



**Notice of Meeting and Management Information Circular in respect of the
2014 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

of

KAIZEN DISCOVERY INC.

To be held at the The Vancouver Club, University Rooms,
915 West Hastings Street, Vancouver, British Columbia

On September 30, 2014 at 10:00 AM (Vancouver Time)

Dated August 28, 2014



KAIZEN DISCOVERY INC.

NOTICE OF THE 2014 ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

AUGUST 28, 2014

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of **Kaizen Discovery Inc.** (the "**Company**") will be held at The Vancouver Club, University Rooms, 915 West Hastings Street in Vancouver, British Columbia, Canada, on September 30, 2014 at 10:00 am (Vancouver Time) for the following purposes:

1. to receive the financial statements of the Company for the year ended December 31, 2013 with the Company's auditors' report thereon;
2. to appoint the auditors for the ensuing year and to authorize the directors to fix the auditors' remuneration;
3. to elect the directors of the Company for the ensuing year;
4. to consider and, if thought fit, to approve an ordinary resolution re-approving the Company's 10% rolling Stock Option Plan; and
5. to transact any other business which may properly come before the Meeting or any adjournment thereof.

The board of directors of the Company (the "**Board**") has fixed **August 22, 2014** as the record date for the determination of Shareholders entitled to notice of, and to vote at, the Meeting and at any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to and expressly made a part of this Notice of Meeting.

If you are a registered shareholder of the Company and are unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Computershare Investor Services Inc. Attention: Proxy Tabulation Unit, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 by 10:00 a.m. (Vancouver Time) on September 26, 2014 or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time that the Meeting is to be reconvened after any adjournment of the Meeting or 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the commencement of any postponed Meeting. Shareholders can also send their proxies by fax to 1-866-249-7775 (toll-free); 1-416-263-9524 (outside Canada and the US).

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "**Intermediary**"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

Dated at Vancouver, British Columbia this 28th day of August, 2014.

BY ORDER OF THE BOARD OF DIRECTORS OF KAIZEN DISCOVERY INC.

"Peter Meredith"

Peter Meredith

Chairman of the
Board of Directors

"Mary Vincelli"

Mary Vincelli

Corporate Secretary

MANAGEMENT INFORMATION CIRCULAR

GENERAL INFORMATION

This management information circular (the "*Information Circular*") is furnished to the holders of Common Shares (each a "*Shareholder*" collectively, the "*Shareholders*") of Kaizen Discovery Inc. ("*Kaizen*" or the "*Company*") by management of the Company in connection with the solicitation of proxies to be voted at the annual general and special meeting of the Shareholders (the "*Meeting*") to be held at the The Vancouver Club, University Rooms, 915 West Hastings Street in Vancouver, British Columbia, Canada on September 30, 2014 at 10:00 am (Vancouver Time), or at any adjournment or postponement thereof, for the purposes set forth in the Notice of Meeting that accompanies this Information Circular. Unless otherwise stated, this Information Circular contains information as at August 28, 2014.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

A Shareholder whose name appears on the certificate(s) representing its shares (the "*Registered Shareholders*") are entitled to notice of, and to vote, at the Meeting. A Shareholder is entitled to one vote for each Common Share that such Shareholder holds on August 22, 2014 (the "*Record Date*") on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the "*Designated Persons*") in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER), OTHER THAN THE DESIGNATED PERSONS, TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.

SUCH RIGHT MAY BE EXERCISED BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE

APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. ("**Computershare**") at their offices located at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1, by mail or fax, **or online via: www.investorvote.com**, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney duly authorized in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney for the corporation. If a form of proxy is executed by an attorney for an individual Shareholder or joint Shareholders, or by an officer or attorney for a corporate Shareholder, the instrument so empowering the officer or attorney, as the case may be, or a notarized certified copy thereof, must accompany the form of proxy. If not dated, the proxy will be deemed to have been dated the date it is mailed to Shareholders.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. **The Common Shares represented by a 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.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE DIRECTOR NOMINEES PUT FORWARD BY THE COMPANY'S BOARD OF DIRECTORS.

The enclosed form of proxy confers discretionary authority upon the Designated Persons with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney authorized in writing or,

where the Shareholder is a corporation, by a duly authorized officer of, or attorney for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned, at any reconvening thereof, or if postponed, at the commencement of the Meeting, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned, any reconvening thereof or at the commencement of the Meeting in the case of a postponement, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare or their intermediary to arrange to change their voting instructions.

BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those Shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company 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 Company. Such Common Shares will more likely be registered under the names of the Shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

Non-Registered Beneficial Shareholders

Only Registered Shareholders or their duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the Common shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Beneficial Shareholders should note that only Registered Shareholders (or duly appointed proxyholders) may complete a Proxy.

This Circular and accompanying materials are being sent to both Registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBOs**”). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents and use this NOBO list for distribution of proxy-related materials directly to NOBOs.

Non-Objecting Beneficial Owners

As permitted by NI 54-101, the Company is delivering proxy-related materials to NOBOs through its agent. The Company is not sending proxy-related materials using the notice and access system. If you are a non-registered owner, and the Company's agent has sent these materials 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, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") together with the Notice of Meeting, this Information Circular and related documents from Computershare. These VIFs are to be completed and returned to Computershare in accordance with the instructions provided. **NOBOs should carefully follow the instructions provided, including those regarding when and where to return the completed VIFs.**

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

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert the NOBO's name (or such other person as the NOBO wishes to attend and vote on the NOBO's behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in line with the instructions provided or the NOBO must submit to the Company any other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. In such circumstances with respect to proxies held by management in respect of securities owned by the NOBO so requesting, the Company must arrange, without expense to the NOBO, to appoint the NOBO or a nominee of the NOBO as a proxyholder in respect of those securities. Under NI 54-101, if the Company appoints a NOBO or a nominee of the NOBO as a proxyholder as aforesaid, the NOBO or nominee of the NOBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that may come before the Meeting and any adjournment or postponement thereof. Pursuant to NI 54-101, if the Company appoints a NOBO or its nominee as proxyholder as aforesaid the Company must deposit the proxy within the timeframe specified above for the deposit of proxies if the Company obtains the instructions at least one (1) business day before the termination of that time.

Objecting Beneficial Owners

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Notice of Meeting, this Information Circular and related documents (collectively, the "**Meeting Materials**") to the clearing agencies and intermediaries for onward distribution to OBOs. Intermediaries are required to forward the Meeting Materials to OBOs unless in the case of certain proxy-related materials the OBO has waived the right to receive them. Very often, intermediaries will use service companies such as Broadridge Financial Solutions Inc. to forward the Meeting Materials to OBOs. Together with the Meeting Materials, intermediaries or their service companies should provide OBOs with a request for voting instruction form which, when properly completed and signed by such OBO and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the Common shares that they beneficially own. The Company does not intend to pay for an intermediary to deliver to the Meeting Materials to OBOs and OBOs will not receive the Meeting Materials and voting instruction form unless their intermediary assumes the costs of delivery. Every intermediary has its own mailing procedures and provides its own return instructions to clients. **OBOs should carefully follow the instructions of their intermediary, including those regarding when and where the completed request for voting instructions is to be delivered.**

OBOs who wish to change their vote must in sufficient time in advance of the Meeting arrange for their respective intermediaries to change their vote.

Should an OBO wish to vote at the Meeting in person, the OBO must insert the OBO's name (or such other person as the OBO wishes to attend and vote on the OBO's behalf) in the blank space provided for that purpose on the request for voting instruction form and return the completed request for voting instruction form to the intermediary or its service provider or the OBO must submit, to their intermediary, any other document in writing that requests that the OBO or a nominee of the OBO be appointed as proxyholder. In such circumstances an intermediary who is the registered holder of, or holds a proxy in respect of, securities owned by an OBO is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or a nominee of the OBO as a proxyholder in respect of those securities. Under NI 54-101, if an intermediary appoints an OBO or the nominee of the OBO as a proxyholder as aforesaid, the OBO or nominee of the OBO, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of the intermediary, in respect of all matters that may come before the Meeting and any adjournment or continuance thereof, unless corporate law does not permit the giving of that authority. Pursuant to NI 54-101 an intermediary who appoints an OBO or its nominee as proxyholder as aforesaid is required under NI 54-101 to deposit the proxy within the timeframe specified above for the deposit of proxies if the intermediary obtains the instructions at least one (1) business day before the termination of that time.

