IOU Financial Inc.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS AND MANAGEMENT PROXY CIRCULAR

Annual General and Special Meeting – May 28, 2013

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF IOU FINANCIAL INC.

NOTICE IS HEREBY GIVEN that an annual general and special meeting of the shareholders of IOU Financial Inc. (the "Corporation") will be held at the the offices of IOU Financial Inc., 1, Place Ville-Marie, Suite 1812, Montreal, Quebec, Canada, H3B 4A9, at the hour of 10 a.m., Montreal time, on Tuesday, May 28, 2013, for the following purposes:

1. To receive the report of management and the consolidated financial statements of the Corporation for the financial year ended December 31, 2012, together with the auditors' report thereon;

2. To elect the Directors of the Corporation for the ensuing year;

3. To appoint the auditors for the ensuing year and to authorize the Directors to fix their remuneration;

4. To consider, and if deemed appropriate, to adopt a special resolution (the full text of which is reproduced in Schedule "B") approving the amendment to the Corporation's articles, as more particularly described in the Information Circular; and

5. To transact such other business as may properly be brought before the meeting or any adjournment thereof.

The enclosed Management Proxy Circular should be consulted for further details on the matters to be acted upon. A copy of a Form of Proxy for the meeting is attached with this Notice.

DATED at Montreal, Quebec this 11th day of April, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

[signed]

Philippe Marleau
President and CEO

SHAREHOLDERS MAY EXERCISE THEIR RIGHTS BY ATTENDING THE MEETING OR BY COMPLETING A FORM OF PROXY. SHOULD YOU BE UNABLE TO ATTEND THE MEETING IN PERSON, PLEASE COMPLETE, DATE AND SIGN THE ENCLOSED FORM OF PROXY AND RETURN IT TO THE TRANSFER AGENT AND REGISTRAR OF THE CORPORATION, COMPUTERSHARE INVESTOR SERVICES INC., IN THE ENVELOPE PROVIDED FOR THAT PURPOSE. YOUR SHARES WILL BE VOTED IN ACCORDANCE WITH YOUR INSTRUCTIONS AS INDICATED ON THE FORM OF PROXY, OR FAILING INSTRUCTIONS, IN THE MANNER SET FORTH IN THE ACCOMPANYING MANAGEMENT PROXY CIRCULAR. PLEASE REFER TO THE ACCOMPANYING INFORMATION CIRCULAR FOR ADDITIONAL PARTICULARS.

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MANAGEMENT PROXY CIRCULAR

A. VOTING INFORMATION

PURPOSE OF SOLICITATION

THIS MANAGEMENT PROXY CIRCULAR (THE "INFORMATION CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF IOU FINANCIAL INC. (THE "CORPORATION") FOR USE AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION TO BE HELD AT THE CORPORATION'S OFFICES, LOCATED AT 1, PLACE VILLE-MARIE, SUITE 1812, MONTREAL, QUEBEC, H3B 4A9, ON TUESDAY, MAY 28, 2013, AT THE HOUR OF 10 O'CLOCK A.M., MONTREAL TIME, AND AT ANY ADJOURNMENTS THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited by the Management of the Corporation by telephone, fax or personal interviews. The cost of any such solicitation will be borne by the Corporation.

INFORMATION ON THE DELIVERY OF PROXY-RELATED MATERIALS

These securityholder materials are being sent to both registered and non-registered owners of the securities (non-registered owners of securities are referred to as "Beneficial Shareholders" in this Information Circular). If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions

The Corporation is not using "notice-and-access" to send its proxy-related materials to its shareholders, and paper copies of such materials will be sent to all shareholders. The Corporation will send proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its registrar and transfer agent, Computershare Investor Services Inc. The Corporation intends to pay for an intermediary to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 "Request for Voting Instructions by Intermediary" of Regulation 54-101.

VOTING OF PROXIES

All Class B Common Shares represented at the meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Class B Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, THE CORPORATION IS NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS, WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE

MEETING, THEN THE MANAGEMENT DESIGNEES INTEND TO VOTE IN ACCORDANCE WITH THE JUDGEMENT OF THE MANAGEMENT OF THE CORPORATION.

Proxies, to be valid, must be deposited at the offices of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or an adjournment of the meeting.

APPOINTMENT OF PROXY

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) OTHER THAN PHILIPPE MARLEAU AND EVAN PRICE, THE MANAGEMENT DESIGNEES, TO ATTEND AND ACT FOR HIM AT THE MEETING. Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy at the offices of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or an adjournment of the meeting.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A shareholder may revoke a proxy by depositing an instrument in writing, executed by him or his attorney authorized in writing:

(1) at the offices of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or adjournment of the meeting at which the proxy is to be used; or

(2) at the registered office of the Corporation, 1, Place Ville-Marie, Suite 1812, Montreal, Quebec, Canada, H3B 4A9, to the attention of the Corporate Secretary at any time up to and including the last business day preceding the day of the meeting at which the proxy is to be used; or

(3) with the Chairman of the meeting on the day of the meeting or an adjournment of the meeting.

In addition, a proxy may be revoked by the shareholder executing another form of proxy bearing a later date and depositing same at the offices of the registrar and transfer agent of the Corporation within the time period set out under the heading "VOTING OF PROXIES", or by the shareholder personally attending the meeting and voting his shares.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING CLASS B COMMON SHARES

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold Class B Common Shares of the Corporation (the “Class B Common Shares”) in their own name. Beneficial Shareholders who do not hold their shares in their own name should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Class B Common Shares can be recognized and acted upon at the Meeting. If Class B Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Class B Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Class B Common Shares are likely to be registered under the name of the shareholder's broker or an agent of that broker. Class B 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. 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 Class B Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require 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 Class B Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its 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) how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Class B Common Shares directly at the Meeting. The proxy must be returned to the intermediary well in advance of the Meeting in order to have the Class B Common Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Class B Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend the Meeting as proxy holder for the registered shareholder and vote the Class B Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Class B Common Shares as proxy holder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Class A and B common shares and Class A and B preferred shares. As of the date of this Information Circular, an aggregate of 46,201,203 Class B Common Shares were issued and outstanding. Each Class B Common Share entitles the holder thereof to one vote.

The holders of Class B Common Shares of record at the close of business on the record date, set by the Directors of the Corporation to be April 23, 2013, are entitled to vote such Class B Common Shares at the meeting, except to the extent that:

(1) such person transfers his shares after the record date; and

(2) the transferee of those shares produces properly endorsed share certificates or otherwise establishes his ownership to the shares;

and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the meeting, that his name be included on the shareholders' list.

The by-laws of the Corporation provide that at least 2 persons present and representing in person or by proxy not less than 10% of the issued shares entitled to vote at the meeting constitute a quorum for the meeting.

To the knowledge of the Directors and officers of the Corporation, the only persons who beneficially own, directly or indirectly, or control or direct, Class B Common Shares carrying more than 10% of the voting rights of the outstanding Class B Common Shares of the Corporation, are the following:

PRINCIPAL HOLDERS OF SHARES

Name	Number of Class B Common Shares	Percentage of Voting Securities
The Marleau Capital Corporation(1)	7,175,649(2)	17.3%(3)

Note :

(1) Philippe Marleau owns 33 1/3% of the shares of The Marleau Capital Corporation.

