

ENWAVE CORPORATION
2000 – 1066 West Hastings Street
Vancouver, British Columbia, V6E 3X2

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that the annual general and special meeting (the “**Meeting**”) of the shareholders of EnWave Corporation (the “**Company**”) will be held on Tuesday, February 28, 2012 at the Segal Graduate School of Business, Room 2800, 500 Granville Street, Vancouver, BC, V6C 1W6 at 2:00 p.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for its fiscal year ended September 30, 2011;
2. to set the number of directors at six for the ensuing year;
3. to elect the directors for the ensuing year;
4. to appoint the Company’s auditor for the ensuing year;
5. to approve the Amended and Restated Share Option Plan; and
6. to approve the transaction of such other business as may properly come before the Meeting or any adjournment(s) thereof.

Accompanying this Notice of Meeting is an Information Circular, a form of proxy or voting instruction form (“**VIF**”), a financial statement request form and the Audited Financial Statements and management’s discussion and analysis (“**MD&A**”) for the year ended September 30, 2011.

If you are unable to attend the Meeting in person, you should read the notes to the enclosed form of proxy or VIF, as applicable, and complete and return the proxy or VIF, as applicable, to the Company’s registrar and transfer agent, Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment(s) thereof. In addition, Computershare provides both telephone voting and internet voting services as described on the form of proxy and VIF. If you are able to attend the Meeting, voting by telephone, by internet or by sending your proxy or VIF will not prevent you from voting in person.

If you are a non-registered shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. If you are a non-registered shareholder of the Company and do not complete and return the materials in accordance with such instructions, you may lose your right to vote at the Meeting, either in person or by proxy.

DATED at Vancouver, British Columbia, this 24th day of January, 2012.

BY ORDER OF THE BOARD

“Dr. Timothy D. Durance”

Dr. Timothy D. Durance
Chairman and Co-Chief Executive Officer

INFORMATION CIRCULAR

ENWAVE CORPORATION
2000 – 1066 West Hastings Street
Vancouver, British Columbia, V6E 3X2

(all information is as at January 19, 2012, unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of EnWave Corporation (the “Company”) for use at the annual general and special meeting (the “Meeting”) of the Company’s shareholders to be held on Tuesday, February 28, 2012 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers, employees or agents of the Company. All costs of this solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors or officers of the Company. A shareholder wishing to appoint some other person (who need not be a shareholder) to attend and act for the shareholder and on the shareholder’s behalf at the Meeting has the right to do so, either by inserting such person’s name in the blank space provided in the form of proxy, or by completing another form of proxy. A proxy will not be valid unless the completed, dated and signed form of proxy is delivered to Computershare Investor Services Inc. (“Computershare”), Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment(s) thereof. In addition, Computershare provides both telephone voting and internet voting services as described on the form of proxy itself which contains complete instructions.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Company at 2900 – 550 Burrard Street, Vancouver, British Columbia, V6C 0A3 Attention: Steve Saville at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) thereof or provided at the Meeting to the Chair of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders (as defined below) who wish to change their vote must, in sufficient time before the Meeting, arrange for their respective Intermediaries (as defined below) to revoke the proxy on their behalf.**

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

SPECIAL INSTRUCTIONS FOR VOTING BY NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Many shareholders are “non-registered” shareholders because the shares of the Company they own are not registered in their names but are instead registered in the name of an Intermediary (as defined below), through which they hold the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)) of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which company acts as nominee for many Canadian brokerage firms. Shares so held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting shares held for Non-Registered Shareholders.

There are two categories of Non-Registered Holders: (a) those who object to their name being made known to the issuer of securities which they own (called “**OBOs**” for Objecting Beneficial Owners), and (b) those who do not object to the issuer of the securities they own knowing who they are (called “**NOBOs**” for Non-Objecting Beneficial Owners).

The Company has decided to take advantage of those provisions of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (“**NI 54-101**”) that permit it to directly deliver proxy-related materials to NOBOs who have not waived the right to receive them. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) together with the Notice of Meeting, this Information Circular and related documents from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting services as described in the VIF. In that regard, Computershare is required to follow the voting instructions properly received from NOBOs. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. **NOBOs should carefully follow the instructions of Computershare, including those regarding when and where the completed VIFs are to be returned to Computershare.** Should a NOBO wish to vote at the Meeting in person, the NOBO must, as set forth in the VIF, request a form of legal proxy from Computershare that will grant the NOBO the right to attend the Meeting and vote in person.

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

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

NOBOs that wish to change their vote must, in sufficient time in advance of the Meeting, contact Computershare to arrange to change their vote.

In accordance with the requirements of NI 54-101, we have distributed copies of the Notice of Meeting, this Information Circular and related documents (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to OBOs. With those Meeting Materials, Intermediaries or their service companies should provide OBOs of shares with a “request for voting instruction form” which, when properly completed and signed by such OBO and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs of shares to direct the voting of the shares that they beneficially own. Should an OBO of shares wish to vote at the Meeting in person, the OBO should follow the procedure in the request for voting instructions provided by or on behalf of the Intermediary and request a form of legal proxy which will grant the OBO the right to attend the Meeting and vote in person. **OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.**

OBOs of shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange with their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set out above.

VOTING OF PROXIES AND EXERCISE OF DISCRETION

A shareholder may indicate the manner in which the persons named in the accompanying form of proxy or VIF are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy or VIF are certain, the shares represented by the proxy or VIF will be voted or withheld from voting in accordance with the instructions given in the proxy on any ballot that**

may be called for. If no choice is specified in the proxy or VIF with respect to a matter to be acted upon, the proxy or VIF confers discretionary authority with respect to that matter upon the proxyholder named in the accompanying form of proxy or VIF. It is intended that the proxyholder named by management in the accompanying form of proxy and VIF will vote the shares represented by the proxy and VIF in favour of each matter identified in the proxy and VIF and for the nominees of the Company's Board of Directors (the "Board of Directors" or "Board") for directors and auditor.