All references to Shareholders in this Information Circular are to Registered Shareholders, unless specifically stated otherwise.

VOTES NECESSARY TO PASS RESOLUTIONS

Pursuant to the articles of the Company (the "**Articles**"), a quorum for the transaction of business at any meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are two persons present who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to vote at the Meeting.

Under the British Columbia *Business Corporations Act* (the "**BCBCA**") and pursuant to the Articles, a majority of not less than two-thirds ($2/3^{\text{rds}}$) of the votes cast at the Meeting is required to pass all special resolutions. There are no special resolutions currently proposed at the Meeting.

At the Meeting, shareholders will be asked to elect directors, appoint an auditor for the ensuing year and re-approve the Company' existing 10% rolling stock option plan. These matters require approval by ordinary resolution which is a simple majority of the votes cast at the Meeting.

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

The Company is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Company or is a proposed nominee for election as a director of the Company (or an associate or affiliate of such director, director nominee or executive officer) at any time since the beginning of the Company's last financial year in any matter to be acted upon at the Meeting, other than the election of directors and other than as a participant in the Stock Option Plan of the Company.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company has an authorized share capital consisting of an unlimited number of Common shares

without par value (the “**Common Shares**”), and 100,000,000 Class A Preferred shares with a par value of \$1.00 each. The holders of Common Shares are entitled to receive notice of, and to attend all meetings of shareholders and to have one vote for each Common Share held, except to the extent specifically limited by the BCBCA.

As of August 22, 2014 the Company had outstanding (i) 148,625,237 fully paid and non-assessable Common Shares without par value, and (ii) nil fully paid and non-assessable Class A Preferred shares outstanding with a par value of \$1.00 per Class A Preferred Share.

A holder of record of one or more Common Shares (as defined herein) on the securities register of the Company on the Record Date who either attends the Meeting personally or deposits a proxy form in the manner and subject to the provisions described above will be entitled to vote or to have such Common Shares voted at the Meeting, except to the extent that:

- (a) the shareholder has transferred the ownership of any Common Shares after the Record Date; and
- (b) the transferee produces a properly endorsed share certificate for, or otherwise establishes ownership of, any of the transferred Common Shares and makes a demand to Computershare’s investor services no later than ten (10) days before the Meeting that the transferee’s name be included in the list of shareholders in respect thereof.

To the knowledge of the Company’s directors and executive officers, as at August 22, 2014:

- (a) the only persons who beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares of the Company, and the approximate number of Common Shares so owned, controlled or directed, and the percentage of voting shares of the Company represented by such shares; and
- (b) the aggregate share ownership by the current directors and executive officers of the Company as a group;

are as follows:

Name	Number of Voting Shares Beneficially Owned⁽¹⁾	% of Shares Outstanding
HPX TechCo Inc. 150 Beach Road #25-04 The Gateway West Singapore 189720	106,489,000	71.65%
Directors and Executive Officers as a Group	3,868,199	2.60%

Notes:

⁽¹⁾ The information as to Common Shares beneficially owned, controlled or directed not being within the knowledge of the Company, its directors or officers, has been furnished by the respective Shareholders or has been extracted from the central securities register maintained by the Company and from insider reports available at www.sedi.ca.

STATEMENT OF EXECUTIVE COMPENSATION

The executive compensation disclosure is provided in Schedule "2".

Securities Authorized for Issuance Under Equity Compensation Plans

Equity participation is accomplished through the Company's Stock Option Plan dated March 30, 2009 (the "**Plan**"), a copy of which is attached hereto as Schedule "4". The Plan is the only equity compensation plan the Company has in effect involving the potential issuance of securities from treasury and is intended to further align the interests of the Company's directors and employees with the Company's long term performance and the long term interests of the Company's shareholders. Prior to the adoption of the Plan, options were granted to certain directors, officers, employees and consultants pursuant to stock option agreements. The following information is as at December 31, 2013:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by the securityholders	1,156,500	CAD\$1.68	11,371,617
Equity compensation plans not approved by the securityholders	n/a	n/a	n/a
Total	1,156,500	CAD\$1.68	11,371,617

Summary of the Stock Option Plan

Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants, to reward such of those directors, employees and consultants as may be awarded stock options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such directors, employees and consultants to acquire Common Shares as long term investments.