(2) Out of these 7,175,649 Class B Common Shares, 5,168,178 Class B Common Shares are owned by The Marleau Capital Corporation and 2,007,471 Class B Common Shares are owned by Palos Merchand Fund L.P., a fund managed by its General Partner, Palos Management, which in turn is owned by Palos Capital Corporation, which is under the control of The Marleau Capital Corporation.

(3) In application of Section 1.8 of *Regulation 62-104 Respecting Take-Over Bids and Issuer Bids*, the percentage of voting securities beneficially owned, directly or indirectly, or controled or directed by The Marleau Capital Corporation, includes the 7,175,649 Class B Common Shares set forth in this table and also assumes that the 486,714 warrants held by Palos Merchant Fund L.P. and the 474,104 warrants held by Palos Management Inc. have been exercised.

B. BUSINESS OF THE MEETING

To the knowledge of the Corporation's Directors, the only matters to be placed before the meeting are those matters set forth in the accompanying notice of meeting relating to the receipt of the management report and the financial statements, the election of the Directors, the appointment of the auditors and the amendment of the Corporation's articles.

ELECTION OF DIRECTORS

The Articles of the Corporation stipulate that the Board of Directors shall consist of a minimum of three Directors and a maximum of fifteen Directors. Management proposes that the three members of the Board of Directors presented in this Information Circular be elected to hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Corporation. Please refer to Section C Board of Directors for each nominee's biography.

It is the intention of the management designees, if named as proxy, to vote for the election of said persons to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as Directors. However, if, for any reason, any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee at their discretion unless the shareholder has specified in his proxy that his shares are to be withheld from voting in the election of Directors.

APPOINTMENT OF AUDITORS

The management designees, if named as proxy, intend to vote the Class B Common Shares represented by any such proxy for the appointment of BDO Canada LLP, Chartered Accountants, as auditors of the Corporation at a remuneration to be fixed by the Board of Directors unless the Shareholder has specified in his proxy that his shares are to be withheld from voting in the election of auditors. BDO Canada LLP have been the auditors of the Corporation since December 21, 2010. The auditors will hold office until the next Annual Meeting of Shareholders or until their successors are appointed.

AMENDMENT TO THE ARTICLES

The Business Corporations Act (Quebec) ("BCA") provides that if the articles so allow, the directors of a corporation that is a reporting issuer may appoint one or more additional directors to hold office for a term expiring not later than the close of the annual shareholders meeting following their appointment, provided that the total number of directors so appointed may not exceed one third of the number of directors elected at the annual shareholders meeting preceding their appointment.

The Board of Directors believes that it would be beneficial to the Corporation and its shareholders to give the Board flexibility to add directors who possess expertise and knowledge relevant to the Corporation's operations from time to time between two annual shareholder meetings.

Accordingly, the Board of Directors, at its meeting held on April 18, 2013, adopted a resolution to amend the articles of incorporation of the Corporation. In accordance with the BCA, amendments to the Corporation's articles of incorporation must be approved by the shareholders.

The shareholders will be asked at the Meeting to consider and, if deemed advisable, to approve, a special resolution (the ''Articles Resolution'') to amend the Corporation's articles. The text of the Articles Resolution is set out in Schedule B to this Information Circular.

The Board of Directors and management believe that the proposed amendments to the articles of incorporation of the Corporation are in the best interests of the Corporation and accordingly, the Board of Directors and management are recommending that the shareholders vote FOR the approval of the Special Resolution, which requires an affirmative vote of not less than two-thirds of the votes cast, in person or by proxy, at the Meeting in order to be adopted.

Unless contrary instructions are indicated on the proxy form or the voting instruction form, the persons designated in the enclosed form of proxy or voting instruction form intend to vote FOR the Articles resolution.

SHAREHOLDER PROPOSALS

Shareholders who wish to submit a proposal for consideration at the next meeting to be held in 2014 must do so by submitting them to the attention of the Secretary of the Corporation in the manner and subject to the limitations prescribed by the Business Corporations Act (Quebec).

C. BOARD OF DIRECTORS

BIOGRAPHIES

The following table sets forth, for each person nominated by management for election as a Director, his name, province or state and country of residence, the year in which he first became a Director, his principal occupation for the last five years, his Committee memberships, the number of Class B Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction was exercised, all as at the date of this Information Circular.

Guy Charette, age 59 Quebec, Canada Shares: 0	Mr. Charette has been Executive Vice-President, Corporate, of Carpathian Gold Inc., an exploration and development company listed on the TSX, since April 2011, and a director of Carpathian Gold Inc. since 2003. Mr. Charette has over 25 years experience in securities law with an emphasis on structuring resource industry transactions as well as exploration and development finance in North America, Europe and in developing nations. Before joining Carpathian Gold Inc., Mr. Charette worked as a lawyer and independent consultant. **Board Details:** • Director since 2005 • Chairman of the Audit Committee • Member of the Corporate Governance Committee • Chairman of the Human Resources and Remuneration Committee • Independent director
Philippe Marleau, age 40 Quebec, Canada Shares(1): 630,000 Class B Common Shares	Mr. Philippe Marleau is President and CEO of the Corporation. Mr. Marleau is the founder of IOU Central Inc., a Canadian corporation ("IOU Central"), and has served as its President and CEO since August 2006. IOU Central was the subject of a reverse takeover transaction involving the Corporation which was completed on February 28, 2011. Previously, Mr. Marleau was employed as a portfolio manager with Palos Capital Corporation and as a financial analyst in the equity research divisions of Merrill Lynch, Credit Suisse First Boston, and Scotia Capital. Mr. Marleau serves on the board of Palos Capital Corporation. Mr. Marleau holds a Bachelor of Engineering (B.Eng.) with a Minor in Economics from McGill University and is a is a Chartered Financial Analyst (CFA). **Board Details:** ▪ Director since 2005 ▪ Member of the Audit Committee (since November 27, 2012) ▪ Non-independent director due to his position as President and CEO
Evan Price, age 54 Quebec, Canada Shares: 87,500 Class B Common Shares	Mr. Price is currently the COO of B45 Inc., a leading manufacturer of wood baseball bats. He is also a co-owner of Auberge Saint-Antoine, voted one of the world's finest hotels. Previously, Mr. Price led several high technology companies (Domosys Corporation, SIM Composites, Plastic Knowledge). Prior to that, he worked in the forest industry for General Woods & Veneers (GWV) and Tecsult, both of Montreal. With GWV, he held various management positions in Bolivia and the DRC (ex-Zaire). Mr. Price is also Chairman of Le Musée du Fort, one of Quebec City's most reputed private tourist attractions, founded in 1965. He is Chairman of the board of CO2 Solutions (TSX-V; symbol: CST-V), a leading provider of carbon capture technology, and a board member of Solifor, a limited partnership that is one of the largest owners of timberlands in Quebec, and Lyryx Learning, a private Calgary-based provider of online learning and assessment tools. He holds an MBA (Honours) from INSEAD in Fontainebleau, France, a bachelor's degree in forestry engineering from Laval University and a Certificate in Corporate Governance from Laval University. **Board Details:** • Director since 2010 • Chairman of the Board of Directors • Member of the Audit Committee • Member of the Human Resources and Remuneration Committee • Chairman of the Corporate Governance Committee • Independent director

(1) Philippe Marleau holds 33 1/3% of the shares of The Marleau Capital Corporation. The Marleau Capital Corporation owns 5,168,178 Class B Common Shares of the Corporation and 2,007,471 Class B Common Shares of the Corporation are owned by Palos Merchand Fund L.P., a fund managed by its General Partner, Palos Management, which in turn is owned by Palos Capital Corporation, which is under the control of The Marleau Capital Corporation. The 630,000 Class B Common Shares of the Corporation set forth in this table as being held by Philippe Marleau are in addition to the shares owned by The Marleau Capital Corporation.