The accompanying form of proxy and VIF also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those referred to in the accompanying Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the accompanying form of proxy and VIF intend to vote on them in accordance with their best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share structure of the Company consists of an unlimited number of common shares (the "**Common Shares**") and an unlimited number of preferred shares. As at the date of this Information Circular, 71,870,776 Common Shares were issued and outstanding, each such share carrying the right to one vote at the Meeting, and no preferred shares were issued and outstanding. The Company has no other classes of voting securities. January 19, 2012 has been fixed by the directors of the Company as the record date for the purpose of determining those shareholders of the Company entitled to receive notice of and to vote at the Meeting.

The Common Shares are listed on the TSX Venture Exchange (the "**TSXV**").

To the best of the knowledge of the directors and senior officers of the Company, there is no person who, or corporations which, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

RECEIPT OF FINANCIAL STATEMENTS

The financial statements of the Company for the fiscal year ended September 30, 2011 and accompanying auditor's report will be presented at the Meeting.

APPOINTMENT OF AUDITOR

At the Meeting, shareholders will be asked to approve an ordinary resolution to re-appoint PricewaterhouseCoopers LLP as the auditor of the Company to hold office until the next annual meeting of the shareholders at the remuneration fixed by the Board. Unless otherwise instructed, proxies given pursuant to this solicitation by the Board will be voted in favour of this resolution. PricewaterhouseCoopers LLP was first appointed as auditor of the Company on September 25, 2007.

ELECTION OF DIRECTORS

Number of Directors

The Board of Directors for the Company currently consists of six directors. The Articles of the Company provide that the number of directors for the Company will be a minimum of three and a maximum of nine. The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Canada Business Corporations Act* (the "CBCA"), each director elected will hold office until the conclusion of the next annual meeting of the Company, or if no director is then elected, until a successor is elected, or if he becomes disqualified to act as a director. Management of the Company does not contemplate that any of these nominees will be unable to serve as a director.

Management of the Company is seeking shareholder approval of an ordinary resolution determining the number of directors of the Company at six (6) for the ensuing year.

Election of Directors

The following table sets out the names of management's nominees for election as directors, the province or state and country in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupation, the period of time for which each has been a director of the Company, and the number of voting securities of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Province or State, Country of Residence and Position(s) with Company ⁽¹⁾	Principal Occupation, Business or Employment ⁽¹⁾	Date(s) Served as a Director	Voting Securities Held ⁽¹⁾
Dr. Timothy D. Durance ⁽⁴⁾ British Columbia, Canada <i>Chairman, Co-Chief Executive Officer and Director</i>	Chairman and Co-Chief Executive Officer of the Company.	Since January 11, 2001	2,233,006 ⁽²⁾
John McNicol ⁽³⁾ British Columbia, Canada <i>President, Co-Chief Executive Officer and Director</i>	President and Co-Chief Executive Officer of the Company.	Since March 16, 2007	750,972 ⁽⁶⁾
Dr. Gary Sandberg ⁽³⁾⁽⁴⁾⁽⁵⁾ British Columbia, Canada <i>Director</i>	Head of the Food Technology program at the B.C. Institute of Technology.	Since November 25, 2003	246,000 ⁽⁷⁾
Beenu Anand ⁽⁴⁾⁽⁵⁾ British Columbia, Canada <i>Director, in charge of nutraREV® sales</i>	President of Eastern Traders Ltd.	Since July 17, 2002	975,110
Salvador Miranda ⁽⁵⁾ British Columbia, Canada <i>Chief Financial Officer and Director</i>	President of InterAmerica Consulting and Development Inc.; Chief Financial Officer of the Company.	Since February 17, 2003	669,250
J. Hugh Wiebe ⁽³⁾ British Columbia, Canada <i>Director</i>	Retired; Chairman of Brookside Foods from 1993 to his retirement in July, 2010.	Since December 14, 2010	Nil

Notes:

- (1) The information as to residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.

- (2) Of the 2,233,006 Common Shares held by Dr. Durance, 1,147,038 shares are held directly, 755,968 shares are held by 587665 B.C. Ltd., a private company controlled by Dr. Durance, 122,000 shares are held in the name of his dependent children and 208,000 shares are held by his spouse.
- (3) Member of the Audit Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Governance & Nomination Committee.
- (6) Of the 750,972 Common Shares held by Mr. McNicol, 650,972 are held directly and 100,000 are by his spouse.
- (7) Of the 246,000 Common Shares held by Dr. Sandberg, 225,000 are held directly and 21,000 are by his spouse.

Corporate Cease Trade Orders or Bankruptcies

Except as described below, no proposed director

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order (being a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation) that was issued while the proposed director was acting in the capacity of director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that company; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

No proposed director of the Company 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 securityholder in deciding to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee is mandated to oversee the administration of the Company's compensation plans, including its stock option plan. The Compensation Committee meets at least once a year to review compensation policies relating to the Company and its subsidiaries and to approve specific compensation awards and benefits. The Compensation Committee monitors levels of executive remuneration to ensure overall compensation reflects the

Company's objectives and philosophies and meets the Company's desired relative compensation position. The key components comprising the Company's executive officer compensation may include base salary and bonus (short-term incentives) and participation in the Company's stock option plan (long-term incentives). The Company has established these components for its executive compensation package because it believes that a competitive base salary and bonus may be required to retain key executives and participation in the Company's stock option plan enables the Company's executive officers to participate in the long-term success of the Company and aligns their interests with those of the Company's shareholders.

