

**CYMAT TECHNOLOGIES LTD.**

**Notice of Annual and Special Meeting of Shareholders and  
Management Information Circular to be Held  
December 19, 2013**

**at**

**the offices of Fraser Mackenzie Merchant Capital  
Suite 400, 34 King Street East  
Toronto, Ontario**

**November 19, 2013**

## CYMAT TECHNOLOGIES LTD.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS To be held on December 19, 2013

#### TO THE SHAREHOLDERS:

**Notice is hereby given** that the Annual and Special Meeting (the "Meeting") of Shareholders of Cymat Technologies Ltd. (the "Company") will be held at the offices of Fraser Mackenzie Merchant Capital, Suite 400, 34 King Street East, Toronto, Ontario at 4:00 p.m. (Toronto time) on Thursday, December 19, 2013, for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended April 30, 2013, together with the auditors' report thereon;
2. to elect the directors of the Company;
3. to appoint Grant Thornton LLP as auditors of the Company and to authorize the directors to fix the remuneration to be paid to the auditors;
4. to consider and, if deemed appropriate, pass, with or without variation, amendments to the Company's Stock Option Plan, the full text which is set forth as described in the Company's Management Information Circular dated November 19, 2013 (the "Circular"), in order to bring the Plan into compliance with the requirements of the TSX Venture Exchange;
5. to consider and, if deemed appropriate, to pass with or without amendment, a special resolution (the "Share Consolidation Resolution") authorizing the Company to amend its Articles, as may be required, to effect a share consolidation of the Company's issued and outstanding Common Shares on the basis of up to one (1) new Common Share for every ten (10) existing Common Shares or such lesser whole number of pre-consolidation shares as the Directors may determine (the "Share Consolidation"); and
6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Particulars of the matters referred to above are set forth in the accompanying Circular.

A shareholder may attend the Meeting in person or may be represented thereat by proxy. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the enclosed form of proxy, or other appropriate proxy, in accordance with the instructions set forth in the Circular.

**A form of proxy will not be valid and acted upon at the Meeting or any adjournment thereof unless it is deposited at the offices of Equity Financial Trust Company, Suite 300, 200 University Avenue, Toronto, ON M5H 4H1, facsimile (416) 595-9593 by 4:00 p.m. (Toronto time) 2 business days prior to the time of the Meeting or any adjournment thereof. The Company may waive compliance with the preceding sentence and accept proxies deposited within 2 business days of the Meeting but before commencement of the Meeting or any adjournment thereof.**

A proxy holder need not be a shareholder of the Company.

Only shareholders of record at the close of business on November 19, 2013 are entitled to notice of the Meeting and to vote thereat or at any adjournment thereof.

DATED at Toronto, Ontario this 19<sup>th</sup> day of November, 2013.

By Order of the Board of Directors

(signed)      "Michael Liik"  
Executive Chairman

**CYMAT TECHNOLOGIES LTD.**  
**6320-2 Danville Road**  
**Mississauga, ON, L5T 2L7**

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**MANAGEMENT INFORMATION CIRCULAR**  
**November 19, 2013**

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**SOLICITATION OF PROXIES**

The information contained in this Management Information Circular (the "Circular") is furnished to shareholders (the "Shareholders") of Cymat Technologies Ltd. (the "Company"), in connection with the solicitation of proxies to be used at the Annual and Special Meeting of Shareholders of the Company to be held at the offices of Fraser Mackenzie Merchant Capital, Suite 400, 34 King Street East, Toronto, Ontario on , at 4:00 pm (Toronto time), (the "Meeting"), and at any adjournment, adjournments, postponement or postponements thereof, for the purposes set forth in the accompanying Notice of Meeting.

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 issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly, the 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 below.

It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally by directors, officers or employees of the Company. Directors, officers and employees of the Company will not receive any extra compensation for such activities. The Company may also retain and pay a fee to one or more professional proxy solicitation firms to solicit proxies from Shareholders in favour of the matters set forth in the Notice of Meeting. The Company may pay brokers or other persons holding common shares of the Company ("Common Shares") in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this Circular to the holders of Common Shares and obtaining proxies therefor. The solicitation of proxies by this Circular is being made by or on behalf of the management of the Company. The total cost of the solicitation will be borne by the Company.

No person is authorized to give any information or to make any representation other than those contained in this Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company.

The information contained herein is given as of November 19, 2013 except as otherwise indicated. The delivery of this Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Circular.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy accompanying this Circular are directors or officers of the Company. **A Shareholder has the right to appoint a person other than the persons specified in such form of proxy, who need not be a shareholder of the Company, to attend and act for him or her and on his or her behalf at the Meeting and at any adjournment, adjournments, postponement or postponements thereof.** Such right may be exercised by inserting the name of the person to be appointed in the blank space provided in the form of proxy, signing the form of proxy and returning it in the reply envelope in the manner set forth in the accompanying Notice of Meeting.

A Shareholder may revoke a proxy by (i) depositing an instrument in writing, executed by such Shareholder or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or signed by a duly authorized officer or attorney for such corporation; (ii) transmitting, by telephone or electronic means, a revocation executed by such Shareholder or his or her authorized attorney, by electronic signature, if the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of the Shareholder or the attorney, as the case may be; or (iii) in any other manner permitted by law:

(a) at the registered office of the Company at 6320-2 Danville Road, Mississauga, Ontario, L5T 2L7, at any time up to and including the second last business day preceding the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used; or

(b) with the Chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

### VOTING OF SHARES REPRESENTED BY MANAGEMENT PROXIES

The persons named in the enclosed form of proxy will vote for or against or withhold from voting (as the case may be) Common Shares in respect of which they are appointed in accordance with the instructions provided therein on any ballot that may be called for at the Meeting and at any adjournment, adjournments, postponement or postponements thereof in accordance with the instructions thereon.

In the absence of such instructions, such Common Shares will be voted:

- (a) on the election of directors, in favour of the election of the nominees of management named in this Circular;**
- (b) on the appointment of auditors, in favour of the appointment of the auditors named in this Circular and authorizing the directors to fix the remuneration to be paid to the auditors;**
- (c) on the amendment of the Stock Option Plan (the "Plan"), in favour of the amendments to the Plan in order to comply with the requirements of the TSX Venture Exchange;**
- (d) on the Share Consolidation Resolution, in favour of authorizing a Common Share consolidation of up to one (1) new Common Share for every ten (10) existing Common Shares; and**
- (e) on any other matters that may properly come before the Meeting, in such manner as the proxyholder may see fit.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting and any adjournment, adjournments, postponement or postponements thereof. At the time of printing of this Circular, the management of the Company knows of no such amendments, variations, or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting or any adjournment, adjournments, postponement or postponements thereof, the proxy will be voted on such matters in accordance with the best judgment of the person named in such form of proxy.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As at November 19, 2013, the Company had 144,071,876 Common Shares outstanding, each carrying one vote. Each holder of a Common Share of record at the close of business on November 19, 2013 (the "Record Date") will, unless otherwise specified herein, be entitled to one vote for each Common Share held by such holder on all matters proposed to come before the Meeting,

A holder of Common Shares may own such shares in one or both of the following ways. If a Shareholder is in possession of a physical share certificate, such Shareholder is a "registered" Shareholder and his or her name and address are maintained by the Company through its transfer agent, Equity Financial Trust Company. If a Shareholder owns shares through a bank, broker or other nominee, such Shareholder is a "beneficial" Shareholder and he or she will not have a physical share certificate. Such Shareholder will have an account statement from his or her bank or broker as evidence of his or her share ownership.

A registered Shareholder may appoint a proxy to vote in his or her own name at any time in accordance with the instructions appearing on the enclosed form of proxy and/or a registered Shareholder may attend the Meeting and cast a ballot. Because a registered Shareholder is known to the Company and its transfer agent, his or her account can be confirmed and his or her vote recorded or changed if such registered Shareholder has previously voted. This procedure prevents a Shareholder from voting his or her shares more than once. Only the registered Shareholder's latest dated form of proxy will be valid.

For beneficial Shareholders, neither the Company nor its transfer agent maintains any records or account information about such Shareholders. A beneficial Shareholder's shares are held in the name of his or her bank, broker or other nominee. Only such beneficial Shareholder's bank, broker or other nominee has the authority to vote the shares held in his or her name and, for the purposes of the Meeting, will only vote such beneficial Shareholder's shares after receiving his or her specific instructions. There are securities law rules governing the granting of a proxy on a beneficial shareholder's behalf. Canadian banks and brokers do NOT have the authority to vote on behalf of a beneficial shareholder without receiving his or her specific instructions. Every vote cast on behalf of a beneficial Shareholder, either by proxy or ballot at the Meeting, will require specific instructions from the beneficial Shareholder.