Limits of Issuance

The aggregate number of Shares that may be reserved for issuance under this Plan (together with any other securities based compensation arrangements of the Company in effect from time to time) shall be equal to 10% of total issued and outstanding Common Shares, at any given time.

In addition, the Company may not grant options to: (a) any one person in any 12 month period which could, when exercised, result in the issuance of Common Shares exceeding five percent (5%) of the issued and outstanding Common Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; (b) to any one consultant in any 12 month period which could, when exercised, result in the issuance of Common Shares exceeding 2% of the issued and outstanding Common Shares of the Company; or (c) in any 12 month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in

the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding Common Shares of the Company.

Options Terms and Exercise Price

The Board may at any time authorize the granting of options to such eligible participants as it may select, for the number of Common Shares that it shall designate subject to the provisions of the Plan. The term of any options granted shall be fixed no later than the date such option is granted, which shall not be more than ten years from the grant date. The exercise price per Common Share of any option shall not be less than the closing price of the Company's Common Shares traded through the facilities of the TSX Venture Exchange on the day preceding the date of grant, less any discount permitted by the TSX Venture Exchange, or such other price as may be required by the TSX Venture Exchange.

Effect of Termination of Employment or Death

Unless otherwise determined by the Board, if an eligible participant ceases to be employed by, or act as, a director of the Company or its affiliate: (i) as a result of death, any option held by such eligible participant at the date of death shall be exercisable only to the extent that the eligible participant was entitled to exercise the option at the date of their death and only for 12 months after such date or the expiration of the option, whichever is sooner; (ii) for any reason other than death or cause, any option held by such eligible participant at the effective date thereof shall become exercisable, only to the extent that the eligible participant was entitled to exercise the option at the date, for a period of up to 120 days thereafter or the expiration of the option, whichever is sooner; or (iii) for cause, no option held by such eligible participant will be exercisable following the date on which such eligible participant ceased to be employed or to be a director, as the case may be.

Amendments

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any option or the Common Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any option or impair any right of any option holder pursuant to any option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the TSX Venture Exchange, amend the terms upon which each option shall become vested with respect to Common Shares without further approval of the TSX Venture Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

Replacement Options Issued in Connection with the Acquisition of West Cirque

In connection with the Company's recent acquisition of all of the issued and outstanding common shares and options of West Cirque Resources Ltd. ("**West Cirque**"), the Company issued an aggregate of 1,150,000 options to purchase Common Shares of the Company ("**Replacement Options**") to certain directors and officers of West Cirque. The Replacement Options are not assignable and include the following terms and conditions:

Number of Replacement Options	Exercise Price per Common Share	Expiry Date
50,000	\$0.30	April 2015
50,000	\$0.50	April 2015
150,000	\$0.30	October 2015
150,000	\$0.30	October 2015
150,000	\$0.50	April 2016
100,000	\$0.90	July 2016
100,000	\$0.90	July 2016
100,000	\$0.90	July 2016
25,000	\$0.90	July 2016
100,000	\$0.90	July 2016
50,000	\$0.82	April 2017
75,000	\$0.52	March 2018
50,000	\$0.51	December 2016

Securities Issued and Unissued under the Stock Option Plan

As at August 22, 2014 there are 148,625,237 Common Shares of the Company issued and outstanding. Pursuant to the Plan and based on the current outstanding Common Shares of the Company, Common Shares reserved for issuance under the Plan would be as follows:

	Number of Common Shares	% of Issued and Outstanding Common Shares
Common Shares reserved for future issuance pursuant to issued and unexercised options under the Stock Option Plan	10,814,700	7.28%
Common Shares reserved for future issuance pursuant to issued and unexercised Replacement Options	1,150,000	0.77%
Unissued Common Shares available for future option grants under the Stock Option Plan	2,897,823	1.95%
Maximum number of Common Shares available for issuance under the Stock Option Plan	14,862,523	10%

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company's most recently completed financial year, or subsequently to the date of this Information Circular, was any director, executive officer or proposed management nominee for election as a director of the Company, or any associate of any such director, executive officer or proposed nominee, indebted to the Company or any of its subsidiaries, or to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed below, the Company is unaware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

The Company is a party to a cost sharing agreement with Ivanhoe Mines Ltd. (TSX; IVN), Ivanhoe Energy Inc. (TSX; IE, NASDAQ; IVAN), Ivanhoe Capital Corporation, GoviEx Uranium Inc. (CSE; GXU) and I-Pulse Inc. Through these agreements, the Company shares, on a cost-recovery basis, office space, furnishings, equipment and communications facilities in Vancouver, Singapore and London. The Company also shares the costs of employing administrative and certain management personnel in these offices. In 2013, the Company's share of these costs was \$143,000.

