

JEMTEC INC.

MANAGEMENT INFORMATION CIRCULAR

(This information is given as at March 20, 2006, except as indicated)

SOLICITATION OF PROXIES

This Management Information Circular (the "Information Circular") is furnished in connection with the solicitation of proxies by the management of **JEMTEC INC.** (the "Company") for use at the special meeting (the "Meeting") of the shareholders of the Company, to be held on Friday, April 21, 2006 and at any adjournments thereof.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed instrument of proxy is solicited by management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the instrument of proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying instrument of proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed instrument of proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy. A proxyholder need not to be a Registered Shareholder.**

In order to be voted, the completed instrument of proxy must be dated and signed and must be deposited at the Company's transfer agent, Pacific Corporate Trust Company, 3rd floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9, at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays, Sundays and holidays.

The instrument of proxy must be signed by the shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the shareholder is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof. The Chairman of the Meeting has discretionary authority to accept proxies which do not strictly conform to the foregoing requirements.

In addition to revocation in any other manner permitted by law, a shareholder may revoke a proxy by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked. However, only registered shareholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, at least 7 days before the Meeting arrange for their nominees to revoke the proxy on their behalf.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed instrument of proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

In the absence of any direction in the instrument of proxy, it is intended that such shares will be voted IN FAVOUR of the resolutions placed before the Meeting by management as stated under the headings in this Information Circular. The instrument of proxy enclosed, when properly completed and deposited, confers discretionary authority with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting. At the time of printing of this Information Circular, the management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any such amendments, variations or other matters should properly come before the Meeting, the proxies hereby solicited will be voted thereon in accordance with the best judgement of the nominee.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Many shareholders of the Company are “non-registered” shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the 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 RRSP’s, RRIF’s, 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.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBO’s”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBO’s”.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the notice of meeting, this Information Circular and the proxy (collectively, the “Meeting Materials”) directly to the NOBO’s, and indirectly through Intermediaries to the OBO’s.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the registered shareholder how to vote on behalf of the Non-Registered Shareholder. VIF’s, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow**

the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares. On March 20, 2006, **2,355,943** common shares without par value were issued and outstanding. Holders of common shares are entitled to one vote for each common share held.

Only shareholders of record at the close of business on the 20th day of March, 2006, who either personally attend the Meeting or who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, there is one Company director and one shareholder who own beneficially, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

Name	Number of Shares Owned or Controlled	Percentage of Outstanding Shares
Eric Caton, Director	391,287	16.61%
Paul Crossett	426,146	18.09%

VOTES NECESSARY TO PASS RESOLUTIONS

Under the Company's current articles, the quorum for the transaction of business as the meeting of shareholders is two shareholders present or represented by proxy. A majority of not less than two-thirds of the votes cast by Shareholders who voted in respect of that resolution who are present and vote either in person or by proxy at the meeting is required to pass a special resolution.

INCORPORATING INFORMATION BY REFERENCE

The annual meeting of the shareholders of the Company was held on January 5, 2006. In respect of the meeting, a Notice of Annual and Special Meeting and Management Information Circular dated December 2, 2005 were mailed to the shareholders (the "JEMTEC Information Circular"). The JEMTEC Information Circular is filed on SEDAR at www.sedar.com. Copies of the JEMTEC Information Circular will be provided at the cost of the Company to shareholders upon written request to the head office of the Company.

In respect of the information contained in the JEMTEC Information Circular, it should be noted that the Company accepted the resignation of Eric Caton as Chief Financial Officer of the Company. Mr. Caton will continue to serve as President, Chief Executive Officer and director of the Company. The board of directors has appointed Nathalie Pilon in fulfilling the responsibilities of the office of Chief Financial Officer effective February 27, 2006.

DOLLAR FIGURES

Unless expressly stated to the contrary, all "\$" figures contained in this Information Circular refer to Canadian dollars.

