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NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders (the “Meeting”) of YANGAROO Inc. (the “Corporation”) will be held at Carpet Factory Building, 67 Mowat Avenue, Suite 101, Toronto, Ontario, M6K 3E3 on August 14, 2014 commencing at 4:30 PM (EST) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the year ended December 31, 2013, together with the report of the auditors thereon;
2. to elect directors;
3. to appoint Collins Barrow Toronto LLP as auditors of the Corporation and to authorize the directors to fix the auditor's remuneration;
4. to consider, and if deemed advisable, pass with or without variation, a resolution of shareholders ratifying the Corporation's rolling stock option plan;
5. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Information Circular (the “Circular), which accompanies this Notice or can be obtained as described below, contains details of the matters to be dealt with at the Meeting. A form of proxy accompanies this Notice. Shareholders are referred to the Circular for more detailed information with respect to matters to be considered at the Meeting and for the full text of the resolutions.

The Corporation has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (“**Notice-and-Access Provisions**”) for this Meeting. Notice-and-Access Provisions are a new set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to the Shareholders by allowing the Corporation to post the Circular and any additional materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a hard copy of the Circular. The Corporation will not use procedures known as “stratification” in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the information circular to some shareholders with the notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Circular.

SHAREHOLDERS ARE REMINDED TO VIEW THE MEETING MATERIALS PRIOR TO VOTING.

WEBSITES WHERE MEETING MATERIALS ARE POSTED

The applicable Meeting Materials can be viewed online under the Corporation's profile at www.sedar.com or at the Corporation's website at: <http://yangaroo.com/investors/financial-reports/>

HOW TO OBTAIN PAPER COPIES OF THE MEETING MATERIALS

Requests for paper copies must be received at least five business days in advance of the proxy deposit date and time set out in the accompanying proxy or voting instruction form in order to receive the applicable Meeting Materials in advance of the proxy deposit date and Meeting.

Shareholders who wish to receive paper copies of the applicable Meeting Materials may request copies from Valiant Trust Company by calling toll free at 1-866-313-1872 or via email to noticeandaccess@valianttrust.com. Meeting Materials will be sent to such shareholders within three business days of their request if such requests are made before the Meeting.

The Corporation has determined that those shareholders with existing instructions on their account to receive a paper copy of the Corporation's meeting materials will receive paper copies of the applicable Meeting Materials with this notification. Shareholders may revoke their existing instructions by contacting the service provider who services their account. Shareholders may request paper copies of the applicable Meeting Materials be sent to them by postal delivery at no cost to them. Requests may be made up to one year from the date the Information Circular was filed on SEDAR by email at noticeandaccess@valianttrust.com.

Shareholders with questions about notice and access can contact Valiant Trust Company by toll free telephone at 1-866-313-1872 or via email at noticeandaccess@valianttrust.com.

Shareholders who are unable to attend the Meeting in person are requested to complete and sign the acting form of proxy and return it by mail in the enclosed return envelope or by facsimile. To be effective, proxies must be received by the Corporation's transfer agent, Valiant Trust Company, Suite 710, 130 King Street West, P.O. Box 34, Toronto, ON M5X 1A9, Attention: Proxy Department or by facsimile at 416-1-855-375-6916 prior to 5:00 p.m. (EST) on Tuesday, August 12th, 2014, or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned meeting.

DATED at Toronto, Ontario, this 4th day of July, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Clifford Hunt"
Vice-Chairman of the Board of Directors

YANGAROO INC.

Management Information Circular

SOLICITATION OF PROXIES

This management information circular (the “Circular”) is furnished in connection with the solicitation by the management of YANGAROO Inc. (the “Corporation”) of proxies for use at the annual and special meeting of shareholders of the Corporation (the “Meeting”) to be held at Carpet Factory Building, 67 Mowat Avenue, Suite 101, Toronto, Ontario, M6K 3E3 on August 14, 2014 commencing at 4:30 PM (EST), and at any adjournment thereof, for the purposes set forth in the Notice of Meeting (the “Notice”). The solicitation will be primarily by mail, but directors, officers, employees or representatives of the Corporation may also solicit proxies personally or by telephone. All costs of solicitation will be borne by the Corporation. The information contained herein is given as at July 4, 2014, unless otherwise indicated.

All dollar amounts in this Circular are in Canadian dollars, except where otherwise indicated.

APPOINTMENT OF PROXIES

The persons named in the enclosed form of proxy are officers of the Corporation. *Each shareholder has the right to appoint a person other than the persons named in the enclosed form of proxy, who need not be a shareholder of the Corporation, to represent such shareholder at the Meeting or any adjournment thereof.* Such right may be exercised by inserting such person's name in the blank space provided in the form of proxy and striking out the other names or by completing another proper form of proxy.

VOTING INSTRUCTIONS

Registered Shareholders

There are two methods by which registered shareholders (“Registered Shareholders”), whose names are shown on the books or records of the Corporation as owning common shares (“Common Shares”), can vote their Common Shares at the Meeting: in person at the Meeting, or by proxy. Should a Registered Shareholder wish to vote in person at the Meeting, he or she may still complete and return the form of proxy included with the Circular; and if required, the Registered Shareholder can revoke his or her proxy at the Meeting and instead vote in person. Should the Registered Shareholder not wish to attend the Meeting or not wish to vote in person, his or her vote should be voted by proxy through one of the methods described below and the Common Shares represented by the proxy will be voted or withheld from voting, in accordance with the instructions as indicated in the form of proxy, on any ballot that may be called for, and if a choice was specified with respect to any matter to be acted upon, the Common Shares will be voted accordingly. Please note that an individual voting on behalf of a corporation who is a Registered Shareholder must present certain documents at the Meeting, including a corporate signing resolution.

A Registered Shareholder may vote by proxy by using one of the following methods: (i) the paper form of proxy to be returned by mail or delivery; (ii) facsimile; or (iii) internet. The methods of using each of these procedures are described below:

Voting by Mail

A Registered Shareholder may vote by mail or delivery by completing, dating and signing the enclosed form of proxy and depositing it with Equity Financial Trust Company (the "Transfer Agent") using the envelope provided or by mailing it to:

Valiant Trust Company,
Suite 710, 130 King Street West, P.O. Box 34,
Toronto, ON M5X 1A9 Attention: Proxy Department

by no later than the close of business on Tuesday, August 12, 2014, or if the Meeting is adjourned, by no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned meeting.

Voting by Facsimile

A Registered Shareholder may vote by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to the Transfer Agent at 1-855-375-6916. The form of proxy must be received by no later than the close of business on August 12, 2014, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned meeting.

A proxy voted by mail or fax must be in writing and must be executed by the Registered Shareholder or by an attorney authorized in writing or, if the Registered Shareholder is a corporation or other legal entity, by an authorized officer or attorney. Voting by mail is the only method by which a Registered Shareholder may choose an appointee other than the management appointees named on the proxy.

Voting by Internet

A Registered Shareholder may vote by internet following the instructions on the enclosed "Voting Options" form to logon to www.voteproxyonline.com and entering the Registered Shareholder's Control Number. The Control Number is printed above the mailing address on the proxy form received by the Registered Shareholder. Voting by internet must be completed no later than the close of business on August 12, 2014, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjourned meeting.

Non-Registered Shareholders

In the Circular and the enclosed form of proxy and Notice, all references to shareholders are to Registered Shareholders of Common Shares. Only Registered Shareholders of Common Shares, or the persons they appoint as their proxies, are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "Non-Registered Shareholder" or "Beneficial Owner") are registered either:

- in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

There are two kinds of Beneficial Owners, those who object to their name being made known to the Corporation, referred to as objecting beneficial owners (“OBOs”) and those who do not object to being known by the Corporation, referred to as non-objecting beneficial owners (“NOBOs”). In accordance with the requirements as set out in National Instrument 54-101 Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, the Corporation has distributed copies (utilizing the Notice-and-Access Provisions) of the Notice of Meeting, this Circular, the form of proxy and the supplemental mailing list return card (collectively, the “Meeting Materials”) (i) directly to NOBOs, and (ii) to the clearing agencies and Intermediaries for onward distribution to OBOs.

The Meeting Materials are being sent to both Registered and Non-Registered Shareholders of the Common Shares. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these Meeting Materials directly to you, your name, address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send the Meeting Materials to NOBOs directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Objecting Beneficial Owners (“OBOs”)

Intermediaries are required to forward Meeting Materials to OBOs unless an OBO has waived the right to receive them. Generally, OBOs who have not waived the right to receive Meeting Materials will either:

- (a) be given a proxy who has already been signed by the Intermediary (typically by a facsimile, stamped signature) and is restricted as to the number of Common Shares beneficially owned by the OBO but which is otherwise not completed. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with the Transfer Agent, by mail addressed to Valiant Trust Company, Attention: Proxy Department, Suite 710, 130 King Street West, P.O. Box 34, Toronto, ON M5X 1A9 or by facsimile at 1-855-375-6916, as applicable, or with the Chairman of the Corporation; or
- (b) is given a voting instruction form (“VIF”) which must be completed and signed by the OBO in accordance with the directions on the VIF (which may in some cases permit the completion of VIF by telephone, internet or facsimile).

Non-Objecting Beneficial Owners (“NOBOs”)

NOBOs can expect to receive the Meeting Materials with a form of proxy from the Transfer Agent. These proxies are to be completed and returned to the Transfer Agent in the envelope provided or by following the instructions contained on the proxy for facsimile, telephone or internet voting. The Transfer Agent will tabulate the results of the proxies received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the proxies they receive.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder may simply clearly print the name of the person to attend the Meeting in the space provided for this purpose on the proxy.

REVOCAION OF PROXIES

A shareholder who has given a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy and may do so (1) by delivering another properly executed proxy bearing a later date and depositing it as aforesaid, including within the prescribed time limits noted above; (2) by depositing an instrument in writing revoking the proxy executed by the shareholder or by the shareholder's attorney authorized in writing (i) at the registered office of the Corporation, 18 Mowat Avenue, Toronto, ON M6K 3E8 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the Chairman of the Meeting, prior to its commencement, on the day of the Meeting or any adjournment thereof; (3) by attending the Meeting in person and so requesting; or (4) in any other manner permitted by law. A Non-Registered Holder may revoke a proxy or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a proxy or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least seven days prior to the Meeting.