Base Salary and Bonus

The base salaries (and bonus, if any) of the Company's executive officers are set by the Board, with recommendations from the Compensation Committee. Executive officers who are also directors of the Company abstain from voting on their proposed base salaries. Base salaries (and bonus, if any) of the Company's executive officers are determined through the annual assessment of each individual's performance (as described in more detail below) and other factors the Compensation Committee considers to be relevant, including prevailing industry demand for personnel having comparable skills and performing similar duties, the compensation the individual could reasonably expect to receive from a competitor, the Company's ability to pay and cost of living factors.

The target amount for the annual performance bonus in each calendar year for the Co-Chief Executive Officers is a maximum of between 40% and 50% of the base salary, and a maximum of between 7.5% and 10% for the Chief Financial Officer, as recommended by the Compensation Committee. The actual amount of such bonuses is based on the Board's assessment of the performance of the executive measured against certain pre-determined objectives established by the Board.

In the case of the Chairman and Co-Chief Executive Officer, the performance objectives for the Company's most recently completed financial year included the positive validation of certain *powderREV*[®]-related data, the development of a *quantaREV*[™] pilot prototype and the signature of related research and development agreements, the reception of purchase orders for *nutraREV*[®] or *MIVAP*[™] technology, the establishment of nutraceutical collaborations, the design of a multi-vial dehydration equipment, , patent-related work and the success in completing required financing targets. The executive officer was awarded 100% of the proposed maximum bonus (or 50% of the base annual salary) for the Company's most recently completed financial year.

In the case of the President and Co-Chief Executive Officer, the performance objectives for the Company's most recently completed financial year included the successful completion of a private placement financing, the establishment of nutraceutical collaboration agreements, and the establishments of new collaboration agreements. The executive officer was awarded approximately 100% of the proposed maximum bonus (or 50% of the base annual salary) for the Company's most recently completed financial year.

In the case of the Chief Financial Officer, the performance objectives for the Company's most recently completed financial year included the preparation of the annual budget, the timely completion of interim and annual financial statements and management discussion and analysis, providing timely accounting and administration, the management of the annual audit and the preparation of quarterly performance reports. The executive officer was awarded approximately 100% of the proposed maximum bonus (or 10% of the base annual salary) for the Company's most recently completed financial year.

Currently, there is no defined benchmark of companies that the Company refers to in setting its base salaries and bonuses.

Stock Options

The Company provides long-term incentives to its executive officers by way of stock option grants. Stock options are granted to reward individuals for current performance, expected future performance and to align the long-term interest of the Company's executive officers with those of the Company's shareholders. The Company's stock option plan (summarized under the heading "*Incentive Plan Awards – Share Option Plan*" below) is administered by the Board of Directors based, in part, upon recommendations of the Compensation Committee. The stock option

plan is designed to give to directors, officers, employees and consultants of the Company and its affiliates, as additional compensation, the opportunity to participate in the profitability of the Company by granting to such individuals options to buy shares of the Company. The stock option plan also enables the Company to attract and retain individuals with experience and ability, and to reward such individuals for current performance and expected future performance. The Board of Directors, based, in part, upon recommendations of the Compensation Committee, considers the amount and terms of previously granted stock options when reviewing executive officer compensation packages as a whole and determining any new stock option grants. Executive officers who are also directors of the Company abstain from voting on their proposed stock option grants. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter.

The Board of Directors determines, upon the recommendations of the Compensation Committee, the key employees and service providers to whom grants are to be made and determines the terms and conditions of the options forming part of such grants. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position to the Company.

The number of stock options granted to executive officers for the Company's most recently completed financial year was based on the individual's performance and the number and exercise price of options previously issued to the individual.

The Black-Scholes option pricing model has been used to assess the fair value of the stock options.

Other Long-term Incentives

The Company currently does not provide a pension plan to its executive officers, nor does it have any other long-term incentives.

Co-Chief Executive Officer Compensation

The compensation of the Co-Chief Executive Officers may consist of an annual base salary, bonus and incentive stock options determined in the manner described above. The Co-Chief Executive Officers participate in discussions or reviews relating to executive compensation for other executive officers, but do not participate in the discussions and reviews relating to their own compensation.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, to the following persons (collectively, the "**Named Executive Officers**" or "**NEOs**") for services provided during the Company's three most recently completed financial years:

- (a) the Co-Chief Executive Officers ("**CEO**"),
- (b) the Chief Financial Officer ("**CFO**"),
- (c) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers or acting in a similar capacity and whose total compensation, individually, was in excess of \$150,000 as at the end of the most recently completed financial year; and
- (d) each individual for whom disclosure would have been provided under (c) but for the fact that the individual was neither serving as an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

Name and Principal Position	Fiscal Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽³⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dr. Timothy D. Durance Chairman & Co-Chief Executive Officer	2011	155,625 ⁽²⁾	Nil	80,940	Nil	Nil	Nil	75,000	311,565
	2010	109,000	Nil	Nil	Nil	Nil	Nil	45,990	154,990
	2009	100,800	Nil	69,437	Nil	Nil	Nil	19,939	190,176
John McNicol President and Co-Chief Executive Officer	2011	155,625	Nil	80,940	Nil	Nil	Nil	75,000	311,565
	2010	150,000	Nil	Nil	Nil	Nil	Nil	72,000	222,000
	2009	150,000	Nil	69,437	Nil	Nil	Nil	39,000	258,437
Salvador Miranda Chief Financial Officer	2011	80,925 ⁽⁴⁾	Nil	20,235	Nil	Nil	Nil	7,800	108,330
	2010	76,500	Nil	Nil	Nil	Nil	Nil	6,300	82,800
	2009	60,000	Nil	79,343	Nil	Nil	Nil	3,578	142,921

Notes:

- (1) The value of the options granted was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions: dividend yield 0.0%, expected volatility 80%; risk-free interest rate 2.24%; and expected life of 3.43 years.
- (2) These amounts represent management fees paid to 587665 B.C. Ltd., a company controlled by Dr. Durance.
- (3) These amounts correspond to an annual bonus payment, paid in cash.
- (4) These amounts represent management fees paid to InterAmerica Consulting & Development Inc., a company controlled by Mr. Miranda.