The information as to the number of shares beneficially owned or over which control is exercised, not being within the knowledge of the Corporation, has been provided by each nominee.

To the knowledge of the Corporation and based on information provided by each nominee, with the exception of the facts disclosed below with respect to Mr. Philippe Marleau and Mr. Guy Charette:

(a) no proposed director is, as at the date hereof or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, that,

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an "Order") that was issued while the proposed director was acting in its capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an Order that was issued, after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

(b) no proposed director:

(i) is, at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;

(ii) has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

(c) no proposed director:

(i) has been subject to penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or

(ii) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Philippe Marleau is the President and Chief Executive Officer and the sole director of IOU Central, a Canadian corporation. IOU Central was the subject of a reverse takeover transaction involving the Corporation which was completed on February 28, 2011. For a period of two weeks (February 12, 2008 to February 27, 2008), IOU Central operated a Canadian-based peer-to-peer lending platform. This platform enabled individual borrowers to borrow money directly from individual lenders via the internet. On February 27, 2008, at the request of the Autorité des marches financiers ("AMF"), the Bureau de decision et de revision en valeurs mobilières ("BDRVM") ordered, on an "ex-parte" basis, IOU Central to cease its peer-to-peer lending activities. Prior to February 27, 2008, the AMF did not make any attempt to communicate its position to IOU Central. On April 14, 2009, the order was lifted by the BDRVM in exchange for a limited undertaking (which undertaking was further limited on October 26, 2010), whereby IOU Central essentially undertook not to carry-out any peer-to-peer lending activity in Quebec. The AMF did not make any monetary claim or file any charges against IOU Central.

Mr. Guy Charette was a director of Sahelian Goldfields Inc. (now Sage Gold Inc.) ("Sahelian") which, in 2001, made a proposal that was accepted by its creditors, approved by the courts and successfully completed. Sahelian was subject to a cease trade order from the Ontario Securities Commission (the "**OSC**") and the British Columbia Securities Commission, both of which cease trade orders were revoked on September 15, 2003.

D. DISCLOSURE OF COMPENSATION AND OTHER INFORMATION

COMPENSATION OF DIRECTORS

In November 2011, the Corporation's Board of Directors approved a director compensation policy which consists in an annual grant of stock options. The grant of options is recommended to the Board of Directors by the Human Resources and Remuneration Committee. Such grants of options are made by the Board of Directors on a discretionary basis, as no formal policy has been adopted to determine the number of options to be granted, and is based namely on each director's overall contribution and involvement in supporting the Corporation's affairs and development.

The grant of stock options to the Corporation's directors is aimed at recognizing and rewarding the impact of longer-term strategic actions, offering an added incentive for the retention of the Corporation's directors as well as aligning the interests of the Corporation's directors with that of its shareholders.

The Corporation's Board of Directors does not contemplate the payment to its directors of fees or of any other form of remuneration at this time. The decision to limit director compensation to the grant of options was made in order to preserve the Corporation's cash resources in order to support its growth initiatives.

The remuneration of directors has been reviewed by the Human Resources and Remuneration Committee and recommended to the Board of Directors, who has made a final determination in this regard.

In 2012, 120,000 options were granted to each of Mr. Dunn and Mr. Charette, and 150,000 options were granted to Mr. Price. No options were granted to Mr. Charles Marleau, since discussions were held at that time concerning the possibility that Mr. Charles Marleau would leave the Corporation's Board of Directors; Mr. Charles Marleau resigned from the Corporation's Board of Directors on April 4, 2012, the day after the grant of options to directors. When they decided to grant the foregoing options, the HRRC and the Board of Directors considered the fact that no grant of options was made to directors in 2011, and they elected to grant 60,000 options to each of the foregoing directors in consideration for their services rendered for each of 2011 and 2012, as well as an additional 15,000 options to Mr. Price for each of 2011 and 2012, in consideration of Mr. Price's additional responsibilities as Chairman of the Board of Directors.

The total remuneration earned by directors, other than Mr. Philippe Marleau, during the year ended December 31, 2012, is set forth in the following table. The remuneration received by Mr. Philippe Marleau is set forth in the "Compensation of Executive Officers" section of this Information Circular.

REMUNERATION EARNED BY DIRECTORS

Name	Fees earned ($)	Option-based awards ($)	All other compensation ($)	Total ($)
Guy Charette	0	25,044(3)	0	25,044
Brendan Dunn(1)	0	25,044(3)(4)	0	25,044
Charles Marleau(2)	0	0	0	0
Evan Price	0	31,305(3)	0	31,305

(1) Mr. Dunn left the Corporation's Board of Directors on October 17, 2012.
(2) Mr. Charles Marleau left the Corporation's Board of Directors on April 4, 2012.
(3) This amount is the fair-value of option-based awards made pursuant to the Corporation's Stock Option Plan, based on the grant of 120,000 options to each of these directors, except for Mr. Price, who received 150,000 options, multiplied by a fair market value price of $0.21, calculated using the Black Sholes option pricing model in accordance with the accounting treatment. The assumptions used to determine the stock option compensation costs on the grant date of April 3, 2012, were as follows: risk-free interest rate: 1.54%, expected stock price volatility: 73%; expected option life: 5 years, and no expected dividend yield.
(4) This represents the value of the option-based awards on the grant date. In application of the terms of the Corporation's Stock Option Plan, these options lapsed 90 days following the departure of this director from the Corporation's Board of Directors.

The following table provides information on the number and value of the outstanding options at the end of the fiscal year held by each director other than Mr. Philippe Marleau. The Stock Option Plan is further described in the "Equity Compensation Plans" section of this Information Circular.

OUTSTANDING DIRECTOR OPTION-BASED AWARDS

Name	Number of securities underlying unexercised options (#)	Option exercise price ($)(2)	Option expiration date	Value of unexercised in-the-money options(3) ($)
Guy Charette	120,000	0.40	April 3, 2017	0
Brandan Dunn	120,000	0.40	January 15, 2013(2)	0
Charles Marleau	0	-	-	-
Evan Price	150,000	0.40	April 3, 2017	0

(1) The exercise price was established by the Board of Directors at $0.40 while the Corporation's shares had traded at $0.36 on March 30, 2012, the last trading day before the grant.
(2) Mr. Dunn left the Corporation's Board of Directors on October 17, 2012. In application of the terms of the Corporation's Stock Option Plan, his options lapsed 90 days thereafter, on January 15, 2013.
(3) Calculation is based on the trading price of the Corporation's shares on the CNSX of $0.35 on December 7, 2012, the last trading day of the Corporation's 2012 financial year.