VOTING AND DISCRETION OF PROXIES

On any ballot that may be called for, the Common Shares represented by proxies in favour of the persons named by management of the Corporation will be voted for or against, or voted for or withheld from voting on, the matters identified in the proxy, in each case in accordance with the instructions of the shareholder. **In the absence of any instructions on the proxy, it is the intention of the persons named by management in the accompanying form of proxy to vote (a) FOR the election of each of management's nominees as directors; (b) FOR the appointment of management's nominee as auditor and the authorization of the directors to fix the remuneration of the auditor; (c) FOR the resolution to ratify the amendment to the stock option plan; and (d) in accordance with management's recommendations with respect to amendments or variations of the matters set out in the Notice or any other matters which may properly come before the Meeting. The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of the matters identified in the Notice or any other matters that may properly come before the Meeting.** As at the date of this Circular, management of the Corporation

knows of no such amendments, variations or other matters that may properly come before the Meeting other than the matters referred to in the Notice.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

As at July 4, 2014, the authorized capital of the Corporation consisted of an unlimited number of Common Shares, of which 52,379,282 Common Shares were issued and outstanding.

A holder of record of Common Shares as at the close of business on July 4, 2014 (the "Record Date") is entitled to one vote for each Common Share held by him or her. The affirmative vote of a majority of the votes cast at the Meeting is required for approval of each matter set forth in this Circular.

In accordance with the *Business Corporations Act* (Ontario), the Corporation will prepare a list of holders of Common Shares on the Record Date. Each holder of Common Shares named in the list will be entitled to vote the Common Shares shown opposite his or her name on the list at the Meeting.

As at July 4, 2014, to the knowledge of the directors and senior officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares other than Ingalls and Snyder LLC which holds 11,908,985 shares as agent on behalf of its clients, one such client, being Shep Boone, holding 10% or greater of the Common Shares individually or in concert with third parties, and CDS & Co. which holds 33,203,624 shares. CDS & Co. is a holding company for shares held in brokerage accounts for Non-Registered Holders. The Corporation's management does not know who beneficially owns these shares.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Introduction

The Board believes that effective corporate governance contributes to improved corporate performance and enhanced shareholder value. The Board has reviewed the corporate governance best practices identified in National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (collectively, the "CSA Guidelines"). The Board is committed to ensuring that the Corporation follows best practices and is in the process of developing such practices. The Corporation's specific disclosure relative to these guidelines is set below.

Board of Directors

The responsibility of the Board is to supervise the management of the business and affairs of the Corporation in accordance with the best interests of the Corporation and all of its shareholders. In discharging its responsibility, the Board reviews the performance of the President, CEO and COO and oversees and reviews the development and implementation of the following significant corporate plans and initiatives:

- the Corporation's strategic planning and budgeting process;
- succession planning, including appointing, training and monitoring senior management; and
- the Corporation's public communications policies and continuous disclosure record.

The Board meets at least four times a year and more frequently if required. In 2013, the Board met four times. In addition, the Board took numerous actions by written resolution.

Board Composition

The Board was composed of six directors for the duration of 2013. All directors are elected annually. The Corporation's directors include Clifford Hunt, Howard Atkinson, Gary Moss, Sander Shalinsky, Gerald Quinn and Anthony Miller.

Messrs. Quinn, Atkinson, Shalinsky, and Miller are independent directors as contemplated by the CSA Guidelines (i.e. each is independent of management and free from any interest in and any business or other relationship with the Corporation which could reasonably be expected to interfere with the exercise of the director's judgment). In determining whether a director is independent, the Board considers the specific circumstances of a director and the nature, as well as materiality, of any relationship between the director and the Corporation.

Board Committees

There are two permanent Board committees: (i) the audit committee ("Audit Committee"); and (ii) the compensation committee ("Compensation Committee"). The Board may also appoint other temporary or permanent committees from time to time for particular purposes.

Currently, the Board does not have a corporate governance committee or nominating committee. The Board as a whole evaluates corporate governance requirements, the conduct of the Board and the respective roles of the committees; and identifies and recommends for nomination candidates for election as directors. The Board looks at the education and experience of potential nominees to the Board.

The following sets out the report of the Audit Committee as well as a summary of the responsibilities and activities of the other Board committees.

Audit Committee Report

Throughout 2013, Messrs. Quinn, Atkinson, and Miller were members of the Audit Committee, of which Mr. Atkinson was Chairman. They were all independent throughout 2013 for purposes of the Audit Committee. Each of the members of the Audit Committee is financially literate as defined in Multilateral Instrument 52-110. During the year ended December 31, 2013, the Audit Committee met four times. The Corporation as a venture issuer has relied on the exemptions in Section 6.1 of Multilateral Instrument 52-110 ("MI 52-110") exempting the Corporation from the requirements Part 5 (Reporting Obligations) of MI 52-110.

A copy of the charter of the Audit Committee is attached to this Circular as SCHEDULE "A" and will also be available electronically at www.sedar.com. The Audit Committee assists the Board in carrying out its responsibilities relating to corporate accounting and financial reporting practices. The duties and responsibilities of the Committee include the following:

- reviewing for recommendation to the Board for its approval the principal documents comprising the Corporation's continuous disclosure record, including interim and annual financial statements and management's discussion and analysis;
- recommending to the Board a firm of independent auditors for appointment by the shareholders and reporting to the Board on the fees and expenses of such auditors. The Committee has the authority and responsibility to select, evaluate and if necessary replace the independent auditor. The Committee has the authority to approve all audit engagement fees and terms and the Committee, or a member of the Committee, must review and pre-approve any non-audit services provided to the Corporation by the Corporation's independent auditor and consider the impact on the independence of the auditor;
- reviewing periodic reports from the CFO;
- discussing with management and the independent auditor, as appropriate, any audit problems or difficulties and management's response; and
- establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

The Committee maintains direct communication during the year with the Corporation's independent auditor and the Corporation's senior officers responsible for accounting and financial matters. The Audit Committee has reviewed and discussed with management and the independent auditors the financial statements of the Corporation as at December 31, 2013 and management's discussion and analysis. Based on that review and on the report of the independent auditor of the Corporation, the Audit Committee recommended to the Board that the Corporation's financial statements and management's discussion and analysis be approved and filed with Canadian regulatory authorities.

The Audit Committee has recommended to the Board that the shareholders of the Corporation be requested to re-appoint Collins Barrow Toronto LLP, Chartered Accountants, as the independent auditor for 2014.

For the years ended December 31, 2013 and 2012, the fees accrued or paid by the Corporation for audit work and other services performed by Collins Barrow Toronto LLP were as follows:

	2013	2012
Audit services	\$33,475	\$33,475
Audit-related services	3,811	5,974
Tax services	5,665	8,755
Other services	650	700
	\$43,601	\$48,904

Audit service fees

Audit service fees were paid for professional services rendered by the auditors for audit of the financial statements including the services provided in connection with statutory and regulatory filings.

Audit-related services fees

The audit-related services provided were for assistance with preparation of unaudited quarterly financial statements.

Tax service fees

The tax services provided were for preparation of corporate and provincial tax returns.

Other service fees

The other services provided were for other miscellaneous matters.

Pursuant to the Audit Committee charter, the Audit Committee approved in advance all auditing services of the external auditors and related fees and terms and all non-audit service mandates including related fees and terms, to the extent permitted by applicable laws, regulations and policies. The Audit Committee may delegate to one or more members of the Audit Committee the authority to pre-approve non-audit services to be provided by the external auditors provided that any such approvals made by the designated individuals will be reported to the full Audit Committee at its next scheduled meeting.

Compensation Committee

The Compensation Committee assists the Board in carrying out its responsibilities relating to personnel matters, including performance, compensation and succession. The Compensation Committee is in the process of preparing terms of reference which will include developing annual objectives against which to assess members of management including the President, CEO and COO, reviewing and making recommendations to the Board with respect to employee and contractor compensation arrangements including stock options and management succession planning.

The Compensation Committee met one time in 2013. A part of each meeting is conducted without management present, including for the purpose of specifically discussing the proposed allocation of stock options to the Chairman and individual Board members.. The members of the Committee during 2013 were Mr. Miller (Chair), Mr. Quinn, Mr. Atkinson and Mr. Shalinsky.

Summary of Committee Memberships and Record of Attendance for 2013

During the year ended December 31, 2013, the Board and its committees held the following numbers of meetings:

Board	4 ⁽¹⁾
Audit Committee (“AC”).....	4
Compensation Committee (“CC”).....	1
Total number of meetings held.....	9

⁽¹⁾ In addition to the four meetings held by the Board, a number of actions were taken by resolution in writing.

Director	Committee Memberships	Board Meetings Attended	Committee Meetings Attended
Clifford Hunt	-	4	AC-4 CC-1
Gary Moss	-	4	AC-4 CC-1
Howard Atkinson	AC, CC	3	AC-3; CC-1
Sander Shalinsky	CC	4	AC-2 CC-1
Anthony Miller	AC, CC	4	AC-4; CC-1
Gerald Quinn	AC,CC	4	AC-4; CC-1

Ethical Conduct

The Corporation has implemented a written Code of Ethics (the “Code”). All directors, officers, employees and consultants of the Corporation will be expected to be familiar with the Code and to adhere to those principles and procedures set forth in the Code that apply to them. The Board will ultimately be responsible for the application of the Code to the affairs of the Corporation.

Shareholder Feedback

The Board believes that management should speak for the Corporation in its communications with shareholders and others in the investment community and that the Board should be satisfied that appropriate investor relations programs and procedures are in place. Management communicates regularly with shareholders and others in the investment community to receive and respond to shareholder feedback.

The Board regularly reviews the Corporation's major communications with shareholders and the public, including management discussion and analysis, financial statements and management information circulars.

Expectations of Management

The Board believes that it is appropriate for management to be responsible for the development of long-term strategies for the Corporation. Meetings of the Board are held, as required, to specifically review and deal with long-term strategies of the Corporation as presented by senior members of management.

The Board appreciates the value of having selected senior officers attend Board meetings to provide information and opinions to assist the directors in their deliberations. The Chair arranges for the attendance of senior officers at board meetings in consultation with the President and CEO.

