation.
- (6) Mr. Stuve resigned as a director of the Corporation on March 11, 2016.
- (7) Mr. Boothe resigned as a director of the Corporation on January 19, 2016.
- (8) 166,667 vested immediately upon issuance and the remaining 333,333 vest over 2-year period.

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of Compensation Security	Number of Underlying Securities Exercised	Exercise Price of Security (\$)	Date of Exercise	Closing Price per Security on Date of Exercise (\$)	Difference between Exercise Price and Closing Price on Date of Exercise (\$)	Total Value on Exercise Date (\$)
William G. Edwards (CFO) ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grant White (CEO) ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Roy L. Booth (CFO) ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Manu K. Sekhri (President and Director) ⁽⁴⁾⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Stuve (Director) ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Geoffrey Boothe (Director) ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sheila Ogilvie-Harris (Director)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Edwards resigned as the Chief Financial Officer of the Corporation on March 18, 2014.
- (2) Mr. White was dismissed as the Chief Executive Officer and resigned as a director of the Corporation on October 28, 2015.
- (3) Mr. Booth resigned as the Chief Financial Officer of the Corporation on February 15, 2016.
- (4) Mr. Sekhri became a director of the Corporation on November 21, 2013 and the Chief Executive Officer of the Corporation on October 28, 2015.
- (5) Mr. Sekhri received no compensation during the applicable periods for services provided as a director of the Corporation.
- (6) Mr. Stuve resigned as a director of the Corporation on March 11, 2016.
- (7) Mr. Boothe resigned as a director of the Corporation on January 19, 2016.

EMPLOYMENT AGREEMENT

During the financial year ended February 28, 2015, other than Mr. Booth, no director or NEO provided services to the Corporation pursuant to any employment agreement. For information regarding the executive compensation received by Mr. Booth during the financial year ended February 28, 2015, see the section of this Circular entitled "*Director and Named Executive Officer Compensation*" above.

Pursuant to the Booth Employment Agreement, Mr. Booth was entitled to one month's notice of termination in writing. Additionally, Mr. Booth was entitled to three months of salary if terminated within year one of employment, six months of salary if terminated in year three, and 12 months of salary if terminated in year three or beyond. On termination without cause, any unvested options held by Mr. Booth vested immediately and Mr. Booth remained entitled to all employee benefits until the required period of notice had been fulfilled. The Booth Employment Agreement provided for no change of control payment.

Mr. Booth resigned as the Chief Financial Officer of the Corporation on February 15, 2016, and as of the date of this Circular, the Booth Employment Agreement has been terminated.

PART III - SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Existing Stock Option Plan

The Existing Stock Option Plan was approved by Shareholders on November 21, 2013 and February 19, 2015. The Existing Stock Option Plan authorizes the Corporation to grant options to acquire up to 10% of its issued and outstanding Common Shares, from time to time. Specifically, the Existing Stock Option Plan reserves, for issue pursuant to stock options, a maximum number of Common Shares equal to 10% of the outstanding Common Shares from time to time, with no mandatory vesting provisions. The number of Common Shares reserved for issue to any one person in any 12-month period under the Existing Stock Option Plan may not exceed 5% of the outstanding Common Shares at the time of grant without disinterested shareholder approval (as described in Policy 4.4 of the Option Policy (as defined below) "**Disinterested Shareholder Approval**").

Pursuant to the Existing Stock Option Plan, the aggregate number of Common Shares reserved for issue to any "Other Participant" (as defined in the Existing Stock Option Plan) in any 12-month period may not exceed 2% of the outstanding Common Shares at the time of grant. The aggregate number of Common Shares reserved for issue under the Existing Stock Option Plan to any Employee (as defined in Policy 4.4 of the Corporate Finance Manual of the TSX Venture Exchange (the "**Option Policy**")) conducting Investor Relations Activities (as defined in the Option Policy) in any 12-month period may not exceed 2% of the outstanding Common Shares at the time of grant.

The number of Common Shares issued to any one person within a 12-month period on the exercise of stock options issued pursuant to the Existing Stock Option Plan may not exceed 5% of the outstanding Common Shares at the time of exercise without Disinterested Shareholder Approval.

The exercise price per Common Share for a stock option may not be less than the Discounted Market Price (as defined in the Option Policy). Stock options issued pursuant to the Existing Stock Option Plan may be settled by the option holder paying the Corporation the applicable purchase price by cash or certificated cheque. Further, stock options may have a term not exceeding ten years and are non-assignable and non-transferable.

The Existing Stock Option Plan contains provisions for adjustments in the number of Common Shares or other property issuable on exercise of stock options in the event of stock dividend, consolidation, subdivision, reclassification or other relevant change in the Corporation's corporate structure, or any other relevant change in the Corporation's capitalization, as well as provisions regarding withholding taxes, legending of share certificates and other requirements which are stipulated by the laws or regulations of any governmental authority, in particular the United States *Securities Act of 1933*, in connection with any option or Common Share.

Directors, officers, employees, consultants, and service providers to the Corporation are eligible to participate in the Existing Stock Option Plan, awards of stock options may be made from time to time to participants at varying levels which are generally consistent with the individual's level of responsibility within the Corporation. Options are priced by the Board pursuant to the terms of the Existing Stock Option Plan. The term, vesting provisions and other provisions of the options are subject to the terms of the Existing Stock Option Plan and the discretion of the Board.

Equity Compensation Plan Information

As of February 28, 2015, the only compensation plan of the Corporation under which equity securities were currently authorized for issue was the Existing Stock Option Plan. The table below summarizes information in relation to the Common Shares reserved for issuance under the Existing Stock Option Plan as of February 28, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(A)	(B)	(C)
Equity compensation plans approved by security holders	500,000	0.35	4,352,273
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	500,000	0.35	4,352,273

PART IV - MANAGEMENT CONTRACTS

MANAGEMENT AGREEMENT

During the financial year ended February 28, 2015, the Corporation's management services were provided by an external third party, Quantum International Asset Management Corp. (the "**External Manager**") through a management agreement dated August 28, 2014 (the "**Management Agreement**"). For further information regarding the Management Agreement, see "*Part IV - Management Contracts*" in the management information circular of the Corporation dated January 19, 2015.

As of the date of this Circular, the Management Agreement has been terminated. For further information regarding the termination of the Management Agreement, see the news release issued by the Corporation on October 28, 2015 and the related material change report of the Corporation dated November 4, 2015.

CONSULTING AGREEMENT

As of the date of this Circular, management consulting services are provided to the Corporation by an external third party, Ascendant Group Holdings Inc. (the "**Consultant**"), a corporation controlled by Mr. Sekhri, through a consulting agreement dated April 1, 2016 (the "**Consulting Agreement**"). Pursuant to the Consulting Agreement, and subject to various terms and conditions thereof, the Consultant provides the Corporation with an appropriately qualified individual to serve as the Chief Executive Officer and as a member of the board of directors of the Corporation, and the services customarily associated with such positions in comparable companies. As of the date of this Circular, the appointee of the Consultant to provide the required services is Mr. Sekhri, a director and the Chief Executive Officer of the Corporation.

Fees and Incentives

Under the Consulting Agreement, the Consultant is initially entitled to the following fees for its services:

- Consulting fees at the rate of \$203,000 plus HST per year, payable monthly in equal, pro-rated installments;
- An annual performance incentive equal to:
 - (i) \$200,000 plus HST for each calendar year in which the Corporation or any of its Affiliates (as defined in the Consulting Agreement) completes an acquisition of at least one profitable business with a six-month trailing EBITDA (as defined in the Consulting Agreement) of at least US\$1,000,000 on an annualized basis (a "**Profitable Business**"); or
 - (ii) a discretionary amount targeted at \$150,000 plus HST, determined at the sole discretion of the Compensation, Corporate Governance and Nominating Committee, if the Corporation or any of its Affiliates does not complete an acquisition of a Profitable Business in a calendar year.

When the Corporation or any of its Affiliates completes the acquisition of a business with a trailing six months of EBITDA of at least US\$2,500,000 on an annualized basis, or when any of the Affiliates of the Corporation individually or any group of Affiliates achieves, in the aggregate, trailing six months of EBITDA of at least US\$2,500,000 on an annualized basis, then the Consultant is entitled to the following fees for its services:

- Consulting fees at the rate of US\$375,000 plus HST per year, payable monthly in equal, pro-rated installments;
- A monthly amount of US\$10,000 plus HST for its services; and
- An annual performance incentive, payable in United States dollars (or, on an as converted basis, at the Bank of Canada closing rate for the previous business day), equal to:

- (i) 2% of the total value of all forms of payment made and liabilities assumed for each acquisition by the Corporation or any of its Affiliates of a Profitable Business completed prior to the end of the calendar year, multiplied by a number which is reflective of a shareholder return between the time of the public announcement of the acquisition and the closing of the acquisition;
- (ii) 0.75% of the total proceeds from the disposition by the Corporation or any of its Affiliates of any of its operating business enterprises, functional business units, divisions or companies or all or substantially all of the assets thereof, for each disposition completed prior to the end of the calendar year, provided that such disposition generates gross proceeds in excess of the acquisition cost of such business or assets at the time of acquisition; or
- (iii) an amount, determined at the sole discretion of the Compensation, Corporate Governance and Nominating Committee, based on a targeted annual discretionary cash amount of US\$281,250.

The portion of the annual performance incentive specified in (i) and (ii) above shall be paid 30% in United States dollars and 70% shall be paid in Common Shares. The portion of the annual performance incentive specified in (iii) shall be paid in cash. If insufficient Common Shares are available for issue under the Corporation's equity based compensation plans, the amount of the shortfall shall be settled in cash in United States dollars.