PARTICULARS OF MATTERS TO BE ACTED UPON

Management of the Company is not aware of any other matter to come before the Meeting other than as 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 enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

1. ARTICLES OF AMENDMENT

The Company has a large number of shareholders holding small numbers of common shares. The number of shareholders holding fewer than 100 common shares is estimated to be 2,510 as at March 20, 2006, on which date such shareholders held an aggregate of 57,047 common shares or approximately 2.4% of the total outstanding. Most of these small holdings resulted from historical amalgamations and consolidations. The Company spends a significant amount of money each year printing and mailing materials, such as annual reports and information circulars, to these small shareholders and servicing their accounts through the Company's registrar and transfer agent. The total annual cost to the Company to service these small shareholders is approximately Cdn. \$12,800. The Company also lacks the current mailing addresses for many of these shareholders.

Accordingly, the Company proposes to undertake the steps outlined below in order to purchase these small holdings and benefit from the resulting cost savings. It is proposed that a special resolution to amend the Company's articles in accordance with Schedule "A" attached to this Information Circular (the "Special Resolution") be passed by the holders of common shares. To be adopted, the Special Resolution must be approved by at least two-thirds of the votes cast at the meeting. The articles of amendment will implement the following steps:

- a) effective April 30, 2006 (or such other date as the board of directors may determine) (the "Consolidation Date"), the common shares will be consolidated on a 1 for 100 basis;
- b) thereupon, any holder of less than 1 common share will cease to hold common shares and will be entitled to be paid cash consideration equal to that number of pre-consolidation common shares held by the holder multiplied by the weighted average trading price per pre-consolidation share of the common shares on the TSX Venture Exchange during the five consecutive trading days ending on and including the trading day immediately prior to the date on which the Special Resolution is enacted, such payment to be made on presentation and surrender to the Company for cancellation of the certificate or certificates representing the issued and outstanding common shares; and
- c) effective May 1, 2006 (or such other date as the board or directors may determine) at 12:01 a.m., the remaining common shares will be split on a 100 for 1 basis. The result of these steps will be that the holders of less than 100 common shares will cease to hold common shares and will be entitled to receive cash consideration for their common shares. After completion of these steps, holders of 100 or more common shares would end up with the same number of common shares as they had before the steps commenced.

Following approval of the Special Resolution, shareholders are required to take the specific actions set out below.

SHAREHOLDERS WITH 100 OR MORE COMMON SHARES

Registered Shareholders

In connection with the transactions to be effected by the Special Resolution, the Company is required to obtain a new CUSIP number to be assigned to the common shares. Accordingly, enclosed with this Information Circular is a letter of transmittal and a return pre-addressed envelope for registered holders of

SHAREHOLDERS WITH LESS THAN 100 COMMON SHARES

Registered Shareholders

In order to receive payment of the cash consideration specified in paragraph (b) above, registered shareholders who held less than 100 common shares immediately prior to the Consolidation Date must complete and sign the enclosed letter of transmittal and return it, together with the certificate(s) representing such

100 or more common shares immediately prior to the Consolidation Date. Those shareholders are required to complete the letter of transmittal and send it, together with their common share certificate(s), to the Company's registrar and transfer agent, Pacific Corporate Trust Company. New share certificates bearing the new CUSIP number will then be sent to the registered holder.

Beneficial Shareholders

Only registered shareholders or the persons they appoint as their proxies are required to complete, sign and submit the appropriate letter of transmittal as described above. Shareholders who own shares beneficially

- (a) through an intermediary (including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans), or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")),

are not required to submit a letter of transmittal. The intermediary or the clearing agency, as the case may be, will take the appropriate steps to ensure that new certificates bearing the CUSIP number will be obtained in exchange of the share certificates that it holds for its beneficiaries.