EXECUTIVE COMPENSATION

As required by Part 1(c) of National Instrument 51-102F5 – *Information Circular*, Form 51-102F6 – *Statement of Executive Compensation* for the year ended December 31, 2013 is appended as follows:

Compensation Discussion and Analysis

The Corporation seeks to establish compensation plans for executive officers (collectively, the “Named Executive Officers” or “NEO”) that will attract, retain, and motivate qualified executives to join the Corporation and work diligently to attain the Corporation’s objectives. The Corporation’s Board has a Compensation Committee that is comprised of four independent directors that assists the Board in carrying out its responsibilities relating to personnel matters, including performance, compensation and succession. Compensation plans for NEO are developed by the President and CEO and submitted to the Compensation Committee for review and approval before being implemented.

The Corporation offers NEO compensation packages that included a combination of salary, bonus, stock options and a group health insurance plan. Salary levels are determined so as to be competitive with similar organizations in the Corporation’s region and to attract and retain NEO.

Annual Incentives

Annual incentives in the form of bonuses are offered to motivate NEO to achieve specific corporate goals for the year that include revenues, costs, profitability, technology development and cash flow. Bonuses can be comprised of cash and stock options. The cash bonus portion NEO are eligible to earn is determined as a percentage of their salary. The achievement of financial goals is determined by comparing actual results to the Corporation’s budget for the year. The amount of bonus earned is determined by the degree to which the goal was met, with higher amounts being earned for over-achievement. The President and CEO and the Vice-Chairman, Secretary and COO had the same annual bonus plan targets for the year ending December 31, 2013.

Vice Chairman, Secretary & COO	2013	185,000	Nil	75,288 ⁽⁸⁾	30,000	Nil	Nil	11,747	302,035
	2012	185,000	Nil	97,076 ⁽⁸⁾	Nil	Nil	Nil	10,779 ⁽¹⁵⁾	292,855
	2011	157,141	Nil	76,413 ⁽⁹⁾	Nil	Nil	Nil	17,955 ⁽¹⁵⁾	251,509
Michael Galloro CFO	2013	108,000	Nil	376 ⁽¹⁰⁾	Nil	Nil	Nil	Nil	108,376
	2012	108,000	Nil	Nil	Nil	Nil	Nil	Nil	108,000
	2011	108,000	Nil	4,936 ⁽¹⁰⁾	Nil	Nil	Nil	Nil	112,936
Richard Klosa CTO	2013	160,000	Nil	75,288 ⁽¹¹⁾	Nil	Nil	Nil	5,049	240,337
	2012	160,000	Nil	8,586 ⁽¹¹⁾	Nil	Nil	Nil	4,689	173,275
	2011	160,000	Nil	51,975 ⁽¹²⁾	Nil	Nil	Nil	4,437	216,412
Karen Dealy ⁽⁴⁾ President, Advertising Operations	2013	68,330	Nil	Nil	Nil	Nil	Nil	Nil	68,330
	2012	179,885	Nil	Nil	Nil	Nil	Nil	Nil	179,885
	2011	178,040	Nil	Nil	Nil	Nil	Nil	Nil	178,040
Sarah Foss ⁽¹⁶⁾ President, Advertising Operations	2013	78,424	Nil	28,233 ⁽¹⁶⁾	Nil	Nil	Nil	Nil	106,657

- (1) Scott Wambolt's employment as President and CEO terminated effective February 29, 2012.
- (2) John Heaven's employment as President and CFO terminated effective November 30, 2010. As part of his compensation package, Mr. Heaven received a salary continuance of his last base rate and medical and dental benefits up to February 28, 2012, in recognition of his service to the Corporation. Under all other compensation for 2011, it included salary continuance of \$223,615; for 2012 it included salary continuance of \$37,269 and deferred bonus payment of \$33,542.
- (3) Gary Moss joined the Corporation as President and CEO effective February 22, 2012. He received a \$50,000 signing bonus, which is included in All Other Compensation.
- (4) Karen Dealy's salary reported in the above table is the converted value in Canadian dollars. On April 29, 2013, the Company announced the resignation of Karen Dealy.
- (5) The fair value of the option-based awards was estimated at the grant date using the Black-Scholes pricing model with the assumption that the options would be exercised on expiry date.
- (6) The Corporation granted Scott Wambolt 225,000 options on February 11, 2011 with an exercise price of \$0.10 and expiry date of February 11, 2016. All these options would have vested and become exercisable upon achieving certain company milestones. None of these options were vested and all were cancelled upon his resignation. Scott Wambolt also received 869,503 options on August 18, 2011 with an exercise price of \$0.10 and expiry date of August 18, 2016. These options were not subject to any performance criteria and 521,702 unvested options were cancelled on the date of his resignation and 347,801 vested options were forfeited after 90 days from his termination day. As of December 31, 2013, there were no options outstanding.

- (7) Gary Moss received 400,000 (40,000 post-consolidation) options on December 20, 2012 with an exercise price of \$0.10 (\$1.00 post-consolidation) and expiry date of December 20, 2017. As of December 31, 2013, all these options vested and have become exercisable. Gary Moss received 550,000 options on October 1, 2013 with an exercise price of \$0.25 and an expiry date of October 1, 2018. The vesting of these options is not subject to any performance criteria. As of December 31, 2013, 55,000 of these were vested and have become exercisable.
- (8) The Corporation granted Cliff Hunt 2,368,281 (236,828 post-consolidation) options on December 20, 2012 with an exercise price of \$0.10 (\$1.00 post-consolidation) and expiry date of December 20, 2017. As of December 31, 2013, all these options were vested and have become exercisable. Cliff Hunt received 400,000 options on October 1, 2013 with an exercisable price of \$0.25 and an expiry date of October 1, 2018. These options are not subject to any performance criteria. As of December 31, 2013, 40,000 were vested and have become exercisable.
- (9) The Corporation granted Cliff Hunt 250,000 (25,000 post-consolidation) options on February 11, 2011 with an exercise price of \$0.10 (\$1.00 post-consolidation) and expiry date of February 11, 2016. These options should be vested and become exercisable upon achieving certain company milestones. As of December 31, 2013, none of these options were vested and have become exercisable. In the same year, Cliff Hunt received 1,153,719 (115,371 post-consolidation) options on August 18, 2011 with an exercise price of \$0.10 (\$1.00 post-consolidation) and an expiry date August 18, 2016. These options are not subject to any performance criteria. As of December 31, 2013, all of these options were vested and have become exercisable.
- (10) Michael Galloro received 100,000 (10,000 post-consolidation) options on August 18, 2011 with an exercise price of \$0.10 (\$1.00 post-consolidation) and an expiry date of August 18, 2016. As of December 31, 2013, all these options have vested and have become exercisable. Michael Galloro received 2,000 stock options on October 1, 2013 with an exercisable price of \$0.25 and expires on October 1, 2018. These options are not subject to any performance criteria. As of December 31, 2013, 200 of these options were vested and have become exercisable.
- (11) The Corporation granted Richard Klosa 209,461 (20,946 post-consolidation) options on December 21, 2012 with an exercise price of \$0.10 (\$1.00 post-consolidation) and expiry date of December 21, 2017. As of December 31, 2013, all of these options have vested and have become exercisable. The Corporation granted Richard Klosa 400,000 options on October 1, 2013 with an exercise price of \$0.25 and an expiry date of October 1, 2018. These options are not subject to any performance criteria. As of December 31, 2013, 40,000 of these options were vested and have become exercisable.
- (12) The Corporation granted Richard Klosa 600,000 (60,000 post-consolidation) options on February 11, 2011 with an exercise price of \$0.10 (\$1.00 post-consolidation) and expiry date of February 11, 2016. These options should be vested and become exercisable upon achieving certain company milestones. As of December 31, 2013, none of these options were vested and have become exercisable. In addition, Richard Klosa received 106,539 (10,654 post-consolidation) options on August 18, 2011 with an exercise price of \$0.10 (\$1.00 post-consolidation) and expiry date of August 18, 2016. These options are not subject to any performance criteria. As of December 31, 2013, all of these options were vested and have become exercisable.
- (13) Annual incentive plan represents the cash bonuses earned in the reporting year and paid out in the same year or in the following year when audited financial statements have been completed.
- (14) The Corporation does not have a pension plan in place for its Named Executive Officers.
- (15) All other compensation to Cliff Hunt included vacation pay of \$13,575 in 2011, \$6,026 in 2012 and \$7,115 in 2013.
- (16) Sarah Foss's employment commenced on August 19, 2013. She was granted 150,000 options on October 1, 2013, with an exercise price of \$0.25 and expiry date of October 1, 2018. As of December 31, 2013, 15,000 of these options have vested and have become exercisable.

Incentive Plan Awards

The following table sets forth information for each named executive officer for all awards outstanding at the end of the most recently completed financial year.

Outstanding Share-Based Awards and Option-Based Awards as at December 31, 2013

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested
Gary Moss ⁽¹⁾⁽²⁾⁽³⁾	5,000	\$1.10	November 18, 2014	Nil	Nil	Nil
	5,000	\$1.00	February 11, 2016	Nil	Nil	Nil
	10,000	\$1.00	August 18, 2016	Nil	Nil	Nil
	10,000	\$1.00	December 13, 2017	Nil	Nil	Nil
	40,000	\$1.00	December 20, 2017	Nil	Nil	Nil
	550,000	\$0.25	October 1, 2018	\$16,500	Nil	Nil
Clifford Hunt ⁽⁴⁾⁽⁵⁾⁽⁶⁾	25,000	\$1.00	February 11, 2016	Nil	Nil	Nil
	115,372	\$1.00	August 18, 2016	Nil	Nil	Nil
	236,828	\$1.00	December 20, 2017	Nil	Nil	Nil
	400,000	\$0.25	October 1, 2018	\$12,000	Nil	Nil
Richard Klosa ⁽⁷⁾⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	30,000	\$1.00	April 20, 2015	Nil	Nil	Nil
	60,000	\$1.00	February 11, 2016	Nil	Nil	Nil
	10,654	\$1.00	August 18, 2016	Nil	Nil	Nil
	20,946	\$1.00	December 21, 2017	Nil	Nil	Nil
	400,000	\$0.25	October 1, 2018	\$12,000	Nil	Nil
Michael	10,000	\$1.00	August 18, 2016	Nil	Nil	Nil

Galloro ⁽¹¹⁾⁽¹²⁾	2,000	\$0.25	October 1, 2018	\$60	Nil	Nil
Sarah Foss ⁽¹³⁾	150,000	\$0.25	October 1, 2018	\$4,500	Nil	Nil