In addition, many banks and brokers use a service agency to mail proxy material and tabulate the responses from beneficial shareholders. The largest of these service providers in Canada is Broadridge Investor Communication Solutions Canada ("Broadridge"). Because Broadridge mails and tabulates proxies on behalf of its clients, namely, the banks and brokers, for many annual and special meetings throughout the year, Broadridge standardizes the form of proxy and reproduces the text on its own form, called a Voting Instruction Form ("VIF"). A VIF is NOT a form of proxy and CANNOT be used by a beneficial Shareholder to vote at the Meeting. The VIF is intended only to relay a beneficial Shareholder's specific voting instructions to his or her bank or broker so the bank or broker may execute a form of proxy on his or her behalf.

A beneficial Shareholder who plans to attend the Meeting and vote his or her Common Shares as a beneficial Shareholder MUST contact his or her bank or broker and obtain a legal form of proxy. This form of proxy is evidence of the beneficial Shareholder's ownership through a bank or broker and MUST be attached to the Shareholder's ballot cast at the Meeting. Only a legal form of proxy may be voted by a beneficial Shareholder at the Meeting. Obtaining a legal form of proxy will invalidate any form of proxy or VIF previously executed by a beneficial Shareholder, and therefore, beneficial Shareholders are urged not to request a legal form of proxy unless they are planning to attend the Meeting and cast a ballot.

To the knowledge of the directors and officers of the Company, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Common Shares.

## **BUSINESS OF THE MEETING**

The Meeting has been called as an annual and special meeting of the Shareholders. Shareholders will be asked to receive the audited financial statements of the Company for the fiscal year ended April 30, 2013 together with the auditors' report thereon. Shareholders will also be asked to elect the Board of Directors, appoint auditors and authorize the Board of Directors to fix the remuneration paid to the auditors, approve the amendments to the Stock Option Plan and transact such other business as may come before the meeting.

## **ELECTION OF DIRECTORS**

As of October 21, 2013, the Common Shares of the Company became listed on the TSX Venture Exchange (the "Exchange"). Under the Policies of the Exchange, each issuer is required to have at least three Directors, two of which must be independent. In keeping with the scope of the Company's current operations and its resources, the Company has determined that a Board consisting of three Directors would best meet the Company's needs.

All directors elected at the Meeting will hold office until the close of the next annual meeting of Shareholders, or until their respective successors are elected or appointed.

The three nominees receiving the most votes, voted by the Shareholders represented at the Meeting or at any adjournment, adjournments, postponement or postponements thereof, will be elected directors of the Company.

Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the election of the nominees for director listed below. The Board of Directors recommends that Shareholders vote for the election of the nominees for director listed below.

The proposed nominees are all members of the Board of Directors and have been since the dates indicated below. Management of the Company does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason at or prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for the election of another nominee or other nominees in their discretion.

The following table sets forth certain information with respect to the persons proposed to be nominated by management for election as directors.

**Proposed Management Nominees for Election to the Board of Directors**

<b>Nominee</b>	<b>Principal Occupation</b>	<b>Director Since</b>	<b>Number of Common Shares <sup>(1)</sup></b>
Jon Gill <sup>(2)(3)</sup> Ontario, Canada	President of Braxton Management Partners Inc., a management consulting company. Director of several private companies and not-for-profit organizations.	June 2006	462,001
Michael M. Liik Ontario, Canada	Executive Chairman, Cymat, President of Liikfam Holdings Inc., a financial consulting company. Managing Partner, Fraser MacKenzie Merchant Capital. He also serves as a director of several private and public companies.	October 1999	3,382,286
Martin J. Mazza <sup>(2)(3)</sup> Ontario, Canada	Senior Vice President Marketing and Global Sales for The Woodbridge Group, a private Canadian auto parts company.	November 2004	225,000

- (1) Includes all Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each individual.
- (2) Member of the Audit Committee.
- (3) Member of the Compensation Committee.

## APPOINTMENT OF AUDITORS

The Board of Directors has proposed that Grant Thornton LLP be appointed as the Company independent auditors for the year ending April 30, 2014 and that the Board of Directors be authorized to fix the auditors' remuneration. A majority of the votes, voted by the Shareholders represented at the Meeting, is required for approval of the appointment of the Company auditors. Grant Thornton LLP was initially appointed auditors of the Company on April 7, 2010. Grant Thornton LLP replaced the Company's former auditors, Ernst & Young LLP ("Ernst & Young"), who resigned effective April 7, 2010. The auditor's reports of Ernst & Young on the financial statements of the Company for the fiscal year ended April 30, 2009 did not contain any reservations, and there have been no "reportable events" as such term is defined in National Instrument 51-102 - Continuous Disclosure Obligations.

Grant Thornton LLP has offices at 350 Burnhamthorpe Road West, Suite 401, Mississauga, Ontario L5B 3J1.

The Board of the Company recommends that Shareholders vote FOR the appointment of Grant Thornton LLP as auditors of the Company and the authorization of the Board to fix the remuneration to be paid to the auditors.

Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the reappointment of Grant Thornton LLP as the Company's auditors and the authorization of the Company's directors to fix their remuneration.

## AMENDMENT TO STOCK OPTION PLAN

On October 21, 2013, the Common Shares of the Company were listed on the TSX Venture Exchange. Certain elements of the Company's Stock Option Plan ("Option Plan") as approved by shareholders at the annual meeting held on July 28, 2009, are not in compliance with the policies of the Exchange.

Accordingly, the following amendments to the Option Plan are proposed:

- 1) The maximum number of Shares that may be granted under the Option Plan shall not exceed 20% of the Shares that are outstanding on the effective date of the Option Plan. As at the effective date of the Option Plan, 144,071,876 Shares are outstanding. Accordingly the amended Option Plan would approve a maximum of 28,814,375 Shares for issuance under the Option Plan. The former Plan approved the granting of a maximum of 20% of the Shares outstanding on a rolling basis.
- 2) The maximum number of Shares that may be granted under the Option Plan to any one Participant in a 12 month period shall not exceed 5% of the Shares outstanding at the time of the grant. The former Plan had a limit of 10% of the outstanding Shares.
- 3) The maximum number of Shares that may be granted under the Option Plan to any one Consultant in a 12 month period shall not exceed 2% of the Shares outstanding at the time of the grant.

- 4) The maximum number of Shares that may be granted under the Option Plan to all Participants retained to provide investor relations activities shall not exceed 2% of the Shares outstanding in any 12 month period, calculated at the time of the grant.
- 5) Options granted to Participants retained to provide investor relations activities must vest in stages over a period of not less than 12 months with no more than  $\frac{1}{4}$  of the Options vesting in any three month period.

The full Stock Option Plan, including the amendments, is attached as an Appendix to this document.

Unless otherwise instructed, the persons named in the enclosed form of proxy intend to vote FOR the amendments to the Stock Option Plan.

### **SHARE CONSOLIDATION**

The Share Consolidation Resolution is being contemplated to potentially facilitate the raising of additional funding. The Company currently has 144,071,876 Common Shares issued and outstanding. If approved and implemented, the Share Consolidation would reduce the number of issued and outstanding Common Shares approximately to 14,407,187 assuming a Share Consolidation ratio of one (1) to ten (10).

If approved and implemented, the Share Consolidation would affect all holders of Common Shares uniformly and would not affect any shareholders' percentage ownership interest in the Company, except to the extent that the Share Consolidation would otherwise result in a shareholder owning a fractional Common Share. No fractional post-consolidated Common Shares will be issued and no cash will be paid in lieu of fractional post-consolidated Common Shares. Any fractional Common Shares resulting from the Share Consolidation will be rounded down to the nearest whole integer.

If the resolution is approved at the Meeting, the Directors will have the sole discretion to implement the Share Consolidation and to select the final Share Consolidation ratio, subject to the approval of the Exchange.

If the Share Consolidation Resolution is approved at the Meeting and the Board of Directors decides to implement the Share Consolidation, the Company will send letters of transmittal to registered shareholders which will provide instructions on how registered shareholders may obtain new certificates representing the number of Common Shares to which such shareholders are entitled as a result of the Share Consolidation. Until surrendered, each Common Share certificate representing pre-consolidation Common Shares will be deemed for all purposes to represent the number of whole post-consolidation Common Shares to which the holder is entitled as a result of the Share Consolidation.

If the Share Consolidation Resolution is approved by the Shareholders and the Board of the Directors decides to implement the Share Consolidation, the Company will file Articles of Amendment pursuant to the Canada Business Corporation Act (the "CBCA") to amend the Articles of the Company. Such Articles of Amendment shall be filed at a date to be determined

by the Board of Directors to be in the best interests of the Corporation. The Share Consolidation will become effective on the date shown in the Certificate of Amendment issued pursuant to the CBCA.