Generally speaking, for purposes of the *Income Tax Act* (Canada), shareholders whose small shareholdings are acquired by the Company as a result of the consolidation will be deemed to have received a taxable dividend equal to the amount by which the cash payable to the shareholder exceeds the paid-up capital of such shareholder's common shares. The paid-up capital per common share will be determined by the Company prior to the Consolidation Date. In the case of a shareholder that is a corporation, in some circumstances, the amount of any such deemed dividend may be treated as proceeds of disposition and not as a deemed dividend. Shareholders who hold their small shareholdings as capital property will also be required to report a capital gain or loss in connection with the consolidation. The amount of the deemed dividend (if any) received by a shareholder will reduce the shareholder's proceeds of disposition for the common shares and consequently reduce the amount of any capital gain or increase the amount of any capital loss. The amount of any increased capital loss cannot be applied to offset the amount of the deemed dividend.

Shareholders who are not resident in Canada for purposes of *Income Tax Act* (Canada) will be liable for Canadian withholding tax at the rate of 25% on the amount of any deemed dividend, subject to relief available under the terms of any applicable income tax treaty.

common shares, in the enclosed prepaid addressed envelope to the Company's registrar and transfer agent, Pacific Corporate Trust Company. Any certificates representing less than 100 common shares immediately prior to the Consolidation Date which have not been surrendered in accordance with the letter of transmittal on or prior to the second anniversary date of the Consolidation Date will cease to represent a claim or interest of any kind or nature against the Company or the Company's registrar and transfer agent, Pacific Corporate Trust Company.

Beneficial Shareholders

Only registered shareholders or the persons they appoint as their proxies are required to complete, sign and submit the appropriate letter of transmittal as described above. Shareholders who own shares beneficially

- (a) through an intermediary (including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans), or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")),

are not required to submit a letter of transmittal. The intermediary or the clearing agency, as the case may be, will take the appropriate steps and arrange for payment of any cash consideration to such shareholders.

Once the paid-up capital has been determined and after the consolidation/deconsolidation is effective, the applicable reporting forms under the *Income Tax Act* (Canada) will be sent to shareholders entitled to payment as a result of the consolidation/deconsolidation.

If you are a non-corporate shareholder resident in the United States and hold less than 100 common shares, cash consideration paid for your common shares may be subject to backup withholding for taxes, currently at a 28% rate. Backup withholding will generally not apply, however to a U.S. holder who

- (i) furnishes a correct tax payer identification number and certifies that he or she is not subject to backup withholding on the Form W-9 included in the letter of transmittal printed on blue paper enclosed with this Information Circular or
- (ii) is otherwise exempt from backup withholding.

Shareholders who dispose of their small shareholdings in the market or to an arm's length third party other than the Company prior to the consolidation will avoid the deemed dividend treatment and the potentially adverse tax consequences. Shareholders with small shareholdings should consult their own tax advisors.

THE BOARD OF DIRECTORS OF THE COMPANY RECOMMENDS THAT YOU VOTE FOR THE SPECIAL RESOLUTION TO AMEND THE COMPANY'S ARTICLES.

This Special Resolution requires the approval of 66 2/3% of the votes cast by holders of common shares at the Meeting.

The persons named in the enclosed form of proxy intend to cast the votes to which the common shares represented by such proxy are entitled FOR the Special Resolution authorizing the articles of amendment unless the shareholder who has given such proxy has directed that the common shares be voted otherwise.

THE FOLLOWING DISCUSSION AND REFERENCE TO THE APPROPRIATE SCHEDULES IS HIGHLY TECHNICAL. SHAREHOLDERS WHOSE SHARES WILL BE CANCELLED PURSUANT TO THE CONSOLIDATION AND WHO ARE UNSURE OF THEIR RIGHTS ARE STRONGLY URGED TO SEEK ADVICE FROM THEIR PROFESSIONAL ADVISORS SUCH AS A LAWYER, ACCOUNTANT OR STOCK BROKER.

