

# INNOVIUM MEDIA PROPERTIES CORP.

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**Management Information Circular**  
**for the**  
**Annual General Meeting of Shareholders**  
**to be held on**  
**June 17, 2010**

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## GENERAL PROXY INFORMATION

### Solicitation of Proxies

This management information circular (the “**Circular**”) is furnished in connection with the solicitation by management of Innovium Media Properties Corp. (“**Innovium**” or the “**Corporation**”) of proxies to be used at the Annual General Meeting (the “**Meeting**”) of the shareholders of the Corporation to be held at the time and place and for the purposes set forth in the enclosed notice of the Meeting (the “**Notice of Meeting**”) and at any adjournment thereof. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally or by telephone or facsimile by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and the Circular to beneficial owners of common shares and obtaining proxies therefor. **The solicitation of proxies by this Circular is being made by or on behalf of management of the Corporation.** The total cost of the solicitation will be borne directly by the Corporation.

### Appointment and Revocation of Proxies

The persons named in the accompanying form of proxy are executive officers of the Corporation. **A shareholder of the Corporation has the right to appoint a person or company (who need not be a shareholder) to represent him or her at the Meeting other than the persons named in the accompanying form of proxy and may do so either by striking out the names designated in the accompanying form of proxy and inserting such other person’s name in the space provided or by completing another appropriate form of proxy** and, in either case, by delivering the completed proxy or proxies to the Corporate Secretary of the Corporation or to Valiant Trust Company, Exchange Tower, 130 King St. West, Suite 2950, PO Box 34, Toronto, Ontario M5X 1A9, not later than 48 hours (excluding Saturdays and holidays) before the time of the Meeting or any adjournment thereof.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it by instrument in writing executed by the shareholder or by his or her attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or representative duly authorized in writing, and deposited with the Corporate Secretary of the Corporation or with Valiant Trust Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

## Voting of Proxies

The common shares in respect of which the persons named in the enclosed form of proxy are appointed proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly. **In the absence of such instructions, such common shares will be voted FOR each of the matters to be presented at the Meeting to the shareholders of the Corporation for consideration as set forth in the enclosed Notice of Meeting.**

The enclosed form of proxy confers discretionary authority with respect to amendments to or variations of matters identified in the Notice of Meeting and other matters, if any, which may properly come before the Meeting. At the date of this Circular, Management is not aware of any such amendments, variations or other matters to come before the Meeting. **If any such amendments, variations or other matters should properly come before the Meeting, or any adjournment thereof, the shares represented in the form of proxy will be voted on such matters at the proxyholder's discretion.**

## Advice to Beneficial Holders of Common Shares

**The information set forth in this section is of significant importance to many holders of Common Shares of the Corporation, as a substantial number of shareholders do not hold shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those common shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, most of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. In Canada, without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that the common shares are duly registered in their name.**

Applicable Canadian regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by his/her broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) as to how to vote on behalf of the Beneficial Shareholder. In Canada, the majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions (“**Broadridge**”). Broadridge mails a scanable voting instruction form in lieu of a form of proxy and asks Beneficial Shareholders to return the instruction forms to Broadridge. Alternatively, Beneficial Shareholders can either call their toll-free telephone number to vote their common shares, or access Broadridge's dedicated voting web site to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge or, alternatively, instructions must be received by Broadridge well in advance of the Meeting in order to have the common shares voted.**

## **Record Date**

The Directors have fixed May 7, 2010 as the record date (the “**Record Date**”) for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on the Record Date are entitled to vote at the Meeting.

## **Voting Securities and Principal Holders of Voting Securities**

As at May 7, 2010, 103,487,214 common shares of the Corporation (“**Common Shares**”) were outstanding. Each holder of Common Shares is entitled to one vote at the Meeting or any adjournment thereof for each Common Share registered in the holder’s name on the Record Date.

As at May 7, 2010, to the knowledge of the Directors and officers of the Corporation, only one person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to the outstanding Common Shares. As at May 7, 2010 Francesca Habsburg-Lothringen owns 10,725,000 common shares representing approximately 10.4% and the Directors and Officers of the Corporation as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 10,343,333 Common Shares representing approximately 10.0% per cent of the then outstanding Common Shares.