The Company currently has authorized an unlimited number of Common Shares available for issuance and the Share Consolidation will not have any effect on the number of Common Shares that remain available for future issuance. The exercise or conversion price and the number of Common Shares issuable under any convertible securities of the Company, including stock options and warrants, will be proportionately adjusted upon the Share Consolidation Resolution becoming effective.

Unless otherwise instructed, the persons named in the form of proxy intend to vote FOR the Share Consolidation Resolution. The Share Consolidation Resolution must be approved by not less than 66 2/3% of the votes cast at the Meeting or at any adjournment, adjournments, postponement or postponements thereof. In addition to shareholder approval, the Share Consolidation is subject to the receipt of all required regulatory approvals. Notwithstanding these approvals being received the Board may determine not to proceed with the Share Consolidation at its discretion.

## STATEMENT OF EXECUTIVE COMPENSATION

### Named Executive Officers

For the purposes of this Circular, a Named Executive Officer ("NEO") of the Company means each of the following individuals:

- (a) the chief executive officer ("CEO") of the Company;
- (b) the chief financial officer ("CFO") of the Company;
- (c) each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 - Statement of Executive Compensation of National Instrument 51-102 - Continuous Disclosure Obligations, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

For the fiscal year ended April 30, 2013 the Company had five NEOs: Michael Liik, Executive Chairman; Darryl Kleebaum Chief Financial Officer; David Fowler, President and Chief Operating Officer who resigned effective November 9, 2012; Jim Johnson, Vice President, Operations and Kevin Smith, Vice President, Business Development who resigned effective

October 12, 2012. For the fiscal year ended April 30, 2012, the Company had five NEOs: Michael Liik, Executive Chairman; Darryl Kleebaum Chief Financial Officer; David Fowler, President and Chief Operating Officer; Jim Johnson, Vice President, Operations and Kevin Smith, Vice President, Business Development. For the fiscal year ended April 30, 2011, the Company had seven NEOs: Michael Liik, Executive Chairman; Trevor Sandler, Chief Financial Officer who resigned effective July 2, 2010; Darryl Kleebaum who was appointed Vice President, Finance on February 8, 2011; Timothy Hardman who resigned from the position of President and Chief Operating Officer effective September 9, 2010; David Fowler who was appointed to the position of President and Chief Operating Officer effective September 9, 2010; Jim Johnson, Vice President, Operations and Kevin Smith, Vice President, Business Development.

### *Compensation Discussion and Analysis*

To assist the Board of Directors of the Company in determining the appropriate level of compensation for the directors, CEO, CFO and executive officers, the Board has established a Compensation Committee. This committee assists the Board in carrying out its responsibilities relating to executive and director compensation. The Compensation Committee recommends to the Board what it considers is the appropriate compensation based primarily on a comparison of the remuneration paid by the Company with the remuneration paid by other public companies that the Committee feels are similarly placed within the technology manufacturing industry. The Company's executive compensation program consists of an annual base salary, the grant of stock options and an annual discretionary bonus.

### **Executive Compensation Program**

The Company's executive compensation program is based on a "pay-for-performance" philosophy. The program is designed to encourage, compensate and reward executives on the basis of individual and corporate performance, both in the short and the long term. Base salaries are set at levels which are intended to be competitive with the base salaries paid by corporations of a comparable size within the technology manufacturing industry, thus enabling the Company to compete for and retain executives critical to the Company's long term success.

Incentive compensation is directly tied to corporate and individual performance. Share ownership opportunities are provided to align the interests of the executives and senior managers with the longer term interests of shareholders. The Compensation Committee may retain independent compensation consultants to assess the Company's executive compensation relative to the marketplace. In addition, the Compensation Committee may source various surveys on executive compensation, which provide competitive data reflecting comparable knowledge, skills and talents and related compensation levels. The Compensation Committee also collects executive compensation data from public filings of other corporations of similar size within the technology manufacturing industry.

Variables such as sales targets, production levels, financial performance and rates of growth influence compensation levels and are considered in fixing compensation levels.

The Company's corporate objectives (the "Corporate Objectives") are established at regular intervals by the Board of Directors. Shortly after the end of each financial year, the achievements of management are reviewed and evaluated by the Compensation Committee and measured against the Corporate Objectives. The degrees to which the Corporate Objectives have been achieved are considered by the Compensation Committee along with the individual performance of each executive. Recommendations are then made to the Board with respect to the cash-based annual incentives and the long-term incentives of the senior executives, thereby establishing a direct link between senior executive compensation and the Company's financial and non-financial performance.

Compensation for the NEOs, as well as for other senior managers, consists of (i) an annual base salary, (ii) the grant of stock options, and (iii) an annual discretionary bonus, all of which are discussed in further detail below.

The Company has a stock option plan (the "Option Plan") pursuant to which the Board has granted stock options to the NEOs. The Option Plan was approved by Shareholders on July 28, 2009. The Option Plan allows for compensation of participants while providing additional incentive to work toward strengthening long term Company performance. Common Share purchase options may be granted to an executive under the Option Plan following consideration by the Compensation Committee of the level of responsibility of the executive, as well as their impact and/or contribution to the longer term operating performance of the Company. In determining the number of options to be granted to the NEOs, the Compensation Committee takes into account the number of options, if any, previously granted to each NEO and the exercise price of any outstanding options.

(i) *Annual Base Salary*

The Compensation Committee recommends the base salary for the CEO, the President and COO, the CFO, and any other executive officers of the Company based on reviews of market data from peer group companies, reviews of externally prepared industry surveys, and public information available on compensation for other corporations of a similar size within the technology manufacturing industry. The level of base salary for the CEO, President and COO, and CFO was determined by the level of responsibility and the importance of their relative positions to the Company, prior experience, breadth of knowledge and past and expected future performance. The CEO's, President's and CFO's base salaries are set at levels which are intended to be competitive with the base salaries paid by corporations of a comparable size within the technology manufacturing industry, thereby enabling the Company to compete for and retain executives critical to the Company's long term success. Variables such as asset size, production levels, financial performance and rates of growth influence compensation levels and are analyzed and considered in fixing compensation levels. Base salaries are generally significantly increased only if market compensation practices change substantially or the senior officer assumes material additional responsibilities.

(ii) *Stock Options*

The Option Plan is administered by the Compensation Committee and is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Company to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance. The Compensation Committee considers stock option grants when reviewing NEO and senior executive compensation packages as a whole with respect to the allocation of options under the Option Plan. After reviewing the recommendations of the CEO, the Compensation Committee recommends to the Board which key employees should receive option grants, and any terms and conditions forming part of such grants. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibility and the importance of the position to the Company's overall success. The aggregate number of stock options which may be issued under the Option Plan or in respect of any fiscal year is limited by the terms of the Option Plan and cannot be increased without shareholder approval. The expiry date for options granted under the Option Plan may be any time up to 5 years from the effective date of the grant. Although the Compensation Committee has discretion to determine the terms and conditions of any option grant in accordance with the provisions of the Option Plan, since the Option Plan's inception, the Compensation Committee has typically recommended that options granted under the Option Plan have a maximum five year term, are exercisable at the Market Price (defined in the Option Plan to mean the closing price of the Common Shares on the day immediately preceding the day upon which the option is granted.) Pursuant to the terms of the plan, vesting is at the discretion of the Compensation Committee. In general, to be eligible to receive stock options, individuals must be a director, an officer, an employee or a consultant engaged by the Company. Please refer to "Incentive Plan Awards", below, for information concerning options granted to the NEOs during the most recently completed financial year.

(iii) *Performance Bonus*

NEOs and other executive officers may be eligible for discretionary cash performance bonuses. The amount awarded, if any, is based upon level of responsibility and significance of position within the Company, individual performance, and the achievement of Corporate Objectives and similar goals, such as enhancing the Company's asset base, business development, operational performance, increasing investor awareness and recognition, and health, safety and environmental performance. In any given year, the Company's NEOs or other executive officers may be paid a higher, lower, or no bonus, depending upon relative performance against targets and objectives.

*President and Chief Operating Officer ("President") Compensation*

The President's principal responsibilities included establishing and monitoring long-term strategic corporate objectives, oversight responsibilities in the Company's manufacturing and research and development activities, assisting in securing financing and selecting and appointing senior officers of the Company.

In 2011 the Company appointed a new President, David Fowler. In determining Mr. Fowler's compensation, the Compensation Committee considered the factors necessary to attract a professional with relevant industry experience, with team building and leadership qualities and the ability to drive business performance and the Company's growth strategy.

The base salary of the Company's President was established with reference to the range of compensation for Presidents of similarly sized companies in comparable industries. Additionally the President's compensation package was designed to reward success in achieving both short term performance goals, primarily through the payment of a bonus, and longer term strategic goals, primarily through the granting of stock option based compensation.

Mr. Fowler resigned from his position of President and Chief Operating Officer effective November 9, 2012, with his responsibilities being allocated amongst the senior officers of the Company.