Dissent Rights

Pursuant to subsection 190(7) of the *Business Corporations Act* (Ontario) (the "OBCA"), an affected registered holder of common shares (i.e. a registered holder of common shares whose shares will be cancelled on the Consolidation Date) is entitled to exercise the dissent rights provided in section 185 of the OBCA. This right of dissent is summarized in Schedule "B" to this Information Circular and is qualified in its entirety by reference to the full text of subsection 190(7) and section 185 of the OBCA which is attached as Schedule "C" to this Information Circular. An affected common shareholder desiring to exercise dissent rights in respect of the Special Resolution should seek legal advice since failure to comply strictly with the procedure set forth in the OBCA may prejudice his or her rights.

2. OTHER MATTERS

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Canadian securities legislation requires prescribed statements of executive compensation to be included in a circular provided to the shareholders. Information concerning executive compensation contained in the JEMTEC Information Circular is incorporated by reference herein.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

During the year ended July 31, 2003, the Company adopted a fixed stock option plan that permits the directors of the company to grant incentive stock options to employees, directors and consultants to the Company. The maximum number of shares issuable under the plan, which follows the policies of the TSX Venture Exchange ("TSXV") regarding stock option awards, was 414,332. In January 2006, the Company amended its stock option plan to increase the number of shares reserved for issuance under the plan to 471,188.

Therefore, 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 date of this Information Circular.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	345,716	\$0.84	125,472
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	345,716	\$0.84	125,472

AUDITORS

The auditor for the Company is Morgan & Company, Chartered Accountants, of Vancouver, British Columbia.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Information concerning indebtedness of certain directors and officers contained in the JEMTEC Information Circular is incorporated by reference herein.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no director or senior officer of the Company at any time since the beginning of the Company's most recently completed financial year and no associate or affiliate of any such person has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except for an interest arising from ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Additional information relating to any interest of informed persons in material transactions or proposed

material transactions contained in the JEMTEC Information Circular is incorporated by reference herein.

AVAILABILITY OF DOCUMENTS

As described above, the Company will provide to Shareholders, upon request to the Company, one copy of the JEMTEC Information Circular. Additionally, copies of other publicly filed information concerning the Company, including the JEMTEC Information Circular, can be found at www.sedar.com. Shareholders may contact the Company in order to request the JEMTEC Information Circular or copies of other publicly filed information at its head office, JEMTEC Inc., at 200 – 38 Fell Avenue, North Vancouver, BC, V7P 3S2, Attention Chief Financial Officer.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular to each shareholder of the Company entitled thereto have been approved by the Board of Directors of the Company.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED at North Vancouver, British Columbia, the 20th day of March, 2006.

APPROVED BY THE BOARD OF DIRECTORS

(signed) "*Eric Caton*"

Eric Caton
President and
Chief Executive Officer

(signed) "*Leslie Markow*"

Leslie Markow,
Secretary

SCHEDULE A

SPECIAL RESOLUTION OF HOLDERS OF COMMON SHARES
OF JEMTEC INC.

(the "Company")

WHEREAS it is desired to amend the articles of the Company as hereinafter provided; NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the articles of the Company be amended effective April 30, 2006 (or such other date as the board of directors in its sole discretion may determine) to consolidate the issued and outstanding common shares of the Company by changing each of the issued and outstanding common shares into 1/100th of a common share; provided, however, that holders of less than one common share on the date that the articles of amendment filed to give effect to such consolidation become effective shall not be entitled to receive a fractional common share following the consolidation but in lieu of any such fractional share shall be entitled to receive a cash payment equal to that number of pre-consolidation common shares which would otherwise result in the fractional share multiplied by the weighted average trading price per pre-consolidation common shares on the TSX Venture Exchange during the five consecutive trading days ending on and including the trading day immediately prior to the date on which this resolution is enacted, such payment to be made on presentation and surrender to the Company for cancellation of the certificate or certificates representing the issued and outstanding common shares;
2. any certificates representing less than 100 common shares prior to the date that the articles of amendment filed to give effect to such consolidation become effective which have not been surrendered, with all other required documentation, on or prior to the second anniversary of such date, will cease to represent a claim or interest of any kind or nature against the Company or the Company's registrar and transfer agent, Pacific Corporate Trust Company;
3. the articles of the Company be amended effective May 1, 2006 (or such other date as the board of directors in its sole discretion may determine) at 12:01 a.m. to subdivide the common shares of the Company by changing each of the issued and outstanding common shares into 100 common shares; and
4. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts and things as he or she may determine to be necessary or advisable to give effect to this resolution (including, without limitation, the delivery of articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario)), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination; and the board of directors is authorized to revoke this resolution in its sole discretion without further approval of the shareholders at any time prior to the endorsement by the Director appointed under the *Business Corporations Act* (Ontario) of a certificate of amendment of articles in respect of the share consolidation referred to in paragraph 1 of this resolution.