MANAGEMENT CONTRACTS

Management functions of the Company and its subsidiaries are not performed by a person or persons other than the directors or senior officers of the Company.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") of the Canadian Securities Administrators requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of the Company's audit committee (the "**Audit Committee**") and its relationship with its independent auditor.

The Audit Committee Charter

The Company's Audit Committee is governed by an audit committee charter. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "3".

Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors: Terry Krepiakovich (Chair), Peter Meredith and Ali Zamani. As defined in NI 52-110, Messrs. Krepiakovich and Zamani are independent. Mr. Meredith is not independent as he is the Chairman of the Company. All of the Audit Committee members are "financially literate", as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting. As a venture issuer, the Company is not required to have an audit committee that is comprised entirely of independent directors.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The audit committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience of Members of the Audit Committee

Each of Messrs. Krepiakevich, Meredith and Zamani meet the relevant education and experience requirements set out in NI 52-110.

Terry Krepiakevich

Mr. Krepiakevich is a Chartered Accountant who has more than has 30 years of management, finance and accounting experience. He has extensive experience in the areas of audit committees and financial risk assessment, and is currently the Chief Executive Officer of Meryllion Resources Corporation. He has held the office of Chief Financial Officer at SouthGobi Resources Ltd. from 2006 to 2011 and at Extreme CCTV Inc. from 2000 to 2006. He is a graduate of the University of British Columbia.

Peter Meredith

Mr. Meredith is a Chartered Accountant and former partner with Deloitte LLP. He has been a Director, Deputy Chairman and Chief Financial Officer with Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), and was the Chairman of SouthGobi Resources Ltd. from 2009 to 2012. He serves on several boards and audit committees of public companies including, but not limited to, Great Canadian Gaming Corporation, Trevali Mining Corporation and Peregrine Diamonds Ltd.

Ali Zamani

Mr. Zamani has served as a Portfolio Manager at Gefinor Capital Management since February 2014 and as Chief Investment Officer of the GEF Opportunities Fund, an opportunistic, value-oriented, liquid public markets fund. Prior to Gefinor, Mr. Zamani was a Principal at SLZ Capital Management, from 2012 to 2013, and was a Portfolio Manager at Goldman Sachs for eight years (2004 to 2012) focusing on the energy, materials, utilities and industrials sectors. Mr. Zamani also sits on the board of Applied Minerals, Inc., a vertically-integrated Halloysite Clay producer listed on the OTC Bulletin Board.

Mr. Zamani holds a B.S. in Economics from the Wharton School at the University of Pennsylvania where he graduated magna cum laude.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. A copy of the Company's Audit Committee Charter is attached hereto as Schedule "3".

External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor in the last two fiscal years, by category, are as follows:

Financial Year Ended December 31	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
2013	\$63,500	\$19,600	Nil	\$52,500
2012	\$48,500	\$33,400	Nil	\$3,600

Notes:

- (1) Represents the aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit services.
- (2) Represents the aggregate fees billed in each of the last two fiscal years by the Company’s external auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements (and not reported under the heading “Audit Fees”).
- (3) Represents the aggregate fees billed in each of the last two fiscal years by the Company’s external auditor for professional services for tax compliance, tax advice and tax planning. The services comprising the fees disclosed under this category consisted of tax consultations and tax compliance services.
- (4) Represents the aggregate fees billed in each of the last two fiscal years by the Company’s external auditor for products and services not included under the headings “Audit Fees”, “Audit Related Fees” and “Tax Fees”. \$52,500 includes fees relating to the preparation of carve-out financial statements relating to the Reorganization. \$3,600 represents fees incurred in the acquisition of Swala Resources Inc.

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

Director Independence

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgement.

The Company has a Board that is comprised of a majority of independent directors.