*Other NEOs*

The base salary of the Company's other NEOs were established with reference to the range of compensation for executives and officers in similar positions in similar sized companies.

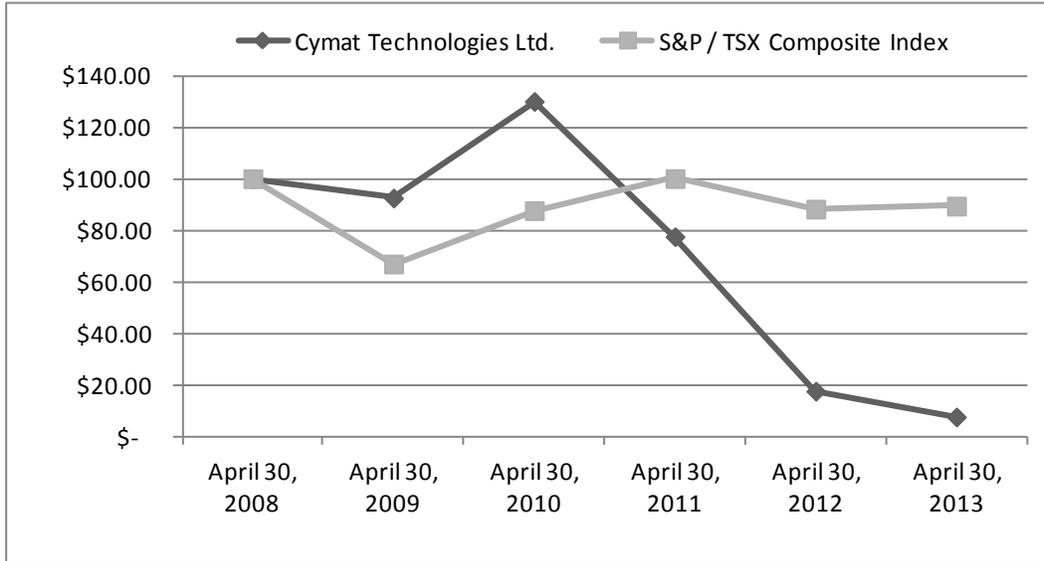
In determining the overall compensation of the other NEOs, the Compensation Committee in consultation with the President considered factors such as each NEOs responsibility and contribution to business performance and their operational leadership in connection with the success and continued pursuit of the Company's growth strategy.

*Other Compensation*

Officers of the Company are also entitled to receive all other benefits that are available to employees of the Company generally.

*Performance Graph*

The following graph compares the cumulative shareholder return on a \$100 investment in the Company's Common Shares with the return on a \$100 investment in the S&P/TSX Composite Index from May 1, 2008 to April 30, 2013.



Comparison of Cumulative Return <sup>(1)</sup>

	Apr. 30, 2008	Apr. 30, 2009	Apr. 30, 2010	Apr. 30, 2011	Apr. 30, 2012	Apr. 30, 2013
Cymat Technologies Ltd.	\$100.00	\$92.50	\$130.00	\$77.50	\$17.50	\$7.50
S&P/TSX Composite Index	\$100.00	\$66.91	\$87.62	\$100.06	\$88.20	\$89.38

**Note:**

(1) Assuming an investment of \$100 on Apr 30, 2007.

During the period from Apr 30, 2008 to April 30, 2013, the trading price of the Company's Common Shares decreased by 92.5%, compared to a decrease of 10.6% in the S&P/TSX Composite Index during the same period.

The combined compensation levels for all NEO's at the end of fiscal 2013 is lower than the combined compensation levels for all NEO's at the end of fiscal 2012.

*Summary Compensation Table*

The following table contains a summary of the compensation paid to the Company's NEOs during the years ended April 30, 2013, April 30, 2012 and April 30, 2011.

Name of NEO and Principal Position (a)	Year (b)	Salary (\$) (c)	Option-Based Awards (1) (2) (\$) (e)	Annual Incentive Plans (3) (\$) (f1)	All Other Compensation (4) (\$) (h)	Total Compensation (Salary, Option-Based Awards, Annual Incentive Plans and All Other Compensation) (2) (\$) (i)	Total Compensation (excluding value of any Option Based Awards) (\$) (j)
Michael Liik Executive Chairman and CEO (5)	2013	120,000	-	17,250(6)27,250(6)	-	137,250	137,250
	2012	120,000	60,492	75,060(6)	-	207,742	147,250
	2011	145,000	41,102		-	261,162	220,060
Darryl Kleebaum CFO (7)	2013	134,585	17,360	16,800	-	168,745	151,385
	2012	120,000	12,538	3,500	-	136,038	123,500
	2011	26,846	-	-	-	26,846	26,846
Trevor Sandler CFO (7)	2013	-	-	-	-	-	-
	2012	-	-	-	-	-	-
	2011	42,355	-	28,125	-	70,480	70,480
David Fowler President and COO (9)	2013	120,288	-	21,375	27,654	169,317	169,317
	2012	225,000	115,544	50,250	31,867	422,661	307,117
	2011	145,384	212,000	- (10)	16,671	374,055	162,055
Timothy Hardman President and COO (8)	2013	-	-	-	-	-	-
	2012	-	-	-	11,538	11,538	11,538
	2011	101,292	58,800	32,308	101,690	294,090	235,290
Jim Johnson VP Operations (11)	2013	140,000	17,360	19,600	-	176,960	176,960
	2012	140,000	30,783	25,200	-	195,983	165,200
	2011	143,769	19,452	26,923	-	190,144	170,692
Kevin Smith VP Business Development(12)	2013	64,862	-	5,440	-	70,302	70,302
	2012	134,500	28,685	20,150	-	183,335	154,650
	2011	130,800	17,291	20,000	-	168,091	150,800

**Notes:**

- (1) The estimated grant date fair value of these options has been calculated using the Black-Scholes model. See discussion below.
- (2) The options shown were granted with an exercise price equal to the Closing Price of the Company's Common Shares (calculated in accordance with TSX policies) on the day immediately preceding the day upon which the option is granted. Accordingly, the values shown for such

options do not necessarily reflect in-the-money value at the time of grant. Notwithstanding the Black-Scholes theoretical value of these options, none of the options shown had an in-the-money value on April 30, 2013. Please see the table under "Incentive Plan Awards" for the in-the money value of these options on April 30, 2013.

- (3) Annual Incentive Plans include a bonus, based on the achievement of certain performance targets, of up to 50% for David Fowler and up to 20% for the other NEOs.
- (4) All other compensation includes, where applicable, such non-salary remuneration items as RRSP contributions, automobile allowance and social club membership.
- (5) Michael Liik joined the board of Cymat Corp., the Company's predecessor company, in 1999 and became Company Executive Chairman as part of a company reorganization effected by a plan of arrangement on August 4, 2006. Michael Liik's services as executive chairman were provided through Liikfam Holdings Inc. The base fees paid to Liikfam Holdings Inc. for Michael Liik's services as executive chairman are reported under the "Salary" heading.
- (6) The Executive Chairman is entitled to additional variable compensation in relation to his investor relations activities based upon pre-determined performance objectives. In fiscal 2013, Mr. Liik received \$17,250 in variable compensation pertaining to 2012 objectives. In fiscal 2012, Mr. Liik received \$27,250 in variable compensation pertaining to 2011 objectives. In fiscal 2011, Mr. Liik received \$75,060 in variable compensation pertaining to 2010 objectives.
- (7) Trevor Sandler was appointed Chief Financial Officer of the Corporation on February 26, 2007 and resigned from this position effective July 2, 2010. From July 2, 2010 until February 8, 2011, two different individuals performed the administrative and accounting functions of the senior financial management role on an interim basis. During this period the CFO "Certification of Disclosure in Issuer's Interim Filings" was signed by the Audit Committee Chair, Jon Gill. On February 8, 2011, Darryl Kleebaum was appointed to the Company's most senior financial management position of Vice President, Finance. Subsequent to his appointment, Mr. Kleebaum holds responsibility for filing and signing the CFO Certificate in compliance with Multilateral Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings." In fiscal 2012, Mr. Kleebaum was appointed Chief Financial Officer.
- (8) Tim Hardman was appointed President and Chief Operating Officer on May 15, 2008 and held that office until September 8, 2010. The figure for All Other Compensation includes pay in lieu of notice in the amount of \$11,538 in fiscal 2012 and \$76,923 in fiscal 2011.
- (9) David Fowler was appointed President and Chief Operating Officer on September 8, 2010. Mr. Fowler resigned effective November 9, 2012.
- (10) In fiscal 2012, Mr. Fowler received a performance based bonus \$50,250 pertaining to the attainment of fiscal 2011 objectives.
- (11) Jim Johnson joined the Company in May 2009.
- (12) Kevin Smith joined the Company in April 2009. Mr. Smith resigned effective October 12, 2012.