SCHEDULE B

DISSENT RIGHTS

The following discussion of the rights of dissent by affected holders of common shares ("Dissent Rights") is not a comprehensive description of the procedures to be followed with respect to Dissent Rights and is qualified in its entirety by reference to the full text of subsection 190(7) and section 185 of the *Business Corporations Act* (Ontario) (the "OBCA"), which is attached as Schedule "C" to this Information Circular. Affected common shareholders who intend to exercise their Dissent Rights in respect of the Special Resolution should seek legal advice and carefully consider and comply with the provisions of Section 185. Failure to comply strictly with the provisions set forth in section 185 of the OBCA may result in the loss or unavailability of all Dissent Rights under that section.

Pursuant to subsection 190(7) of the OBCA, an affected registered holder of common shares is entitled to exercise the dissent rights provided in section 185 of the OBCA. An affected common shareholder is entitled to dissent if the Special Resolution is adopted and to be paid the fair value of his or her shares if (i) the Special Resolution is implemented and (ii) the holder provides the Company with written objection to the Special Resolution at or before the meeting and otherwise complies with the steps set forth in section 185 of the OBCA.

Section 185 provides that an affected shareholder may only exercise Dissent Rights under that section with respect to all the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. **One consequence of this provision is that a common shareholder may only exercise the right to dissent under section 185 in respect of common shares which are registered in that holder's name.** In many cases, shares beneficially owned by a person (a "Non-Registered Holder") are registered either:

- (i) in the name of an intermediary that the Non-Registered Holder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered educational savings plans and similar plans, and their nominees); or
- (ii) in the name of a clearing agency (such as the Canadian Depository for Securities ("CDS")) in which the intermediary is a participant. Accordingly, a Non-Registered Holder will not be entitled to exercise Dissent Rights directly unless the common shares are re-registered in the Non-Registered Holder's name.

A Non-Registered Holder who wishes to exercise Dissent Rights should immediately contact the intermediary with whom the Non-Registered Holder deals in respect of his or her common shares and either:

- (a) instruct the intermediary to exercise Dissent Rights on the Non-Registered Holder's behalf (which, if the common shares are registered in the name of CDS or other clearing agency, would require that the common shares must be first re-registered in the name of the intermediary); or
- (b) instruct the intermediary to re-register the common shares in the name of the Non-Registered Holder, in which case the Non-Registered Holder would be required to exercise the Dissent Rights directly.

The sending of Notice of Dissent (as defined below) does not deprive an affected registered shareholder of his or her right to vote on the Special Resolution. A vote against the Special Resolution does not constitute a written objection to the Special Resolution for purposes of the exercise of Dissent Rights. An affected registered shareholder is not entitled to exercise Dissent Rights with regard to the Special Resolution if the affected registered shareholder votes any of the shares beneficially owned by the affected registered shareholder in favour of the Special Resolution. An affected registered shareholder is entitled to exercise Dissent Rights with regard to the Special Resolution with respect to any common

shares beneficially owned if the affected registered shareholder either does not vote such shares and/or votes such shares against the Special Resolution. Further, the execution or exercise of a proxy does not constitute a Notice of Dissent for purposes of section 185.