Unless otherwise specified herein, all matters to be presented to the shareholders for approval at the Meeting require the affirmative vote of the majority of the votes cast at the Meeting on such matter.

## **BUSINESS OF THE MEETING**

### **ELECTION OF DIRECTORS**

The articles of the Corporation provide that the number of directors of the Corporation shall be a minimum of three and a maximum of ten and further that the directors of the Corporation are empowered to determine, from time to time by resolution, the number of directors of the Corporation and the number of directors to be elected at each annual meeting of shareholders. In addition, during the course of the year, the Directors of the Corporation may appoint one or more directors who shall hold office for a term expiring not later than the close of the next annual meeting of the shareholders, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the previous Annual Meeting of shareholders.

The present term of office of each director of the Corporation will expire immediately prior to the election of directors at the Annual Meeting of shareholders. Each of the persons whose name appears hereunder is proposed to be elected as a director of the Corporation to serve until the next Annual Meeting of shareholders or until his/her successor is elected or appointed. It is intended that, on any ballot that may be called for relating to the election of directors, the shares represented by proxies in favour of Management proxy nominees will be voted in favour of the election of such persons as directors of the Corporation unless a shareholder has specified in his/her proxy that his/her shares are to be withheld from voting in the election of directors.

**Except where authority to vote on the election of directors is withheld, the Common Shares in respect of which the persons named in the enclosed form of proxy are appointed will be voted FOR the election of the nominee Directors whose names follow.**

In the event that any vacancies occur in the slate of Management nominees, it is intended that discretionary authority shall be exercised to vote the Common Shares represented by such proxies for the election of other person(s) as directors, in accordance with the best judgment of the Management proxy nominees.

Set forth below is the name of and certain information regarding each person proposed to be nominated for election to the Board of Directors at the Meeting.

<b>Name, Municipality of Residence, and Office with the Corporation <sup>(1)</sup></b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Shares of the Corporation Beneficially Owned or Controlled Directly or Indirectly at May 7, 2010</b>
James Macintosh <sup>(2)</sup> Toronto, Ontario Director, President and COO	1999	President and Chief Operating Officer of the Corporation	770,000
Lorne Mayers <sup>(3)(5)</sup> Montreal, Quebec Director	2001	Vice President, Raysem Consultants Corp., a real estate development company	100,000
Vanessa Morgan <sup>(3)(4)</sup> Mississauga, Ontario Director	2000	Chairman, Canadian General Investments, Limited, a publicly traded, closed-end equity fund	489,100
R. Neil Raymond <sup>(2)(5)</sup> Westmount, Quebec Director, Chairman and CEO	1992	Chairman & Chief Executive Officer of the Corporation	8,418,333
David Rittenhouse <sup>(3)(4)</sup> North Hatley, Quebec Director	2004	Independent Consultant to emerging businesses	21,900

Notes: (1) All of the nominees were elected to their present term of office by a vote of shareholders of the Corporation at a meeting held on June 22, 2009.

(2) Member of the Executive Committee.

(3) Member of the Audit Committee.

(4) Member of the Compensation Committee.

(5) Member of the Governance and Nominating Committee

**The information as to the number of Common Shares beneficially owned, directly or indirectly, or controlled or directed by each director, not being within the knowledge of the Corporation, has been provided by each of the foregoing persons and is available on [www.sedi.ca](http://www.sedi.ca).**

For the past five years, except as disclosed in prior information circulars, each of the foregoing persons have been engaged in his/her present principal occupations or in other executive capacities with the companies indicated opposite his/her name, or with related or affiliated companies.

## **APPOINTMENT OF AUDITORS**

The auditors of the Corporation are KPMG LLP, Chartered Accountants. KPMG LLP were first appointed auditors of the Corporation on December 10, 2002.