Under the Consulting Agreement, the Consultant is also entitled to options to purchase Common Shares in accordance with the following:

- An initial grant of options to purchase 5% of the total outstanding Common Shares, being approximately 4,350,000 Common Shares, as of the date of the Consulting Agreement, with such options to vest immediately upon grant and to have the lowest exercise price permitted by the TSX Venture Exchange rules and the Existing Stock Option Plan, as may be amended.
- For each subsequent calendar year during the term of the Consulting Agreement, the Consultant is entitled to a sufficient number of stock options to keep the Consultant at the maximum allowable amount established by the TSX Venture Exchange rules, subject to applicable laws, including any required approvals.
- If, the Corporation is unable to grant the Consultant, or its approved appointee, any options entitled, the Corporation shall pay the Consultant a lump-sum payment in lieu of the grant of options in an amount equivalent to the number of stock options it was required to award multiplied by the exercise price that would have been applicable.

In addition, under the Consulting Agreement, the Corporation is obligated to reimburse the Consultant for all reasonable and necessary actual out-of-pocket costs and expenses paid by the Consultant in connection with the performance of the Consultant's services and shall reimburse the Consultant for all expenses so incurred, including travel costs, taxis, hotels, meals, parking expenses and premiums for commercial liability insurance.

Termination

The Consulting Agreement became effective April 1, 2016 and continues until terminated in accordance with the termination provisions in the Consulting Agreement. The Consultant has the right, at any time, upon two months of written notice, to terminate the Consulting Agreement for any reason. The Consulting Agreement may also be terminated in other circumstances, such as upon the Change of Control (as defined in the Consulting Agreement).

On termination of the Consulting Agreement, the Consultant is entitled to: (i) all consulting fees up to the date of the termination; (ii) all performance incentives earned or accrued for the most recently completed calendar year which have not yet been paid at the date of the termination, plus any performance incentives earned or accrued in the year of the termination that would have been paid to the Consultant had the Consultant's services not been terminated; (iii) all outstanding cash payments and cash adjustments; (iv) all outstanding expenses incurred by the Consultant in accordance with the Consulting Agreement up to the date of the termination; and (v) all applicable sales taxes owed on the payments to the Consultant at the time of such payments.

On termination by the Corporation, the Consultant is entitled to a lump-sum payment equivalent to 36 months of the annual and performance fees, as applicable. The Corporation shall also pay the Consultant, any performance incentives that would have been paid to the Consultant, but for the termination, in the thirteen months following the date of the termination where any amount payable during such 13 month period on account of an amount that would otherwise have been payable in respect of an acquisition that was sourced and introduced to the Corporation or any of its Affiliates by the Consultant or its appointee prior to the termination of the Consultant.

Further, any unvested stock options of the Corporation held by the Consultant on the date of termination shall immediately vest on the date of termination if such stock options would otherwise have vested in the 36-month period after the date of termination and such options must be exercised in accordance with the Existing Stock Option Plan.

Since April 1, 2016, the date on which the Consulting Agreement became operative, no amount has been paid pursuant to the Consulting Agreement to the Consultant.

PART V - PARTICULARS OF MATTERS TO BE ACTED UPON

RECEIVING THE FINANCIAL STATEMENTS

At the Meeting, the audited financial statements of the Corporation for the financial year ended February 28, 2015, together with the auditor's report thereon, and the interim financial statements of the Corporation for the three and nine months ended November 30, 2015, will be tabled for discussion and Shareholders and proxy holders will be given an opportunity to discuss the financial results with management. The financial statements are available on SEDAR at www.sedar.com.

ELECTION OF DIRECTORS

At the Meeting, the following three (3) persons named hereunder will be proposed for election as directors of the Corporation. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his or her successor is duly elected unless prior thereto he or she resigns or his or her office becomes vacant by reason of death or other cause.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld, the persons named in the enclosed proxy will vote FOR the election of the below named proposed directors. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year; however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion.

The following table, among other things, sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with the Corporation, or any of its affiliates, their principal occupations, and the approximate number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by them as of the date hereof.

Name, Province and Country of Residence ⁽¹⁾	Period during which Nominee has Served as a Director of the Corporation	Principal Occupation or Employment	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Manu K. Sekhri ⁽²⁾ Toronto, Ontario, Canada	November 21, 2013-Present	President of the Corporation (2013-Present) CEO of the Corporation (October 2015-Present)	1,666,667
Peter Shippen ⁽³⁾ Toronto, Ontario, Canada	March 16, 2016-Present	President & CEO of Redwood Asset Management Inc. (2009-Present)	Nil
Sheila Ogilvie-Harris ⁽⁴⁾⁽⁵⁾ Toronto, Ontario, Canada	November 21, 2013-Present	CEO, Thanda Resources Inc. (2009-Present)	1,666,667

Notes:

- (1) The information as to residence, principal occupation and Common Share ownership is not within the knowledge of management of the Corporation and has been furnished by the respective directors.
- (2) Member of the Audit Committee.
- (3) Member of the Audit, Compensation, Corporate Governance and Nominating Committees.
- (4) 166,667 Common Shares are held by Ms. Ogilvie-Harris directly and 1,500,000 Common Shares are held by Thanda Resources Inc., a corporation controlled by Ms. Ogilvie-Harris.
- (5) Member of the Audit, Compensation, Corporate Governance and Nominating Committees.

Each of the directors of the Corporation who have primary employment outside of the Corporation will devote only such time as is required to the affairs of the Corporation, and will continue to be engaged in their principal occupations as disclosed above.

As a group, as of the date of this Circular, the directors and officers of the Corporation exercise control or direction over 3,333,334 Common Shares on an undiluted basis, which represents approximately 3.86% of the issued and outstanding Common Shares. Certain of the securities held by Mr. Sekhri and Ms. Ogilvie-Harris are subject to Value Security Escrow Agreements.

Mr. Sekhri provides full time services to the Corporation. The principal occupations of Mr. Shippen and Ms. Ogilvie-Harris are as officers of entities other than the Corporation, as disclosed in the table above.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, none of the nominees for election as director of the Corporation is, or was within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied such company access to any exemption from securities legislation that was in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

None of the nominees for election as director of the Corporation is, or was within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

In December 2009, while Mr. Shippen was a director of The Jenex Corporation, such company was subject to a cease trade order by each of the British Columbia, Alberta and Ontario Securities Commissions for late filing of its financial statements and management's discussion and analysis. The Jenex Corporation has since filed all of its financial statements and management's discussion and analysis, the cease trade orders have been lifted and The Jenex Corporation has been approved for trading by each of the British Columbia, Alberta and Ontario securities commissions and the NEX to reinstate the Company's shares for trading on the NEX.

Penalties or Sanctions

To the knowledge of the Corporation, no proposed director of the Corporation has:

- (a) been subject to any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory body, that would be likely to be considered important to a reasonable investor making an investment decision about the matters to be acted upon at the Meeting.

Personal Bankruptcies

No proposed director of the Corporation, or a personal holding company of any such proposed director, has, within the ten years preceding the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 individual.

Conflicts of Interest

There may be potential conflicts of interest to which some of the directors, officers and insiders of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors, officers, and insiders may become engaged in businesses which may be in competition with the Corporation. To the knowledge of the Corporation, no such conflicts of interest exist as of the date of this Circular. However, situations may arise where some or all of the directors, officers, promoters and insiders will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the applicable corporate and securities law.

APPOINTMENT OF AUDITORS

It is proposed that Mazars Harel Drouin, S.E.N.C.R.L. ("**MHD**") be re-appointed as the auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders and that the Board be authorized to set the auditors' remuneration. MHD is currently the auditor of the Corporation and has been the auditor of the Corporation since December 24, 2003.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld, the persons named in the enclosed proxy will vote FOR the appointment of MHD as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board of Directors to fix the remuneration of the auditors.

APPROVAL OF AMENDED QUANTUM STOCK OPTION PLAN

Pursuant to the Option Policy, the Corporation is permitted to maintain a "rolling" stock option plan which reserves a percentage of the issued and outstanding shares of the Corporation for issuance pursuant to stock options. The Existing Stock Option Plan was previously approved by the Shareholders at the annual and special meeting of Shareholders held on November 21, 2013 and at the annual meeting of Shareholders held on February 19, 2015. In accordance with the Option Policy, rolling stock option plans must be approved by Shareholders on an annual basis. For a summary of the Existing Stock Option Plan, please refer to the discussion above under the heading "*Securities Authorized for Issuance under Equity Compensation Plans - Existing Stock Option Plan*".

The Board proposes to amend the Existing Stock Option Plan to reduce the minimum exercise price for stock options granted under the Existing Stock Option Plan from \$0.10 to \$0.05 per Common Share (the "**Amended Quantum Stock Option Plan**"). Pursuant to Section 5.2 of the Quantum Stock Option Plan, any amendment to the Existing Stock Option Plan must be approved by Shareholders. The Amended Quantum Stock Option Plan is subject to the approval of the TSX Venture Exchange.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve the ordinary resolution attached hereto as Schedule "A" to approve the Amended Quantum Stock Option Plan (the "**Amended Option Plan Resolution**"). The full text of the proposed Amended Quantum Stock Option Plan is set out in Schedule "G" to this Circular.

In order to be adopted, the resolution approving the Amended Stock Option Plan must be passed by the affirmative vote of at least a majority of the votes cast by Shareholders at the Meeting, whether in person or by proxy. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by**

such proxy are to be voted against, the persons named in the accompanying proxy will vote FOR the resolution approving the Amended Quantum Stock Option Plan.

If the Amended Option Plan Resolution is not approved, the Management Option Resolution (as defined below) will not be considered and any unallocated rights, options or other entitlements under the Existing Stock Option Plan will not be available for future grants and previously granted options will not be available for reallocation if they are cancelled prior to exercise. Whether or not the Amended Option Plan Resolution is approved, all options already granted and currently outstanding under the Existing Stock Option Plan will remain in effect.