The following table sets out the value of stock options vested or earned by the directors during the most recently completed financial year.

OPTIONS VESTED AND EARNED

Name	Option-based awards – Value vested during the year(1) ($)	Option-based awards – Value earned during the year(2) ($)
Guy Charette	0	0
Brandan Dunn	0	0
Charles Marleau	-	-
Evan Price	0	0

(1) A grant of options was made to directors on April 3, 2012, and 1/3 of the options granted vested immediately. The exercise price was established by the Board of Directors at $0.40 while the Corporation's shares had traded at $0.36 on March 30, 2012, the last trading day before the grant. No shares were traded on the vesting date. Therefore, the value of the vested options on the date of vesting, was nil.
(2) No options were exercised by directors during the most recently completed financial year.

COMPENSATION OF EXECUTIVE OFFICERS

This disclosure is intended to communicate the compensation provided to the Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") (collectively, the "Named Executive Officers" or "NEOs"). For the most recently completed financial year, the Named Executive Officers were the following: Philippe Marleau, President and CEO, and Mayco Quiroz, CFO, Corporate Secretary and Treasurer. Other than the Corporation's CEO, no executive officer of the Corporation or of its subsidiaries, or individuals acting in a similar capacity, has received total compensation which was, individually, more than $150,000 during the most recently completed financial year.

COMPENSATION DISCUSSION AND ANALYSIS

On February 28, 2011, the Corporation completed a reverse takeover transaction and acquired IOU Central, a Canadian Corporation and IOU Central Inc., a US Corporation ("IOU USA") (together, the "Transaction"). Prior to this Transaction and since 2005, the main business and objective of the Corporation was to identify and evaluate businesses and assets with a view to a potential acquisition.

Mr. Philippe Marleau, the Corporation's President and CEO, has also served as IOU Central's President and CEO since August 2006 and IOU USA's CEO since August 2006. Mr. Philippe Marleau started receiving compensation from the Corporation on May 1, 2011.

Mr. Quiroz, the Corporation's CFO and Secretary since February 28, 2011, served as IOU Central's Vice President of Finance since May 2007. Mr. Quiroz started receiving compensation from the Corporation in December 2009 but only became an officer of the Corporation on February 28, 2011. Prior to February 28, 2011, Mr. Quiroz offered accounting and administrative services to the Corporation.

The Corporation's Human Resources and Remuneration Committee ("HRRC") was created on June 2011. The HRRC is responsible for establishing the overall policies for the remuneration of employees, for overseeing and managing the stock option plan of the Corporation, for making recommendations to the Board of Directors concerning the remuneration of senior management and of the members of the Corporation's Board of Directors, and for ensuring that the Corporation's organization chart is consistent with its strategic plan. The composition of the HRRC is further detailed in the "Compensation Governance" section of this Information Circular.

As part of its role, the HRRC reviews the compensation of executives of the Corporation, based on information and recommendations made by the CEO and, in turn, makes its recommendations to the Board of Directors. The Board of Directors receives and reviews recommendations made by the CEO and the HRRC, and makes the final determination on the NEOs' compensation.

Compensation Program and Objectives for Named Executive Officers

Since the Corporation is at the start of its operations, the Corporation's executive compensation program is quite simple, and is intended to attract, motivate and retain qualified senior executives, encourage and reward superior performance and align the executives' interests with those of the Corporation by:

- Providing a base salary which is satisfactory to the senior executives, while remaining in line with the Corporation's ability to pay and it's overall objectives. Base salaries offered to NEOs take into account individual experience and job responsibility, but these factors are not assigned a specific weighing in establishing individual base salaries, and

- Providing executives with long-term incentives through the grant of stock options. The objectives of granting stock options are to align employee and shareholder long-term interests by creating a direct link between compensation and increases in shareholder value.

(i) Base Salary

The salaries of the Named Executive Officers were established based on the CEO's general knowledge of market conditions. In the opinion of the Corporation, and based on the directors and officers' personal experience, the NEOs' base salaries are at the lower end of the salaries usually received by individuals in similar positions, but are satisfactory considering the early stage of the Corporation's development and the policy on the grant of stock options further detailed below.

In order to preserve the Corporation's financial resources at the beginning of its operations, Mr. Philippe Marleau did not receive any salary from the Corporation prior to May 1, 2011, when he started to receive a base salary, which annualized, represented $138,000 per year. On May 24, 2012, Mr. Marleau's base salary was increased to $150,000 per year.

Since February 28, 2011, Mr. Quiroz' base salary was $100,000 per year. On May 24, 2012, Mr. Quiroz's base salary was increased to $120,000 per year.

In analyzing individual base salaries, the HRRC takes into consideration individual circumstances that may include the scope of an executive's position and the executive's relevant competencies and experience. The HRRC also takes into consideration the individual performance of the executive as well as the financial performance of the Corporation.

(ii) Stock Options

In November 2011, the HRRC recommended, and the Corporation's Board of Directors approved, a policy whereby on an annual basis, and starting in 2012, the CEO presents recommendations relative to the grant of stock options to NEOs for consideration by the HRRC and for approval by the Board of Directors. While the Corporation has not adopted any formal policy or criteria for the grant of stock options to NEOs, the factors which are considered by the HRRC and by the Board of Directors include the Corporation's results and the contribution made by each NEO the previous year. The HRRC and the Board of Directors considers previous grants when considering new grants of options to NEOs.

The grant of stock options to the Corporation's executives is aimed at recognizing and rewarding the impact of longer-term strategic actions undertaken by management, offering an added incentive for the retention of the Corporation's executives as well as aligning the interests of the Corporation's executives with that of its shareholders.

For a more detailed description of the Corporation's Stock Option Plan, please refer to the "Equity Compensation Plans" section of this Information Circular.

As part of the Transaction, options and warrants held by IOU Central or IOU USA employees were rendered exercisable into options of the Corporation. Mr. Philippe Marleau did not hold any options or warrants of IOU Central and IOU USA prior to the Transaction. Mr. Quiroz did not hold any warrants, but held options of IOU Central which were granted by IOU Central on September 13, 2010; these options were rendered exercisable into options of the Corporation which, further to such agreement and a subsequent share consolidation which occurred on February 28, 2011, represent 249,999 options of the Corporation.

On April 3, 2012, Philippe Marleau received a grant of 500,000 options and Mr. Quiroz received a grant of 200,000 options. When granting these 200,000 options to Mr. Quiroz, the HRRC and the Board of Directors considered that Mr. Quiroz held 249,999 options which resulted from a conversion of IOU Central options. When granting these 500,000 options to Mr. Marleau, the HRRC and the Board of Directors considered the fact that Mr. Marleau did not hold any options, and further considered his position as President and CEO of the Corporation.