An affected registered shareholder who complies with each of the steps required to validly exercise Dissent Rights is entitled to be paid by the Company the fair value, as determined under the procedures outlined below, of the common shares held by such affected common shareholder in respect of which such affected common shareholder dissents, determined as of the close of business on the day before the Special Resolution is adopted. The fair value of common shares as determined for such purpose pursuant to such procedures may not necessarily be the same as, and could vary significantly from, the market value of such common shares.

In order to dissent validly, an affected registered shareholder must:

- (a) send to the Company a written objection to the Special Resolution (the "Notice of Dissent") at or before the Meeting;
- (b) within 20 days after receipt from the Company of notice that the Special Resolution has been adopted or, if such affected registered shareholder does not receive such notice, within 20 days after such shareholder learns that the Special Resolution has been adopted, send to the Company a written notice (the "Demand for Payment") containing:
 - (i) the affected registered shareholder's name and address;
 - (ii) the number of common shares in respect of which such affected registered shareholder dissents; and
 - (iii) a demand for payment of the fair value of such shares; and
- (c) within 30 days after sending the Demand for Payment, send to the Company or the Company's transfer agent, Pacific Corporate Trust Company ("PCTC"), the certificate(s) representing such shares. The Company or PCTC shall endorse on the share certificate(s) notice that the holder thereof is a dissenting shareholder under section 185 of the OBCA and shall forthwith return such certificate(s) to the dissenting shareholder.

A dissenting registered shareholder (the "Dissenting Shareholder"), on sending the Demand for Payment, ceases to have any other rights as a holder of the shares, other than the right to be paid the fair value for such shares as determined under section 185 of the OBCA, unless

- (a) the Dissenting Shareholder withdraws the notice before the Company makes a written offer to pay (the "Offer to Pay") for such shares; or
- (b) the Company fails to make a timely Offer to Pay and the Dissenting Shareholder withdraws his or her notice; or
- (c) the Company's board of directors revokes the Special Resolution, in all of which cases the Dissenting Shareholder's rights as a holder of such shares will be reinstated as of the day on which Shareholder sent the Demand for Payment.

The Company must, within ten days after the Special Resolution is adopted, send to each Dissenting Shareholder who has filed the Notice of Dissent, notice that the Special Resolution has been adopted. Not more than seven days after the later of the date on which the action approved by the Special Resolution is effective and the date of receipt of the Demand for Payment, the Company must also send an Offer to Pay to each Dissenting Shareholder offering to pay for such Dissenting Shareholder's common shares in an amount considered by the board of directors to be their fair value, accompanied by a statement showing how the fair value was determined. If the Offer to Pay is accepted, payment must be

made within ten days after acceptance. Any such Offer to Pay lapses if the Company does not receive an acceptance within 30 days after it is made. If the Company fails to make an Offer to Pay, or if the Dissenting Shareholder fails to accept the Offer to Pay, the Company may, within 50 days after the action approved by the Special Resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any Dissenting Shareholders. If the Company fails to make such application, a Dissenting Shareholder may apply to the court for the same purpose within a further period of 20 days or within such further period as the court may allow.

A Dissenting Shareholder is not required to give security for costs in any application to the court. Before making application to court, or not later than seven days after receiving notice of an application from a Dissenting Shareholder, the Company shall give to each Dissenting Shareholder who has (a) made a Demand for Payment and (b) has not accepted an Offer to Pay (collectively, the "Conditions"), notice of the date, place and consequences of the application and of such Dissenting Shareholder's right to appear and be heard in person or by counsel. Prior to termination of proceedings, the Company will also give notice to each Dissenting Shareholder who satisfies the Conditions within three days after satisfying the Conditions. All such Dissenting Shareholders shall be joined as parties to any such application to the court to fix a fair value and shall be bound by the decision rendered by the court in the proceedings commenced by such application. The court is authorized to determine whether any other person is a Dissenting Shareholder who should be joined as a party to such application.