AMENDMENT TO MANAGEMENT STOCK OPTIONS

If the Amended Option Plan Resolution is approved, the Board proposes to amend the options granted to Mr. Sekhri on August 21, 2015 to reduce the exercise price of such options from \$0.42 to \$0.05 per Common Share, or such other price permitted under the policies of the TSX Venture Exchange on such date as the amendment to Mr. Sekhri's options would take effect. The following table summarizes the number of options held by Mr. Sekhri as of the date hereof, the date of grant of such options, the exercise price of such options at the date of grant, and the expiry date of such options:

Number of Options	Date of Grant	Exercise Price at Date of Grant	Expiry Date
3,400,000	August 21, 2015	\$0.42	August 21, 2020

As Chief Executive Officer of the Corporation, Mr. Sekhri is considered to be an insider of the Corporation under the Amended Quantum Stock Option Plan. Pursuant to Section 5.2 of the Amended Quantum Stock Option Plan, any amendment that would materially benefit an insider of the Corporation must receive Disinterested Shareholder Approval. Consequently, a resolution to approve an amendment to reduce the exercise price of all of Mr. Sekhri's options granted under the Amended Quantum Stock Option Plan must be approved by a majority of the votes cast by all Shareholders at the Meeting excluding votes attaching to Common Shares beneficially owned by Mr. Sekhri or any of his associates (the "**Interested Shares**"). The amending of Mr. Sekhri's options to reduce the exercise price is subject to the approval of the TSX Venture Exchange.

At the Meeting, if the Shareholders approve the Amended Option Plan Resolution, Shareholders will be asked to consider, and, if deemed advisable, to approve the resolution attached hereto as Schedule "B" to approve the amendment of the options granted to Mr. Sekhri on August 21, 2015 to reduce the exercise price of such options from \$0.42 to \$0.05 per Common Share, or such other price permitted under the policies of the TSX Venture Exchange on such date as the amendment to Mr. Sekhri's options would take effect (the "**Management Option Resolution**"). As of the date hereof, Mr. Sekhri beneficially owns 1,666,667 Common Shares, which are Interested Shares and not eligible to be counted in respect of the approval of the Management Option Resolution.

Management of the Corporation is of the opinion that an amendment to the exercise price of the options granted to Mr. Sekhri on August 21, 2015 under the Amended Quantum Stock Option Plan is in the best interests of the Corporation since the significant premium of the exercise price of the options determined at the date of the grant of such options and the current market price of the Common Shares undermines the purpose of the Amended Quantum Stock Option Plan, which is to attract, retain and motivate directors, officers, employees and other service providers of the Corporation.

In order to be adopted, the Management Option Resolution must be passed by the affirmative vote of at least a majority of the votes cast by Shareholders at the Meeting, whether in person or by proxy, other than holders of Interested Shares. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against, the persons named in the enclosed proxy will vote FOR the resolution approving the amendment of the exercise price of the options granted to Mr. Sekhri on August 21, 2015 under the Amended Quantum Stock Option Plan.**

APPROVAL OF SHARE CONSOLIDATION

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, a special resolution (the "**Consolidation Resolution**") authorizing the Board, in its sole discretion, to take the requisite steps to amend the articles of the Corporation to implement a consolidation of the Common Shares on the basis of one post-consolidation Common Share for every three pre-consolidation Common Shares outstanding, and amend the Corporation's articles accordingly (the "**Consolidation**"). The Consolidation Resolution shall substantially be in the form of the Consolidation Resolution attached hereto as Schedule "C".

Shareholders are specifically advised that the proposed Consolidation Resolution grants the Board the discretion to revoke the Consolidation Resolution and not proceed with the Consolidation without further approval of the Shareholders. In connection with any determination to implement the Consolidation, the Board will set the timing for the Consolidation.

Principal Effects of Share Consolidation

If the Consolidation is implemented, a holder of Common Shares will receive one post-consolidation Common Share for every three pre-consolidation Common Shares held immediately prior to the effective date of the Consolidation, subject to rounding for fractional interests (discussed below). While the Consolidation will result in each Shareholder holding a smaller number of Common Shares, it will not affect a Shareholder's percentage ownership interest or voting rights in the Corporation, except to the extent that the Consolidation would otherwise result in a Shareholder owning a fractional share. The following table reflects the approximate number of Common Shares that would be outstanding as a result of the Consolidation:

Outstanding Common Shares (pre-consolidation)	Outstanding Common Shares (post-consolidation) ⁽²⁾
86,325,179 ⁽¹⁾	28,775,060

Notes:

- ⁽¹⁾ Number of Common Shares outstanding as at the date of this Circular.
- ⁽²⁾ Assuming no additional Common Shares are issued between the date of this Circular and the Consolidation.

The exact number of post-consolidation Common Shares outstanding upon completion of any Consolidation will most likely vary from the numbers above due to the effect of rounding for fractional interests under the Consolidation (discussed below).

Fractional Interests

If the Consolidation is implemented, no fractional Common Shares will be issued as a result of any Consolidation. Any fractional interest in Common Shares that would otherwise result from the Consolidation will be rounded up to the next whole Common Share, if the fractional interest is equal to or greater than one-half of a Common Share, and rounded down to the next whole Common Share if the fractional interest is less than one-half of a Common Share. In all other respects, post-consolidation Common Shares would have the same attributes as pre-consolidation Common Shares.

Because no fractional Common Shares (or payment in lieu) will be issued as a result of the Consolidation, if you do not hold a sufficient number of pre-consolidation Common Shares to receive at least one post-consolidation Common Share, you will have no further interest in the Corporation upon completion of the Consolidation. If you want to hold Common Shares after the Consolidation, you should consider either purchasing a sufficient number of Common Shares so as to hold at least a number of Common Shares in your account prior to the Consolidation that would entitle you to receive at least one post-consolidation Common Share or, if applicable, consolidate your accounts prior to the Consolidation so that you have at least an amount of Common Shares in one account prior to the Consolidation that would entitle you to at least one post-consolidation Common Share.

Treatment of Convertible Securities

If the Consolidation is implemented, the terms of our convertible securities that are outstanding prior to the implementation of the Consolidation will be adjusted pursuant to their terms on the basis of the one-for-three ratio under the Consolidation (i.e., the number of Common Shares issuable will decrease and the exercise price or conversion price, as applicable, will increase proportionately).

Share Certificates and Beneficial Shareholders

If the Consolidation is implemented, upon the Consolidation becoming effective, a letter of transmittal will be sent to all registered Shareholders then issued and outstanding for use in transmitting their share certificates to the Corporation's registrar and transfer agent in exchange for new certificates representing the number of Common Shares to which such Shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a Shareholder will be made until the Shareholder has surrendered his or her current issued certificates. Beneficial holders of Common Shares ("**Beneficial Shareholders**") holding their Common Shares through an Intermediary should note that such Intermediary may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered Shareholders. Beneficial Shareholders that hold Common Shares with an Intermediary are encouraged to contact such Intermediary with respect to any questions in this regard.

Additional Approvals

Assuming Shareholder approval is received at the Meeting and in the event that the Board determine to proceed with the Consolidation, the implementation of the Consolidation Resolution is conditional upon the Corporation obtaining the necessary regulatory consents, including the approval of the TSX Venture Exchange. There is no guarantee that the TSX Venture Exchange's acceptance of the Consolidation will be given. The Consolidation Resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of Shareholders.

Shareholder Approval

In order to be adopted, the Consolidation Resolution must be passed by the affirmative vote of at least 66⅔% of the votes cast by Shareholders at the Meeting, whether in person or by proxy. **Unless the Shareholder directs that his or her shares be voted against the Consolidation Resolution, the persons named in the enclosed form of proxy will vote FOR the Consolidation Resolution.**

CREATION OF A CONTROL PERSON

As the Corporation pursues its business strategy and evaluates potential businesses for acquisition to the Corporation's operating company portfolio, the Board believes that the Corporation should have the opportunity, in its financing and acquisition structuring decisions, to issue potentially large amounts of equity, either to certain vendors in respect of potential acquisitions or to certain investors in respect of acquisition financing structures. The rules of the TSX Venture Exchange require that an issuance of common shares of an issuer in such a context where the recipient of such common shares would become a "Control Person" of an issuer, as defined in the rules and policies of the TSX Venture Exchange, requires the approval of the shareholders of such issuer by ordinary resolution. The completion of any such transaction to create a new "Control Person" would be subject to approval of the TSX Venture Exchange.

The Board believes that management should have the flexibility to structure an acquisition or an acquisition financing in a manner that may cause common shares to be issued in an amount so as to create new a "Control Person" of the Corporation, if such structure is necessary or desirable to meet market conditions and financing opportunities as they arise, without the expense and delay in connection with calling a shareholders' meeting to approve a specific Control Person as one may arise.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve the ordinary resolution attached hereto as Schedule "D" (the "**Control Person Resolution**") to approve the creation of a new Control Person of the Corporation in this context.

In order to be adopted, the Control Person Resolution must be passed by the affirmative vote of at least a majority of the votes cast by Shareholders at the Meeting, whether in person or by proxy, other than votes attributable to Common Shares controlled by the Vendor. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against, the persons named in the accompanying proxy will vote FOR the Control Person Resolution.**

CREATION OF PREFERRED SHARES

The Board believes that amending the Corporation's articles to authorize the creation of a class of preferred shares (the "Preferred Shares"), issuable in series, will provide the Corporation with increased flexibility in its capital structure and in raising future capital. The creation of Preferred Shares would permit the Board to negotiate with potential investors regarding the rights and preferences of a series of Preferred Shares that may be issued to meet market conditions and financing opportunities as they arise, without the expense and delay in connection with calling a shareholders' meeting to approve specific terms of any series of Preferred Shares. Reference should be made to the full text of the terms and conditions attaching to the Preferred Shares as set out in Schedule "F" hereto.

The Preferred Shares may be used by the Corporation for any appropriate corporate purpose, including, without limitation, as a means of obtaining additional capital for use in the Corporation's business and operations or in connection with potential acquisitions. The Corporation does not intend to use the issuance of Preferred Shares for anti-takeover purposes. In this regard, management seeks to constrain the terms of the Preferred Shares in a manner to provide the Corporation reasonable financing flexibility and provide Shareholders comfort that the Preferred Shares will not be used for purposes of a takeover defense.

Nevertheless, the availability of undesignated Preferred Shares may have certain negative effects on the rights of the holders of Common Shares. The actual effect of the issuance of any series of Preferred Shares upon the rights of holders of Common Shares cannot be fully stated until the Board determines all specific rights of the particular series of Preferred Shares. However, the Corporation's amended articles will set out certain terms and restrictions, in respect of the Preferred Shares, and which provide the holders of Common Shares with an indication of the possible effects of an issuance of Preferred Shares, specifically with respect to dividends, liquidation, redemption, conversion, voting rights and limitations on issuances of Preferred Shares.