**Management proposes to appoint KPMG LLP, Chartered Accountants, of Toronto, Ontario, Canada as the auditors of the Corporation to hold office until the close of the next Annual Meeting of the shareholders. Except where authority to vote on the appointment of auditors is withheld, the Common Shares in respect of which the persons named in the enclosed form of proxy are appointed will be voted FOR the appointment of KPMG LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next Annual Meeting of shareholders, and to authorize the Directors to fix the remuneration of the auditors.**

## EXECUTIVE COMPENSATION

### COMPENSATION DISCUSSION AND ANALYSIS (“CD&A”)

The Corporation's compensation strategy and implementation is overseen by the Corporation's Compensation Committee (see Report on Corporate Governance). The compensation program has four components: base salary, optional cash bonus, the award of stock options and participation in various benefit programs. The executive officers are eligible to participate in the Corporation's various benefit programs on the same basis as employees of the Corporation. The compensation program has been designed to accomplish the following objectives:

- 1) to attract, motivate and retain highly qualified people at the executive level through the offering of competitive compensation; and
- 2) to ensure long-term performance through the provision of incentives tied to the performance of the Corporation; and
- 3) to align the interests of executive officers with those of the Corporation's shareholders; and
- 4) to reward individual performance and contributions to the returns achieved by the Corporation.

None of the executive officers have specific written contracts detailing the terms of their employment. All of the executive officers have verbal contracts which stipulate salary and regular reviews of option eligibility. The base salary level of each officer takes into account the officer's individual experience, responsibilities, performance and contribution toward enhancing shareholder value. Base salaries are also determined with reference to the base salaries paid to officers in similar positions with the Corporation's competitors.

There is no formal bonus plan. The Compensation Committee may award a cash bonus to an officer based on such factors as, but not limited to, personal achievements and contributions to the operations of the Corporation as a result of special projects and individual efforts.

Stock options are awarded to the executive officers under the Corporation's Option Plan in amounts relative to both their position, the amount paid in salary and other compensation and what is considered competitive by the Compensation Committee having regard to similar awards granted by industry competitors. New stock option grants also take into consideration the number of options previously granted to individuals, as well as the number of options they currently hold. Stock options serve as a long-term incentive to encourage both commitment and performance directed towards building capital appreciation for the Corporation's shareholders, measured by increases in the trading price of the Corporation's Common Shares. It is through the granting of stock options that the Corporation provides its executive officers the opportunity to participate in the Corporation's successes on the same basis as shareholders. The Compensation Committee generally considers the recommendations of Management in the rewarding of stock options.

Please note that this Executive Compensation Description is presented in accordance with the Form 51-102F6 under National Instrument 51-102 - *Continuous Disclosure Obligations* (“NI 51-102”), which requires full disclosure of all compensation related matters. As a venture issuer the Corporation is not required to include a share performance graph. The Corporation does not have share-based awards, any long-term compensation plans or a pension plan and thus those items have been omitted. None of the executive officers have termination or change of control benefits.

### SUMMARY COMPENSATION TABLE

The table on the next page, sets forth all compensation-related information for the financial years ended December 31, 2009, 2008 and 2007 for the Chairman and Chief Executive Officer (the “CEO”); the President and Chief Operating Officer (the “COO”); and, the Chief Financial Officer (the “CFO”) and Corporate Secretary of the Corporation each of whose total salary and bonus was \$150,000 or more during the financial year ended December 31, 2009 (the “Named Executive Officers” or “NEO”). In July 2009, there were 1,700,000 options granted to the NEOs. The Option-based Awards column for all three NEOs is blank as the

stock options that were awarded to the NEOs in 2007, 2008 and 2009 were granted as forward-looking, long-term incentives designed to generate future ownership in the Corporation and not backward-looking, predetermined dollar value compensation for the years in which they were granted. Therefore the fair value of the options granted as shown in the Outstanding Options-based Awards table (see next page) is calculated using the intrinsic value of the options. The Bonus column in the table is the required Non-equity incentive plan compensation - annual incentive plans column.