The Company has estimated the “grant date fair value” amounts in the column (e) above using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security, the expected life of the option, forfeitures, dividend yield and the risk-free rate of return. The assumptions used in the pricing model are highly subjective and can materially affect the estimated fair value.

Calculating the value of stock options using this methodology is very different from a simple “in-the money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant estimated “grant date fair value” based on a Black-Scholes valuation, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The same caution applies to the total compensation amounts in column (i) above, which are based in part on the grant date fair value amounts set out in column (e) above. The total compensation listed in column (j) above has been included to reflect the total compensation of each NEO not including the value of any option-based awards. The value of the in-the-money options currently held by each NEO (based on share price less option exercise price) is set forth in “Outstanding Option-Based Awards” table below.

*Incentive Plan Awards*

Outstanding Option-Based Awards

The following table sets out, for each NEO, the stock options (option-based awards) outstanding as at April 30, 2013. On April 30, 2013, the closing price of the Company’s Common Shares on the TSX was \$0.015.

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Grant Date	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)
Michael Liik Executive Chairman and CEO	935,000 <sup>(1)</sup>	0.10	June 20, 2011	June 20, 2016	Nil
	250,000 <sup>(1)</sup>	0.255	May 3, 2010	May 3, 2015	Nil
	250,000 <sup>(1)</sup>	0.19	May 11, 2009	May 11, 2014	Nil
	250,000 <sup>(1)</sup>	0.09	Nov 19, 2008	Nov 19, 2013	Nil
Darryl Kleebaum CFO	500,000 <sup>(1)</sup>	0.025	Nov 30, 2012	Nov 30, 2017	Nil
	300,000 <sup>(5)</sup>	0.025	Nov 30, 2012	Nov 30, 2017	Nil
	25,000 <sup>(2)</sup>	0.10	June 24, 2011	June 24, 2016	Nil
	240,000 <sup>(3)</sup>	0.155	Mar 7, 2011	Mar 7, 2016	Nil
Jim Johnson VP Operations	500,000 <sup>(1)</sup>	0.025	Nov 30, 2012	Nov 30, 2017	Nil
	300,000 <sup>(5)</sup>	0.025	Nov 30, 2012	Nov 30, 2017	Nil
	25,000 <sup>(2)</sup>	0.10	June 24, 2011	June 24, 2016	Nil
	300,000 <sup>(4)</sup>	0.115	June 8, 2011	June 8, 2016	Nil
	270,000 <sup>(6)</sup>	0.26	May 28, 2010	May 28, 2015	Nil
	300,000 <sup>(7)</sup>	0.18	Sep 4, 2009	Sep 4, 2014	Nil

**Notes:**

- (1) 34% of these options vested on the grant date, 33% on the first anniversary of grant date and the balance on the second anniversary of grant date.
- (2) These options fully vested on the date of grant.
- (3) 1/3 of these options vest on each of April 30, 2012, April 30, 2013 and April 30, 2014.
- (4) Subject to the attainment of certain performance criteria, 34% of these options vested on May 28, 2011, 33% on May 28, 2012 and the balance on May 28, 2013.
- (5) Subject to the attainment of certain performance criteria. 34% of these options vest on June 15, 2013, 33% vest on April 30, 2014 and the balance on April 30, 2015.
- (6) 34% of these options vested on May 28, 2011, 33% on May 28, 2012 and the balance on May 28, 2013.
- (7) 34% of these options vested on May 1, 2010, 33% on May 1, 2011 and the balance on May 1, 2012.

**Value Vested or Earned During the Year**

The following table shows the incentive plan awards value vested for the fiscal year ended April 30, 2013 as well as annual cash incentive earned for each NEO.

Name	Option-Based Awards - Value Vested During the Year (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Michael Liik Executive Chairman and CEO	Nil	Nil
Darryl Kleebaum CFO	Nil	Nil
Jim Johnson VP Operations	Nil	Nil

**Notes:**

- (1) The amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the TSX market price of the common shares underlying the options on the vesting date and the exercise price of the options.

*Pension Plan Benefits*

The Company does not have a pension plan or a deferred compensation plan. Prior to Mr. Fowler's resignation it matched contributions made by him to his RRSP up to a maximum annual amount equal to 5% of his annual base salary.

*Termination and Change of Control Benefits*

The Company has no contractual requirement with NEOs to make certain payments upon termination (whether voluntary, involuntary, or constructive), resignation, change of control or a change in the NEOs responsibilities, as applicable.

Each NEO is subject to a non-compete, non-solicitation and confidentiality agreement for a period of one year upon termination or resignation.

*Composition of the Board*

For the fiscal year ended April 30, 2013, the Board consisted of consisted of Messrs. Michael Liik, Jon Gil, Martin Mazza, William Pettipas and Lewis MacKenzie.

Pending the voting results at the annual meeting, it is anticipated that the Board will consist of Messrs. Liik, Gil and Mazza. Messrs. Pettipas and MacKenzie will continue to provide the Company with access to their extensive military market expertise by acting in advisory roles.

*Director Compensation*

The following table sets out, for each independent director, compensation received for the fiscal year ended April 30, 2013.

<b>Name<sup>(1)</sup></b> <b>(a)</b>	<b>Fees Earned<sup>(2)</sup></b> <b>(\$)</b> <b>(b)</b>	<b>Option-Based Awards<sup>(3)(4)</sup></b> <b>(\$)</b> <b>(d)</b>	<b>Non-Equity Incentive Plan Compensation</b> <b>(\$)</b> <b>(e)</b>	<b>Share-Based Awards</b> <b>(\$)</b> <b>(c)</b>	<b>Total Compensation (Fees Earned, Option-Based Awards, Non-Equity Incentive Plan Compensation and Share Based Awards)</b> <b>(\$)</b> <b>(h)</b>	<b>Total Compensation (excluding value of any Option-Based Awards)</b> <b>(\$)</b> <b>(i)</b>
Jon Gill	14,000	1,697	-	-	15,697	14,000
Martin Mazza	14,000	1,660	-	-	15,660	14,000
Lewis MacKenzie	13,500	1,660	-	-	15,160	13,500
William Pettipas	13,500	1,476	-	-	14,976	13,500

**Notes:**

(1) Michael Liik, the Executive Chairman, and a director of the Company, is not included in the table above as he is an NEO. Please see Summary Compensation Table above for information regarding Mr. Liik's compensation.

(2) The column outlines the compensation earned for board retainers and meeting fees. No fees were paid during fiscal 2013.

(3) The estimated grant date fair value of these options has been calculated using the Black-Scholes model. See discussion below.

(4) The options shown were granted with an exercise price equal to the Market Price (defined in the Option Plan to mean the closing price of the Company's Common Shares on the day immediately preceding the day upon which the option is granted). Accordingly, the values shown for such options do not necessarily reflect in-the-money value at the time of grant.

The Company has estimated the “grant date fair value” amounts in the column (d) above using the Black-Scholes model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors, including the exercise price of the option, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security, the expected life of the option, forfeitures, dividend yield and the risk free rate of return. The assumptions used in the pricing model are highly subjective and can materially affect the estimated fair value.

Calculating the value of stock options using this methodology is very different from a simple “in-the money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant estimated “grant date fair value” based on a Black-Scholes valuation, especially where, as in the case of the Company, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The same caution applies to the total compensation amounts in column (h) above, which are based in part on the grant date fair value amounts set out in column (d) above. The total compensation listed in column (i) above has been included to reflect the total compensation of each independent director not including the value of any option-based awards. The value of the in-the-money options currently held by each independent director (based on share price less option exercise price) is set forth in “Outstanding Option-Based Awards” table below.

#### *Director Fees*

During its most recently completed financial year, the Company remuneration for non-executive directors consisted of a per annum fee combined with a fee based on meeting attendance. The liability for directors fees earned in fiscal 2013 has not been paid out..

Directors are reimbursed for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board.

*Outstanding Option-Based Awards*

The following table sets out, for each independent director, the stock options (option-based awards) outstanding as at April 30, 2013. On April 30, 2013, the closing price of the Company's Common Shares on the TSX was \$0.015.