- (1) 400,000 (40,000 post-consolidation) stock options were granted to Gary Moss on December 20, 2012. 100% of these options vested after four months from the date of grant. As of December 31, 2013, 100% of them were vested and had become exercisable.
- (2) 100,000 (10,000 post-consolidation) stock options were granted to Gary Moss on August 18, 2011. As of December 31, 2013, 100% of them were vested and had become exercisable, with 30% of these stock options having vested in 2013
- (3) 550,000 stock options were granted to Gary Moss on October 1, 2013. As of December 31, 2013, 10% of the stock option were vested and had become exercisable.
- (4) 2,368,281 (236,828 post-consolidation) stock options were granted to Cliff Hunt on December 20, 2012. 100% of these options vested after four months from the date of grant. As of December 31, 2013, 100% of them were vested and had become exercisable. 400,000 stock options were granted to Cliff Hunt on October 1, 2013. As of December 31, 2013, 10% of them were vested and had become exercisable.
- (5) 250,000 (25,000 post-consolidation) stock options were granted to Cliff Hunt on February 11, 2011. These options become exercisable when certain criteria have been met. As of December 31, 2013, none of the criteria were met; therefore, no options have become exercisable.
- (6) 1,153,719 (115,372 post-consolidation) stock options were granted to Clifford Hunt on August 18, 2011. As of December 31, 2013, 100% of them were vested and had become exercisable, with 30% of these stock options having vested in 2013.
- (7) 209,461 (20,946 post-consolidation) stock options were granted to Richard Klosa on December 21, 2012. 100% of these options are vested after four months from the date of grant. As of December 31, 2013, 100% of them were vested and had become exercisable.
- (8) 600,000 (60,000 post-consolidation) stock options were granted to Richard Klosa on February 11, 2011. These options become exercisable when certain criteria have been met. As of December 31, 2013, none of the criteria were met; therefore, no options have become exercisable.
- (9) 400,000 stock options were granted to Richard Klosa on October 1, 2013. As of December 31, 2013, 10% of these stock options had become exercisable.
- (10) 106,539 (10,654 post-consolidation) stock options were granted to Richard Klosa on August 18, 2011. As of December 31, 2013, 100% of them were vested and had become exercisable, with 30% of these stock options having vested in 2013.
- (11) 2,000 stock options were granted to Michael Galloro on October 1, 2013. As of December 31, 2013, 10% of these stock options had become exercisable.
- (12) 100,000 (10,000 post-consolidation) stock options were granted to Michael Galloro on August 18, 2011. As of December 31, 2013, 100% of them were vested and had become exercisable, with 30% of these stock options having vested in 2013.
- (13) 150,000 stock options were granted to Sarah Foss on October 1, 2013. As of December 31, 2013, 10% of these stock options had become exercisable.

The following table sets forth the value vested or earned from the incentive plan awards to each of the named executive officers for the most recently completed financial year.

**Incentive Plan Awards – Value Vested or Earned
DURING THE YEAR ENDED DECEMBER 31, 2013**

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Gary Moss President & CEO	Nil ⁽¹⁾⁽³⁾⁽⁴⁾	Nil	Nil
Cliff Hunt Vice-Chairman & COO	Nil ⁽¹⁾⁽³⁾⁽⁴⁾	Nil	Nil
Michael Galloro CFO	Nil ⁽¹⁾	Nil	Nil
Richard Klosa CTO	Nil ⁽¹⁾⁽²⁾⁽⁴⁾	Nil	Nil
Sarah Foss, President, Advertising Operations	Nil ⁽¹⁾	Nil	Nil

- (1) 10% of the options granted to each of Cliff Hunt, Michael Galloro, Gary Moss, Sarah Foss and Richard Klosa on October 1, 2013 were vested during the fiscal year of 2013. All of them were out of the money as at the date of vesting.
- (2) 100% of the options granted to Richard Klosa on December 31, 2012 vested during the fiscal year of 2013. All of them were out of the money as at the date of vesting.
- (3) 100% of the options granted to Gary Moss and Cliff Hunt on December 20, 2012 vested during the fiscal year of 2013. All of them were out of the money as at the date of vesting.
- (4) 30% of the options granted to Gary Moss, Richard Klosa, Michael Galloro and Cliff Hunt on August 18, 2011 vested during the fiscal year of 2013. All of them were out of the money as at the date of vesting.

Defined Benefit or Contribution Plans

The Corporation does not have a pension plan that provides for benefits at or in connection with retirement.

Termination and Change of Control Benefits

The Corporation reimburses its Executive Officers for all travel and other out-of-pocket expenses incurred in connection with the performance of their respective duties. The Corporation implemented an employment contract with the Chairman and COO in 2007. In the event employment of this executive is terminated on a without cause basis, he will receive a lump sum payment equal to twelve months base salary, plus an additional lump sum payment equal to one month base salary for each additional fully completed year of service with the Corporation after December 31, 2007, or a pro-rated additional lump sum payment for any partial year of service after December 31, 2007. The executive will also receive a

bonus payment equal to the bonus he received for the fiscal year prior to termination. The Corporation provides an insurance benefit package in the form of an employee group insurance plan (the “Benefit Package”) and in the event of termination on a without cause basis the Corporation will continue to make its portion of any payments required to maintain the Benefit Package for the lump sum period referred to above, or the period required by applicable employment or labour standards legislation if that is longer than the lump sum period referred to above, in accordance with the terms of the applicable insurance policies. Any continued coverage under the Benefit Package will be conditional on the Executive’s satisfying the terms and conditions of the applicable insurance policies.

The Corporation implemented an employment contract with the President and CEO in 2012. The Executive’s employment contract stated that upon resignation by the Executive, the Executive would not be entitled to receive any further compensation or benefits other than those which had accrued up to the Executive’s last day of active service with the Corporation. . In the event employment of this executive is terminated on a without cause basis, or in the event of a triggering event (which is a defined term in the employment contract referring to: (i) an adverse change in any of the duties, powers, rights, discretion, prestige, salary, benefits, perquisites of the Executive; (ii) a diminution of the title of the Executive; (iii) a change in the person or body to whom the Executive reports; (iv) a change in the hours during or location at which the Executive is regularly required to carry out the terms of his employment with the Corporation, or an increase in the amount of travel the Executive is required to conduct on behalf of the Corporation; or (v) any other reason which in the honestly-held view of the Executive results in the inability of the Executive to carry out his duties), he will receive a lump sum payment equal to twelve months base salary, plus an additional lump sum payment equal to one month base salary for each additional fully completed year of service with the Corporation after December 1, 2012, or a pro-rated additional lump sum payment for any partial year of service after December 1, 2012, to a maximum of twenty-four (24) months. The executive will also receive a bonus payment which shall be calculated based upon the bonus he received for the fiscal year prior to termination for the number of months that he is to receive pay in lieu of notice of termination of employment. The Corporation provides an insurance benefit package in the form of an employee group insurance plan (the “Benefit Package”) and in the event of termination on a without cause basis the Corporation will continue to make its portion of any payments required to maintain the Benefit Package for the lump sum period referred to above, or the period required by applicable employment or labour standards legislation if that is longer than the lump sum period referred to above, in accordance with the terms of the applicable insurance policies. Any continued coverage under the Benefit Package will be conditional on the Executive’s satisfying the terms and conditions of the applicable insurance policies. Notwithstanding the foregoing, in the Event that the Corporation terminates the Executive’s employment on a without cause basis within (6) months of a change of control (which is a defined term in the employment contract) or in the event of a “Triggering Event” within six (6) months of a change of control, the Corporation shall provide the Executive a lump sum payment equal to twenty-four (24) months base salary along with a bonus payment equal to two times the bonus he received for the fiscal year prior to the termination of his employment.

Management & Employment Agreements

The provision of services by each of the Named Executive Officers is governed by employment agreements with the Corporation. The following summarizes the relevant features of each agreement including any subsequent amendments:

Mr. Moss, through a company on his behalf, entered into a consulting contract with the Corporation on February 22, 2012, which was replaced by an employment contract between Mr. Moss and the Corporation on December 1, 2012. His annual base salary in 2013 was \$250,000 and his annual cash bonus potential is 60% of his base salary. Mr. Moss is prohibited from competing with the Corporation and/or soliciting employees of the Corporation for a period of 12 months following the termination of his employment with the Corporation.

Mr. Hunt entered into an employment agreement with the Corporation on July 1, 2005. His annual base salary in 2013 was \$185,000 and his annual cash bonus potential is 50% of his base salary. Mr. Hunt is prohibited from competing with the Corporation and/or soliciting employees of the Corporation for a period of 12 months following the termination of his employment with the Corporation.

The Corporation entered into service agreement with ALOE Financial Inc. for Mr. Galloro's services on December 1, 2010. ALOE Financial Inc. is compensated at \$8,500 per month and an addition of \$1,500 per quarter.

Mr. Klosa entered into an employment agreement with the Corporation on January 14, 2008. His annual base salary in 2013 was \$160,000 and his annual cash bonus potential was 40% of his base salary. Mr. Klosa is prohibited from competing with the Corporation and/or soliciting employees of the Corporation for a period of 12 months following the termination of his employment with the Corporation.

Ms. Dealy entered into an employment agreement with the Corporation on August 24, 2010. She resigned from her management position effective May 17, 2013 and remained as a consultant of the Corporation for a six-month term ended November 17, 2013. Her annual base salary before termination was US\$180,000 with annual cash bonus potential of 50% of her salary. Ms. Dealy was prohibited from competing with the Corporation and/or soliciting employees of the Corporation until May 17, 2014.

Ms. Foss entered into an employment agreement with the Corporation on August 8th, 2013. Her annual base salary is \$210,000.00 per annum, subject to increase based on certain performance milestones, and an annual cash bonus potential of 50% of her salary. Ms. Foss is prohibited from competing with the Corporation and/or soliciting employees of the Corporation for a period of 12 months following the termination of her employment with the Corporation.

Indebtedness of Directors, Executive Officers and Others

At no time since the beginning of the Corporation's last financial year was any director, executive officer, proposed nominee for election as a director, or any of their respective associates indebted to the Corporation or any of its subsidiaries, nor was the indebtedness of any such person to another entity the subject of any guarantee, support agreement, letter of credit or similar arrangement provided by the Corporation or any of its subsidiaries.

Director Compensation

For the year ended December 31, 2013 the Board was composed of a total of six directors. All directors are elected annually. The Corporation's initial six directors were Clifford Hunt, Gary Moss, Howard Atkinson, Sander Shalinsky, Anthony Miller, and Gerald Quinn.