### Summary Compensation Table

Name and Principal Position of each Named Executive Officer	Year	Salary (\$)	Option-based Awards (\$)	Bonus (\$)	All Other Compensation <sup>(1)</sup> (\$)	Total Compensation (\$)
R. Neil Raymond Chairman and Chief Executive Officer	2009	150,000 <sup>(2)</sup>	--	--	--	150,000
	2008	150,000 <sup>(2)</sup>	--	--	--	150,000
	2007	150,000 <sup>(2)</sup>	--	--	--	150,000
James Macintosh President and Chief Operating Officer	2009	150,000	--	--	1,963	150,000
	2008	150,000	--	12,000	5,508	167,508
	2007	150,000	--	--	7,875	157,875
Julio DiGirolamo Chief Financial Officer and Corporate Secretary	2009	150,000	--	--	--	150,000
	2008	150,000	--	12,000	--	162,000
	2007	150,000	--	--	--	150,000

Notes: (1) Included in All Other Compensation is the dollar value of imputed interest benefits from a loan provided to the President and COO (See page 13 of this Circular).

(2) A company, of which Mr. Raymond is a minority shareholder, received these consulting fees.

## INCENTIVE PLAN AWARDS

### Incentive Stock Option Plan

All stock options are granted under the Corporation's Incentive Stock Option Plan (the "Option Plan"), which provides for the granting of non-transferable options to purchase Common Shares to Directors, officers, key employees and consultants of the Corporation and its subsidiaries as determined from time to time by the Compensation Committee, as described in the CD&A on page 5. A total of 14,500,000 Common Shares are reserved for options granted under the Option Plan. The terms of the Option Plan are: the exercise price of the options is the market price of the Common Shares at the time of granting; for the purpose of granting options at the market price, "market price" means the most recent closing price of the Common Shares on any stock exchange on which the shares are listed; any single person cannot hold options covering more than 5% of the issued and outstanding shares; options granted under the Option Plan are non-assignable, may be subject to vesting requirements and may be granted for a term not exceeding 10 years; any extension of the term of an option shall be subject to regulatory approval; in the event of termination of employment, the optionee's options may be exercised up to 90 days following the date the optionee's employment is terminated; and, in the event of the optionee's death, the optionee's options may be exercised up to six months following the date of the optionee's death. The Compensation Committee, in consultation with Management, recommends any potential amendments to the Option Plan. There have been no amendments since June 27, 2007 when shareholders approved the current plan.

## Option-based Awards

The Corporation does not have any share-based awards. The table on the following page summarizes, for each of the NEOs, all option-based awards outstanding as at December 31, 2009. All of the options are fully-vested, five year options that were granted in 2009, 2008, 2007 and 2005 respectively. The value of unexercised “in-the-money” options is calculated using the closing price for a board lot of \$0.06 per Common Share on the TSX-V on December 31, 2009 less the exercise price of “in-the-money” options (options that can be exercised at a profit, i.e. the market value of the shares is higher than the exercise price of the option).

**Outstanding Option-based Awards Table**

<b>Named Executive Officer</b>	<b>Number of Common Shares Underlying Unexercised Options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of Unexercised In-The-Money Options (\$)</b>
R. Neil Raymond	900,000	\$0.10	July 31, 2014	\$0.00
R. Neil Raymond	1,150,000	\$0.13	June 5, 2013	\$0.00
R. Neil Raymond	250,000	\$0.10	Oct. 19, 2010	\$0.00
James Macintosh	400,000	\$0.10	July 31, 2014	\$0.00
James Macintosh	600,000	\$0.13	June 5, 2013	\$0.00
James Macintosh	600,000	\$0.22	May 12, 2012	\$0.00
James Macintosh	200,000	\$0.10	Oct. 19, 2010	\$0.00
Julio DiGirolamo	400,000	\$0.10	July 31, 2014	\$0.00
Julio DiGirolamo	600,000	\$0.13	June 5, 2013	\$0.00
Julio DiGirolamo	550,000	\$0.22	May 12, 2012	\$0.00
Julio DiGirolamo	200,000	\$0.10	Oct. 19, 2010	\$0.00