Independent Directors. The Board is comprised of ten directors, six of whom are independent. The Board has determined that David Huberman, Robert Hanson, Akiko Levinson, Ali Zamani, Terry Krepiakovich and Kuang Ine Lu are independent directors.

Non-Independent Directors. The Board has determined that Peter Meredith and B. Matthew Hornor are not independent directors because Mr. Meredith is the Company’s Chairman and Mr. Hornor is the

President and Chief Executive Officer. The Board has determined that Edward Flood is not independent as Mr. Flood acted as Chief Executive Officer to Concordia Resource Corp. ("**Concordia**") (the predecessor company to Kaizen) to February 2013 and as Chairman to March 2013. The Company has determined that David Birkenshaw is not independent as he acted as Chairman to Concordia (the predecessor company to Kaizen) from March 2013 to December 2013.

Other Directorships

Certain of the Company's directors are directors of other reporting issuers (or the equivalent in Canada or foreign jurisdictions), as set out in the following table:

Name	Name of Reporting Issuer
David Birkenshaw	Planet Mining Exploration Inc. California Gold Mining Inc. Meryllion Resources Corporation
R. Edward Flood	East Asia Minerals Corporation Western Lithium USA Corporation Baker Steel Royalty Trust
B. Matthew Hornor	Western Lithium USA Corp. Dusolo Fertilizers Inc.
David Huberman	Trevali Mining Corporation
Terry Krepiakevich	Alexco Resources Corp. Western Lithium USA Inc. Meryllion Resources Corporation
Akiko Levinson	Gold Canyon Resources Inc. Jipangu Inc. Novo Resources Corp.
Peter Meredith	Peregrine Diamonds Ltd Ivanhoe Energy Inc. Great Canadian Gaming Corporation Ivanhoe Mines Ltd. Trevali Mining Corporation
Ali Zamani	Applied Minerals, Inc.
Robert Hanson	GoviEx Uranium Inc.

Board Mandate

The Board has assumed responsibility for the stewardship of the Company and has adopted a formal mandate setting out its stewardship responsibilities. A copy of the board mandate may be obtained, without charge, upon request to the Company's Corporate Secretary at 654 – 999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1, telephone 604-669-6446.

Orientation and Continuing Education

The Board is responsible for ensuring that all new directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, and that they understand the nature and operation of the Company's business. In addition, the Board is responsible for providing continuing education opportunities designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the business remains current.

Management intends to initiate a process to inform and educate the Board on a continuing basis as necessary to keep the directors up-to-date with the Company, its business and the environment in which it operates. In addition, directors will be encouraged to take courses relevant to the Company and its

business, particularly with respect to corporate governance and the mining industry, at the Company's expense.

Ethical Business Conduct

The directors encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. The Company has adopted a Code of Business Conduct and Ethics (the "**Code**") which addresses the Company's continuing commitment to integrity and ethical behaviour. The Code is applicable to all employees, consultants, officers and directors regardless of their position in the organization, at all times and everywhere the Company does business. The Code provides that the Company's employees, consultants, officers and directors will uphold its commitment to a culture of honesty, integrity, accountability and respect for the communities in which the Company operates. The Company requires the highest standards of professional and ethical conduct from its employees, consultants, officers and directors.

Certain members of the Board are directors or officers of, or have shareholdings in, other mineral resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Where such a conflict involves a particular Board member (i.e. where a Board member has an interest in a material contract or material transaction involving the Company), such Board member will be required to disclose his or her interest to the Board and refrain from voting at the Board meeting of the Company considering such contract or transaction in accordance with applicable law. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interest should be reported immediately to a member of senior management who is independent of the potential conflict and who will assess the issue with the advice of legal counsel. If deemed appropriate, the Company may establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

In addition the Board has adopted a whistleblower policy (the "**Whistleblower Policy**"). The Whistleblower Policy provides a procedure by which the process, mandate and responsibilities around handling complaints, whether through the whistle-blowing process or reported otherwise, be documented and approved.

Each of the Company's directors, management and senior employees have completed or are in the process of completing an online- e-learning training course relating to anti-corruption and anti-bribery.

A copy of the Code and the Whistleblower Policy may be obtained, without charge, upon request to the Company's Corporate Secretary at 654 – 999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1, telephone 604-669-6446.