OUTSTANDING OPTION-BASED AWARDS

The following table sets out all awards of stock options outstanding to each Named Executive Officer as at the last day of the most recently completed financial year.

Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)
Philippe Marleau				
- 2012 grant	500,000	0.40[(1)]	04/02/2017	0[(2)]
Mayco Quiroz				
- 2010 grant (conversion from IOU Central options)	249,999	0.40	09/13/2013	0[(2)]
- 2012 grant	200,000	0.40[(1)]	04/02/2017	0[(2)]

(1) The exercise price was established by the Board of Directors at $0.40 while the Corporation's shares had traded at $0.36 on March 30, 2012, the last trading day before the grant.
(2) Calculation is based on the trading price of the Corporation's shares on the CNSX of $0.35 on December 7, 2012, the last trading day of the Corporation's 2012 financial year.

The following table sets out the value of stock options vested or earned by the Named Executive Officers during the most recent completed financial year.

OPTIONS VESTED AND EARNED

Name	Option-based awards – Value vested during the year ($)	Option-based awards – Value earned during the year ($)
Philippe Marleau	0(1)	0(3)
Mayco Quiroz	8,750(1)(2)	0(3)

(1) A grant of options was made to Mr. Marleau and Mr. Quiroz on April 3, 2012, and 1/3 of the options granted vested immediately. The exercise price was established by the Board of Directors at $0.40 while the Corporation's shares had traded at $0.36 on March 30, 2012, the last trading day before the grant. No shares were traded on the vesting date. Therefore, the value of the vested options on the date of vesting was nil.
(2) 62,500 of the options granted to Mr. Quiroz in 2010 vested on September 13, 2012. Since these options had an exercise price of $0.40 and the Corporation's shares traded at $0.54 on September 11, 2013, the last trading day before the vesting date (as no shares were traded on the vesting date), the value of the vested options on the date of vesting was $8,750.
(3) No options were exercised by directors during the most recently completed financial year.

Performance Goals

No performance goals or similar conditions have been established for the Corporation's NEOs.

Benchmarking Practices

The Corporation has not used any benchmarks to establish the compensation of its executives.

Risks Associated with the Company's Compensation Policies and Practices

The Board of Directors and its Committees have not proceeded to an evaluation of the implications of the risks associated with the Corporation's compensation policies and practices.

No Policy on Purchase of Financial Instruments

The Corporation has not adopted a policy to prohibit NEOs and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

COMPENSATION GOVERNANCE

Other than as described in this Information Circular relative to grants of stock options to directors and officers, the Board of Directors has not adopted any formal policies and practices to determine the compensation of the Corporation's directors and executive officers. The Corporation's process for determining such compensation is very simple, as the Corporation relies solely on discussion between its management and its directors, without any formal objectives, criteria and analysis, other than those set forth in this Compensation Discussion and Analysis. The analysis of executive compensation is made based on each director's personal experience and knowledge of compensation practices in the industry and more generally, to executives and directors in similar positions.

During the most recently completed financial year, the members of the HRRC were Guy Charette (Chairman), Brendan Dunn (until October 17, 2012) and Evan Price. All these members except for Mr. Dunn were considered independent. Each member of the HRRC has direct experience which is relevant to his responsibilities in executive compensation. The HRRC possesses the following skills and experience that enables it to make decisions on the suitability of the Corporation's compensation policies and practices: direct, on-hand experience in the management of businesses and of employees, experience and education in employment law, and education in business administration, including human resources management.

The skills and experience of each member is as follows:

- Guy Charette – In his capacity as Executive Vice-President, Corporate, of Carpathian Gold Inc., and as legal counsel for over 25 years, Mr. Charette has provided advice relative to the legal aspects of human resources management. As a director of Carpathian Gold, he served as chairman of the compensation committee for two years. During that time, he instituted various programs including deferred share units and worked on the development of key performance criteria suitable for a development stage company.

- Brendan Dunn – In his capacity as CEO of Holdun Family Office Limited, Mr. Dunn is responsible for the management of over 20 employees. Mr. Dunn also holds a Bachelor of Administrative and Commercial Studies from the University of Western Ontario.

- Evan Price – Mr. Price has been Chairman of the CO2 Solution Compensation Committee since 2008. In addition he has been directly responsible for the management of human resources and for the compensation policies and practices in all the companies he has led. Mr. Price also holds an MBA (Honours) from INSEAD in Fontainebleau, France, and is completing a certificate of corporate governance at the Collège des administrateurs.

The responsibilities of the HRRC are set forth in the "Compensation Discussion and Analysis" Section of this Information Circular. The HRRC's purpose is to review all elements which are under its responsibility, and to make recommendations to the Board of Directors, which makes all final decisions. The HRRC meets on an as-needed basis, as determined by the HRRC's Chairman. During the 2012 financial year, the HRRC met once. Minutes of meetings of the HRRC are taken and kept at the Corporation's offices.

SUMMARY COMPENSATION TABLE

The following Summary Compensation Table sets forth the compensation information for the Named Executive Officers for services rendered during the last three completed financial years.

For compensation related to previous years, please refer to the Corporation's previous Information Circulars available at www.sedar.com.

SUMMARY COMPENSATION TABLE – NAMED EXECUTIVE OFFICERS

Name and Principal Position	Year	Salary ($)	Option-based awards ($)	Annual incentive plans ($)	All other compensation ($)	Total compensation ($)
Philippe Marleau President and Chief Executive Officer	2012 2011 2010	146,654 92,885(1) 0	105,000(3) 0 0	0 0 0	0 0 0	251,654 92,885 0
Mayco Quiroz Chief Financial Officer and Secretary(1)	2012 2011 2010	113,653 93,462 80,000	42,000(3) 0 62,500(4)	0 0 0	0 0 0	155,653 93,462 142,500

(1) Mr. Marleau started receiving a salary from the Corporation on May 1, 2011.
(2) Mr. Quiroz became CFO and Secretary of the Corporation on February 28, 2011. Prior to this, he worked on a consulting basis for the Corporation.
(3) This amount is the fair-value of option-based awards made pursuant to the Corporation's Stock Option Plan, based on the grant of 500,000 options to Philippe Marleau and 200,000 options to Mr. Quiroz, multiplied by a fair market value price of $0.21, calculated using the Black Sholes option pricing model in accordance with the accounting treatment. The assumptions used to determine the stock option compensation costs on the grant date of April 3, 2012, were as follows: risk-free interest rate: 1.54%, expected stock price volatility: 73%; expected option life: 5 years, and no expected dividend yield.
(4) This amount is the fair-value of option-based awards made to Mr. Quiroz prior to the Reverse Take-Over Transaction, and, as further described in this Information Circular, which were made exercisable into Class B Common Shares of the Corporation, and is based on the grant of 249,999 options, multiplied by a fair market value price of $0.25, calculated using the Black Sholes option pricing model in accordance with the accounting treatment. The assumptions used to determine the stock option compensation costs on the grant date of September 13, 2010, were as follows: risk-free interest rate: 1.42%, expected stock price volatility: 101%; expected option life: 3 years, and no expected dividend yield.

TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation is and has not been party with any NEO to any formal employment agreement or plan or arrangement that provides for payments to a NEO in connection with any termination, resignation, retirement, change in control of the Corporation or change in the NEO's responsibilities.

The following table shows estimated incremental payments triggered which would have been payable to the Named Executive Officers, under the various plans and arrangements, should their employment have terminated on December 31, 2012, the last day of the Corporation's most recently completed financial year.

Position	Incumbent	Termination Provisions Value (1)(2) ($)
President and CEO	Philippe Marleau	0
CFO and Corporate Secretary	Mayco Quiroz	0

(1) The values assume that the triggering event took place on the last business day of the Corporation's fiscal year-end (December 31, 2012).
(2) Value of earned/unused vacation and owed expense are not included as they are not considered as "incremental" payments further to termination.

EQUITY COMPENSATION PLANS

The following table sets forth compensation plans under which equity securities of the Corporation are authorized for issuance as at the last day of the most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options and warrants (a)	Weighted-average exercise price of outstanding options and warrants (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders(1)	1,665,000	$0.41	1,205,113 Class B Common Shares(2)
Equity compensation plans not approved by securityholders	1,010,832 Class B Common Shares(3)	$0.31	0

(1) The terms of the Corporation's Stock Option Plan were approved by the Corporation's shareholders at the annual meeting of shareholders held on December 21, 2010.
(2) Pursuant to the Corporation's Stock Option Plan, the total number of Class B Common Shares which may be issued following the exercise of the options may not exceed 10% of the issued and outstanding Class B Common Shares of the Corporation on a "rolling" basis. On December 31, 2012, 3,880,945 Class B Common Shares remained available for future issuance under the Corporation's Stock Option Plan; however, the Corporation has deducted from such number the number of Class B Common Shares which may be issued upon exercise of the outstanding options and warrants described in footnote (3), below.
(3) As part of the reverse takeover transaction which was completed on February 28, 2011, the Corporation agreed that options and warrants held by certain employees of IOU Central and IOU USA become exercisable into Class B Common Shares of the Corporation. On December 31, 2012, outstanding warrants were exercisable into 704,590 Class B Common Shares, and outstanding options were exercisable into 306,242 Class B Common Shares. These option and warrant agreements are further described below.

Stock Option Plan

The Corporation has adopted a Stock Option Plan (the "Stock Option Plan") for the Directors, officers, employees and consultants of the Corporation and its subsidiaries, as designated by the Board of Directors of the Corporation. Pursuant to the Stock Option Plan, the total number of Class B Common Shares which may be issued following the exercise of the options may not exceed 10% of the issued and outstanding Class B Common Shares of the Corporation on a "rolling" basis, and therefore, as further Class B Common Shares of the Corporation may be issued by the Corporation from time to time, additional options to purchase up to 10% of such number of Class B Common Shares may become available to be granted by the Corporation. Notwithstanding the foregoing, the aggregate number of shares reserved for the exercise of options which may be granted to an optionee shall at no time exceed 5% of the issued and outstanding shares of the Corporation.

The exercise price of stock options is determined by the Board of Directors, but may at no time be less than the market price of the shares on the last trading day prior to the option grant, and on the date of grant of the options. The vesting period of stock options shall be decided by the Board of Directors, subject to any mandatory vesting restrictions which may be imposed by the CNSX. The expiry date of stock options is determined by the Board of Directors, but may not be allotted for a period exceeding 5 years. Options granted may not be assigned, transferred or pledged.

If an optionee's business relationship with the Corporation terminates, the optionee may exercise the options which had vested on the date of termination of the business relationship, within the shortest of the following periods: 90 days following the date of termination of the business relationship, or the remaining period up until the options' expiry date. All options which had not vested on the date of termination of the business relationship automatically expire on such date. However, if an optionee ceases to maintain a business relationship with the Corporation because of death or physical or mental disability, the aforesaid 90 day period is replaced by a 12-month period. Also, should the Corporation terminate an optionee's business relationship for wilful misconduct, fraud, dihonesty, theft, breach of fiduciary duty, failure to perform employment responsibilities in the best interest of the Corporation, or breach of any employment, consulting, advisory, non-disclosure, non-competition, non-solicitation or other similar agreement, all options shall expire on the date of termination of the business relationship.

The Plan also provides for the adjustment of the number and price of the stock options in the case of subdivision and consolidation of the Corporation's shares. The Corporation's Board of Directors has the right to amend the Plan, subject to amendments which require the approval of any relevant stock exchange.

Option and Warrant Agreements

As part of the reverse takeover Transaction which was completed on February 28, 2011, the Corporation agreed that options and warrants held by certain employees of IOU Central and IOU USA become exercisable into Class B Common Shares of the Corporation.

Under the Option Agreements which were entered with 2 individuals and which were amended in the course of the Transaction, a total of 306,242 Class B Common Shares of the Corporation may be issued following the exercise of the options. These options were granted on September 13, 2010, have an exercise price of $0.40, and vest over 2 years, with one-half of the grant which vested on the date of grant and one-quarter of the grant which vest on each of the first and second anniversaries of the date of grant. These options will expire on September 13, 2013. Each optionee may, at its discretion, exercise the options in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made upon such exercise in payment of the exercise price, elect instead to receive upon such exercise a net number of shares (cashless exercise). Options granted may not be assigned, transferred or pledged. The options will expire upon the termination of the optionee's employment with the Corporation should the optionee's employment have been terminated for just cause. In the event of the optionee's death, all vested options may be exercised for a period of 1 year thereafter. If the optionee ceases to be an employee for any reason other than termination for just cause or death, then he may exercise part or all of his vested options within 3 years from the date of grant. The agreements also provide for the adjustment of the number and price of the stock options in the case of subdivision and consolidation of the Corporation's shares.

Under the Warrant Agreements which were entered with 4 individuals and which were amended in the course of the Transaction, a total of 704,590 Class B Common Shares of the Corporation may be issued following the exercise of such warrants. These warrants were granted on December 11, 2008, have an exercise price of US$0.27, and will expire on December 11, 2013. The warrantholder may, at his or her discretion, exercise the warrants in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made upon such exercise in payment of the exercise price, elect instead to receive upon such exercise a net number of shares (cashless exercise). The warrants may be transferred. The agreements also provide for the adjustment of the number and price of the warrants in the case of subdivision and consolidation of the Corporation's shares.

E. OTHER INFORMATION

AUDIT COMMITTEE INFORMATION

The text of the Corporation's Audit Committee Charter is reproduced as Schedule A of this Information Circular.

Composition of the Audit Committee

In 2012, the Audit Committee was formed of the following directors: Guy Charette, Evan Price, Brendan Dunn (until October 17, 2012) and Philippe Marleau (since October 17, 2012). The members are financially literate and independent members of the Audit Committee, as such terms are defined in Multilateral Instrument 52-110 Audit Committees ("MI 52-110"), with the exception of Philippe Marleau, President and Chief Executive Officer and Brendan Dunn, who was financially literate but not considered independent as per MI 52-110.