For the year ended December 31, 2013 a majority (four of six) of the Corporation's directors were independent. Messrs. Atkinson, Miller, Shalinsky and Quinn were independent directors as contemplated by the CSA Guidelines (i.e. each is independent of management and free from any interest in and any business or other relationship with the Corporation which could reasonably be expected to interfere with the exercise of the director's judgment). In determining whether a director is independent, the Board considers the specific circumstances of a director and the nature, as well as materiality, of any relationship between the director and the Corporation.

The Corporation pays compensation to the independent directors only. The independent directors are compensated with an annual cash fee and with long-term incentives in the form of stock options.

There are two permanent Board committees: (i) the Audit Committee; and (ii) the Compensation Committee. The Board may also appoint other temporary or permanent committees from time to time for particular purposes.

Audit Committee

For the year ended December 31, 2013, Messrs. Atkinson, Miller, and Quinn were members of the Audit Committee, of which Mr. Atkinson was Chairman. They were all independent directors throughout 2013 for purposes of the Audit Committee. Each of the members of the Audit Committee is financially literate as defined in Multilateral Instrument 52-110.

The Audit Committee assists the Board in carrying out its responsibilities relating to corporate accounting and financial reporting practices. The duties and responsibilities of the Audit Committee include the following:

- reviewing for recommendation to the Board for its approval the principal documents comprising the Corporation's continuous disclosure record, including interim and annual financial statements and management's discussion and analysis;
- recommending to the Board a firm of independent auditors for appointment by the shareholders and reporting to the Board on the fees and expenses of such auditors. The Committee has the authority and responsibility to select, evaluate and if necessary replace the independent auditor. The Committee has the authority to approve all audit engagement fees and terms and the Committee, or a member of the Committee, must review and pre-approve any non-audit services provided to the Corporation by the Corporation's independent auditor and consider the impact on the independence of the auditor;
- reviewing periodic reports from the CFO;

- discussing with management and the independent auditor, as appropriate, any audit problems or difficulties and management's response; and
- establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters.

The Audit Committee maintains direct communication during the year with the Corporation's independent auditor and the Corporation's senior officers responsible for accounting and financial matters.

Compensation Committee

The Compensation Committee assists the Board in carrying out its responsibilities relating to personnel matters, including performance, compensation and succession. The Compensation Committee is comprised of four independent directors. The members of the Compensation Committee during 2013 were Mr. Miller (Chair), Mr. Quinn, Mr. Atkinson and Mr. Shalinsky. The Compensation Committee develops annual objectives against which to assess members of management including the President and CEO, and reviews and makes recommendations to the Board with respect to employee and contractor compensation arrangements including stock options and management succession planning.

A part of each meeting is conducted without management present, including for the purpose of specifically discussing the compensation of the Vice Chairman and the President and CEO.

The following table sets forth information concerning compensation to each of the non-executive directors for the most recently completed financial year.

**Director Compensation Table
for the Year Ended December 31, 2013**

Name	Fees earned⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Howard Atkinson	15,000	Nil	12,326	Nil	Nil	Nil	27,326
Anthony Miller	15,000	Nil	18,822	Nil	Nil	Nil	33,822
Sander Shalinsky	15,000	Nil	11,293	Nil	Nil	Nil	26,293
Gerald Quinn	15,000	Nil	11,293	Nil	Nil	Nil	26,293

- (1) Each independent director was entitled to earn a fee of \$15,000 in cash per year. Director's fees would be prorated for services performed for partial year. All accrued fees for previous years have been paid out in full by the end of year 2013.
- (2) On October 1, 2013, the Corporation granted each independent director stock options exercisable at \$0.25 per share with an expiry date of October 1, 2018. The number of options granted for each director is as follows: Atkinson 60,000; Miller 100,000;; Shalinsky 60,000; Quinn 60,000. In addition, Howard Atkinson has received 7,498 stock options on November 18, 2013 with exercise price of \$0.25 per share and expiry date of November 18, 2016.

Incentive Plan Awards to Directors

The following table sets forth information for each non-executive director for all awards outstanding at the end of the most recently completed financial year.

Outstanding Share-Based Awards and Option-Based Awards AS AT DECEMBER 31, 2013

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) ⁽¹⁾	Option exercise price (\$) ⁽²⁾	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Howard Atkinson	15,000	\$1.00	December 13, 2017	Nil	Nil	Nil
	10,000	\$1.00	August 18, 2016	Nil	Nil	Nil
	5,000	\$1.00	February 11, 2016	Nil	Nil	Nil
	5,000	\$1.10	November 18, 2014	Nil	Nil	Nil
	60,000	\$0.25	October 1, 2018	\$1,800	Nil	Nil
	7,498	\$0.25	November 18, 2016	\$225	Nil	Nil
Anthony Miller	15,000	\$1.00	December 13, 2017	Nil	Nil	Nil
	10,000	\$1.00	August 18, 2016	Nil	Nil	Nil
	5,000	\$1.00	February 11, 2016	Nil	Nil	Nil
	100,000	\$0.25	October 1, 2018	\$3,000	Nil	Nil
Gary Moss ⁽³⁾	10,000	\$1.00	December 13, 2017	Nil	Nil	Nil
	10,000	\$1.00	August 18, 2016	Nil	Nil	Nil
	5,000	\$1.00	February 11, 2016	Nil	Nil	Nil
	5,000	\$1.10	November 18, 2014	Nil	Nil	Nil
Sander Shalinsky	5,000	\$1.00	December 13, 2017	Nil	Nil	Nil
	60,000	\$0.25	October 1, 2018	\$1,800	Nil	Nil
Gerald Quinn	2,500	\$1.00	December 13, 2017	Nil	Nil	Nil
	60,000	\$0.25	October 1, 2018	\$1,800	Nil	Nil

(1) The quantities reflect post-consolidation numbers.

(2) The exercise prices reflect post-consolidation numbers.

(3) These options were granted to Gary Moss for his services as an independent director. Only those options issued to Gary Moss during his time as independent director are included hereto. These options together with stock options issued to Gary Moss since becoming President and CEO are also listed in the table "Outstanding Share-Based Awards and Option-Based Awards" for executive officers as he has joined the Corporation as President and CEO on February 22, 2012.

The following table sets forth the value vested or earned from the incentive plan awards to each of the non-executive directors for the most recently completed financial year.

**Incentive Plan Awards – Value Vested or Earned
DURING THE YEAR ENDED DECEMBER 31, 2013**

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Howard Atkinson	Nil ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Nil	Nil
Justin LaFayette	Nil ⁽³⁾⁽⁴⁾	Nil	Nil
Anthony Miller	Nil ⁽¹⁾⁽³⁾⁽⁴⁾	Nil	Nil
Gary Moss	Nil ⁽³⁾⁽⁴⁾	Nil	Nil
Sander Shalinsky	Nil ⁽¹⁾⁽³⁾	Nil	Nil
Gerald Quinn	Nil ⁽¹⁾⁽³⁾	Nil	Nil

- (1) 10% of the options granted to each director on October 1, 2013 were vested during the fiscal year of 2013 and all were out of the money as at the date of vesting.
- (2) 100% of the options granted on November 18, 2013 were vested during the fiscal year of 2013 and all were out of the money as at the date of vesting.
- (3) 100% of the options granted on December 13, 2012 were vested during the fiscal year of 2013 and all were out of the money as at the date of vesting.
- (4) 30% of the options granted on August 18, 2011 were vested during the fiscal year of 2013 and all were out of the money as at the date of vesting.

Directors' and Officers' Liability Insurance

The Corporation maintains insurance for the benefit of its Directors and Officers against liability in their respective capacities as directors and officers. During the year the Corporation had Directors' and Officers' insurance in place providing \$1 million in coverage for a premium of \$13,500.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, no insider of the Corporation or proposed nominee for election as a director of the Corporation, nor any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

Except as otherwise disclosed in this Circular, no person who has been a director or senior officer of the Corporation since the commencement of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any of their respective associates or affiliates, has any material interest, direct or indirect, in any matter to be acted upon at the Meeting.

ANNUAL MATTERS TO BE VOTED UPON

1. Election of Directors

The articles of the Corporation provide that the Board shall consist of a minimum of one and a maximum of ten directors, the number of which may be fixed from time to time by a resolution of the Board. THE PERSONS NAMED IN THE FORM OF PROXY FOR THE MEETING (UNLESS OTHERWISE INSTRUCTED) INTEND TO VOTE FOR the election to the Board of the nominees whose names are set forth below. The number of directors proposed to be elected at the Meeting is six. Shareholders may vote for all of the nominees, some of them and withhold for others, or withhold for all of them. Each director elected will hold office until the next annual meeting or until his successor is duly elected or appointed.

The following table and the notes thereto list certain information concerning the nominees for election as directors of the Corporation. The information as to principal occupations and the number of Common Shares beneficially owned or over which control or direction is exercised by each nominee has been furnished by the respective nominees individually.

NAME, OFFICE AND MUNICIPALITY OR RESIDENCE	DIRECTOR SINCE	Number of Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised	Principal Occupation During the Past Five Years
Gary Moss Director, President, CEO Etobicoke, Ontario	August 25, 2004	180,000 ⁽³⁾	President and CEO, YANGAROO; business consultant, former Chief Operating Officer, IMAX Corporation since July 2009; independent consultant since May 1, 2008; Chief Operating Officer, Live Nation Artists (successor to Concert Productions International) since May 2006.
Clifford Gordon Hunt Director, Vice-Chairman, Secretary and COO Mississauga, Ontario	1999	452,623 ⁽⁴⁾	Founder, Vice-Chairman, Secretary and COO, YANGAROO
Anthony Miller ⁽¹⁾⁽²⁾ Director, Chairman Toronto, Ontario	September 27, 2 010	554,800 ⁽⁵⁾	Chairman, YANGAROO; Director on the board of CARE Canada; Retired, Vice Chair of McCann Worldgroup; Chairman of MacLaren McCann.
Howard John Atkinson ⁽¹⁾⁽²⁾ Director, Toronto, Ontario	November 16, 2007	719,983 ⁽⁶⁾	President, Horizons ETFs Management Inc. (formerly BetaPro Management Inc.) since 2006; CEO, Horizons ETFs Inc. (formerly JovFunds Inc.) 2011-2013, President, 2007 – 2011; President, Alpha Pro Management Inc. 2008 – 2011.