Nomination of Directors

The Board has a Nominating and Corporate Governance Committee consisting of David Huberman (Chair), Robert Hanson and Terry Krepiakovich, which has been established to assist the Board with the nomination of directors and to develop, monitor and implement the Company's approach to corporate governance.

The role of the Nominating and Corporate Governance Committee is to, amongst other things: (i) identify individuals qualified to become members of the Board and Board committees; and recommend that the Board select such persons as nominees for appointment or election to the Board;

(ii) develop and recommend to the Board corporate governance guidelines for the Company and make recommendations to the Board with respect to corporate governance practices; and (iii) recommend the establishment of such permanent or ad hoc committees of the Board as it deems necessary for the purposes of assisting in the corporate governance of the Company. All members shall have a working familiarity with corporate governance practices.

In fulfilling its responsibilities to identify individuals qualified to become members of the Board, the committee will consider: (i) the independence of each nominee; (ii) the experience and background of each nominee; (iii) the skill set of each nominee relative to the balance of skills required by the Board and its committees to meet their respective mandates; (iv) the past performance of directors being considered for re-election; (v) applicable regulatory requirements; and (vi) such other criteria as may be established by the Board or the Nominating and Corporate Governance Committee from time to time.

A copy of the Nominating and Corporate Governance Committee's charter may be obtained upon request to the Company's Corporate Secretary, 654 – 999 Canada Place, Vancouver, British Columbia, V6C 3E1, telephone (604) 669-6446.

The Nominating and Corporate Governance Committee also considers the size of the Board from time to time, and currently considers the size of the Board to be appropriate.

Compensation

Refer to section titled "Compensation Discussion and Analysis" in Schedule "2" attached to this Information Circular for a description of the process by which the Board (through its Compensation Committee) determines the compensation for the Company's directors and officers and for a description of the responsibilities, powers and operations of the Compensation Committee.

Other Board Committees

The Company has no other committees, other than the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. Election of directors

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Management of the Company proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed, all of whom are current directors of the Company:

Mr. Peter Meredith
Mr. David Birkenshaw
Mr. Edward Flood
Mr. Robert Hanson
Mr. B. Matthew Hornor
Mr. David Huberman
Mr. Terry John Krepiakevich
Ms. Akiko Levinson
Mr. Kuang Ine Lu
Mr. Ali Zamani

UNLESS SUCH AUTHORITY IS WITHHELD, PROXIES GIVEN PURSUANT TO THE SOLICITATION BY THE MANAGEMENT OF THE COMPANY WILL BE VOTED FOR THE NOMINEES LISTED ABOVE. Management

does not contemplate that any of the nominees will be unable to serve as a director.

The Board currently consists of ten (10) directors. The Company is requesting that the shareholders consider and, if thought advisable, approve an ordinary resolution at the Meeting to set the number of directors of the Board at ten (10) directors for the ensuing year.

The director tables in Schedule "1" attached to this Information Circular provide information on the nominees proposed for election to the Board. Included in these tables is information relating to each nominee's committee memberships, meeting attendance, other public company directorships, ownership of Company securities, principal occupation, business or employment and the period of time during which each has been a director of the Company. The statement as to Common Shares and other securities beneficially owned, directly or indirectly, or over which control or direction is exercised by the nominees is in each instance based upon information furnished by the nominee concerned and is as at August 22, 2014.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of management, except as disclosed herein, no director or executive officer of the Company is, as of the date of this Information Circular, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Kaizen) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued: (i) while such person was acting in that capacity; or (ii) after such person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

To the knowledge of management, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of management, no director or executive officer of the Company, or shareholder holding a sufficient number of securities to affect materially the control of the Company has been subject to any 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 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 investor in making an investment decision.

2. Appointment of Auditors

The auditors of the Company are Crowe MacKay LLP, Chartered Accountants. Crowe MacKay LLP has been the Company's auditors since 2006. At the Meeting, Shareholders will be requested to re-appoint Crowe MacKay LLP as auditors of the Company to hold office until the next annual general meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix the auditors' remuneration.