## DIRECTOR COMPENSATION

The Directors of the Corporation do not currently receive any normal annual cash remuneration in such capacity and do not receive compensation for committee participation or special assignments, although they are reimbursed for any out-of-pocket expenses that they reasonably incurred in connection with their duties. Stock options are awarded to the Directors under the Corporation's Option Plan in amounts relative to both their Committee roles and what is considered competitive by the Compensation Committee having regard to similar awards granted by industry competitors. New stock options grants also take into consideration the number of options previously granted to Directors. The table below sets forth all compensation-related information for the financial year ended December 31, 2009 for three non-NEO directors of the Corporation. The option-based awards are calculated by taking the number of options granted times the Modified Black-Scholes value per option. As there were no fees, share-based awards, non-equity incentive plan compensation or other compensation and the Corporation does not have a pension plan those columns have been omitted.

### Director Compensation Table

Name of Director	Option-based awards (\$)	Total Compensation (\$)
Lorne Mayers	1,800	1,800
Vanessa Morgan	1,800	1,800
David Rittenhouse	1,800	1,800

#### Directors and Officers Liability Insurance

The Corporation has in place a Directors and Officers liability insurance policy. The policy covers various standard liability scenarios, has a loss limit of \$5,000,000, and carries an annual premium of \$26,900 for the period of October 26, 2009 to October 26, 2010.

#### Incentive Plan Awards

The table below summarizes, for each non-management Director, all option-based awards outstanding as at December 31, 2009. All of the options are fully-vested, five year options that were granted in 2009, 2008, 2007 and 2005 respectively. The value of unexercised “in-the-money” options is calculated using the closing price for a board lot of \$0.06 per Common Share on the TSX-V on December 31, 2009 less the exercise price of “in-the-money” options (options that can be exercised at a profit, i.e. the market value of the shares is higher than the exercise price of the option).

### Outstanding Option-based Awards Table

Named Executive Officer	Number of Common Shares Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$)
Lorne Mayers	50,000	\$0.10	July 31, 2014	\$0.00
Lorne Mayers	150,000	\$0.13	June 5, 2013	\$0.00
Lorne Mayers	50,000	\$0.22	May 12, 2012	\$0.00
Lorne Mayers	50,000	\$0.10	Oct. 19, 2010	\$0.00
Vanessa Morgan	50,000	\$0.10	July 31, 2014	\$0.00
Vanessa Morgan	175,000	\$0.13	June 5, 2013	\$0.00
Vanessa Morgan	50,000	\$0.22	May 12, 2012	\$0.00
Vanessa Morgan	75,000	\$0.10	Oct. 19, 2010	\$0.00
David Rittenhouse	50,000	\$0.10	July 31, 2014	\$0.00
David Rittenhouse	50,000	\$0.13	June 5, 2013	\$0.00
David Rittenhouse	50,000	\$0.22	May 12, 2012	\$0.00
David Rittenhouse	50,000	\$0.10	Oct. 19, 2010	\$0.00

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table (presented in accordance with the Form 51-102F5 under NI 51-102) sets forth all compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2009.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	10,175,000	\$0.13	4,325,000
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	10,175,000	\$0.13	4,325,000

## REPORT ON CORPORATE GOVERNANCE

### BOARD OF DIRECTORS

The Board of Directors of the Corporation is responsible for managing the business and affairs of the Corporation by establishing overall policies and standards. It is also responsible for reviewing with Management the annual financial plans and objectives of the Corporation. The Board of Directors meets regularly and, during the 2009 financial year, met to review the overall strategic direction of the Corporation.

The Board regularly considers its size with a view to improving effectiveness. The matter was reviewed and the Board determined that, given current requirements and circumstances, five is appropriate. The Board will continue to act efficiently and encourage diversity of views and opinions.

The Board of Directors has reviewed the independence of each director as defined in National Instrument 58-101 (“NI 58-101”), which refers to section 1.4 of National Instrument 52-110 (“NI 52-110”). The Board of Directors has determined that, after having reviewed the role and relationships of each Director, two out of the five Directors nominated by Management for election to the Board of Directors are independent, namely: Lorne Mayers and David Rittenhouse.