Incentive Plan Awards

Share Option Plan

The Company's Share Option Plan dated for reference June 2, 2009 (the "Plan"), was approved by shareholders on March 9, 2010. The purpose of the Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares by directors, officers, employees and consultants of the Company ("Service Providers"). Subject to TSXV and Shareholder approval, the Plan was amended by the directors of the Company on January 24, 2012 to change it to a "rolling plan" reserving 10% of the issued and outstanding Common Shares for option grants from a "fixed number". (See "Other Business – Approval of Amended and Restated Share Option Plan"). Below is a summary of the Plan.

Number of Shares Reserved for Issuance

The Amended and Restated Share Option Plan approved by the directors of the Company on January 24, 2012 provides for the issuance of stock options to acquire up to that number of the Company's shares equal to 10% of the Company's issued and outstanding share capital as at the date of grant. In the event an option granted under the Plan expires unexercised or is terminated by reason of dismissal of the optionee for cause or is otherwise lawfully cancelled prior to exercise of the option, the shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance. The maximum aggregate number of Common Shares that were reserved for issuance under the Plan prior to converting to a rolling plan was 7,940,000 Common Shares, less any Common Shares reserved for issuance under share options granted under any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider ("Share Compensation Arrangements").

Restrictions

The following restrictions on issuances of options are applicable under the Plan:

- (a) no Service Provider can be granted an option if that option would result in the total number of options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the outstanding number of Common Shares (unless the Company has obtained disinterested shareholder approval to do so);
- (b) no options can be granted under the Plan if the Company is on notice from the TSXV to transfer its listed shares to the NEX;
- (c) the aggregate number of options granted to Service Providers conducting investor relations activities in any 12-month period cannot exceed 2% of the outstanding number of Common Shares, calculated at the time of grant, without the prior consent of the TSXV; and
- (d) the aggregate number of options granted to any one consultant in any 12-month period cannot exceed 2% of the outstanding number of Common Shares, calculated at the time of grant, without the prior consent of the TSXV.

Amendments to the Plan

Subject to the requirements of the policies of the TSXV and the prior receipt of any necessary regulatory approval, the Board may in its absolute discretion, amend or modify the Plan or any option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an option;
- (c) it may change the termination provision of an option which does not entail an extension beyond the original expiry date of such option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSXV, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) amend the Plan (except for previously granted and outstanding options) to reduce the benefits that may be granted to Service Providers (before a particular option is granted) subject to the other terms thereof.

Amendments Requiring Disinterested Shareholder Approval

Under the terms of the Plan, the Company shall obtain disinterested shareholder approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under options granted to insiders exceeding 10% of the outstanding number of Common Shares;
 - (ii) the number of Common Shares issuable upon exercise of options to insiders within a one-year period exceeding 10% of the outstanding number of Common Shares; or
 - (iii) the issuance to any one optionee, within a 12-month period, of a number of Common Shares exceeding 5% of the outstanding number of Common Shares; or

- (b) any reduction in the exercise price of an option previously granted to an insider.

Exercise Price

The exercise price of an option will be set by the Board on the date of grant and such exercise price cannot be less than the “Discounted Market Price” (within the meaning of the policies of the TSXV).

Term

An option can be exercisable for a maximum of 10 years from the date of grant or five years from the date of grant where the Company is classified as a NEX Issuer.

Vesting

The vesting period of options shall be at the discretion of the Board, and will generally be subject to: (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its affiliates during the vesting period; or (b) the Service Provider remaining as a director of the Company or any of its affiliates during the vesting period.

Notwithstanding the foregoing, options granted to consultants conducting investor relations activities will vest: (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or (b) such longer vesting period as the Board may determine.

In the Event of a Takeover Bid

If a takeover bid is made to the shareholders generally then the Company shall, immediately upon receipt of notice of the takeover bid, notify each optionee currently holding an option of the takeover bid, with full particulars thereof whereupon such option may, subject to receipt of regulatory approval, be immediately exercised in whole or in part by the optionee.

Blackout Periods

Should the expiry date for an option fall within a blackout period, or within nine business days following the expiration of a blackout period, such expiry date shall be automatically extended without any further act or formality to that day which is the tenth business day after the end of the blackout period.

Optionee ceasing to be Director, Employee or Service Provider

No option may be exercised after the earlier of the date the Service Provider has left his employ/office and the date that the Service Provider has been advised by the Company that his services are no longer required or his service contract has expired (the “**Termination Date**”), except as follows:

- (a) in the case of the death of an optionee, any vested option held by him at the date of death will become exercisable by the optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;
- (b) an option granted to any Service Provider (other than a Service Provider conducting investor relations activities) will expire upon the earlier of the original Expiry Date and 90 days after the Termination Date, but only to the extent that such option has vested as at the Termination Date;

- (c) options granted to a Service Provider conducting investor relations activities will expire upon the earlier of the original Expiry Date and 30 days after the Terminate Date, but only to the extent that such option has vested as at the Termination Date; and
- (d) the case of an optionee being dismissed from employment or service for cause, such optionee's options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

All options granted under the Plan are exercisable only by the optionee to whom they are granted and are not assignable or transferable.