The Preferred Shares will be issuable, in one or more series, in accordance with and subject to the provisions of the *Business Corporations Act* (Ontario), where the Board will be authorized to fix the number of shares of each series, and to determine for each series, subject to the terms and conditions set out herein and in Schedule "F", the designation, rights, privileges, restrictions and conditions, including dividend rates, redemption prices, conversion rights and other matters.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve the special resolution attached hereto as Schedule "E" (the "**Preferred Share Resolution**") to authorize the Board to amend the articles of the Corporation to create the Preferred Shares.

In order to be adopted, the Preferred Share Resolution must be passed by the affirmative vote of at least 66⅔% of the votes cast by Shareholders at the Meeting, whether in person or by proxy. **Unless the Shareholder directs that his or her shares be voted against the Preferred Share Resolution, the persons named in the enclosed form of proxy will vote FOR the Preferred Share Resolution.**

OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual and Special Meeting of Shareholders accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

PART VI - AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") of the directors of the Corporation consists of three directors, being Mr. Sekhri, Mr. Shippen and Ms. Ogilvie-Harris. Mr. Shippen and Ms. Ogilvie-Harris are considered to be independent of the Corporation. All of the members of the Audit Committee are considered to be financially literate for the purposes of NI 52-110.

The Corporation has adopted a charter of the Audit Committee (the "**Charter**"), attached hereto as Schedule "H".

Relevant Education and Experience

Manu K. Sekhri. Mr. Sekhri has over 16 years of Investment Banking experience in Canada and the U.S. at Deutsche Bank (Boston and Toronto), Scotia Capital, Westwind Partners, TD Securities, Blackmont Capital, Pope & Company and Ascendant Securities, in aggregate completing over \$7 billion in M&A transactions and \$14 billion in corporate finance transactions. Professional roles include independent directorships at Enterprise Group Inc (TSXV:E) and Samoth Outfields Inc, (TSXV:SCD). Operationally, Mr. Sekhri was the former Founder and CEO of Ascendant Securities Inc., a fully licensed, nationally registered Investment Dealer; Managing Director, Capital Markets at Pope & Company; Head of Technology Investment Banking and the firm's overall European distribution efforts at Blackmont Capital. Mr. Sekhri holds a BSC in Chemical Engineering from the University of Waterloo and a MBA in Finance from Michael DeGroote School of Business. Additionally, Mr. Sekhri has approximately 2 years in engineering work experience in field operations.

Peter Shippen. Mr. Shippen is currently the President, Chief Executive Officer and a Director of Redwood Asset Management Inc. Mr. Shippen was Founder of Ark Fund Management and its affiliated entities from September 2007 until its amalgamation with Redwood Asset Management Inc. on January 1, 2010. From July 2002 until August 2007, Mr. Shippen worked at TD Waterhouse Canada Inc., most recently as Vice President, Fund Research and Product Due Diligence. Mr. Shippen is a CFA charter holder, holder of the CAIA designation and earned a BA, Economics from Wilfrid Laurier University.

Sheila Ogilvie-Harris. Ms. Sheila Ogilvie-Harris is the Co-Founder of Thanda Resources Inc. and serves as its Chief Executive Officer and President. Ms. Ogilvie-Harris has been President of Enterprise Management Services since April 1980. She serves as a Director of Out of Peru Exclusive Imports UK, Thanda Resources Inc and has been Director at the Corporation since November 21, 2013. She graduated from the University of Liverpool in the United Kingdom with a degree in Modern Languages and undertook a graduate nursing programme at St. George's Hospital, University of London, United Kingdom. Ms. Ogilvie-Harris also earned the qualifications of State Registered Nurse and Diploma of Intensive Therapy Unit Nursing and has a certificate in Healthcare Management from Mabel Fletcher College Liverpool.

Audit Committee Oversight

Since the commencement of the Corporation's most recently-completed fiscal year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the most recently completed financial year of the Corporation has the Corporation relied on the exemption set out in section 2.4 of NI 52-110, or an exemption from the application of NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee Charter contains policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The aggregate fees billed by MHD, the external auditor of the Corporation, for audit and non-audit services in each of the two most recently completed fiscal years of the Corporation were as follows:

<u>Year Ending</u>	<u>Audit Fees⁽¹⁾</u>	<u>Audit-Related Fees⁽²⁾</u>	<u>Tax Fees⁽³⁾</u>	<u>All Other Fees</u>
February 28, 2015	126,765	10,200	25,475	Nil
February 28, 2014	\$18,300	\$Nil	\$8,425	\$Nil

Notes:

- (1) "Audit Fees" (billed or accrued) include fees necessary to perform the annual audit and quarterly reviews of the Corporation'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 attested services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits
- (2) "Audit-Related Fees" (billed or accrued) include services that are traditionally performed by an 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" (billed or accrued) 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 on technical advice from tax authorities.
- (4) All "Other Fees" include all other non-audit services.

PART VII - CORPORATE GOVERNANCE DISCLOSURE

Compensation, Corporate Governance and Nominating Committee

The directors of the Corporation established the Compensation, Corporate Governance and Nominating Committee to assist the directors in fulfilling their oversight responsibilities with respect to, among other things: (a) identifying potential nominees to the Board; (b) assessing the effectiveness of the directors, the Board and the various committees of the Board and the composition of the Board and its committees; and (c) assisting the Board in discharging its duties.

The Compensation, Corporate Governance and Nominating Committee is mandated to conduct a review on an ongoing basis of the following principal corporate policies and recommend updates or amendments for consideration by the directors of the Corporation:

- Audit Committee Charter;
- Information Disclosure Policy; and
- Audit Committee Whistleblower Procedures Policy.

The Compensation, Corporate Governance and Nominating Committee is comprised of two members being Ms. Ogilvie-Harris and Mr. Shippen. Each member of the Compensation, Corporate Governance and Nominating Committee is considered independent for the purposes of NI 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101").

On the advice of the Compensation, Corporate Governance and Nominating Committee, the Board has determined to recommend the directors proposed for election at the Meeting.

Independence of the Board of Directors

The Corporation has three directors, two of which are considered to be independent. Pursuant to NI 52-110, an individual is considered independent if he or she has no direct or indirect material relationship with the Corporation. NI 52-110 deems, among other things, an individual to have a material relationship if the individual has been, within the last three years, an employee or executive officer of the Corporation. Mr. Sekhri is not considered to be independent because he is an executive officer of the Corporation.

If the proposed directors are elected to the Board, the Board will consist of two independent directors and one non-independent directors. Accordingly, a majority of the directors of the Corporation will be independent directors. As stated above, Mr. Sekhri is not considered to be independent because he is an executive officer of the Corporation. The directors of the Corporation annually review and make a determination as to the independence of each director in light of all applicable laws, rules, regulations and stock exchange requirements. The Corporation seeks to maintain a Board of Directors with at least a majority of independent directors. At the present time, the Board is of the view that it will be able to operate objectively and in the best interests of the Corporation if the proposed directors are elected to the Board. If the proposed directors are elected, the members of the Board will continue to possess sufficient public company and industry experience such that the Board, in its totality is able to operate effectively. The Board encourages an atmosphere of candour and constructive dissent. The directors of the Corporation are aware of the laws requiring disclosure of conflicts of interest and the fact that the Corporation will rely upon such laws in respect of any conflict of interest, including the obligation of a director to abstain from voting in respect of any matter involving a conflict of interest.

Management of the Corporation is expected to make appropriate use of the directors' collective and individual expertise before any decisions on key issues are made. The directors of the Corporation approve annual business plans and budgets and also approve general authority guidelines that place limits on management's ability to approve contractual and financial arrangements and commitments both in accordance with and outside approved budgets.

Orientation and Continuing Education

The Corporation does not have a formal orientation or continuing education program although the Corporation sponsors membership of the Board in the Institute of Corporate Directors. The Compensation, Corporate Governance and Nominating Committee is responsible for providing an orientation and education program for new directors of the Corporation. When a person joins the Board of Directors, he or she will be provided with sufficient background materials and education, as appropriate, relating to the Corporation and its industry to enable an understanding of the Corporation's business, assets, capitalization, personnel, policies and procedures. He or she will also be given the opportunity to become familiar with the Corporation by meeting with the other directors of the Corporation and with the officers and representatives of the Corporation. The Compensation, Corporate Governance and Nominating Committee is also responsible for ensuring that the Board is provided with appropriate continuing education.

Nomination of Directors

The Compensation, Corporate Governance and Nominating Committee is responsible for identifying and recommending Board nominees they believe to be qualified to be directors of the Corporation, having regard to the appropriate number of directors of the Corporation as well as the opportunities and risks facing the Corporation and the independence, expertise, experience, personal qualities and ability of such nominees to make the necessary time commitment in order to add value to the Corporation. New nominees should reflect the Board's criteria for selecting new directors.

Each year, the Compensation, Corporate Governance and Nominating Committee: (i) identifies potential nominees to the Board; (ii) assesses the effectiveness of the directors, the Board and the various committees of the Board and the composition of the Board and its committees; and (iii) assisting the Board in discharging its duties.

In addition, the Compensation, Corporate Governance and Nominating Committee is required under its mandate to annually review the qualifications of directors nominated to the Board and each of the committees. The objective of the review is to maintain the composition of the Board of Directors in a way that provides the best balance of knowledge, mix of skills and experience to provide for the overall stewardship of the Corporation. All directors of the Corporation are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behavior, fairness and responsibility and to be committed to representing the long-term interests of Shareholders. They must also have a genuine interest in the Corporation, have the ability to be objective at all times about the best interests of the Corporation, have independent opinions on all issues and be both willing and able to state them in a constructive manner and be able to devote sufficient time to discharge their duties and responsibilities effectively.