Sander Shalinsky ⁽²⁾ Director, Toronto, Ontario	June 27, 2012	448,200 ⁽⁷⁾	Managing Lawyer, Shalinsky & Company LLP (a law firm) from 2008 to present; Trustee of Creative Wealth Monthly Pay Trust (a private mutual fund trust) since April 2011; Lawyer, Sheppard Shalinsky Brown (a law firm) from 2002 to 2008.
Gerald Quinn ⁽¹⁾⁽²⁾ Director, Toronto, Ontario	November 1, 2012	60,375 ⁽⁸⁾	President, The Erin Mills Investment Corporation since 1989.

- (1) Denotes a member or proposed member of the audit committee.
- (2) Denotes a member or proposed member of the compensation committee.
- (3) Addition to the number of shares stated in the above table, Gary Moss holds options to acquire 1,170,000 shares at an average price of \$0.34 per share and warrants to acquire 184,500 shares at an average exercise price of \$1.00 per share.
- (4) Addition to the number of shares stated in the above table, Cliff Hunt holds options to acquire 877,200 shares at an average exercise price of \$0.58 per share and warrants to acquire 144,500 shares at an average exercise price of \$0.38 per share.
- (5) Addition to the number of shares stated in the above table, Anthony Miller holds options to acquire 130,000 shares at an average price of \$0.42 per share and warrants to acquire 505,000 shares at an exercise price of \$0.47 per share.
- (6) Addition to the number of shares stated in the above table, Howard Atkinson holds options to acquire 102,498 shares at an average price of \$0.51 per share and warrants to acquire 440,000 shares at an average exercise price of \$0.56 per share.
- (7) Addition to the number of shares stated in the above table, Sander Shalinsky holds options to acquire 65,000 shares at an average price of \$0.31 per share and warrants to acquire 413,000 shares at an exercise price of \$0.89 per share.
- (8) Addition to the number of shares stated in the above table, Gerald Quinn holds options to acquire 62,500 shares at an average price of \$0.28 per share and warrants to acquire 67,500 shares at an exercise price of \$0.33 per share.

The term of office for each director will be from the date of the meeting at which he or she is elected until the next annual meeting or until his or her successor is duly elected or appointed.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS/HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A

NOMINEE IS FOR ANY REASON UNABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS/HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.

Corporate Cease Trade Orders or Bankruptcies

None of the directors or officers of the Corporation is, or has been within the ten years before the date of this Circular, a director or officer of any other issuer that, while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under Canadian securities legislation for a period of more than 30 consecutive days or was declared 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 company.

Penalties or Sanctions

None of the directors or officers of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

None of the directors or officers of the Corporation has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has 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 director or officer.

2. Appointment of Auditors

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF COLLINS BARROW TORONTO LLP, CHARTERED ACCOUNTANTS, AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS/HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

Collins Barrow Toronto LLP and its affiliates have been the auditors of the Corporation since October 2002.

The aggregate fees billed by Collins Barrow Toronto LLP for audit and audit-related services in relation to the Corporation during the financial year ended December 31, 2013 were \$37,286. The aggregate fees billed by Collins Barrow Toronto LLP for all non-audit services were \$6,315.

3. Confirmation of Rolling Stock Option Plan

The shareholders of the Corporation approved the previous form of stock option plan at a meeting of shareholders held on August 22, 2003 (the “Stock Option Plan”). The Stock Option Plan was amended on January 20, 2011, and received approval and ratification at a meeting of shareholders held on January 11, 2012.

The Corporation again amended the Stock Option Plan to provide for a “rolling” plan as opposed to a “fixed” plan, which was approved at a meeting of the shareholders on August 15th, 2013.

The TSX Venture Exchange (the “Exchange”) requires that all listed companies with a 10% “rolling” stock option plan, similar to the Stock Option Plan, obtain shareholder approval of the plan upon initial adoption of the “rolling” plan and thereafter on an annual basis. Accordingly, the Shareholders will be asked to approve and ratify the Stock Option Plan, as amended.

The Stock Option Plan was established to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation and any of its subsidiaries to achieve the longer-term objectives of the Corporation, to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation and to attract and retain in the employ of the Corporation, or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

The Stock Option Plan is administered by the Board or, if the Board so delegates, a committee of directors appointed from time to time by the Board. In administering the Stock Option Plan, the Board or committee, as the case may be, may select participants to whom options are granted, determine the terms relating to options, including the number of Common Shares subject to option, the exercise price, the expiration date of each option and any vesting limitations.

The Stock Option Plan provides that the Board or committee may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or its subsidiaries, non-transferable options to purchase Common Shares provided that the number of Common Shares reserved for issuance under the Stock Option Plan does not exceed 10% of the issued and outstanding Common Shares at the time of grant, including shares issuable pursuant to the exercise of issued options, exercisable for a period of up to ten years from the date of grant. 10% of the Corporation’s 52,379,282 currently issued and outstanding shares as at the record date is 5,237,928.

Notwithstanding the non-transferability of the options, optionees may assign their options to a corporation wholly-owned by the optionee or a registered retirement savings plan or registered income fund established by and where the sole beneficiary is the optionee.

In addition, the number of Common Shares reserved for issuance in any 12 month period to any one person may not exceed 5% of the issued and outstanding Common Shares (unless the Corporation is a Tier 1 issuer and has obtained disinterested shareholder approval) and the number of Common Shares reserved for issuance in any 12 month period to any one technical consultant may not exceed 2% of the issued and outstanding Common Shares.

Aside from the amendment to a “rolling” plan, the Stock Option Plan has been amended to include more detail as are set out in TSX Venture Exchange Policy 4.4, which governs Stock Option Plans for issuers listed on the TSX Venture Exchange. Specifically, details with respect to the Exchange Hold Period (as defined in TSX Venture Exchange Policy 1.1, have been included, as well as details with respect to situations that do and don’t require shareholder and/or TSX Venture Exchange approval. A copy of the

amended Stock Option Plan is attached as Schedule “B” of the Corporation’s information circular dated July 4th, 2014.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, approve the following resolution:

“BE IT RESOLVED THAT

the Stock Option Plan, as described in the Information Circular of the Corporation dated July 4th, 2014, be and is hereby ratified and approved.”

In order for the resolution to be passed, approval by the majority of the votes cast by all shareholders, present in person and by proxy at the Meeting, is required.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY, UNLESS OTHERWISE INSTRUCTED, INTEND TO VOTE IN FAVOUR OF THE RESOLUTION APPROVING AND RATIFYING THE STOCK OPTION PLAN.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

The management knows of no matters to come before the Meeting other than as set forth in this Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ENCLOSED FORM OF PROXY WILL BE USED TO VOTE ON SUCH MATTERES IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

ADDITIONAL INFORMATION

Additional financial information for the Corporation is available in the Corporation's audited financial statements for the year ended December 31, 2013 and related management's discussion and analysis for the year ended December 31, 2013, which have been filed with Canadian securities regulators and are available under the Corporation's profile at www.sedar.com.

On January 16, 2013, the Corporation and The Latin Recording Academy® entered into a multi-year agreement to digitize the process of Latin GRAMMY Awards submissions and provide its international membership the ability to listen to music considered for the world's premier Latin music award. A web-based digital solution, YANGAROO Awards, which is powered by YANGAROO's Digital Media Distribution System (DMDS) platform, is an end-to-end solution that instantly and securely connects artists, judges, event organizers, and auditors. It streamlines every element of award show management, including nominations, committee review, voting, results tabulation, and auditing.

On February 5, 2013, the Corporation announced a multi-year, multiplatform deal to provide The National Academy of Television Arts & Sciences (NATAS) with a digital method for determining Emmy® winners beginning with News & Documentary Awards on October 1st of this year followed by others in 2014. Through the Corporation’s YANGAROO Awards digital platform, entries will be submitted, content under consideration will be reviewed, and ultimately, judges will electronically cast their ballots. Marking YANGAROO’s most comprehensive partnership to date, the relationship with NATAS will collectively involve over 3,500 submissions in 149 various categories with over 6000 hours of video all reviewed and voted on by 1,750 judges.

On March 15, 2013, the Corporation's Board of directors adopted a renewed Shareholder Rights Plan following its expiration. The Rights Plan was approved by the TSX Venture Exchange and the shareholders of the Corporation at a meeting of the shareholders on August 15th, 2013. The Rights Plan is substantially similar to the Corporation's previous Shareholder Rights Plan, ratified by the shareholders in June 2009. The Corporation has not received a take-over bid, and a copy of the Rights Plan is available on SEDAR.

On April 11, 2013, the Corporation announced a multi-year, comprehensive partnership with New York based USA Studios, a leading provider of postproduction and distribution services for brands and agencies. As a result of the partnership, YANGAROO and USA will jointly sell and market their services, using YANGAROO's leading digital distribution technology and USA's full spectrum of capabilities to drive growth and revenue. At the same time, YANGAROO and USA will benefit by being integrated into each other's workflows and that of their customers as well as from opportunities for collaborative, customer-centric product development.

On April 29, 2013, the Corporation announced the resignation of Karen Dealy, President, Advertising Operations. On August 8th, 2013, Sarah Foss was appointed President, Advertising. In this role, she is responsible for the overall strategy and growth of this division, including strategic partnerships, product development, and staffing. Foss will be based in the Corporation's New York City office and will report directly to the CEO.

On May 8, 2013, the Corporation announced the launch of its Digital Media Distribution System (DMDS) platform API. It enables advertising agencies and broadcasters to digitally transport the data from their media and traffic management systems into DMDS. This eliminates the need to re-key data, reduces the potential for error in the distribution process, and makes it easier for partners, customers and broadcasters to integrate with the Corporation while maintaining their existing systems and workflows.

On May 17, 2013, the customer claim disclosed in the audited financial statements for the year ended December 31, 2012 was resolved with no financial impact on the Corporation.

On June 4, 2013, the Corporation announced a dynamic new partnership with the Academy of Canadian Cinema & Television. The Corporation will provide, maintain and host a digital awards system for the Academy, allowing Canadian Screen Awards entrants to submit their projects online, including the secure uploading of films, television shows, digital media productions, trailers, photos and more.

On June 25, 2013, the Corporation announced the beta launch of "Connector", a centralized integrations platform that ties together various systems related to spot distribution, dissemination of traffic instructions, and inventory management used by agencies, brands, and broadcasters.