Outstanding Share-Based Awards and Option-Based Awards

Share-based awards and option-based awards for NEOs outstanding at the end of the Company's most recently completed financial year are set out in the following table:

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 (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Dr. Timothy D. Durance	200,000	0.33	Feb. 9, 2012	236,000	N/A	N/A
	400,000	0.40	Dec. 31, 2012	444,000		
	400,000	0.30	Dec. 31, 2013	484,600		
	100,000	1.70	Dec 14, 2015	Nil		
John McNicol	385,000	0.33	Feb. 9, 2012	454,300	N/A	N/A
	400,000	0.40	Dec. 31, 2012	444,000		
	400,000	0.30	Dec. 31, 2013	484,000		
	100,000	1.70	Dec 14, 2015	Nil		
Salvador Miranda	100,000	0.35	Jun. 2, 2014	116,000	N/A	N/A
	25,000	1.70	Dec 14, 2015	Nil		

Notes:

- (1) The closing price of the Common Shares of the Company on the TSXV on the last trading day for the Company's most recently completed financial year was \$1.51. The value of the in-the-money unexercised options represents the aggregate dollar value that would have been realized if the individual had exercised each of his options on September 30, 2011.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table discloses incentive plan awards – value vested or earned for each NEO for the most recently completed financial year:

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 (\$)
Dr. Timothy D. Durance	59,746	Nil	Nil

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 (\$)
John McNicol	59,746	Nil	Nil
Salvador Miranda	22,306	Nil	Nil

Pension Plan Benefits

The Company does not have defined benefit or defined contribution plans.

Termination of Employment, Change in Responsibilities and Employment Contracts

Other than described below, the Company has no contracts, agreements, plans or arrangements that provide for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, change of control or change in an NEO's responsibilities.

Pursuant to an employment contract dated February 9, 2007, amended on January 1, 2012, between the Company and Dr. Timothy Durance, the Company pays a company controlled by Dr. Durance an amount of \$175,000 per year, exclusive of any bonuses, stock-based and other compensation. Pursuant to the terms of the contract, in the case of a change of control of the Company, the Company will pay Dr. Durance an amount equal to twice the annual base salary and bonus paid to him in the calendar year immediately prior to the calendar year in which a change of control occurred if the market capitalization of the Company on the date of change of control is less than \$100,000,000, or an amount equal to 0.75% of the Company's market capitalization if the market capitalization is greater than \$100,000,000, but in no event shall this payment exceed \$1,500,000. If such a scenario took place on the last business day of the Company's most recently completed financial year, Dr. Durance would have been entitled to receive \$810,458.

If Dr. Durance's employment contract is terminated for cause, disability or death, or by voluntary termination of Dr. Durance, Dr. Durance will not be entitled to any severance payment other than compensation earned to the date before the termination. If the employment contract is terminated by the Board for any other reason, Dr. Durance will receive a severance payment equivalent to his annual base salary from the year before at the current rate. If such a scenario took place on the last business day of the Company's most recently completed financial year, Dr. Durance would have been entitled to receive \$157,500.

Pursuant to an employment contract dated February 9, 2007, amended on January 1, 2012, between the Company and John McNicol, the Company pays Mr. McNicol an annual salary of \$175,000, exclusive of any bonuses, stock-based and other compensation. Pursuant to the terms of the contract, in the case of a change of control of the Company, the Company will pay Mr. McNicol an amount equal to twice the annual base salary and bonus paid to him in the calendar year immediately prior to the calendar year in which a change of control occurred if the market capitalization of the Company on the date of change of control is less than \$100,000,000, or an amount equal to 0.75% of the Company's market capitalization if the market capitalization is greater than \$100,000,000, but in no event shall this payment exceed \$1,500,000. If such a scenario took place on the last business day of the Company's most recently completed financial year, Mr. McNicol would have been entitled to receive \$810,458.

If Mr. McNicol's employment contract is terminated for cause, disability or death, or by voluntary termination of Mr. McNicol, Mr. McNicol will not be entitled to any severance payment other than compensation earned to the date before the termination. If the employment contract is terminated by the Board for any other reason, Mr. McNicol will receive a severance payment equivalent to his annual base salary at the current rate. If such a scenario took place on the last business day of the Company's most recently completed financial year, Mr. McNicol would have been entitled to receive \$157,500.

Director Compensation

In order to align the interests of the non-executive directors with the long-term interests of shareholders, the Board, in consultation with the Compensation Committee, determined that the most appropriate form of payment for the services of non-executive directors is through participation in the Company's stock option plan as well as an annual cash retainer and fees for meeting attendance. The Board has adopted a policy that non-executive directors are granted options upon appointment as a director and are eligible for annual grants thereafter.

The following table sets out all amounts of compensation paid to the non-executive directors for their services as directors for the Company's most recently completed financial year. Directors who also served as executives of the Company received no additional consideration for acting as a director. See the "Statement of Executive Compensation – Summary Compensation Table" above for compensation disclosure for executives who are also members of the Board of Directors.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Dr. Gary Sandberg	2,000	Nil	20,235	Nil	Nil	Nil	22,235
Beenu Anand	76,500	Nil	40,470	Nil	Nil	10,000	126,970
J. Hugh Wiebe	2,000	Nil	80,940	Nil	Nil	Nil	82,940

Notes:

- (1) The value of the options granted was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions: dividend yield 0.0%, expected volatility 80%; risk-free interest rate 2.24%; and expected life of 3.43 years.
- (2) Dr. Gary Sandberg and Mr. Hugh each receives \$500 per board meeting they attend.
- (3) Mr. Anand receives a salary of \$7,500 per month for certain sales services he provides to the Company. Mr. Anand also received the aggregate amount of \$10,000 in sales commissions for the most recently completed financial year.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out share-based awards and option-based awards for the non-executive directors of the Company outstanding at the end of the Company's most recently completed financial year. For similar information relating to the directors who also serve as management of the Company, please see "Statement of Executive Compensation – Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards" above.