<b>Name <sup>(1)</sup></b>	<b>Number of Securities Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Grant Date</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-The-Money Options (\$)</b>
Jon Gill	230,000 <sup>(2)</sup>	0.025	Nov 30, 2012	Nov 30, 2017	Nil
	292,808 <sup>(3)</sup>	0.05	Oct 17, 2011	Oct 17, 2016	Nil
	220,000 <sup>(2)</sup>	0.10	June 20, 2011	June 20, 2016	Nil
	225,000 <sup>(2)</sup>	0.255	May 3, 2010	May 3, 2015	Nil
	200,000 <sup>(2)</sup>	0.19	May 11, 2009	May 11, 2014	Nil
	200,000 <sup>(2)</sup>	0.09	Nov 19, 2008	Nov 19, 2013	Nil
Martin Mazza	225,000 <sup>(2)</sup>	0.025	Nov 30, 2012	Nov 30, 2017	Nil
	292,808 <sup>(3)</sup>	0.05	Oct 17, 2011	Oct 17, 2016	Nil
	225,000 <sup>(2)</sup>	0.10	June 20, 2011	June 20, 2016	Nil
	200,000 <sup>(2)</sup>	0.255	May 3, 2010	May 3, 2015	Nil
	225,000 <sup>(2)</sup>	0.19	May 11, 2009	May 11, 2014	Nil
	200,000 <sup>(2)</sup>	0.09	Nov 19, 2008	Nov 19, 2013	Nil
William Pettipas	200,000 <sup>(2)</sup>	0.025	Nov 30, 2012	Nov 30, 2017	Nil
	292,808 <sup>(3)</sup>	0.05	Oct 17, 2011	Oct 17, 2016	Nil
	200,000 <sup>(2)</sup>	0.10	June 20, 2011	June 20, 2016	Nil
	175,000 <sup>(2)</sup>	0.255	May 3, 2010	May 3, 2015	Nil
	175,000 <sup>(2)</sup>	0.19	May 11, 2009	May 11, 2014	Nil
	175,000 <sup>(2)</sup>	0.09	Nov 19, 2008	Nov 19, 2013	Nil
Lewis MacKenzie	225,000 <sup>(2)</sup>	0.025	Nov 30, 2012	Nov 30, 2017	Nil
	292,808 <sup>(3)</sup>	0.05	Oct 17, 2011	Oct 17, 2016	Nil
	200,000 <sup>(2)</sup>	0.10	June 20, 2011	June 20, 2016	Nil
	175,000 <sup>(2)</sup>	0.255	May 3, 2010	May 3, 2015	Nil
	175,000 <sup>(2)</sup>	0.19	May 11, 2009	May 11, 2014	Nil
	175,000 <sup>(2)</sup>	0.16	Feb 23, 2009	Feb 23, 2014	Nil

**Note:**

- (1) Information for Michael Liik is reported in the corresponding table for NEO's above.
- (2) These options vest over two years: 34% on grant date, 33% after 12 months and 33% after 24 months.
- (3) These options vested immediately upon their grant date.

*Value Vested or Earned During the Year*

The following table shows the incentive plan awards value vested for the fiscal year ended April 30, 2013 as well as annual cash incentive earned for each independent director.

<b>Name <sup>(1)</sup></b>	<b>Option-Based Awards - Value Vested During the Year (\$)<sup>(2)</sup></b>	<b>Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)</b>
Jon Gill	Nil	Nil
Martin Mazza	Nil	Nil
Lewis MacKenzie	Nil	Nil
William Pettipas	Nil	Nil

**Note:**

- (1) Information for Michael Liik is reported in the corresponding table for NEO's above.
- (2) The amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the market price of the common shares underlying the options on the TSX Venture Exchange on the vesting date and the exercise price of the options.

**SECURITIES AUTHORIZED FOR ISSUANCE  
UNDER EQUITY COMPENSATION PLAN**

**Equity Compensation Plan Information**

The following table sets forth details of the Company's compensation plans under which equity securities of the Company are authorized for issuance at the end of the Company's most recently completed financial year:

<b>Plan Category</b>	<b>Number of Common Shares to be Issued Upon Exercise of Outstanding Stock Options (#)</b>	<b>Weighted Average Exercise Price of Outstanding Options (\$)</b>	<b>Number of Common Shares Remaining Available for Future Issuance Under the Equity Compensation Plan (#)</b>
Equity Compensation Plans Approved by Shareholders (Cymat Technologies Ltd. Stock Option Plan)	11,267,632	0.12	17,546,743

A copy of the amended Option Plan is attached as an Appendix. The amendments to the Option Plan have been made to achieve compliance with the policies of the TSX Venture Exchange and have been detailed in this document above.

At November 19, 2013, the Company had a total of 144,071,876 Common Shares issued and outstanding, such that pursuant to the Option Plan the Company will be permitted to issue a total of up to 28,814,375 options.

At November 19, 2013, the Company had a total of 11,267,632 options outstanding under the Option Plan representing approximately 8% of the issued and outstanding Common Shares.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

There is not as of the date hereof, and has not been since the beginning of the Company's last completed financial year, any indebtedness, other than routine indebtedness, owing to the Company by the current or former directors executive officers and employees of the Company, or any of its subsidiaries.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of management of the Company, except as disclosed elsewhere herein, no informed person (a director, officer or holder of 10% or more of the Common Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries since the commencement of the Company's most recently completed financial year, or has any interest in any material transaction in the current year other than as set out herein.

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

To the knowledge of the management of the Company, there is no material interest of any director or senior officer of the Company, or nominee for director of the Company, or anyone who has held office as such since the beginning of the Company's last completed financial year or of any associate or affiliate of any of the foregoing in any material transaction or in any matter to be acted upon at the Meeting, other than as described elsewhere in this Information Circular.

#### **AUDIT COMMITTEE**

##### **Responsibilities and Duties of the Audit Committee**

The Charter of the Audit Committee sets out the following responsibilities and duties of the Audit Committee:

- (1) Review of the Company's annual and quarterly financial statements, management discussion and analysis, financial reports and annual and interim earnings press releases prior to the Company publicly disclosing such information in order to satisfy itself that such documents are fairly presented in accordance with

generally accepted accounting principles, do not contain an untrue statement of material fact or an omission of a material fact that is required for fair presentation, and recommend their approval to the Board prior to disclosing such information to the shareholders and/or filing with regulatory authorities.

- (2) Satisfy itself that the Company's accounting systems are reliable and that the internal controls are appropriate, given the Company's size and stage, and are operating effectively.
- (3) Satisfy itself that the Company has implemented appropriate systems of internal control to ensure compliance with legal, regulatory and ethical requirements.
- (4) Responsible for oversight of the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting and satisfy itself that the external auditors are independent from the Company and Management.
- (5) Approve non-audit services provided by the external auditors.
- (6) Review and assess the principal risks of all aspects of the business of the Company and, in balancing such risks with the costs of protecting against them and the potential return to shareholders, monitor and evaluate measures to address those areas of risk.

### **Composition of the Audit Committee**

As at April 30, 2013, the Audit Committee consisted of Messrs. Jon Gil (Chair of Audit Committee), Martin Mazza, William Pettipas and Lewis MacKenzie, all of whom are independent and financially literate. For the year ended April 30, 2013, the Grant Thornton auditors' report was presented to the Committee and the remaining director.

Pending the results of the Directors election, it is anticipated that the audit committee will consist of Messrs. Jon Gil and Martin Mazza.

### **Relevant Education and Experience**

Jon Gill is President of Braxton Management Partners Inc., a management consulting company. He was formerly operating partner with HSD Capital, a merchant bank and CEO of Super Electric Corporation, a private and controlled branded consumer products company operating in North America and Asia. Mr. Gill has recently served as the Chair of another audit committee for a Canadian public company.

Martin J. Mazza is currently Senior VP Marketing & Global Sales for The Woodbridge Group, a private Canadian auto parts company addressing world automotive markets.

### **Audit Committee Oversight**

The Board of Directors of the Company adopted all recommendations of the Audit Committee to nominate and compensate the Company's auditors.

### **Reliance on Certain Exemptions**

Not applicable.

### **Pre-Approval Policies and Procedures**

The Audit Committee is permitted by its charter to review and approve any non-audit related services provided by the auditors and the fees related thereto. The Audit Committee has not adopted specific policies and procedures related to pre-approval of non-audit related services.

## **MANAGEMENT CONTRACTS**

Except as otherwise disclosed herein, the management functions of the Company are not performed by any person or company other than the directors or officers of the Company.

## **RESTRICTED SECURITIES**

Not applicable.

## **ANNUAL REPORT TO SHAREHOLDERS**

The Company's Annual Report to Shareholders for the period ended April 30, 2013 has been mailed to Shareholders along with this Circular. The Annual Report to Shareholders contains the financial statements of the Company for the period ended April 30, 2013 and the report thereon of Grant Thornton LLP, Chartered Accountants, the auditors of the Company as well as the Management Discussion and Analysis for the same period.

## **GENERAL**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting as proxy.

### ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information in respect of the Company and its affairs is provided in the Company's annual audited comparative financial statements for the year ended April 30, 2013 and related management discussion and analysis. Copies of the Company's financial statements and related management discussion and analysis are available upon request from the Company at 6320-2 Danville Road, Mississauga, ON, L5T 2L7.

### APPROVALS

The content of this Circular and the sending of this Circular to the Shareholders of the Company have been approved by the Board of Directors of the Company.