On July 3, 2013, the Corporation announced its strategic plan, which included raising capital to accelerate growth, reducing the debt to deleverage the balance sheet, improving the terms of the residual debt, and proceeding with the previously approved share consolidation.

On July 23, 2013, the Corporation announced a partnership with RAMP (Radio and Music Pros), a prominent music industry trade publication. This alliance will provide the industry in the U.S. expanded access to the Corporation's DMDS to deliver music to radio, and other destinations as well as the ability

to deliver music videos to all major national and regional television broadcasters in North America. This partnership will also provide DMDS with the most comprehensive radio lists available, setting a new standard for radio distribution of promotional music.

On September 4, 2013, the Corporation announced that the Chief Technology Officer, Richard Klosa, travelled with representatives of select broadcasting technologies and new media companies from Ontario, Canada, to IBC2013. Taking place in Amsterdam, The Netherlands, IBC is the world's leading electronic media and entertainment event. IBC annually gathers the world's electronic media and entertainment industry together to challenge, direct and set the industry's agenda through a world-class conference and vibrant exhibition.

On September 5, 2013, the Corporation announced that it had completed the brokered private placement financing of subscription receipts sold at a price of \$0.25 per subscription receipt, based on the post-consolidation share price, as was previously announced in a news release dated July 3, 2013 with subsequent updates issued on August 22, 2013. The Corporation also announced that it exceeded its original expectations as it neared the closing of the private placement. To accommodate an additional investor, and with the approval of the TSX Venture Exchange with respect to the increased maximum amount of the private placement, the Company raised gross proceeds of \$1,600,000, the majority of which were deposited into escrow with Equity Financial Trust Company, an escrow agent, to be held until their release upon the satisfaction by the Corporation of the release conditions as defined in the July 3, 2013 news release, or otherwise returned in the event that the release conditions are not satisfied, in accordance with the Subscription Receipt Agreement.

On September 19, 2013, the Corporation announced that it had entered into shares for debt agreements with a majority of its debenture holders whereby, of the then-current outstanding indebtedness of the Corporation equal to \$6,379,656.84, a total of \$4,245,128 would be converted into post-consolidation common shares of the Corporation at a fair value price of \$0.25 per common share. The Corporation exceeded the 40% conversion threshold it had previously set and announced in a news release on July 3, 2013, as over 66% of the total debt was being converted under the shares for debt transaction. 16,980,514 common shares were issued on October 7, 2013.

The Corporation entered into an advisory agreement with Fraser Mackenzie Merchant Capital Partnership ("FMMC") with respect to the services provided by FMMC in connection with the shares for debt transaction and the debenture amendment and, under such agreement, FMMC was entitled to receive 384,281 common shares and 336,364 non-transferable warrants. Both common shares and warrants were issued on October 7, 2013.

The Corporation also announced that it had completed the consolidation of its issued and outstanding common shares, effective as of September 19, 2013, as previously announced in the July 3, 2013 news release. The Corporation's common shares were consolidated on a basis of ten pre-consolidation shares for each one post-consolidation share.

On October 1, 2013, the Corporation announced that it had completed its debt restructuring and satisfied the escrow release conditions of its recent private placement of subscription receipts, sold at a price of

\$0.25 per subscription receipt, based on the post-consolidation share price, as was initially announced in a news release dated July 3, 2013, and the closing of which was announced on September 5, 2013.

As the escrow release conditions had been satisfied in accordance with the Subscription Receipt Agreement, each subscription receipt was automatically converted into one common share of the Corporation and one warrant of the Corporation, issued as of September 30, 2013. Each warrant entitles the holder, upon exercise, to purchase one common share during a period of 36 months following the conversion date, at a price of \$0.25 within the first year of the warrant exercise period and at a price of \$0.35 within the second and third years of the warrant exercise period.

The majority of the proceeds were deposited into escrow with Equity Financial Trust Company on the date of closing of the private placement. The escrowed proceeds, less professional and escrow fees, were released to the Corporation, as well as to the Corporation's agent, Fraser Mackenzie Limited, which was entitled to receive its commission comprised of (i) a cash fee equal to 8% of the gross subscription proceeds, and (ii) broker warrants entitling Fraser Mackenzie Limited, upon exercise of the broker warrants, to purchase, in aggregate, common shares equal to 8% of the number of common shares sold pursuant to the private placement. Such broker warrants shall be exercisable at a price of \$0.25 per common share until the warrant expiry date. 443,200 broker warrants were issued on October 7, 2013.

The Corporation also announced it had issued amended debenture agreements effective as of September 12, 2013, to two of three classes of debenture holders who provided the requisite consent. The Corporation offered a one-half of one warrant for every \$1.00 of current indebtedness to the debenture holders as consideration for amending the debenture agreements to reflect more favourable terms. Each whole warrant is exercisable for a period of 36 months from the date of issuance at a price equal to \$0.25.

The amended debentures provide for the reduction of the interest rate from 14% to 10%, an extension of the term by an additional 12 months to October 3, 2016, and the waiver of the cash sweeps, as defined in the debenture agreements. Previously, pursuant to the cash sweeps, the Corporation was required to pay 25% of each equity, debt or equity-like financing, including the private placement, to the debenture holders. Such requirement has been eliminated in connection with the private placement and all future debt, equity, and equity-like financings pursuant to the amended debentures. Certain of these debentures were then converted into shares of the Corporation under the shares for debt transaction described above.

In addition to the above transactions, the Corporation announced that it had amended its "fixed" stock option plan (the "Old Plan") to a 10% "rolling" plan (the "Amended Plan"). Under the Old Plan, the Corporation had reserved a fixed number of 11,804,761 (pre-consolidation) common shares for the grant of stock options. Under the Amended Plan, the Corporation is entitled to grant stock options to purchase up to 10% of the issued capital of the Corporation at the time of an applicable option grant. The Amended Plan was approved by the TSX Venture Exchange on September 25, 2013 as well as the Corporation's shareholders at the Annual and Special Meeting of the Shareholders held on August 15, 2013. The Amended Plan is subject to shareholder approval annually pursuant to TSX Venture Exchange policies.

On October 7, 2013, the Corporation announced that it had received TSX Venture Exchange approval to issue the bonus warrants, related to the amended debentures issued on September 12, 2013 and as initially announced in the news release dated October 1, 2013. As a result of certain regulatory requirements, the

Corporation issued a portion of those bonus warrants, originally anticipated to be issued under Exchange Policy 5.1, instead under the shares for debt transaction. 2,382,726 warrants were issued on October 7, 2013.

On October 17, 2013, the Corporation announced that Sean ‘Diddy’ Combs’ REVOLT television network had selected the Corporation’s Digital Media Distribution System (DMDS) for the delivery of high-definition (HD) music videos to REVOLT for airing. Premiering on October 21, 2013, REVOLT became initially available in 20 to 30 million Comcast and Time Warner Cable homes in major markets like Chicago, Dallas, Los Angeles, and New York.

On October 30, 2013, the Corporation entered into an exclusive multi-year agreement with Göran Andersson, a leading music industry entrepreneur, with Brazilian-based offices in Sao Paulo and Rio. Andersson’s company, Universi Brazil, works with leading major and independent record labels, and has strong ties with the major radio and television broadcasters in the country. The parties have entered into an exclusive three year renewable agreement whereby the Corporation will provide its patented industry leading Digital Media Distribution System (DMDS) and Göran Andersson will provide his market expertise, proven marketing and customer support team, and well-established customer base.

On November 1st, 2013, the Corporation appointed Valiant Trust Company as its Transfer Agent, Registrar and Dividend Disbursing Agent.

On November 5, 2013, the Corporation announced that Joanne Eckert, seasoned media sales professional, had joined the Corporation as its Vice President, Sales and Business Development, for the Advertising Division (not a named executive officer). In this role, she will drive the revenue strategy and growth for the Advertising Division, based in Corporation’s recently established New York City office.

On November 29, 2013, the Corporation announced that it had granted a total of 7,498 stock options effective November 18, 2013 to a director of the Corporation pursuant to the Corporation’s stock option plan. The options are exercisable at a price of \$0.25 per share. The options will expire three years following the date of grant.

On December 10, 2013, the Corporation announced the signing of a multi-year extension with the Academy of Country Music (ACM). As part of the extension, Academy members will continue to review as well as vote on nominees through the online YANGAROO Awards solution.

Upon completion of the Financial Statement Request Form and returning to the Corporation in accordance with the instructions with the form, which form was delivered together with the Notice of Meeting, the Corporation will provide a shareholder of the Corporation with a copy of its audited financial statements for the year ended December 31, 2013 and related management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2013.

APPROVAL BY BOARD OF DIRECTORS

The contents and the sending of this Circular have been approved by the board of directors of the Corporation.

DATED at Toronto, this 4th day of July, 2014.

By Order of the Board of directors

(Signed) "Clifford Hunt"

Vice-Chairman

Schedule “A”

YANGAROO Inc.

Audit Committee – Terms of Reference

The purpose of the Audit Committee shall be to assist the Board in its oversight of the integrity of the financial statements of the Corporation, of the Corporation's compliance with legal and regulatory requirements, of the independence and qualification of the independent auditors, and of the performance of the Corporation's internal audit function and independent auditors.

CHAIR

The Board appoints or re-appoints the Chair of the Committee annually when it completes the appointments for all Board committee members following the Annual General Meeting of shareholders. In selecting the Chair, the Board takes into consideration those directors who bring background skills and experience relevant to financial statement review and analysis. The Chair shall also be “financially literate” as such term is defined under applicable Canadian regulatory requirements.

The Chair shall provide leadership to Committee members in fulfilling the mandate set out in these terms of reference. He or she shall work with the Chief Executive Officer and the Chairman of the Board in planning Committee meetings and agendas. The Chair of the Committee reports to the Board on behalf of the Committee on the matters and issues covered or determined at each Committee meeting.