Relevant Education and Experience

The following describes the relevant education and experience of each member of the Audit Committee that provides him with (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements, (b) the ability to assess the general application of such accounting principles, (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the Corporation's financial statements or experience actively supervising one or more persons engaged in such activities and (d) an understanding of internal controls and procedures for financial reporting.

- Guy Charette – Mr. Charette practiced securities law and has acted as director for several issuers, and his practice required constant interaction with clients' auditors. He is therefore very familiar with the financial reporting obligations of a public company.

- Philippe Marleau – Mr. Philippe Marleau has been the President and Chief Executive Officer of the Corporation since October 2005 and as such, has contributed since his appointment, to the preparation and the review of the financial statements. Prior to this, Mr. Marleau was employed as a portfolio manager with Palos Management, a boutique investment management firm, and as a financial analyst in the equity research divisions of Merrill Lynch, Credit Suisse First Boston, and Scotia Capital. Mr. Marleau is a Chartered Financial Analyst (CFA).

- Evan Price - Mr. Price has been a member of the CO2 Solution Audit Committee since 2008 and chairs the Solifor Audit Committee. He has been responsible for the oversight of the financial information of the companies he has led. He holds an MBA (Honours) from INSEAD in Fontainebleau, France, and is completing a certificate of corporate governance at the Collège des administrateurs.

- Brendan Dunn – Mr. Dunn is Chairman and CEO of Holdun Family Office Limited, a an asset management services firm, since 2010. Mr. Dunn holds a Bachelor of Administrative and Commercial Studies, with a focus on finance, from the University of Western Ontario. Mr. Dunn is also a Chartered Portfolio Manager (CPM), a Chartered Wealth Manager (CWM), a Certified Private Equity Specialist (CPES) and a Canadian Investment Manager (CIM).

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 the exemptions in section 2.4 (De Minimis Non-audit Services) or an exemption granted under Part 8 (Exemptions) of MI 52-110. However, the Corporation is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110 given that it is a venture issuer as defined in MI 52-110, and the Corporation thus is relying upon the exemption set forth in section 6.1 of MI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter of the Audit Committee attached hereto as Schedule "A".

Remuneration of Auditors

The following table presents, by category, the fees incurred by the Corporation in connection with services provided by the external auditors of the Corporation, BDO Canada, LLP, Chartered Accountants, for 2011 and 2012:

Category of fees	2011 ($)	2012 ($)
Audit Fees(1)	119,880	148,799
Audit-Related Fees(2)	5,486	0
Tax Fees(3)	57,169	40,999
All Other Fees	0	0
Total	182,535	189,798

(1) Professional services provided in connection with the audit of the annual financial statements of the Corporation.
(2) Professional services provided in connection with regulatory filings and consultations on accounting and regulatory matters.
(3) Professional services mainly for tax compliance, tax advice and tax planning.

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

1. Board of Directors

The Corporation's Board of Directors currently consists of three (3) members. All of these members are proposed for re-election as directors for the ensuing year.

Mr. Evan Price and Mr. Guy Charette are considered independent. Mr. Philippe Marleau is not considered independent in light of his position as President and Chief Executive Officer of the Corporation. Although Mr. Brendan Dunn was considered independent under applicable securities legislation, the Corporation considered Mr. Dunn to be non-independent since Mr. Dunn was Chairman and CEO of Holdun Family Office Limited which was 45% owned by Palos Capital Corporation, and which through a unanimous shareholder agreement, was controlled by Palos Capital Corporation; The Marleau Capital Corporation, of which Philippe Marleau owned 33 1/3%, owned a significant stake in Palos Capital Corporation. On October 12, 2012, Palos Capital Corporation sold back to Holdun Family Office Limited its entire shareholdings of Holdun Family Office Limited, and the relationship between Palos Capital Corporation and Holdun Family Office Limited effectively ended at that time.

The Board has delegated responsibilities to three committees, being the Corporate Governance Committee, the HRRC and the Audit Committee. The Board of Directors has adopted a mandate for each of the Audit Committee, HRRC, and the Corporate Governance Committee. The mandate of the Audit Committee is attached as Schedule A of this Information Circular. These committees are each composed of a majority of independent directors.

The Board of Directors holds meetings on occasion without the presence of members of management, including Mr. Philippe Marleau, following the Corporation's scheduled Board meetings.

2. Directorships

Certain director nominees are also directors of reporting issuers other than the Corporation. This information is set forth within the biographies of director nominees in Section C of this Information Circular.

3. Orientation and Continuing Education

The Board of Directors has not adopted a formal process for the orientation of new directors and the continuing education of directors. However, all directors possess considerable experience and skills in the business and finance industries. The directors are given access to the Corporation's legal advisors for any questions they may have relating to their responsibilities as a director of a public company.

4. Ethical Business Conduct

In 2011, the Board of Directors has adopted a Code of Ethics, which provides guidelines to ensure that all directors, officers and employees of the Corporation and all consultants and other persons working on behalf of the Corporation respect its commitment to conduct business relationships with the highest standards of ethical conduct. The Code of Ethics provides that each of the Corporation's employees must communicate to their manager, to the CEO or to the Chairman of the Board of Directors any situation of non-compliance or suspected violation of the Code of Ethics.

The Corporation has also established procedures approved by the Audit Committee for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing or other matters. In accordance with this policy, any person who wishes to submit a complaint may do so by sending it to the attention of CEO or the Chairman of the Board of Directors.

The Code of Ethics and the Procedure for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, Auditing and Other Matters were communicated to all of the Corporation's employees.

5. Nomination of Directors

The Corporate Governance Committee is responsible for identifying potential new Board Members, based on recommendations from the CEO and from the Corporation's directors. The Corporate Governance Committee is responsible for recommending to the Board of Directors candidates for nomination as director and for reviewing the nominees for re-election before each annual meeting. The Corporate Governance Committee and the Board of Directors have not established any procedure for the selection of new director candidates.

6. Compensation of Directors and Officers

The Human Resources and Compensation Committee is responsible for evaluating the remuneration of the Corporation's directors and senior executives, and making recommendations to the Board, which makes the final determination. A summary of the compensation received by the Corporation's Directors and senior executives for the financial year ended December 31, 2012, is provided in this Information Circular under the heading "D. Disclosure of Compensation and Other Information".

7. Board Committees

The Board of Directors does not have any standing committees other than the Audit Committee, the HRRC and the Corporate Governance Committee.