#### BY ORDER OF THE BOARD

Michael Liik  
Executive Chairman

Dated: November 19, 2013

**IT IS IMPORTANT THAT FORMS OF PROXY BE RETURNED PROMPTLY. SHAREHOLDERS ARE URGED TO SIGN, DATE AND RETURN THE ACCOMPANYING FORM OF PROXY AS SOON AS POSSIBLE.**

## APPENDIX A

### CYMAT TECHNOLOGIES LTD.

#### STOCK OPTION PLAN

##### 1. INTERPRETATION:

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **"Black Out Period"** means the period of time when, pursuant to any policies of the Company, any Shares may not be traded by certain persons as designated by the Company, including any holder of an Option;
- (b) **"Board"** means the board of directors of the Company;
- (c) **"Company"** means Cymat Technologies Ltd.;
- (d) **"Consultant"** means an individual (including an individual whose services are contracted through a personal holding Company) with whom the Company or a Subsidiary has a contract for management or consulting services;
- (e) **"Effective Date"** means the date of adoption of this Plan by the Board;
- (f) **"Eligible Person"** means, subject to all applicable laws, any employee, Senior Officer, director or Consultant of the Company or any Subsidiary or any personal holding Company controlled by a Senior Officer or director of the Company or any Subsidiary or any registered retirement savings plans established for the sole benefit of an employee, Senior Officer or Director of the Company or any Subsidiary;
- (g) **"Insider"** means:
  - (i) an insider, as defined under section 1(1) of the Securities Act (Ontario), other than a person who falls within that definition solely by virtue of being a director or senior officer of a Subsidiary; and
  - (ii) an associate, as defined under section 1(1) of the Securities Act (Ontario), of any person who is an insider by virtue of clause 1(g)(i) above;
- (h) **"Option"** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of the Plan;

- (i) **"Outstanding Issue"** means the number of Shares that are outstanding immediately prior to the share issuance in question;
- (j) **"Participant"** means Eligible Persons to whom Options have been granted;
- (k) **"Plan"** means this stock option plan of the Company;
- (l) **"Senior Officer"** has the meaning ascribed thereto in section 1(1) of the Securities Act (Ontario);
- (m) **"Shareholders"** means the holders of Shares;
- (n) **"Shares"** means the common shares of the Company;
- (o) **"Share Compensation Arrangement"** means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guarantee or otherwise; and
- (p) **"Subsidiary"** means any company that is a subsidiary of the Company as defined under section 1(4) of the Securities Act (Ontario).

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

**2. PURPOSE:** The purpose of this Plan is:

- (a) to encourage ownership of the Shares by employees, Senior Officers, directors and Consultants of the Company and its Subsidiaries;
- (b) to advance the interests of the Company by providing additional incentive for superior performance by such persons; and
- (c) to enable the Company and its Subsidiaries to attract and retain valued employees, Senior Officers, directors and Consultants.

**3. ADMINISTRATION:** The Plan shall be administered by the Board.

Subject to the limitations of the Plan, the Board shall have the authority:

- (a) to grant Options to Eligible Persons;
- (b) to determine the terms, limitations, restrictions and conditions respecting such grants;

- (c) to interpret the Plan and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to the Plan as it shall from time to time deem advisable; and
- (d) to make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as it may deem necessary or advisable.

The Board's guidelines, rules, regulations, interpretations and determinations shall be conclusive and binding upon the Company and all other persons.

**4. SHARES SUBJECT TO THE PLAN:** The maximum number of Shares which may be issued under this Plan shall not exceed 20% of the Shares that are outstanding on the Effective Date. Any Shares subject to an Option which for any reason is cancelled or terminated without having been exercised shall again be available for grants under the Plan.

**5. PARTICIPATION:** Options shall be granted under the Plan only to Eligible Persons designated from time to time by the Board. The Company and the Participant are responsible for assuring and confirming that the Participant is a bone fide Eligible Person as defined by the plan.

**6. TERMS AND CONDITIONS OF OPTIONS:** The terms and conditions of each Option shall include the following, as well as such other provisions not inconsistent with the Plan, as may be deemed advisable by the Board including those contained in any stock option agreement entered into between the Company and a Participant:

- (a) *Option Price:* The option price of any Shares in respect of which an Option may be granted shall be fixed by the Board but shall be not less than the market price of the Shares at the time the Option is granted. For the purpose of this paragraph 6(a) "market price" shall be deemed to be the closing price as reported by the principal Canadian stock exchange on which the Shares are listed or admitted for trading (or, if the Shares are not so listed, the average of the closing bid and asked prices as reported on the Canadian Dealing Network Inc.) on the day immediately preceding the day upon which the Option is granted, or if not so traded, the average between the closing bid and asked prices thereof as reported for the day immediately preceding the day upon which the Option is granted. In the resolution allocating any Option, the Board may determine that (i) the date of grant of the Option shall be a future date determined in the manner specified in such resolution, in which case, for the purpose of this paragraph 6(a), "market price" shall be deemed to be the weighted average trading price of the Shares as reported by the principal Canadian stock exchange on which the Shares are listed or admitted to trading (or, if the Shares are not so listed, the weighted average of the average of the closing bid and asked prices as reported on the Canadian Dealing Network Inc.) for five (5) trading days preceding the date of the grant, and (ii) the date or dates of the vesting of the Option shall be a future date or dates determined in the manner specified in such resolution. The

Board may also determine that the exercise price per Share may escalate at a specified rate dependent upon the date on which any Option may be exercised by the Participant.

- (b) *Payment:* The full purchase price of Shares purchased under an Option shall be paid in cash or certified funds upon the exercise thereof, and upon receipt of payment in full, but subject to the terms of the Plan, the number of Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable. A holder of an Option shall have none of the rights of a Shareholder until the Shares are issued to him.
- (c) *Term of Option:* Options may be granted under this Plan exercisable over a period not exceeding five (5) years. Each Option shall be subject to earlier termination as provided in paragraph 6(e).
- (d) *Exercise of Option:* Subject to the provisions contained in subparagraphs 6(e)(ii), (iii) and (iv), no Option may be exercised unless the Participant is then an Eligible Person. This Plan shall not confer upon the Participant any right with respect to continuation of employment by the Company. Absence on leave approved by an officer of the Company or of any Subsidiary authorized to give such approval shall not be considered an interruption of employment for any purpose of the Plan. Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Secretary of the Company or the transfer agent of the Company at Toronto of written notice of exercise specifying the number of Shares with respect to which the Option is being exercised, and accompanied by payment in full of the purchase price of the Shares then being purchased.
- (e) *Termination of Options:* Unless otherwise determined by the Board, in its sole discretion, any Option granted pursuant hereto, to the extent not validly exercised, will terminate on the earliest of the following dates:
  - (i) the date of expiration specified in the Option agreement or in the resolution of the Board granting such Option, as the case may be, being not more than five (5) years after the date upon which the Option was granted;
  - (ii) immediately upon the termination of the Participant's employment with the Company or a Subsidiary, where termination is for cause;
  - (i) thirty (30) days after the Participant ceases to be an Eligible Person, other than by reason of retirement, permanent disability or death during which thirty (30) day period the Participant may exercise the Option to the extent he was entitled to exercise it at the date the Participant ceased to be an Eligible Person. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant received

compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant;

- (iv) ninety (90) days after the date of the death of the Participant during which ninety (90) day period the Option may be exercised by the Participant's legal representative or the person or persons to whom the deceased Participant's rights under the Option shall pass by will or the applicable laws of descent and distribution, and only to the extent the Participant would have been entitled to exercise the Option on the date of death; and
- (v) ninety (90) days after termination of the Participant's employment by reason of permanent disability or retirement under any retirement plan of the Company or any Subsidiary, during which ninety (90) day period the Participant may exercise the Option to the extent he was entitled to exercise it at the time of such termination, provided that if the Participant shall die within such ninety (90) day period, then such right shall be extended to ninety (90) days following the date of death of the Participant and shall be exercisable only by the persons described in clause 6(e)(iv) hereof and only to the extent therein set forth.
- (f) *Black Out Periods:* Except if not permitted by the Toronto Stock Exchange, if any Options may not be exercised due to any Black Out Period at any time within the three (3) business day period prior to the normal expiry date of such Options (the "Restricted Options"), the expiry date of all Restricted Options shall be extended for a period of seven (7) business days following the end of the Black Out Period (or such longer period as permitted by the Toronto Stock Exchange and approved by the Board).
- (g) *Non-transferability of Stock Option:* No Option shall be transferable or assignable by the Participant other than by will or the laws of descent and distribution and such Option shall be exercisable during his lifetime only by the Participant.
- (h) *Applicable Laws or Regulations:* The Plan, the grant and exercise of Options hereunder and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange or over-the-counter market on which the Shares are listed or quoted for trading, as the case may be, and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by any provision of the Plan or the granting of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations

or any condition of such approvals. No Option shall be granted and no Shares issued or sold hereunder where such grant, issue or sale would require registration of the Plan or the Shares under the securities laws of any jurisdiction, and any purported grant of any Option or issue or sale of Shares hereunder in violation of this provision shall be void. In addition, the Company shall have no obligation to issue any Shares pursuant to the Plan unless such Shares shall have been duly listed or quoted, upon official notice of issuance, with all stock exchanges or over-the-counter markets, as the case may be, on which the Shares are listed for trading. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