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 (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Dr. Gary Sandberg	50,000	0.35	Jun. 2, 2014	58,000	Nil	N/A
	25,000	1.70	Dec. 14, 2015	Nil		
Beenu Anand	100,000	0.35	Jun. 2, 2014	104,000	Nil	N/A
	50,000	1.70	Dec. 14, 2015	Nil		
J. Hugh Wiebe	100,000	1.70	Dec. 14, 2015	Nil	Nil	N/A

Notes:

- (1) The closing price of the Common Shares on the TSXV on the last trading day for the Company's most recently completed financial year was \$1.51. The value of the in-the-money unexercised options represents the aggregate dollar value that would have been realized if the individual had exercised each of his options on September 30, 2011.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table discloses incentive plan awards – value vested or earned during the Company’s most recently completed financial year for the non-executive directors of the Company. For similar information relating to the directors who also serve as management of the Company, please see “*Statement of Executive Compensation – Incentive Plan Awards – Incentive Plan Awards – Value Vested or Earned During the Year*” above.

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 (\$)
Dr. Gary Sandberg	17,898	Nil	Nil
J. Hugh Wiebe	53,960	Nil	Nil
Beenu Anand	106,323	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

As of the end of the Company’s most recently completed financial year, the following equity securities of the Company were authorized for issuance under compensation plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights (a)	Weighted-average exercise price of outstanding options and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	4,594,000	0.72	694,167
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	4,594,000	0.72	694,167

INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND EXECUTIVE OFFICERS

During the Company’s most recently completed financial year, no director, executive officer, senior officer or nominee for director of the Company or any of their associates has been indebted to the Company or any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

MANAGEMENT CONTRACTS

Other than as described below, management functions of the Company are substantially performed by directors or executive officers of the Company and not, to any substantial degree, by any other person with whom the Company has contracted.

During the Company’s most recently completed financial year, the Company paid a monthly fee of \$12,500 from October, 2010 to December, 2010, and \$13,125 from January, 2011 to September 2011, for management services performed by 587665 B.C. Ltd. (“587665”), pursuant to a contract dated February 9, 2007 and amended on January 1, 2012, between the Company and 587665 BC Ltd. 587665 BC Ltd. is a private company controlled by Dr. Timothy D. Durance, an officer and director of the Company. For the year ended September 30, 2011, \$230,625 was paid to 587665 BC Ltd., including a bonus payment of \$75,000.

During the Company's most recently completed financial year, the Company paid a monthly fee of \$6,500 from October, 2010 to December, 2010, and of \$6,825 from January, 2011 to September, 2011, for management, administrative and accounting services performed by InterAmerica Consulting & Development Inc. ("**InterAmerica**"), pursuant to a contract dated September 14, 2007, amended on January 1, 2012, between the Company and InterAmerica. InterAmerica is a private company controlled by Salvador Miranda, an officer and director of the Company. For the year ended September 30, 2011, \$88,725 was paid to InterAmerica, including a bonus payment of \$7,800.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, since the commencement of the last completed fiscal year, no informed person of the Company, proposed director, or any associate or affiliate of an informed person or proposed director, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

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

Except as disclosed herein, no director, executive officer, proposed nominee for election as a director, and no associate or affiliate of any of them since the commencement of the Company's last fiscal year, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below. For further information concerning its audit committee, please see "*Corporate Governance Disclosure – Board Committees – Audit Committee*" below.

The Audit Committee's Charter

A copy of the audit committee charter is attached to this Information Circular as Schedule "A".

Composition of the Audit Committee

The current members of the Audit Committee are John McNicol, Dr. Gary Sandberg (Chair) and J. Hugh Wiebe. Dr. Gary Sandberg and Mr. Wiebe are considered "independent". All of the members of the Audit Committee are "financially literate".

For the purposes of NI 52-110, a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment. An individual is "financially literate" if he has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Dr. Gary Sandberg, Chair of the Audit Committee, is a Vice President of the privately held Three Stirrups Stables Corporation and his role includes the preparation of all financial documents for the corporation: budgeting, expenditure tracking, tax statement preparation and tax filing. His role as Program Head, Food Technology, School of Health Sciences at the British Columbia Institute of Technology includes departmental budget planning for upcoming fiscal years as well as estimation of accruals. Dr. Sandberg has a PhD in Food Science from the University of British Columbia.

Prior to joining the Company, Mr. McNicol was President and Chief Operating Officer of Concert Industries Ltd., a global supplier of ultra thin absorbent materials for the personal hygiene market. Mr. McNicol also served as President and Chief Operating Officer of Merfin International Inc. Throughout his career, he has worked in corporate finance, the brokerage industry and the accounting profession.

Mr Wiebe has a long history of financial expertise, with over 50 years experience within the food industry. Mr. Wiebe is currently the Chairman of Brookside Foods, one of the largest independent chocolate companies in Canada with sales of approximately \$80 million per year. Mr. Wiebe also served as CEO/President of Neovatech Technologies Inc. for over fifteen years until his retirement in 2010, and was also CEO/President of Canadian Inovatec Inc. until 1993.

Each member of the Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with: (a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves; (b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and (c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ended September 30	Audit Fees	Audit-Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾	Total
2011	\$42,050	\$631	\$18,669	Nil	\$61,350
2010	\$36,235	\$471	Nil	Nil	\$36,706

Notes:

- (1) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
- (2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
- (3) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all

non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110. The exemption in Part 3 exempts a venture issuer from the requirement that all of the members of the audit committee be independent directors, and varies the reporting requirements applicable to venture issuers.