RESPONSIBILITIES

In assisting the Board in fulfilling its responsibilities relating to the Corporation's corporate accounting and reporting practices the Audit Committee shall:

1. review and discuss with management and the independent auditors the annual audited financial statements, the quarterly financial statements, Management's Discussion and Analysis accompanying such financial statements and any other matter required to be reviewed under applicable legal, regulatory or stock exchange requirements, and report thereon to the Board;
2. review the results of the external audits and any changes in accounting practices or policies and the financial statement impact thereof;
3. review the terms of engagement and audit plans of the external auditors and determine through discussion with the auditors that no restrictions were placed by management on the scope of their examination or on its implementation;
4. assess management's programs and policies regarding the adequacy and effectiveness of internal controls over the accounting and financial reporting system within the Corporation;
5. recommend to the Board a firm of independent auditors for appointment by the shareholders and report to the Board on the fees and expenses of such auditors. The Committee shall have the authority and responsibility to select, evaluate and if necessary replace the independent auditors. The Committee shall have the authority to approve all audit engagement fees and terms and the

Committee, or a member of the Committee, must review and pre-approve any non-audit service provided to the Corporation by the Corporation's independent auditors and consider the impact on the independence of the auditors;

6. enquire into and report regularly to the Board, with associated recommendations, on any matter referred to the Committee;
7. discuss with management and the independent auditors, as appropriate, earnings press releases and any financial information and earnings guidance provided to analysts and rating agencies;
8. discuss with management and the independent auditors, as appropriate, any audit problems or difficulties and management's response, and the Corporation's risk assessment and risk management policies, including the Corporation's major financial risk exposure and steps taken by management to monitor and mitigate such exposure;
9. obtain and review at least annually a formal written report from the independent auditors delineating the auditing firm's procedures for reviewing internal controls and any material issues raised by (i) the auditing firm's internal quality-control reviews, (ii) peer reviews of the firm, or (iii) any governmental or other inquiry or investigation relating to any audit conducted by the firm. The Committee will also review steps taken by the auditing firm to address any findings in any of the foregoing reviews. Also, in order to assess auditor independence, the Committee will review at least annually all relationships between the independent auditors and the Corporation;
10. prepare and publish an annual Committee report in the Corporation's proxy circular;
11. conduct an annual self-evaluation in respect of the effectiveness of the Committee;
12. set clear hiring policies for employees or former employees of the independent auditors; and
13. establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

The Committee shall hold in camera sessions without members of management as frequently as is determined necessary by the Committee members.

The Committee shall have authority to retain such outside counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

The Committee shall meet separately with the Corporation's independent auditors at least on an annual basis and more often as determined necessary by the Committee members.

The Committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

Committee Composition:

Three or more members, of which the majority shall be independent directors. All members shall have sufficient financial experience, financial literacy and ability to enable them to discharge their responsibilities.

Quorum:

Majority of members.

SCHEDULE “B”

YANGAROO Inc.

ROLLING STOCK OPTION PLAN

[see attached]

INCENTIVE STOCK OPTION PLAN

AS AMENDED AUGUST 15, 2013

An Incentive Stock Option Plan (herein called the "Plan") for YANGAROO Inc. (the "Corporation") is hereby established with the intent of advancing the interests of the Corporation by encouraging and enabling the acquisition of an equity interest in the Corporation by the participants in the Plan.

Capitalized terms used in this Plan and any Exhibits or Schedules thereto and not otherwise defined in the Plan, or such Exhibits and/or Schedules, shall have the meanings attributed thereto in Policy 4.4, Policy 1.1, and any other applicable policy of the TSX Venture Exchange (the "Exchange").

1. The Board of Directors, or any committee thereof specifically designated by the Board of Directors to be responsible therefore (the "Committee"), shall, from time to time, by resolution designate those employees, directors, senior officers, consultants and other service providers, if any, who, in the opinion of the Board of Directors or such Committee, bear significant responsibility for the management and growth of the Corporation and who, as an additional inducement to promote the best interests of the Corporation, are entitled to participate in the Plan (herein referred to as the "Participant(s)") and shall determine the extent and terms of such participation by such Participants. For greater certainty, Directors, Employees and Consultants (as those terms are defined in TSX Venture Exchange Policy 4.4 ("Policy 4.4")). The judgement of the said Board of Directors or the Committee in designating Participants and the extent of their participation shall be final and conclusive; provided, however, that each designated Participant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect his or her employment by, or other engagement with, the Corporation. The provisions of the Plan and the eligibility of Participants shall further be subject to and be deemed to be amended to comply with any and all requirements of any stock exchange or exchanges upon which the Corporation's common shares may from time to time be listed for trading and any other applicable regulatory authority (collectively, the "Regulatory Authorities"). The stock exchange requirements shall, while the Corporation's common shares are listed on the Exchange, include, without limitation, the requirements set out in Exhibit "A" to the Plan.
2. The Plan is an amendment to the incentive stock option plan (the "Initial Plan") adopted by the Corporation's shareholders at a meeting of the shareholders held on the 25th day of June, 2007 (as amended by the Corporation on June 15, 2010).
3. (a) The total number of authorized but unissued common shares allocated to and made available to be issued to Participants under the Plan shall not exceed, at the time of any grant of options under the Plan, that number of common shares that is equal to ten percent (10%) of the issued shares of the Corporation at such time of grant (including, for certainty, common shares subject to stock option agreements entered into pursuant to the terms of the Initial Plan). Notwithstanding the provisions of the

Plan, the grant of options under the Plan shall be subject to the regulations and policies in effect from time to time by the applicable Regulatory Authorities.

- (b) The Corporation represents that, in the event that it wishes to grant options under the Plan to “Employees”, “Consultants” or “Management Company Employees” (as those terms are defined for the purpose of Policy 4.4), it will only grant such options to Participants who are bona fide Employees, Consultants or Management Company Employees, as the case may be.

The exercise price to each Participant for each common share optioned to such Participant shall be determined by the Board of Directors or Committee but shall not, in any event, be less than the “Discounted Market Price” of the Corporation’s common shares on Exchange (as the term is defined in TSX Venture Exchange Policy 1.1 [“Policy 1.1”]); provided that such exercise price per common share in respect of options granted within 90 days of a Distribution by a Prospectus (as those terms are defined in Policy 1.1) shall not be less than the greater of the Discounted Market Price and the price per common share paid by public investors for Listed Shares (as defined in Policy 1.1) of the Corporation under the Distribution.

4. Residents of the United States of America or any territory or possession thereof may be Participants in the Plan provided that such participation is in accordance with and does not violate any securities or other legislation, regulation or policy of the applicable governing authorities in the United States of America or any state, territory or possession thereof.
5. The Board of Directors or the Committee shall have the unfettered right to interpret the provisions of this Plan and to make such regulations and formulate such administrative procedures for carrying this Plan into effect and to make such changes therein and in the regulations and administrative provisions therein as, from time to time, the Board or the Committee deem appropriate in the best interests of the Corporation. The Board of Directors shall also have the unfettered right from time to time and at any time to rescind or terminate the Plan; provided, however, that no such rescission or termination shall impair or change the rights and options theretofore granted under the Plan without the prior written consent of the Participant or Participants affected thereby.
6. The Corporation shall pay all costs of administering the Plan.
7. The Board of Directors, the Committee or the specific option agreement entered into by the Participant may specify that the options granted hereunder may only be exercisable at certain specified intervals. A written agreement shall be entered into between the Corporation and each person to whom an option is granted hereunder which agreement shall set out the option price and the terms and conditions on which the option may be exercised, all in accordance with the provisions of the Plan. The agreement shall be in such form as the Board of Directors may from time to time approve and as the rules and policies of the Regulatory Authorities permit and may contain such terms as may be considered necessary in order that the option will also comply with any provisions respecting stock options in the income tax or other laws in force in any country or

jurisdiction or which the person to whom the option is granted may from time to time be a resident or citizen.

8. In addition to any resale restrictions under applicable securities laws and any other circumstances under which the Exchange Hold Period (as defined in Policy 1.1) may apply, where the stock option exercise price is at a discount to the Market Price, any such stock options and the underlying Listed Shares, if exercised prior to the Exchange Hold Period, shall be legended commencing on the date of the grant of options as follows:

“Without prior written approval of TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date that is 4 months plus a date from date of grant].”

9. Subject to applicable regulatory approval, the Board of Directors may from time to time amend this Plan and the terms and conditions of any option thereafter to be awarded and, without limiting the generality of the foregoing, may make such amendments for the purpose of meeting any changes in any relevant law, the Exchange or other regulatory authority policy, rule or regulation applicable to this Plan, any option or the underlying, or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any option or impair any right of any Optionee pursuant to any option awarded prior to such amendment. Subject to applicable regulatory approval, the Board of Directors may from time to time retroactively amend this Plan and may also, with the consent of the affected Optionees, retroactively amend the terms and conditions of any options which have been previously awarded. With the consent of affected Optionees, the Board of Directors may amend the terms of any outstanding option so as to reduce the number of optioned shares, increase the exercise price, or cancel an option without approval of the shareholders or the Exchange. Any other amendment will be subject to receiving prior Exchange approval. This Plan must be approved by the Shareholders annually, at a duly called Annual General Meeting of the Shareholders. Disinterested shareholder approval (as defined in Policy 4.4) will be required for: (i) any reduction in the exercise price of options granted to Insiders; and (ii) the situations where the Plan, together with all other outstanding options could result at any time in: (b) the issuance to any one Optionee, within a 12 month period, of a number of Shares exceeding 5% of the Corporation's issued shares.

EXHIBIT “A”

**To the Incentive Stock Option Plan
of YANGAROO Inc.**

The following provisions shall apply to the Plan and options granted there under:

- (a) all options are non-assignable and non-transferable;
- (b) options can be exercisable for a maximum of 10 years from the date of grant;
- (c) the aggregate number of options granted to any one Person (and Companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued shares of the Issuer, calculated on the date an option is granted to the Person (unless the Issuer has obtained the requisite disinterested Shareholder approval), it being understood that such restriction shall include/apply to any Employee or Director whose duties consist primarily of Investor Relations Activities;
- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued shares of the Issuer, calculated at the date an option is granted to the Consultant;
- (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Issuer in any 12 month period, calculated at the date an option is granted to any such Person;
- (f) if a provision is included that the Optionee’s heirs or administrators can exercise any portion of the outstanding option, the period in which they can do so must not exceed one year from the Optionee’s death;
- (g) disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Issuer at the time of the proposed amendment;
- (h) options granted to an Optionee who is engaged in Investment Relations Activities must vest in stages over a period of not less than 12 months with no more than 25% of such options vesting in any three (3) month period;
- (i) Optionees who performs Investor Relations Activities shall provide written notice to the Board of Directors of each of such Optionee’s trades of securities of the Corporation, within five business days of each trade.