**7. ADJUSTMENTS IN SHARES SUBJECT TO THE PLAN:**

- (a) Subdivisions and Redivisions: In the event of any subdivision or redivision or subdivisions or redivisions of the Shares at any time while any Option is outstanding into a greater number of Shares, the Company shall thereafter deliver at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such greater number of Shares as would result from said subdivision or redivision or subdivisions or redivisions had such Option been exercised before such subdivision or redivision or subdivisions or redivisions, without the Participant making any additional payment or giving any other consideration therefor.
- (b) Consolidations: In the event of any consolidation or consolidations of the Shares at any time while any Option is outstanding into a lesser number of Shares, the Company shall thereafter deliver, and the Participant shall accept, at the time of exercise of any Option, in lieu of the number of Shares in respect of which such Option is then being exercised, such lesser number of Shares as would result from such consolidation or consolidations had such Option been exercised before such consolidation or consolidations.
- (c) Reclassifications/Changes: In the event of any reclassification or change or reclassifications or changes of the Shares at any time while any Option is outstanding, the Company shall thereafter deliver at the time of exercise of any Option hereunder the number of securities of the Company of the appropriate class or classes resulting from said reclassification or change or reclassifications or changes as the Participant would have been entitled to receive in respect of the number of Shares in respect of which such Option is then being exercised had such Option been exercised before such reclassification or change or reclassifications or changes.
- (d) Other Capital Reorganizations: In the event of any capital reorganizations of the Company at any time while any Option is outstanding not otherwise covered in this section 7, or a consolidation, amalgamation or merger with or into any other entity or the sale of the properties and assets as, or substantially as, an entirety to any other entity, the Participant, if he has not exercised his Option prior to the effective date of such reorganization, consolidation, amalgamation, merger or sale, upon the exercise of such Option thereafter shall be entitled to receive and shall accept in lieu of the number

of Shares then subscribed for by him but for the same aggregate consideration payable therefor, the number of other securities or property of the entity resulting from such merger, amalgamation or consolidation or to which such sale may be made, as the case may be, that the Participant would have been entitled to receive on such capital reorganization, consolidation, amalgamation, merger or sale if, on the record date or the effective date thereof, had he been the registered holder of the number of Shares so subscribed for.

- (e) Other Changes: In the event that the Company takes any action affecting the Shares at any time, other than any action described above, which in the opinion of the Board would materially affect the rights of a Participant, the exercise price or number of Shares issuable upon exercise of any Option will be adjusted in such manner, if any, and at such time, as the Board may determine, but subject in all cases to any necessary regulatory and, if required, Shareholder approval. Failure to take such action by the directors of the Company so as to provide for an adjustment on or prior to the effective date of any action by the Company affecting the Shares will be conclusive evidence that the Board has determined that it is equitable to make no adjustment in the circumstances.
- (f) The Company shall not be obligated to issue fractional Shares in satisfaction of its obligations under the Plan or any Option and the Participant will not be entitled to receive any form of compensation in lieu thereof.
- (g) If at any time the Company grants to its Shareholders the right to subscribe for and purchase pro rata additional securities of any other Company or entity, there shall be no adjustments made to the number of Shares or other securities subject to the Options in consequence thereof and the Options shall remain unaffected.
- (h) The adjustment in the number of Shares issuable pursuant to Options provided for in this section 7 shall be cumulative.
- (i) On the happening of each and every of the foregoing events, the applicable provisions of the Plan and each of them shall, ipso facto, be deemed to be amended accordingly and the Board shall take all necessary action so as to make all necessary adjustments in the number and kind of securities subject to any outstanding Options (and the Plan) and the exercise price thereof.

#### **8. AMENDMENTS TO THE PLAN:**

- (a) Subject to paragraph 8(b), the Board may amend the Plan or any Option at any time in its absolute discretion without the approval of the Shareholders.
- (b) The Shareholders shall approve any amendment to the Plan or any Option which:
  - (i) reduces the exercise price of an Option held by an Insider;
  - (ii) extends the term of an Option held by an Insider; or

- (iii) increases the fixed maximum percentage of Shares issuable pursuant to the Plan.

Shares held directly or indirectly by Insiders who may benefit from the amendments provided for in subparagraphs (b)(i) or (ii) above shall not be included in the vote on the resolution approving any such amendment.

**9. LIMITS ON GRANTS TO ANY ONE PARTICIPANT:**

- (a) The aggregate number of Options granted to any one Participant in a 12 month period shall not exceed 5% of the Shares outstanding at the time of the grant.
- (b) The aggregate number of Options granted to any one Consultant in a 12 month period shall not exceed 2% of the Shares outstanding at the time of grant.
- (c) The aggregate number of Options granted to all Participants retained to provide investor relations activities shall not exceed 2% of the Shares outstanding in any 12 month period, calculated at the time of grant.
- (d) Options granted to Participants retained to provide investor relations activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting in any three month period.

**10. FINANCIAL ASSISTANCE FOR PURCHASE OF SHARES:** Subject to applicable law, the Company may, in its sole discretion, arrange for the Company or any Subsidiary to make loans or provide guarantees for loans by financial institutions to assist Participants to purchase Shares upon the exercise of the Options so granted and to assist the Participants to pay any income tax eligible upon exercise of the Options. Any loans granted by the Company or any Subsidiary to assist Participants to purchase Shares upon the exercise of Options shall be fully recourse to the Participant and secured by the Shares purchased with the proceeds of the loan, and shall be at such rates of interest, if any, and on such other terms as may be determined by the Company.

The Shares may be sold by the Participant at any time provided that an amount equivalent to the option price per Share sold, or the balance of the loan, whichever is the lesser, is applied in repayment of the loan.

**11. GOVERNING LAW:** This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**12. EFFECTIVE DATE AND DURATION OF PLAN:** The Plan becomes effective on the Effective Date and Options may be granted immediately thereafter. The Plan shall remain in full force and effect until such time as the Board shall terminate the Plan, and for so long thereafter as Options remain outstanding in favour of any Participant.

## APPENDIX B

### CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 entitled “Disclosure of Corporate Governance Practices” (“NI 58-101”) requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing directors, certain prescribed disclosure respecting corporate governance matters must be included in its management information circular.

The prescribed corporate governance disclosure for the Company is contained in Form 58-101F2 which is attached to NI 58-101 (“Form 58-101F2 Disclosure”).

Below is a description of the Company’s current corporate governance practices.

#### 1. Board of Directors

The Board of Directors of the Company has determined that the following directors of the Company are independent:

Jon Gill  
Martin Mazza  
Lewis MacKenzie  
William Pettipas

The Board of Directors of the Company has determined that the following directors of the Company are not independent:

Michael Liik

Mr. Liik is not considered independent as he is Executive Chairman of the Company.

A majority of the Board of Directors are independent.

#### 2. Directorships

Michael Liik - President, CEO and Director of Carthew Bay Technologies Inc., an OTCBB listed company in the US.

Lewis MacKenzie - Director of Allana Potash Corp, a TSX-listed company.

### **3. Orientation and Continuing Education**

In order to orient new directors regarding the role of the Board, its committees and its directors, new directors are provided with copies of the mandate of the board of directors and all corporate governance policies. Given the current status of the operations and the Company's business, no orientation regarding the Company's business is required.

There is currently no continuing education program in place for directors. The Board believes that no such program is currently required as a result of the knowledge and experience of the Board members and as the Company's legal counsel and auditors provide the Board and applicable committees with updates of new developments regarding corporate governance and other regulatory requirements as they come available.

### **4. Ethical Business Conduct**

The Company governs itself under applicable business laws and all regulatory authorities including the provincial securities regulators and the Toronto Stock Exchange.

Each director, officer, employee and service provider of the Company are expected to comply with the above laws and exercise their powers and perform their duties honestly in good faith and in the best interest of the Company.

### **5. Nomination of Directors**

The Board does not have a nominating committee. The board as a whole is responsible for nominating directors.

### **6. Compensation**

Currently directors and officers of the Company receive cash compensation and are compensated through stock options granted at the Board's discretion.

The compensation committee consists of the independent Company directors.

### **7. Other Board Committees**

In addition to the audit and compensation committee, the Board has a Nominating and Corporate Governance Committee consisting of the independent Company directors.

### **8. Assessments**

A review of the Company's governance practices was conducted in fiscal 2011, with the results of the review being reflected in the foregoing description. Regular assessments will be conducted by the Nominating and Corporate Governance Committee.