The court shall fix a fair value for the shares of all Dissenting Shareholders and may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the date of the action approved by the Special Resolution until the date of payment of the amount ordered by the court. The fair value fixed by the court may be more or less than the amount specified in an Offer to Pay. The final order of the court in the proceedings commenced by an application by the Company or a Dissenting Shareholder shall be rendered against the Company and in favour of each Dissenting Shareholder who, whether before or after the date of the order, complies with the Conditions.

The foregoing is a summary only of the principal provisions of section 185 of the OBCA, which are technical and complex. As noted above, the full text of Subsection 190(7) and section 185 of the OBCA is attached as Schedule C to this Information Circular. Any affected common shareholder desiring to exercise Dissent Rights should seek legal advice since failure to comply strictly with the procedures set forth in that section may prejudice his or her rights.

Pursuant to the terms of the Special Resolution, the Company's board of directors will be authorized, without further approval of the Shareholders, to revoke the Special Resolution at any time prior to its becoming effective. If Dissent Rights are exercised in respect of a significant number of common shares such that the board of directors concludes that it would not be desirable to proceed with the Special Resolution, the board of directors may decide to revoke the Special Resolution.

Written objections or other notices to be sent to the Company in connection with the foregoing should be addressed to the attention of the Corporate Secretary at JEMTEC Inc., Suite 200, 38 Fell Avenue, North Vancouver, B.C. V7P 3S2.

SCHEDULE C

EXCERPTS FROM THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

Going Private Transaction

190. (1) In this section,

"affected security" means a participating security of a corporation in which the interest of the holder would be terminated by reason of a going private transaction; ("valeur mobilière visée")

"going private transaction" means an amalgamation, arrangement, consolidation or other transaction carried out under this Act by a corporation that would cause the interest of a holder of a participating security of the corporation to be terminated without the consent of the holder and without the substitution thereof of an interest of equivalent value in a participating security that,

- (a) is issued by the corporation, an affiliate of the corporation or a successor body corporate, and
- (b) is not limited in the extent of its participation in earnings to any greater extent than the participating security for which it is substituted, but does not include,
- (c) an acquisition under section 188,
- (d) a redemption of, or other compulsory termination of the interest of the holder in, a security if the security is redeemed or otherwise acquired in accordance with the terms and conditions attaching thereto or under a requirement of the articles relating to the class of securities or of this Act, or
- (e) a proceeding under Part XVI; ("transformation en société fermée")

- (7) A holder of an affected security that is a share of any class of a corporation may dissent from a going private transaction upon compliance with the procedures set out in section 185, in which case the holder shall be entitled to the rights and remedies provided by that section. R.S.O. 1990, c. B.16, s. 190 (7).

Rights of dissenting shareholders

185. (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

- (a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) amalgamate with another corporation under sections 175 and 176;
- (d) be continued under the laws of another jurisdiction under section 181; or
- (e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

- (2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under

section 168 or 170 may dissent, except in respect of an amendment referred to in,

- (a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or
- (b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

Exception

- (3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,
 - (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or
 - (b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

- (4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

- (5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

- (6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

- (7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

- (8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

- (9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

- (10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder dissents; and
 - (c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

- (11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11).

Idem

- (12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

- (13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

- (14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,
- (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);
 - (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or
 - (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee. R.S.O. 1990, c. B.16, s. 185 (14).

Offer to pay

- (15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent

such notice,

- (a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

- (16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

- (17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

- (18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

- (19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

- (20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

- (21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

- (22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,
 - (a) has sent to the corporation the notice referred to in subsection (10); and
 - (b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting

shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

- (23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

- (24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

- (25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

- (26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

- (27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

- (28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

- (29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,
- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or
 - (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

- (30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,
- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would thereby be less than the

aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

- (31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

- (32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).