The directors of the Corporation have the ability to increase or decrease the size of the Board of Directors within the limits set out in the articles and by-laws of the Corporation and applicable laws. The directors of the Corporation will

determine the size of the Board of Directors having regard to the best interests of the Corporation. The directors of the Corporation believe that the current size of the Board of Directors should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet small enough to enable efficient meetings and decision-making and maximize full attendance at meetings of the directors of the Corporation. The directors of the Corporation will review the size of the Board of Directors if a change is recommended by the Compensation, Corporate Governance and Nominating Committee.

Assessments

The Compensation, Corporate Governance and Nominating Committee undertakes an annual assessment of the overall performance and effectiveness of the directors of the Corporation collectively and each committee thereof and to report on the results of such assessment to the full Board of Directors of the Corporation following the end of each fiscal year.

Director Compensation

During the financial year ended February 28, 2015, the Corporation paid a total of approximately \$10,194 to its directors for their services to the Corporation as directors. To determine the compensation payable to the Corporation's directors, the Compensation Committee reviews compensation paid for directors of companies of similar size and stage of development in the Corporation's industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by directors while taking into account the financial and other resources of the Corporation. For more information regarding director compensation and compensation received by certain executive officers of the Corporation that also served as directors during the financial year ended February 28, 2015 see the section of this Circular entitled "*Part II - Executive Compensation - Director and Named Executive Officer Compensation*".

Other Board Committees

The Corporation has no other standing committees other than the Audit Committee and the Compensation, Corporate Governance and Nominating Committee.

PART VIII - INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Circular, no director, executive officer, employee or former director, executive officer or employee of the Corporation is currently indebted to the Corporation, nor are any of the aforementioned persons indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

PART IX - INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Corporation's most recently completed financial year, no informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction or any proposed transaction which would materially affect the Corporation.

PART X - ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at www.sedar.com. Inquiries including requests for copies of the Corporation's financial statements and management's discussion and analysis for the year ended February 28, 2015 may be directed to Mr. Sekhri, Chief Executive Officer, at 79 Wellington Street, Suite 1630, PO Box 138, Toronto, Ontario, M5K 1H1, at (416) 477-3400.

Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the year ended February 28, 2015 which is also available on SEDAR.

APPROVAL

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

DATED this 14th day of April, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS OF
QUANTUM INTERNATIONAL INCOME CORP.**

"Peter Shippen"

Peter Shippen

Director

SCHEDULE "A"

RESOLUTION OF SHAREHOLDERS OF QUANTUM INTERNATIONAL INCOME CORP. (THE "CORPORATION") APPROVING THE CORPORATION'S AMENDED STOCK OPTION PLAN

BE IT RESOLVED THAT:

1. the stock option plan of the Corporation approved by the holders of common shares of the Corporation on November 21, 2013 and February 19, 2015 and described in, and appended in its entirety to, the information circular dated April 14th, 2016 (the "**Stock Option Plan**"), including the amendment to the Stock Option Plan to reduce the minimum exercise price of options granted pursuant to the Stock Option Plan as provided for in Section 3.3 of the Stock Option Plan from \$0.10 to \$0.05 per common share, be and is hereby approved as the stock option plan of the Corporation; and
2. any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraph of this resolution.

SCHEDULE "B"

**RESOLUTION OF SHAREHOLDERS OF QUANTUM INTERNATIONAL INCOME CORP. (THE
"CORPORATION") APPROVING THE AMENDMENT OF CERTAIN STOCK OPTIONS HELD BY
MANAGEMENT**

BE IT RESOLVED THAT:

1. the exercise price of the 3,400,000 options to purchase common shares in the capital of the Corporation granted under the Corporation's stock option plan to Manu K. Sekhri on August 21, 2015, be amended to \$0.05 or such other price permitted under the policies of the TSX Venture Exchange on such date as the amendment to such options takes effect; and
2. any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraph of this resolution.

SCHEDULE "C"

RESOLUTION OF SHAREHOLDERS OF QUANTUM INTERNATIONAL INCOME CORP. (THE "CORPORATION") APPROVING THE SHARE CONSOLIDATION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the Corporation is authorized to amend its articles to consolidate its common shares on the basis of one common share for every three common shares issued and outstanding immediately prior to the effective date of the consolidation;
2. any fractional interest of 0.5 or more of a common share resulting from the consolidation will be rounded up to the nearest whole common share and any fractional interest of less than 0.5 of a common share resulting from the consolidation will be rounded down to the nearest whole common share;
3. notwithstanding the approval of shareholders of the Corporation to the above resolutions, the directors of the Corporation may revoke the foregoing resolutions before they are acted on without any further approval by the shareholders of the Corporation; and
4. any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraphs of this resolution.

SCHEDULE "D"

**RESOLUTION OF THE SHAREHOLDERS OF QUANTUM INTERNATIONAL INCOME CORP. (THE
"CORPORATION") APPROVING THE CREATION OF A CONTROL PERSON**

BE IT RESOLVED THAT:

1. the shareholders of the Corporation hereby expressly authorize and approve the creation of a "Control Person" for the purposes and policies of the TSX Venture Exchange in the context of a potential acquisition or acquisition financing of the Corporation; and
2. any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraph of this resolution.

SCHEDULE "E"

RESOLUTION OF THE SHAREHOLDERS OF QUANTUM INTERNATIONAL INCOME CORP. (THE "CORPORATION") APPROVING THE CREATION OF PREFERRED SHARES

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the Corporation is authorized to amend its articles to create a new class of shares to be classified as "Preferred Shares", such amended articles to provide for Preferred Share terms and conditions substantially similar to those attached to the Management Information Circular of the Corporation dated April 14, 2016 as Schedule "F";
2. notwithstanding the approval of shareholders of the Corporation to the above resolutions, the directors of the Corporation may revoke the foregoing resolutions before they are acted on without any further approval by the shareholders of the Corporation; and
3. any one officer or any one director of the Corporation be, and each of them hereby is, authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, all in such form and containing such terms and conditions, as any one of them shall consider necessary or desirable in connection with the foregoing and shall approve, such approval to be conclusively evidenced by the execution thereof by the Corporation, and to do or to cause to be done all such acts and things as any one of them shall consider necessary or desirable in connection with the foregoing or in order to give effect to the intent of the foregoing paragraph of this resolution.

SCHEDULE "F"

TERMS AND CONDITIONS OF PREFERRED SHARES

The Corporation is authorized to issue an unlimited number of preferred shares, which shares may be issued in one or more series and for an unlimited maximum consideration. The preferred shares shall be subject to the following rights, privileges, restrictions and conditions:

1. Issuable in Series
 - a. The preferred shares may at any time, and from time to time, be issued in one or more series, in accordance with and subject to the provisions of the *Business Corporations Act* (Ontario) (the "Act").
 - b. The directors of the Corporation shall, subject to the provisions of the Act, the provisions herein contained and any conditions attaching to any outstanding series of preferred shares, by resolution duly passed before the issue of any preferred shares of any series, fix the number of shares and determine the designation, rights, privileges, restrictions and conditions attaching to the preferred shares of such series, which may include, without limitation, any voting, conversion or redemption rights.
2. Priority on Dividend Entitlement and Return of Capital
 - a. So long as any preferred shares are outstanding, the holders of the preferred shares of each series shall rank both with regard to dividends and return of capital in priority to the holders of the common shares and over any other shares ranking junior to the holders of the preferred shares, and the holders of the preferred shares of each series may also be given such other preferences over the holders of the common shares and any other shares ranking junior to the holders of the preferred shares as may be determined as to the respective series authorized to be issued.
 - b. The priority, in the case of cumulative dividends, shall be with respect to all prior completed periods in respect of which such dividends were payable plus such further amounts, if any, as may be specified in the provisions attaching to a particular series and in the case of non-cumulative dividends, shall be with respect to all dividends declared and unpaid.
3. Priority between each series of Preferred Shares
 - a. The preferred shares of each series shall rank pari passu with the preferred shares of every other series with respect to priority in payment of dividends and return of capital in the event of any liquidation distribution.
4. Conversion
 - a. The preferred shares may be convertible into common shares of the Corporation or another series of preferred shares on such terms as may be determined by the board of directors of the Corporation.
5. Redemption
 - a. Each series of preferred shares may be redeemable by the Corporation on such terms as may be determined by the board of directors of the Corporation.

SCHEDULE "G"

AMENDED QUANTUM STOCK OPTION PLAN

ARTICLE 1
DEFINITIONS AND INTERPRETATION

- 1.1 Definitions.** For purposes of this Stock Option Plan, unless such capitalized word or term is otherwise defined herein or the context in which such capitalized word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:
- (a) **"Blackout Period"** means a period of time during which (i) the trading guidelines of the Corporation, as amended or replaced from time to time, restrict one or more Participants from trading in securities of the Corporation or (ii) the Corporation has determined that one or more Participants may not trade any securities of the Corporation;
 - (b) **"Blackout Period Expiry Date"** means the date on which a Blackout Period expires;
 - (c) **"Business Day"** means a day on which the TSXV or TSX, as applicable, is open for trading;
 - (d) **"Committee"** means the Directors or, if the Directors so determine in accordance with Section 2.3 hereof, the committee of the Directors authorized to administer this Stock Option Plan;
 - (e) **"Common Shares"** means the common shares of the Corporation, as adjusted in accordance with the provisions of article five hereof from time to time;
 - (f) **"Corporation"** means Quantum International Income Corp., a corporation existing under the *Business Corporations Act* (Ontario), and any successor thereof;
 - (g) **"Designated Affiliates"** means the Parent (if any) of the Corporation, Majority-Owned Subsidiaries of the Corporation and Majority-Owned Subsidiaries of the Parent (if any) of the Corporation, each as designated by the Committee for purposes of this Stock Option Plan from time to time;
 - (h) **"Directors"** means the directors of the Corporation from time to time;
 - (i) **"Eligible Directors"** means the Directors or the directors of any Designated Affiliate from time to time;
 - (j) **"Eligible Employees"** means employees and officers, whether Directors or not, of the Corporation or any Designated Affiliate, provided that such employees and officers are either individuals who are considered employees under the Income Tax Act (Canada) or under the U.S. Tax Code, as applicable, or individuals who work full-time, or on a continuing and regular basis for a minimum amount of time per week, for the Corporation or a Designated Affiliate providing services normally provided by an employee and who are subject to the same control and direction by the Corporation or a Designated Affiliate over the details and methods of work as an employee of the