Three of the Directors are not considered independent Directors for the purposes of NI 58-101. R. Neil Raymond is the CEO of the Corporation and James Macintosh is the President and COO of the Corporation. Vanessa Morgan is not considered “independent” for the purposes of NI 58-101 or NI 52-110 as Mr. Raymond is on the Board of Canadian General Investments, Limited, of which Ms. Morgan is the Chairman. The view of the Board of Directors of the Corporation continues to be that Ms. Morgan does not have a relationship with the Corporation that could reasonably be expected to interfere with the exercise of her independent judgment. In the opinion of her co-Directors, she functions impartially in her role as a Director.

The Board encourages and promotes a culture of ethical business conduct and has established a Code of Conduct that must be adhered to by all Directors, executive officers, and employees of the Corporation, which can be found at [www.innovium.ca](http://www.innovium.ca).

Management reports to the Board to seek approval for major decisions. The independent members of the Board of Directors may meet independently of Management when they deem so appropriate.

The orientation and education of new Board members is conducted on an informal basis by Management (the CEO, COO and CFO). Furthermore, Management meets with each new Director to familiarize him or her with the Corporation, its structure and financial statements.

Due to the small size of the Board, there is no formal process to monitor effectiveness of Directors. The Chairman reviews specific issues with each Director as appropriate. In addition, the Directors are encouraged to discuss any issues and to raise specific matters with the Chairman or with each other.

All inquiries from shareholders and from the investment community are forwarded to the CEO, who generally handles the inquiries himself. This allows the Corporation to communicate accurately, consistently and on a timely basis with its shareholders and the investment community. The Corporation's Corporate Disclosure Policy can be found at [www.innovium.ca](http://www.innovium.ca).

Certain Directors of the Corporation are also directors of other public companies. Information as to such other directorships is set out below.

<b>Director</b>	<b>Public Company</b>
Vanessa Morgan	Canadian General Investments, Limited, Canadian World Fund Limited and Third Canadian General Investment Trust Limited
R. Neil Raymond	Canadian General Investments, Limited
James Macintosh	U.S. Silver Corporation and GTA CorpFin Capital Inc.

## **BOARD MANDATE**

The text of the Board's mandate can be found on the Innovium website at [www.innovium.ca](http://www.innovium.ca).

## **COMMITTEES OF THE BOARD**

Some of the Board's work is done by committees, which allows for intensive, ongoing focus on specific aspects of Board matters. The committees relieve the full Board of a great deal of detailed study and they report to the Board on findings and for approval of any recommended action.

With the exception of the Executive Committee and the Governance and Nominating Committee, where there are inside Directors, all of the other Board committees are composed solely of outside Directors.

While no formal procedure presently exists to enable the Board to function independently of Management, other than for the Audit Committee, which meets privately with the Corporation's external auditors, this has not been considered a problem area. The independent Directors are at liberty to engage outside advisors at the expense of the Corporation, where appropriate.

The Board had four committees in 2009. Each of the following committees met as required during the most recently completed financial year and made recommendations to the Board.

## **Executive Committee**

Members: R. Neil Raymond (Chairman) and James Macintosh

The Executive Committee, through meetings with senior officers of the Corporation, recommends the corporate strategy of the Corporation to the Board.

The Executive Committee oversees the implementation of all Board decisions. The Committee also examines and reports to the Board on public issues facing the Corporation and, where necessary, recommends policies in respect of these issues.

During intervals between meetings of the Board, and subject to limitations of the Canada Business Corporations Act, the Committee exercises all of the powers of the Board, except any powers the Board may have previously expressly withheld from the Committee or delegated exclusively to other committees.

## **Audit Committee**

The Board has adopted a written charter for the Audit Committee. A copy of the Corporation's Audit Committee Charter can be found at [www.innovium.ca](http://www.innovium.ca). This charter provides, among other things, that the Audit Committee is responsible for: providing independent review and oversight of the Corporation's financial reporting process; the system of internal control and management of financial risks; and the audit process, including the selection, oversight and compensation of the Corporation's external auditors. In addition, the Audit Committee administers the Corporation's whistleblower policy (also available on the Innovium website at: [www.innovium.ca](http://www.innovium.ca)). The Audit Committee assists the Board in fulfilling its responsibilities in reviewing the Corporation's process for monitoring compliance with laws and regulations and its own code of conduct. The Audit Committee is also responsible for reviewing the Corporation's financial strategies, its financing plans and its use of the equity and debt markets. The Audit Committee meets as frequently as required, but no less than four times annually and at least quarterly.