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Board of Directors is currently comprised of six directors. The independent status of each individual director is reviewed annually by the Board of Directors. The Board of Directors considers a director to be independent if he has no direct or indirect material relationship with the Company which, in the view of the Board of Directors, could reasonably be perceived to materially interfere with the exercise of the director's independent judgment. The Board of Directors has determined that two of the six directors presented for election at the Meeting as management's nominees is independent as set out below:

Name	Independence
Dr. Timothy D. Durance	Not independent
John McNicol	Not independent
Salvador Miranda	Not independent
Beenu Anand	Not independent
Dr. Gary Sandberg	Independent
J. Hugh Wiebe	Independent

The Board of Directors examines its size annually to determine whether the number of directors is appropriate. In that regard, the Board of Directors is satisfied that its current number of directors is appropriate, providing a diversity of views and experience while maintaining efficiency. The Board of Directors believes that its composition fairly represents the interests of shareholders.

The Board has established three committees of directors, being the Audit Committee, the Compensation Committee and the Governance & Nomination Committee.

Directorships

None of the directors of the Company is a director of any other reporting issuer.

Mandate of the Board of Directors

The Board has not adopted a written mandate for the Board.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's business, technology and industry and on the responsibilities of directors. Directors are also encouraged to take part in training courses or information sessions provided by regulatory bodies to keep abreast of current

developments in corporate governance requirements. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

Ethical Business Conduct Skills and Knowledge

The Board has not adopted a written code for the Company's directors, officers and employees.

The Board of Directors has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The nomination of directors is undertaken by the Governance & Nomination Committee whose members are Dr. Gary Sandberg, Beenu Anand and Salvador Miranda. The function of the Governance & Nomination Committee is to evaluate and recommend persons as nominees for the position as a director of the Company and to review on an annual basis the qualifications and willingness to devote the necessary time and energy to fulfil the duties and responsibilities of a director. The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The members of the Compensation Committee are Dr. Timothy Durance, Dr. Gary Sandberg and Beenu Anand. The Compensation Committee determines compensation for the directors, the Co-Chief Executive Officers and other officers of the Company.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

OTHER BUSINESS

Approval of Amended and Restated Share Option Plan

On January 24, 2012, the Board amended its option plan to convert it to a rolling plan (the "**Amended and Restated Share Option Plan**" or the "**Amended Plan**") from a plan under which the number of shares reserved for grant was set at a fixed number. The Amended and Restated Share Option Plan provides that options will be granted pursuant to option agreements to directors, officers, employees, management company employees or consultants of the Company or an associate or affiliate (as such terms are defined in the *Securities Act* (British Columbia)) of the Company.

The Amended Plan provides for the issuance of stock options to acquire up to that number of the Company's Common Shares equal to 10% of the Company's issued and outstanding share capital as at the date of grant, subject to standard anti-dilution adjustments. This is a "rolling" limit, as the number of Common Shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases. The limit includes outstanding stock options granted prior to the implementation of the Amended Plan. If a stock option expires or otherwise terminates for any reason, the number of Common Shares in respect of that expired or terminated stock option shall again be available for the purposes of the Amended Plan.

Under the terms of the Amended Plan, the maximum number of Common Shares which may be granted as at January 19, 2012 would be 7,187,077 Common Shares, representing approximately 10% of the then issued and outstanding Common Shares. The Amended Plan is subject to approval by the TSXV and the Shareholders. Accordingly, the Shareholders are being asked to approve the Amended and Restated Share Option Plan, which is attached as Schedule "B" to this Management Information Circular.

Unless such authority is withheld, the persons named in the Proxy intend to vote FOR the approval of the Amended and Restated Share Option Plan.

See also “*Statement of Executive Compensation – Incentive Plan Awards – Share Option Plan*” for a description of the provisions of the Plan.

Management of the Company is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

SHAREHOLDER PROPOSALS

Pursuant to Section 137 of the CBCA, any notice of a Shareholder proposal intended to be raised at next year’s annual meeting of Shareholders of the Company must be submitted to the Company at its registered office on or before November 29, 2012 to be considered for inclusion in the Management Information circular for the annual meeting of the Shareholders next year.

Shareholder proposals need be recognized only if made in accordance with the foregoing procedure and the provisions of the CBCA.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedar.com under the Company’s name. Financial information is provided in the comparative financial statements and management’s discussion and analysis (“**MD&A**”) for the most recently completed financial year, which is filed on www.sedar.com. Copies of the financial statements and MD&A can also be obtained from the Company free of charge by writing to Salvador Miranda, Chief Financial Officer of the Company, at the above noted address or telephone no. (604) 806-6110.

DIRECTORS’ APPROVAL

The contents of this Management Information Circular and its distribution to Shareholders have been approved by the directors of the Company.

DATED at Vancouver, British Columbia, as of the 24th day of January, 2012.

Schedule "A"

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the company's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Company's financial and operating controls are functioning effectively;
 - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 *Other Responsibilities*

- (a) review, with the company's counsel, any legal matters that could have a significant impact on the company's financial statements.

Schedule B

AMENDED AND RESTATED SHARE OPTION PLAN

ENWAVE CORPORATION
(the “Company”)

AMENDED AND RESTATED SHARE OPTION PLAN

Amended January 24, 2012
Approved by Shareholders on February <*>, 2012 and
Accepted by the TSX Venture Exchange on <*>, 2012

ARTICLE 1
PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the TSX Venture Policies (or, if applicable, the NEX Policies) and any inconsistencies between this Plan and the TSX Venture Policies) (or, if applicable, the NEX Policies) will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black-out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company’s insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

- (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- (f) **Common Shares** means common shares without par value in the capital of the Company provided such class is listed on the TSX Venture (or the NEX, as the case may be);
- (g) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (h) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
 - (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
 - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- (i) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

- (j) **Directors** means the directors of the Company as may be elected from time to time;
- (k) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (m) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **Effective Date** for an Option means the date of grant thereof by the Board;
- (o) **Employee** means:
 - (i) an individual who is considered an employee under the Income Tax Act (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (q) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (r) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- (s) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