Corporation or a Designated Affiliate, but for whom income tax deductions are not made at source;

- (k) **"Employment Contract"** means any contract between the Corporation or any Designated Affiliate and any Eligible Employee, Eligible Director or Other Participant relating to, or entered into in connection with, the employment or departure of the Eligible Employee, the appointment, election or departure of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Corporation or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or the termination of employment, appointment, election or engagement of such Participant;
- (l) **"Exercise Price"** has the meaning given to such term in Section 3.3 hereof;
- (m) **"Family Member"** means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Participant's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons (or the Participant) control the management of assets, and any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests;
- (n) **"Incentive Share Option"** means an Option issued to a U.S. Taxpayer that is intended to meet the requirements of Section 422 of the U.S. Tax Code;
- (o) **"Insider"** has the meaning given to such term in the policies of the TSX Venture Exchange;
- (p) **"Majority-Owned Subsidiary"** means a subsidiary (as defined in Rule 405 under the U.S. Securities Act) more than 50 percent of whose outstanding securities representing the right, other than as affected by events of default, to vote for the election of directors, is owned by the subsidiary's Parent and/or one or more of the Parent's other Majority-Owned Subsidiaries;
- (q) **"Nonqualified Share Option"** means an Option issued to a U.S. Taxpayer that is not an Incentive Share Option;
- (r) **"Option"** means an option to purchase Common Shares granted pursuant to, or governed by, this Stock Option Plan;
- (s) **"Optionee"** means a Participant to whom an Option has been granted pursuant to this Stock Option Plan;
- (t) **"Option Period"** means the period of time during which the particular Option may be exercised, including as extended in accordance with Section 3.4 hereof;
- (u) **"Other Participant"** means, other than an Eligible Director or an Eligible Employee, any person engaged to provide bona fide ongoing management, advisory, consulting, technical or other services (other than services provided in relation to an offer, sale or other distribution of securities of the Corporation or, in the case of any such person that is

a U.S. Person or in the United States, Investor Relations Activities or other services that directly or indirectly promote or maintain a market for securities of the Corporation) for the Corporation or a Designated Affiliate, or any employee of such person, under a written contract between the Corporation and such person, and who spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Designated Affiliate and has a relationship with the Corporation or a Designated Affiliate that enables such person to be knowledgeable about the business and affairs of the Corporation or Designated Affiliate, as the case may be, provided that in the case of any such person that is a U.S. Person or is in the United States, such person is himself a person engaged to provide the applicable services;

- (v) **"Parent"** means an affiliate controlling a specified person directly, or indirectly through one or more intermediaries;
- (w) **"Participant"** means each Eligible Director, Eligible Employee and Other Participant;
- (x) **"Stock Option Plan"** means this share option plan as amended from time to time;
- (y) **"Subsidiary"** means an affiliate controlled by a specified person directly, or indirectly through one or more intermediaries;
- (z) **"Subsidiary Corporation"** means a corporation other than the Corporation in an unbroken chain of corporations beginning with the Corporation if, at the time of granting the Option, each of the corporations other than the last corporation in the unbroken chain owns shares possessing 50% or more of the total combined voting power of all classes of shares in one of the other corporations in such chain;
- (aa) **"TSXV"** means the TSX Venture Exchange;
- (bb) **"Termination"** has the meaning given to such term in Section 3.12 hereof;
- (cc) **"TSX"** means the Toronto Stock Exchange;
- (dd) **"TSX Company Manual"** means the TSX Company Manual;
- (ee) **"U.S. Tax Code"** means the U.S. Internal Revenue Code of 1986, as amended;
- (ff) **"U.S. Person"** means a U.S. Person as defined in Regulation S under the U.S. Securities Act;
- (gg) **"U.S. Taxpayer"** means a Participant who is a citizen of the United States, a United States permanent resident, or a United States tax resident for purposes of the U.S. Tax Code, or a Participant holding an Option that is subject to taxation under the U.S. Tax Code; and
- (hh) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended. and the rules and regulations promulgated and in effect thereunder.

1.2 Securities Definitions. In this Stock Option Plan, the terms "affiliate", "associate" and "subsidiary" shall have the meaning given to such terms in the *Securities Act* (Ontario).

- 1.3 Headings.** The headings of all articles, sections, paragraphs and subparagraphs in this Stock Option Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Stock Option Plan.
- 1.4 Context, Construction.** Whenever the singular or masculine are used in this Stock Option Plan the same shall be construed as being the plural or feminine or neutral or vice versa where the context so requires. The word "person" shall be given the widest meaning possible and shall include, without limitation, an individual, a corporation, a partnership, a limited partnership or any other unincorporated entity.
- 1.5 References to this Stock Option Plan.** The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Stock Option Plan as a whole and not to any particular article, section, paragraph, subparagraph or other part hereof.
- 1.6 Canadian Funds.** Unless otherwise specifically provided, all references to dollar amounts in this Stock Option Plan are references to lawful money of Canada.

ARTICLE 2 PURPOSE AND ADMINISTRATION OF THIS STOCK OPTION PLAN

- 2.1 Purpose of this Stock Option Plan.** This Stock Option Plan provides for the potential acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees, directors and consultants of the Corporation and the Designated Affiliates and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees, directors and consultants of the Corporation and the Designated Affiliates, it being generally recognized that share incentive plans can aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Corporation.
- 2.2 Administration of this Stock Option Plan.** This Stock Option Plan shall be administered by the Committee and the Committee shall have full authority to administer this Stock Option Plan, including the authority to interpret and construe any provision of this Stock Option Plan and to adopt, amend and rescind such rules and regulations for administering this Stock Option Plan as the Committee may deem necessary or desirable in order to comply with the requirements of this Stock Option Plan, subject in all cases to compliance with regulatory requirements. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Stock Option Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of this Stock Option Plan and of the rules and regulations established for administering this Stock Option Plan. All costs incurred in connection with this Stock Option Plan shall be for the account of the Corporation. This Stock Option Plan shall be administered in accordance with the rules and policies of the TSX Venture Exchange by the Committee so long as the Common Shares are listed on the TSX Venture Exchange, or if the Common Shares are listed on the TSX, in accordance with the rules and policies of the TSX, as applicable.
- 2.3 Delegation to Committee.** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors.
- 2.4 Record Keeping.** The Corporation shall maintain a register in which shall be recorded:
- (a) the name and address of each Optionee;

- (b) the number of Common Shares subject to Options granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options.

2.5 Determination of Participants. The Committee shall from time to time determine the Participants who may participate in this Stock Option Plan. The Committee shall from time to time determine the Participants to whom Options shall be granted, the number of Common Shares to be made subject to, and the expiry date of, each Option granted to each Participant and the other terms, including any vesting provisions, of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of this Stock Option Plan, and the Committee may take into consideration the present and potential contributions of, and the services rendered by, the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant. All Eligible Employees and Other Participants shall be bona fide Eligible Employees or Other Participants, as the case may be.

2.6 Maximum Number of Shares.

- (a) The maximum number of Common Shares reserved for issue pursuant to this Stock Option Plan shall be determined from time to time by the Committee but, in any case, shall not exceed, in the aggregate, 10% of the number of Common Shares then outstanding.
- (b) The maximum number of Common Shares reserved for issue pursuant to Options granted under this Stock Option Plan to Participants who are Insiders of the Corporation in any 12-month period shall not exceed 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the TSXV.
- (c) The maximum number of Common Shares reserved for issue to any one Participant upon the exercise of Options in any 12-month period shall not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the TSXV.
- (d) The maximum number of Common Shares reserved for issue to any one Other Participant upon the exercise of Options in any 12-month period shall not exceed 2% of the number of Common Shares then outstanding.
- (e) The maximum number of Common Shares reserved for issue to all Eligible Employees and to all Other Participants conducting Investor Relations Activities (as such terms are defined in the policies of the TSXV) upon the exercise of Options in any 12-month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding. Options granted to Other Participants performing Investor Relations Activities shall vest in stages over a 12-month period, with no more than $\frac{1}{4}$ of the Options vesting in any three-month period. The Directors shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all Optionees performing Investor Relations Activities.

For purposes of this Section 2.6, "the number of Common Shares then outstanding" shall mean the number of Common Shares outstanding on an undiluted basis calculated at the date of the proposed grant of the applicable Option.

If the Common Shares are listed on the TSX, then items (c), (d) and (e) of this Section 2.6 will not be applicable.