8. Assessments

As part of its written mandate, the Corporate Governance Committee is responsible for evaluating the role of the various committees of the Board and of recommending to the Board changes to these committees. The Corporate Governance Commmittee is also responsible for evaluating the effectiveness of the Board of Directors, its committees and individual directors, and of reporting its findings to the Board of Directors. These assessments are done on an informal basis.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

In 2012, the Corporation subscribed, at its sole cost, to liability insurance for its directors and officers covering them against liability arising while engaged in those capacities. The policy provided maximum coverage of $2,000,000 per occurrence and a maximum coverage of $2,000,000 per each policy period subject to a deductible of $50,000 per occurrence for the Corporation. The premium paid for the policies was $44,875. Neither the policies nor the premium paid make any distinction between the liability insurance for the Corporation's Directors and officers, since the coverage is the same for both groups.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, of any Director, officer or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon, other than the election of Directors.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No Director, officer, nor any of their respective associates or affiliates is indebted to the Corporation.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, the management of the Corporation is not aware of any material interest, direct or indirect, of any insider of the Corporation, or any associate or affiliate of any such person in any transaction during the most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

Mr. Philippe Marleau, President, CEO and director of the Corporation, owns 33 1/3 % of The Marleau Capital Corporation, which owns a significant stake in Palos Capital Corporation, the parent company of Palos Management Inc., one of the Corporation's co-lead brokers in a private placement that commenced in December 2012. During the most recently completed financial year, Palos Management Inc. received commissions and warrants relating to the December 2012 raise amounting to $119,424 and 298,561 respectively.

GENERAL

Except as otherwise mentioned, the information contained herein is given as of the 11th day of April, 2013.

ADDITIONAL INFORMATION

Additional financial and other information relating to the Company is included in its most recent audited annual and unaudited quarterly financial statements, annual and quarterly Management's Discussion and Analysis and other continuous disclosure documents, which are available on SEDAR at www.sedar.com and on the Corporation's website at www.IOU Financial.com.

APPROVAL OF THE DIRECTORS

The Directors of the Corporation have approved the content and mailing of this Information Circular to the shareholders, Directors and auditors of the Corporation.

[signed]

Philippe Marleau
President and CEO
Montreal, April 11, 2013

SCHEDULE A

IOU FINANCIAL INC.
CHARTER OF THE AUDIT COMMITTEE

1. Election

The Audit Committee shall be composed of a minimum of three (3) directors appointed by the Board of Directors. Such directors shall meet all applicable regulatory requirements and shall exercise their duties until the next annual general meeting of shareholders or until their successors have been chosen and appointed.

2. Vacancies

In the event of a vacancy in the committee, the Board of Directors may appoint a new member to fill the vacancy of the committee.

3. Meetings

The meetings of the committee may be held at the head office of the Corporation or at such other place that the committee may determine from time to time. Meetings of the committee may be held at all times on the call of any member of the committee. At the request of the Chief Executive Officer or the Chairman of the Board, the committee chairperson shall hold a meeting of the committee to address any question that, in the opinion of the Chief Executive Officer or the Chairman of the Board, should be put to the attention of the committee.

4. Chairperson

The Audit Committee shall appoint a chairperson who shall be responsible for preparing an agenda and reporting to the Board of Directors at the next meeting of the Board of Directors or earlier, if required under the circumstances.

5. Quorum

The quorum for the committee shall be a simple majority of its members.

6. Procedures

The procedures for the committee shall be similar to those followed by the Board of Directors. The minutes of the meetings of the committee shall be kept in a minute book and made available for review by the directors of the Corporation.

7. Mandate

The committee shall exercise all rights and prerogatives granted to it by the Board of Directors. It shall report to the Board of Directors without interference from management or shareholders. It may call upon outside legal counsel or accountants or any other expert required to complete a specific mandate or where there is a suspicion of wrongdoing and arrange the compensation to be paid to such consultant. Any single committee member shall be empowered to call a special meeting of the Board of Directors in the event of any wrongdoing, whether factual or perceived.

8. Remuneration

The members of the committee shall be remunerated for their services as determined by the Board of Directors.

9. Statement of Policy

The Audit Committee shall provide assistance to the Board of Directors in fulfilling its oversight responsibility to shareholders, potential shareholders, the investment community, and other stakeholders relating to the Corporation's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal control systems and the annual independent audit of the Corporation's financial statements. In so doing, it is the responsibility of the committee to maintain free and open communication between the committee, the external auditor and the Corporation's management. In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Corporation, and the power to retain outside counsel, or other experts for this purpose.

10. Responsibilities and Processes

The primary responsibility of the Audit Committee is to oversee the Corporation's financial reporting process on behalf of the Board and report the results of their activities to the Board. Management is responsible for preparing the Corporation's financial statements, and the external auditor is responsible for auditing those financial statements. The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The committee should take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behaviour.

The following shall be the principal recurring processes of the Audit Committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the committee may supplement them as appropriate.

- The committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. The committee shall have a clear understanding with management and the external auditor that the external auditor is ultimately accountable to the Board and the Audit Committee, as a representative of the Corporation's shareholders. The committee shall have the ultimate authority and responsibility to evaluate and, where appropriate, to recommend the replacement of the external auditor. The committee shall discuss with the auditor its independence from management and the Corporation and the matters included in the written disclosures. The committee must also review and approve the issuer's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the issuer. Annually, the committee shall review and recommend to the Board the selection of the Corporation's external auditor, subject to shareholders' approval, as well as the compensation to be paid to such auditor.

- The committee shall discuss with the external auditor the overall scope and plans for its audit including the adequacy of staffing and compensation. Also, the committee shall discuss with management, and the external auditor, the adequacy and effectiveness of the accounting and financial controls, including the Corporation's system to monitor and manage business risk, and legal and ethical compliance programs. Further, the committee shall meet separately with the external auditor, with and without management present, to discuss the results of its examinations.

- The committee must review the issuer's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information and must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the issuer's financial statements, other than the public disclosure hereinbefore mentioned, and must periodically assess the adequacy of those procedures. Also, the committee shall discuss the results of the quarterly review and any other matters required to be communicated to the committee by the external auditor under generally accepted auditing standards. The committee chairperson may represent the entire committee for the purposes of this latter review.

- The committee shall review with management and the external auditor the financial statements to be included in the Corporation's Annual Report, including their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. The committee shall discuss the results of the annual audit and any other matters required to be communicated to the committee by the external auditor under generally accepted auditing standards.

- The committee must establish procedures for: (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

- The committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor. The Audit Committee satisfies the pre-approval requirement if:

  (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiary entities to the Corporation's external auditor during the fiscal year in which the services are provided;

  (b) the Corporation or its subsidiary entities, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and

  (c) the services are promptly brought to the attention of the Audit Committee of the Corporation and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Audit Committee.

  The Audit Committee may delegate to one or more independent members the authority to pre-approve non-audit services. The pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

<u>SCHEDULE B</u>

IOU FINANCIAL INC.
ARTICLES RESOLUTION

BE AND IT IS HEREBY RESOLVED:

THAT the articles of incorporation of the Corporation be amended to include provisions to the effect that the board of directors may, at its discretion, appoint one (1) or more directors, who shall hold office for a term expiring no later that the close of the annual meeting of shareholders following their appointment, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the annual meeting of shareholders preceding their appointment; and

THAT any officer or director of the Corporation be and each of them is hereby authorized, for and on behalf of the Corporation, to execute and deliver or cause to be delivered Articles of Amendment under the Business Corporations Act (Québec), and to execute and deliver such other documents and instruments and take such other actions as such officer or director may determine to be necessary or advisable to implement this special resolution and the matters authorized thereby.