- (t) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- (u) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (v) **NEX Issuer** means a company listed on the NEX;
- (w) **NEX Policies** means the rules and policies of the NEX as amended from time to time;
- (x) **Officer** means a Board appointed officer of the Company;
- (y) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (z) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (aa) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (bb) **Optionee** means the recipient of an Option hereunder;
- (cc) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (dd) **Participant** means a Service Provider that becomes an Optionee;
- (ee) **Person** includes a company, any unincorporated entity, or an individual;
- (ff) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (gg) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- (hh) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;

- (ii) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, or any successor legislation;
- (jj) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (kk) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (ll) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (mm) **Take Over Bid** means a take over bid as defined in subsection 92(j) of the Securities Act or the analogous provisions of securities legislation applicable to the Company;
- (nn) **Termination Date** has the meaning ascribed thereto in §3.10;
- (oo) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (pp) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, the NEX Policies).

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 Options may be granted in respect of authorized and unissued Shares provided that, the maximum aggregate number of Shares reserved for issuance and which may be purchased upon the exercise of all Options shall not exceed 10% of the outstanding issued shares.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to §2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares (unless the Company has obtained Disinterested Shareholder Approval to do so);

- (b) no Options can be granted under the Plan if the Company is on notice from the TSX Venture to transfer its listed shares to the NEX;
- (c) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and
- (d) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

Terms or Amendments Requiring Disinterested Shareholder Approval

2.10 The Company shall obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares;
 - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board on the Effective Date of the Option and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date or five years from the Effective Date for a NEX Issuer.

Option Amendment

3.3 Subject to §2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the Effective Date, the date the Common Shares commenced trading on the TSX Venture, and the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to §3.7, vesting of Options shall be at the discretion of the Board, and will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or

- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding §3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Effect of Take Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall, immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, subject to receipt of Regulatory Approval and notwithstanding §3.6 and §3.7 or any vesting requirements set out in any Option Commitment, be immediately exercised in whole or in part by the Optionee.

Extension of Options Expiring During Blackout Period

3.9 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding §2.8, the tenth Business Day period referred to in this §3.9 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.10 No Option may be exercised after the earlier of the date the Service Provider has left his employ/office and the date that the Service Provider has been advised by the Company that his services are no longer required or his service contract has expired (the "Termination Date"), except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

- (b) an Option granted to any Service Provider (other than a Service Provider conducting Investor Relations Activities) will, unless otherwise determined by the Board in the Option Commitment, expire upon the earlier of the original Expiry Date and 90 days after the Termination Date, but only to the extent that such Option has vested as at the Termination Date;
- (c) Options granted to a Service Provider conducting Investor Relations Activities will, unless otherwise determined by the Board in the Option Commitment, expire upon the earlier of the original Expiry Date and 30 days after the Terminate Date, but only to the extent that such Option has vested as at the Termination Date; and
- (d) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.11 Subject to §3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;

- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this §3.12;
- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this §3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this §3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records. Such determination will be binding upon the Company and all Optionees.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

Manner of Exercise

- 4.2 An Optionee who wishes to exercise his Option may do so by delivering
- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
 - (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price by the Optioned Shares being acquired.

Delivery of Certificate and Hold Periods

4.3 As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if the Exercise Price is set below than the then current market price of the Common Shares on the TSX Venture, the certificate will also bear a legend stipulating that the Optioned Shares are subject to a four-month TSX Venture hold period commencing the date of the grant of the Option.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Effective Date of Plan

5.4 The effective date of the Plan is January 24, 2012.

SCHEDULE A
SHARE OPTION PLAN
OPTION COMMITMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the "Effective Date") ENWAVE CORPORATION (the "Company") has granted to _____ (the "Optionee"), an Option to acquire _____ Common Shares ("Optioned Shares") up to 5:00 p.m. Vancouver Time on the _____ day of _____, _____ (the "Expiry Date") at an Exercise Price of Cdn\$_____ per share.

At the date of grant of the Option, the Company is classified as **[a Tier _____ Issuer under TSX Venture Policies] [an NEX Issuer].**

Tier 2 if Plan Shares greater than 10% only]Optioned Shares will vest and may be exercised as follows:

[INSERT VESTING SCHEDULE] [INSERT VESTING TERMS]

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Plan, which are hereby incorporated herein and forms part hereof

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter **[and will bear a minimum four month non-transferability legend from the date of this Option Commitment, the text of which is as follows.] [The Company may grant stock options without a hold period, provided the exercise price of the options is set at or above the market price of the Company's shares rather than below.]**

"WITHOUT PRIOR WRITTEN APPROVAL OF THE 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 THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL **[insert date 4 months from the date of grant]**".

The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Service Provider (as defined in the Plan), entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture (or the NEX, as the case may be) as more particularly set out in the Acknowledgement - Personal Information in use by the TSX Venture (or the NEX, as the case may be) on the date of this Share Option Plan.

ENWAVE CORPORATION

Per: _____
Authorized Signatory

(SIGNATURE OF OPTIONEE)

Notice of Exercise of Incentive Stock Options

TO: EnWave Corporation (the “Company”)

The undersigned wishes to exercise _____ of the incentive stock options granted to <*>him/her/it by the Company at the price of CDN \$_____ per share and enclose herewith the amount of \$_____ in payment of the total exercise price for such shares.

DATED as of _____, 20_____.

Signature of Optionee

Please print name of Signatory

Please have the share certificate(s) issued as follows:

Registration Instructions:

Delivery Instructions:

Name

Name

Account reference, if applicable

Account reference, if applicable

Address

Address

Telephone Number

Fax Number

Telephone Number

Fax Number

Contact Name

Contact Name