ARTICLE 3 STOCK OPTION PLAN

3.1 The Stock Option Plan and Participants. This Stock Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

- 3.2 Option Notice or Agreement.** Each Option granted to a Participant may be evidenced by a stock option notice or stock option agreement setting out terms and conditions consistent with the provisions of this Stock Option Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.
- 3.3 Exercise Price.** The price per share (the "**Exercise Price**") at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that the Exercise Price shall be not less than:
- (a) for Participants who are not U.S. Taxpayers, (i) if the Common Shares are listed on the TSXV, the closing price of the Common Shares on the TSXV on the last trading day immediately preceding the date of the grant of such Option less the maximum discount, if any, permitted by the TSXV (provided that so long as the Common Shares are listed on the TSXV, the Exercise Price will be subject to a minimum price of \$0.05) or, (ii) if the Common Shares are listed on the TSX, the market price (as defined in the TSX Company Manual) on the date of the grant of such Option, or (iii) if the Common Shares are not then listed on any stock exchange, the fair market value of the Common Shares as may be determined by the Directors on the day immediately preceding the date of the grant of such Option. Disinterested shareholder approval shall be required for any reduction in the Exercise Price of any Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment to the Exercise Price; or
 - (b) for Participants who are U.S. Taxpayers, (i) if the Common Shares are listed on the TSXV (or any other stock exchange), the closing price of the Common Shares on the TSXV (or any other stock exchange other than the TSX) on the last trading day immediately preceding the date of the grant of such Option or, (ii) if the Common Shares are listed on the TSX, the market price (as defined in the TSX Company Manual) (i.e., the five-day volume weighted average trading price) on the date of the grant of such Option, or (iii) if the Common Shares are not then listed on the TSX or TSXV (or any other stock exchange), the fair market value of the Common Shares as may be determined by the Directors on the day immediately preceding the date of the grant of such Option, provided that such determination is based upon a reasonable application of a reasonable valuation method as reflecting the fair market value of the stock as required under U.S. Treasury Regulation Section 1.409A-1(b)(5)(iv)(B).
- 3.4 Term of Option.** The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to amendment by an Employment Contract, provided that in no event shall an Option Period exceed ten years. Notwithstanding the definition of Option Period contained herein or the foregoing, the expiration date of an Option will be the date fixed by the Directors with respect to such Option unless such expiration date falls within a Blackout Period or within ten days after a Blackout Period Expiry Date, in which case the expiration date of the Option will be the date which is ten Business Days after the Blackout Period Expiry Date. Disinterested shareholder approval shall be required for the extension of any Option Period if the Optionee is an Insider of the Corporation at the time of the proposed amendment to the Option Period.
- 3.5 Lapsed Options.** If Options granted under this Stock Option Plan (or stock options granted under a prior stock option plan of the Corporation) are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options (or such lapsed stock options).
- 3.6 Limit on Options to be Exercised.** Except as otherwise specifically provided herein or in any Employment Contract, Options may be exercised by the Optionee in whole at any time, or in part from time to time (in each case to the nearest full Common Share), during the Option Period only in accordance with the vesting schedule, if any, determined by the Committee, in its sole and absolute discretion, subject to the requirements of the TSXV or TSX, as applicable, at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option. If the Committee does not determine a vesting schedule at the time of the grant of any particular Option, such

Option shall be exercisable in whole at any time, or in part from time to time, during the Option Period, subject to the requirements of the TSXV or TSX, as applicable. In the event that the Common Shares are listed on the TSXV, Options with an Exercise Price based on the Discounted Market Price (as such term is defined in the policies of the TSXV), and the Common Shares issuable upon the exercise thereof, shall be subject to the restricted period and lending requirements imposed by the policies of the TSXV.

3.7 Eligible Participants on Exercise. An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 3.11 or 3.12 hereof or in any Employment Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of the grant of such Option, provided however that a leave of absence with the approval of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of this Stock Option Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of the grant of such Option; and
- (c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Corporation or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

3.8 Special Rules for U.S. Taxpayers. Options available under this Stock Option Plan for grant to U.S. Taxpayers include Incentive Share Options and Nonqualified Share Options; provided that no Option shall be designated as an Incentive Share Option unless and until this Stock Option Plan has been approved by the Corporation's shareholders in accordance with applicable law, applicable exchange listing standards, and the Corporation's organizational documents. At the time of the grant of any Option, the Committee may, in its discretion, designate that such Option shall be made subject to additional restrictions to permit it to qualify as an Incentive Share Option.

- (a) In addition to any other limits and restrictions set forth in this Stock Option Plan, any Option designated as an Incentive Share Option:
 - (i) shall be granted only to an employee of the Corporation or a Subsidiary Corporation;
 - (ii) shall have an Exercise Price as described in Section 3.3(b); provided that, an Incentive Share Option granted to a person who owns capital stock (including shares treated as owned under U.S. Tax Code Section 424(d)) possessing more than 10% of the total combined voting power of all classes of capital stock of the Corporation or any Subsidiary Corporation (a "10% Owner"), shall have an Exercise Price not less than 110% of amount described in Section 3.3(b);
 - (iii) shall have a term of not more than 10 years (five years if the Participant is a 10% Owner) from its date of grant, and shall be subject to earlier termination as provided herein or in the applicable stock option notice or stock option agreement;
 - (iv) shall not have an aggregate fair market value (as of the date of grant) of the Shares with respect to which Incentive Share Options (whether granted under this Stock Option Plan or any other equity incentive plan of the Participant's employer or any Parent thereof or Subsidiary Corporation ("**Other Plans**")) are exercisable for the first time by such Participant during any Year ("**Current Grant**"), determined in accordance with the provisions of U.S. Tax Code Section 422, which exceeds \$100,000 (the "**\$100,000 Limit**");

- (v) shall, if the aggregate fair market value of the Shares (determined on the date of grant) with respect to the Current Grant and all Incentive Share Options previously granted under this Stock Option Plan and any Other Plans that are exercisable for the first time during a calendar year would exceed the \$100,000 Limit, be, as to the portion in excess of the \$100,000 Limit, exercisable as a separate Nonqualified Share Option at such date or dates as are provided in the Current Grant;
 - (vi) shall require the Participant to notify the Committee of any disposition of any Shares delivered pursuant to the exercise of the Incentive Share Option under the circumstances described in U.S. Tax Code Section 421(b) (relating to holding periods and certain disqualifying dispositions), within 10 days of such a disqualifying disposition;
 - (vii) shall, by its terms, not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Participant's lifetime, only by the Participant; provided, however, that the Participant may, to the extent provided in this Stock Option Plan in any manner specified by the Committee, designate in writing a beneficiary to exercise his or her Incentive Share Option after the Participant's death;
 - (viii) shall, if such Option nevertheless fails to meet the foregoing requirements, or otherwise fails to meet the requirements of U.S. Tax Code Section 422 for an Incentive Share Option, be treated for all purposes of this Stock Option Plan, except as otherwise provided in items (iv) and (v) above, as a Nonqualified Share Option; and
 - (ix) shall be issued under this Stock Option Plan unless and until this Stock Option Plan has been approved by the Corporation's shareholders in accordance with applicable law, applicable exchange listing standards, and the Corporation's organizational documents.
- (b) Any amendment by the Committee under Section 5.2(c) to extend the term of an Option shall not extend the term of an Incentive Share Option past the term described in Section 3.8(a)(iii) above.
- (c) Notwithstanding anything in this Stock Option Plan, a stock option notice or stock option agreement to the contrary, the Committee may, without the consent of the Participant, at any time before the exercise of an Option (whether or not an Incentive Share Option), take any action necessary to prevent such Option from being treated as an Incentive Share Option.
- (d) Any adjustments to, and payments of, Options pursuant to Section 5.6, 5.7 or 5.8 shall (i) be made in such a manner as to ensure that after such adjustment, the Options continue not to be deferred compensation subject to Section 409A of the U.S. Tax Code; and (ii) with respect to Incentive Share Options intended to continue to qualify as Incentive Share Options, be authorized only to the extent that such adjustment would not cause the Incentive Share Option to violate Section 424(a) of the U.S. Tax Code.
- (e) Options issued under this Stock Option Plan are intended to be exempt from the provisions of U.S. Tax Code Section 409A. To the extent an Option is granted to a U.S. Taxpayer, and notwithstanding any other provision of this Stock Option Plan, this Stock Option Plan and stock option notice or stock option agreement hereunder shall be administered, operated and interpreted in accordance with U.S. Tax Code Section 409A, including, without limitation, any regulations or other guidance that may be issued after the date on which the Directors approve this Stock Option Plan. In the event that the Committee determines that any amounts payable hereunder may be taxable to a Participant under U.S. Tax Code Section 409A prior to the payment and/or delivery to such Participant of such amount, the Committee may (i) adopt such amendments to this Stock Option Plan and related stock option notice or stock option agreement, and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Stock Option Plan and Options hereunder, and/or (ii) take such other actions as the Committee determines necessary or appropriate to comply with or exempt this Stock Option Plan and/or Options from the requirements of U.S. Tax Code Section 409A.

- (f) The Corporation makes no guarantees to any U.S. Taxpayer regarding the tax treatment of Options or payments made under this Stock Option Plan, and, notwithstanding the above provisions and any agreement or understanding to the contrary, if any Options, payments or other amounts due to a Participant (or his or her beneficiaries, as applicable) result in, or causes in any manner, the application of any adverse tax consequence under U.S. Tax Code Section 409A or otherwise to be imposed, then the Participant (or his or her beneficiaries, as applicable) shall be solely liable for the payment of, and the Corporation and its subsidiaries shall have no obligation or liability to pay or reimburse (either directly or otherwise) the Participant (or his or her beneficiaries, as applicable) for, any such adverse tax consequences

3.9 Payment of Exercise Price. The issue of Common Shares on the exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office of the Corporation together with a completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of this Stock Option Plan. Subject to Section 3.13 hereof, upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable thereafter issue and deliver a certificate representing the Common Shares so purchased.

3.10 Acceleration on Take-over Bid, Consolidation, Merger, etc. In the event that:

- (a) the Corporation seeks or intends to seek approval from the shareholders of the Corporation for a transaction which, if completed, would constitute an Acceleration Event (as defined below); or
- (b) a person makes a bona fide offer or proposal to the Corporation or the shareholders of the Corporation which, if accepted or completed, would constitute an Acceleration Event,

the Corporation shall send notice to all Optionees of such transaction, offer or proposal as soon as practicable and, provided that the Committee has determined that no adjustment will be made pursuant to Section 5.6 hereof, (i) the Committee may, by resolution and notwithstanding any vesting schedule applicable to any Option or Section 3.6 hereof, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option), so that the Optionee may participate in such transaction, offer or proposal, and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise.

In this Section 3.10, an "**Acceleration Event**" means:

- (c) the acquisition by any "offeror" (as defined in section 89 of the *Securities Act* (Ontario) as of the date hereof) of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
- (d) any consolidation, merger, statutory amalgamation or arrangement involving the Corporation and pursuant to which the Corporation will not be the continuing or surviving corporation or pursuant to which the Common Shares will be converted into cash or securities or property of another entity, other than a transaction involving the Corporation and in which the shareholders of the Corporation immediately prior to the completion of the transaction will have the same proportionate ownership of the surviving corporation immediately after the completion of the transaction;
- (e) a separation of the business of the Corporation into two or more entities;

- (f) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity; or
- (g) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

3.11 Effect of Death. If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Corporation or Designated Affiliate on behalf of the Other Participant, shall die, any outstanding Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 3.6 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of 12 months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is earlier, and then only to the extent that such Optionee was entitled to exercise the Option at the date of the death of such Optionee in accordance with Sections 3.6, 3.7 and 3.12 hereof.