### Composition of the Audit Committee

(a) Vanessa Morgan	Chairman	Not independent <sup>(1)</sup>	Financially Sophisticated
(b) David Rittenhouse	Member	Independent	Financially Literate
(c) Lorne Mayers	Member	Independent	Financially Literate

<sup>(1)</sup> *Vanessa Morgan is not considered independent for the purposes of NI 52-110 (See Board of Directors on page 9).*

Ms. Morgan received her Chartered Financial Analyst designation in 1991. She is currently registered with the Ontario Securities Commission as a Senior Counselling Officer of an Investment Counsel and Portfolio Manager. Mr. Rittenhouse was a managing consulting partner with Ernst & Young from 1979 to 1992. In 1999, he led the Development of the Dobson Lagassé Centre for Entrepreneurship at Bishops University. From 1992 to present, he has been running a consulting practice. Mr. Mayers received his MBA in 1988. He was a financial consultant with William Mercer & Co. from 1989 to 1990. From 1990 to present, he has been running a real estate development company.

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

Reliance on Certain Exemptions - At no time since the commencement of the Corporation's most recently completed financial year, has the Corporation relied on exemption noted in Part 8 of NI 52-110. The Corporation did rely on the exemption in section 2.4(c) of NI 52-110.

Pre-Approval Policies and Procedures - There are no separate policies and procedures for the engagement of the auditors' non-audit services other than those described in the Corporation's Audit Committee Charter.

### External Auditor Service Fees (by Category)

		2009	2008
a)	<b>Audit Fees</b>	\$57,250	\$57,250
b)	<b>Audit-Related Fees</b>	---	---
c)	<b>Tax Fees</b> <sup>(1) (2)</sup>	\$16,360	\$11,740
d)	<b>All Other Fees</b> <sup>(1)</sup>	---	---

Notes: (1) Innovium is relying upon the exemption in Section 6.1 of NI 52-110.

(2) Tax Fees were paid for the preparation of Canada and US, tax returns, as well as counsel re tax matters relating to the Corporation's investments.

### **Compensation Committee**

Members: David Rittenhouse (Chairman) and Vanessa Morgan

The Corporation's Compensation Committee, which is composed of two Directors, one of which is independent, is responsible for making recommendations to the Board of Directors as to the compensation of the CEO and the Directors. Vanessa Morgan is not considered independent for the purposes of NI 52-110 (see Board of Directors, page 9). Compensation is evaluated based on the responsibilities of the CEO and of the Directors and the practices of comparable issuers.

This Committee reviews the senior level organization, structure and staffing, plans for succession of key individuals and submits recommendations to the Board, who makes the decision on the compensation for the Directors and the CEO as a fully constituted Board.

The Board has adopted a written charter for the Compensation Committee (available on the Innovium website at: [www.innovium.ca](http://www.innovium.ca)). This charter provides, among other things, that the Compensation Committee is responsible for: appointing and compensating executive officers; approving performance and succession plans for executive officers; approving and reporting to the Board respecting the Corporation's human resources policies for executive officers; and, overseeing the administration of the Corporation's compensation and benefits plan (including the Option Plan).

### **Governance and Nominating Committee**

Members: Lorne Mayers (Chairman) and Neil Raymond

The Corporation's Governance and Nominating Committee, which is composed of two Directors, one of whom is independent, was formed to examine the corporate governance practices of the Corporation and ensure that they conform to all current regulatory policies. R. Neil Raymond is not independent (see Board of Directors, page 9). The Committee reviews Innovium's practices on an ongoing basis and assures that its internal policies are appropriate.

The identification of individuals who are qualified to become members of the Board is part of the mandate of the Governance and Nominating Committee. The Governance and Nominating Committee reviews and recommends potential qualified candidates for directorship based on the requirements and interests of the Corporation.