3.12 Effect of Termination of Engagement. If a Participant shall:

- (a) cease to be a director of the Corporation or of a Designated Affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Corporation or the Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Corporation or any Designated Affiliate of the termination of his Employment Contract;

(the earliest to occur of any of the foregoing events being referred to herein as a "**Termination**"), except as otherwise provided in any Employment Contract, such Participant may, but only within the next 12 months succeeding such Termination, exercise the Options to the extent (and only to the extent) that such Participant was entitled to exercise such Options at the date of such Termination. Notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period.

3.13 Necessary Approvals. The obligation of the Corporation to issue and deliver any Common Shares in accordance with this Stock Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant upon the exercise of an Option for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any exercise price paid to the Corporation in respect of the exercise of such Option shall be returned to the Participant.

ARTICLE 4 WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

4.1 Withholding Taxes. The Corporation or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Corporation or any Designated Affiliate for any amount which the Corporation or the Designated Affiliate is required to withhold with respect to such taxes.

4.2 Securities Laws of the United States of America. Neither the Options which may be granted pursuant to this Stock Option Plan nor the Common Shares which may be issued pursuant to the exercise of Options have been registered under the U.S. Securities Act, or under any securities law of any state of the United States of America. Accordingly, any Participant who is a U.S. Person or is in the United States at the time of the grant to such Participant of an Option or at the time of exercise thereof may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Common Shares issued upon exercise of the Option may bear the following legend (and/or any other legend that the Corporation may determine to be necessary or advisable to comply with applicable securities laws) and be subject to the restrictions set forth therein (and/or any other restrictions that the Corporation may determine to be necessary or advisable to comply with applicable securities laws):

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION (WHICH WILL BE DELIVERED PROMPTLY AND WILL NOT BE UNREASONABLY WITHHELD, BUT WHICH MAY BE CONDITIONAL ON DELIVERY OF A LEGAL OPINION IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION), PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE CORPORATION IN CONNECTION WITH A SALE OF THE SECURITIES REPRESENTED HEREBY AT A TIME WHEN THE CORPORATION IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and provided that the Corporation is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act at the time of such sale, such

legend may be removed by providing a written declaration signed by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (A) represents and warrants that the sale of the securities of Quantum International Income Corp. (the "Corporation") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on its behalf reasonably believe that the buyer was outside the United States or (B) the transaction was executed on or through the facilities of the TSX, the TSXV or another Designated Offshore Securities Market and neither the undersigned nor any person acting on behalf thereof knows or has any reason to believe that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

- (d) each Option so issued may bear the following legend (and/or any other legend that the Corporation may determine to be necessary or advisable to comply with applicable securities laws) and be subject to the restrictions set forth therein (and/or any other legend that the Corporation may determine to be necessary or advisable to comply with applicable securities laws):

THIS OPTION MAY NOT BE TRANSFERRED EXCEPT AS DESCRIBED IN THE SHARE OPTION PLAN UNDER WHICH THIS OPTION IS ISSUED. THIS OPTION MAY NOT BE EXERCISED BY A "U.S. PERSON" (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT")) OR A PERSON IN THE UNITED STATES UNLESS EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES ARE AVAILABLE THEREFOR;

- (e) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to this Stock Option Plan shall be transferred unless the provisions of this Stock Option Plan (including this ARTICLE 4) have been complied with; and
- (f) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to this Stock Option Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by Section 4.2(c) hereof.

ARTICLE 5
GENERAL

- 5.1 Effective Time of this Stock Option Plan.** This Stock Option Plan shall become effective upon a date to be determined by the Directors.
- 5.2 Amendment of this Stock Option Plan.** The Committee may from time to time in the absolute discretion of the Committee, subject to the requirements of the TSXV or TSX, as applicable, amend, modify and change the provisions of this Stock Option Plan or any Options granted pursuant to this Stock Option Plan, provided that any amendment, modification or change to the provisions of this Stock Option Plan or any Options granted pursuant to this Stock Option Plan would:
- (a) materially increase the benefits under this Stock Option Plan or any Options granted pursuant to this Stock Option Plan;
 - (b) reduce the exercise price under this Stock Option Plan or any Options granted pursuant to this Stock Option Plan to any Optionee who is an Insider of the Corporation;
 - (c) extend the term of any Options which would benefit any Optionee who is an Insider of the Corporation;
 - (d) remove or exceed the Insider participation limit under this Stock Option Plan;
 - (e) increase the number of Common Shares, other than by virtue of Sections 5.6 and 5.7 hereof, which may be issued pursuant to this Stock Option Plan; or
 - (f) materially modify the requirements as to eligibility for participation in this Stock Option Plan.

Any amendment, modification or change shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation, and, if required, by any stock exchange or any other regulatory authority having jurisdiction over the securities of the Corporation. In addition, if an Optionee is an Insider of the Corporation at the time of an amendment, modification or change that would materially increase the benefits under any of his Options granted pursuant to this Shares Option Plan, the Corporation must obtain disinterested shareholder approval. This Stock Option Plan may be amended, without obtaining the approval of the TSX Venture Exchange, to (i) reduce the number of Common Shares under Option, or (ii) increase the exercise price or cancel an Option, provided the Corporation issues a news release outlining the terms of the amendment. In the event that the Common Shares are listed on the TSX Venture Exchange, all other amendments to this Stock Option Plan will require the approval of the TSX Venture Exchange. Notwithstanding anything to the contrary, no Stock Option Plan amendment may reduce the Exercise Price of any Option held by a U.S. Taxpayer unless such reduction is specifically permitted under U.S. Tax Code Section 409A, and no Stock Option Plan amendment may cause the implication of adverse tax consequences under U.S. Tax Code Section 409A to a U.S. Taxpayer without such Participant's consent.

- 5.3 Non-Assignable.** No rights under this Stock Option Plan and no Option awarded pursuant to this Stock Option Plan are assignable or transferable by any Participant other than to a Family Member pursuant to a will or by the laws of descent and distribution.
- 5.4 Rights as a Shareholder.** No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date of issue of certificates representing Common Shares acquired upon the exercise of Options of such Optionee.

- 5.5 No Contract of Employment.** Nothing contained in this Stock Option Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of this Stock Option Plan by a Participant shall be voluntary.
- 5.6 Consolidation, Merger, etc.** If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under this Stock Option Plan the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable.
- 5.7 Adjustment in Number of Common Shares Subject to the Plan.** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:
- (a) the number of Common Shares available under this Stock Option Plan;
 - (b) the number of Common Shares subject to any Option; and
 - (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Stock Option Plan.

- 5.8 Securities Exchange Take-over Bid.** In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:
- (a) the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement options to the Optionees on the equity securities offered as consideration;
 - (b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and
 - (c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).
- 5.9 No Representation or Warranty; No Disclosure Rights.** The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Stock Option Plan. Except as expressly required by applicable law, neither the Corporation nor any of its affiliates shall have any duty or obligation to affirmatively disclose to any Participant, and no Participant shall have any right to be advised of, any material information regarding the Corporation or any of its affiliates at any time prior to, upon or in connection with the exercise of any Option.

- 5.10 Participation through RRSP's and Holding Companies.** Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under this Stock Option Plan, to participate in this Stock Option Plan by holding any rights or Options granted under this Stock Option Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 5.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying 100% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the equity securities of such corporation are directly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director. In the event that an Eligible Employee or Eligible Director elects to hold the Options granted under this Stock Option Plan in a registered retirement savings plan or personal holding corporation, such Eligible Employee or Eligible Director must submit certifications, undertakings or any other documents, if any, required by the TSXV, and the provisions of this Stock Option Plan shall continue to apply as if the Eligible Employee or Eligible Director held such Options directly.
- 5.11 Compliance with Applicable Law.** If any provision of this Stock Option Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction over the securities of the Corporation, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith. Subject to the foregoing, but notwithstanding any other provision of this Stock Option Plan or any Option, (a) no Participant shall be entitled to exercise, or receive Common Shares under, any Option, and the Corporation shall not be obligated to deliver any Common Shares or deliver benefits to a Participant, if such exercise or delivery would constitute a violation by such Participant or the Corporation of any applicable law or regulation, (b) if the Corporation determines that the exercise of, or delivery of Common Shares pursuant to, any Option would violate any applicable provision of securities laws or the listing requirements of any securities exchange on which are listed any of the Corporation's equity securities, then the Corporation may postpone any such exercise or delivery to comply with all such provisions to the earliest reasonably practicable date.
- 5.12 Interpretation.** This Stock Option Plan shall be governed by, and be construed in accordance with, the laws of the Province of Ontario and, for Options granted to U.S. Taxpayers, the U.S. Tax Code.
- 5.13 Contract of Employment.** Any terms set out in this Stock Option Plan may be superseded by an Employment Contract provided that the terms set out in such Employment Contract are in compliance with rules of the TSXV or TSX as applicable.

SCHEDULE "H"

CHARTER OF THE AUDIT COMMITTEE

ADOPTION

The Board of Directors (the "Board") of Quantum International Income Corp. (the "Company") adopted this Charter by resolution dated December 9, 2014.

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

- 1.1 Assist the Board of Directors in its oversight role with respect to:
 - (a) the quality and integrity of financial information;
 - (b) the independent auditor's performance, qualifications and independence;
 - (c) the performance of the Corporation's internal audit function, if applicable; and
 - (d) the Corporation's compliance with legal and regulatory requirements; and
- 1.2 Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, the majority of whom shall not be officers nor employees of the Corporation or any of the Corporation's affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

Financial Reporting

- Review and discuss with management and the independent auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit,
 - the annual audited financial statements,
 - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
 - approve any reports for inclusion in the Corporation's Annual Report, if any, as required by applicable legislation,
 - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
 - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
 - any significant changes in the Corporation's selection or application of accounting principles,
 - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