Due to the small size of the Board, there is no formal process to monitor effectiveness of Board members. The Governance and Nominating Committee has the responsibility of developing job descriptions for the Chief Executive Officer and the Board members. Through informal discussions, new Board members are provided with the necessary orientation and facts as required.

The Governance and Nominating Committee makes recommendations to the Board with respect to the Corporation's system of corporate governance on an ongoing basis. The members of the Governance and Nominating Committee are empowered to engage an outside advisor, at the expense of the Corporation, under appropriate circumstances.

The Board has adopted a written charter for the Governance and Nominating Committee (available on the Innovium website at: [www.innovium.ca](http://www.innovium.ca)). This charter provides, among other things, that the Governance and Nominating Committee is responsible for examining the corporate governance practices of the Corporation and corporate governance disclosure requirements and guidelines established by applicable securities regulatory authorities. The Governance and Nominating Committee makes recommendations to the Board with respect to: all matters relating to the stewardship role of the Board in respect of the management of the Corporation; Board size and composition, including the director candidate selection and nominating process and the orientation of new directors; director compensation; and such procedures as may be necessary to allow the Board to function independently of Management. The Governance and Nominating Committee also oversees compliance with policies associated with an efficient system of corporate governance.

### **Mandates and other Policies**

The Board has approved written mandates for the Board of Directors, the Chairman of the Board, the CEO, and the Chairs of Board committees, as well as policies for Corporate Disclosure, Whistleblower and Code of Conduct. These can all be found on the Innovium website at: [www.innovium.ca](http://www.innovium.ca).

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

The aggregate indebtedness of the Directors and executive officers is due to the Corporation and relates to the purchase of Common Shares. The following chart outlines this indebtedness of the Corporation's Directors and executive officers whom received financial assistance during 2009.

Name and Principal Position	Involvement of Issuer	Largest Amount Outstanding during 2009 (\$)	Amount Outstanding as of May 7th, 2010 (\$)	Financially Assisted Common Shares Purchased during 1999 <sup>(1)</sup> (#)	Security for Indebtedness <sup>(2)</sup>	Amount Forgiven (\$)
James Macintosh, President and COO	Issuer as Lender	\$157,500	\$157,500	150,000	Lender has a lien on the common shares purchased	Nil

Notes: (1) In June 1999, Mr. Macintosh agreed to purchase a total of 150,000 Common Shares of the Corporation from former senior executives of the Corporation. Consideration for the purchase consisted of the assumption of the then existing interest-free loan provided to the former senior executives by the Corporation in October of 1998.

(2) There is no maturity date for the loan but upon ceasing to be an officer or director of the Corporation, the loan shall immediately become due and payable. The sole recourse of the Corporation for the repayment of the loan provided therein shall be against the Common Shares. Lien is in place until debt is fully repaid.

## INTEREST OF INFORMED PERSONS IN MATTERS TO BE ACTED UPON OR IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Circular, none of the Directors or executive officers of the Corporation, nor any person who has been a Director or an executive officer of the Corporation at any time since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a Director, nor any associate or affiliate of any such director or officer, 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 **nor** in any transaction of the Corporation since the commencement of the Corporation's most recently completed fiscal year or in any proposed transaction which, in either such case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

### ADDITIONAL INFORMATION

Copies of the Corporation's Annual Report, together with the documents incorporated therein by reference, when available, and the Corporation's financial statements and management discussion and analysis may be obtained from the Corporate Secretary of the Corporation upon request at 130 Adelaide Street West, Suite 3210, Toronto, Ontario, M5H 3P5 or online at the System for Electronic Document Analysis and Retrieval (SEDAR) website, [www.sedar.com](http://www.sedar.com) or from the Corporation's website, [www.innovium.ca](http://www.innovium.ca). Financial information is provided in the Corporation's financial statements and management discussion and analysis as at and for the year ended December 31, 2009.

### DIRECTORS' APPROVAL

The Corporation's Board of Directors has approved the contents and distribution of this information circular.

BY ORDER OF THE BOARD



Julio DiGirolamo, CA  
Chief Financial Officer and Corporate Secretary

May 7, 2010



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