UNLESS IT IS SPECIFIED IN A PROXY THAT THE SHAREHOLDER WITHHOLDS APPROVAL FOR THE COMPANY TO CAUSE THE APPOINTMENT OF CROWE MACKAY LLP AS AUDITORS OF THE COMPANY FOR THE ENSUING YEAR, THE PERSONS NAMED IN THE FORM OF PROXY WILL VOTE FOR THE

APPOINTMENT OF CROWE MACKAY LLP AS AUDITORS OF THE COMPANY, TO HOLD OFFICE UNTIL THE NEXT ANNUAL GENERAL MEETING OF THE SHAREHOLDERS, AND AUTHORIZE THE BOARD TO FIX THE AUDITORS' REMUNERATION.

3. Re-Approval of Stock Option Plan

Shareholder approval for the Company's current Plan was obtained at the annual general meeting of the Shareholders held on July 25, 2013.

Management of the Company believes that incentive stock options serve an important function in furnishing directors, officers, employees and consultants (collectively, the "*Eligible Parties*") of the Company an opportunity to invest in the Company in a simple and effective manner and better aligning the interests of the Eligible Parties with those of the Company and its shareholders through the ownership of Common Shares in the Company.

Under TSX-V requirements, security-based compensation arrangements which do not have a fixed maximum number of securities issuable must be approved by the listed issuer's security holders every year. Accordingly, at the Meeting the Shareholders will be asked to consider, and the directors, believing it to be in the best interests of the Company, recommend that the shareholders reapprove, the Company's Plan and the reservation of sufficient Common Shares from treasury to provide the shares necessary for issuance upon the exercise from time to time of options granted pursuant to the Plan.

The Plan is in the form of a rolling stock option plan reserving for issuance upon the exercise of options granted pursuant to the Plan a maximum of 10% of the issued and outstanding shares of the Company at any time, less any shares required to be reserved with respect to options granted by the Company prior to the implementation of the Plan.

See for "*Summary of Stock Option Plan*" for a summary of the provisions of the Plan.

During the financial year ended December 31, 2013, 1,156,500 options were outstanding under the Plan and as of the Record Date 11,964,700 options were outstanding (which includes the 1,150,00 Replacement Options issued in connection with the acquisition of West Cirque).

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

"BE IT RESOLVED, as an ordinary resolution, that:

1. the Company's Stock Option Plan as described in the Information Circular be and is hereby ratified, approved and confirmed including the reserving for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued and outstanding shares of the Company, subject to any amendments that may be required by the TSX Venture Exchange;
2. the Company be authorized to abandon or terminate all or any part of the Stock Option Plan if the Board of the Company deems it appropriate and in the best interests of the Company to do so;
3. the Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Stock Option Plan; and
4. any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution."

THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY, IF NOT EXPRESSLY DIRECTED OTHERWISE IN SUCH INSTRUMENT OF PROXY, WILL VOTE FOR THE ORDINARY RESOLUTION TO RE-APPROVE THE PLAN.

DIRECTORS' APPROVAL

The contents of this Information Circular and its distribution to shareholders have been approved by the Board.

ADDITIONAL INFORMATION

Additional information relating to the Company is available free of charge through the Company's website at www.kaizendiscovery.com or through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com. This includes the Company's comparative financial statements and management's discussion and analysis for its most recently completed quarter and financial year, which may be viewed on the SEDAR website. Shareholders may contact the Company directly to receive copies of information relating to it, including its financial statements and management's discussion and analysis, without charge, upon written or oral request to Mary Vincelli, Corporate Secretary, Suite 654-999 Canada Place, Vancouver, British Columbia, V6C 3E1, or by telephone at (604) 687-8765 (not a toll-free number).

Dated at Vancouver, British Columbia this 28th day of August, 2014.

BY ORDER OF THE BOARD OF DIRECTORS OF KAIZEN DISCOVERY INC.

"Peter Meredith"

Peter Meredith


Chairman of the
Board of Directors

"Mary Vincelli"

Mary Vincelli

Corporate Secretary

SCHEDULE 1 – DIRECTORS TABLES

 <p>Peter Meredith British Columbia, Canada Age: 71</p> <p>Director Since: December 2013</p> <p>Director Status: Non-Independent⁽¹⁾</p> <p>Areas of Experience: Board International Finance Mining Industry Public Capital Markets</p>	<p>Peter Meredith has been a Director of Kaizen and its Chairman since December 2013. He has served as a Director of Ivanhoe Mines Ltd. (formerly Ivanplats Limited) since 1998. Ivanhoe Mines Ltd. is developing three principal projects located in the Central African Copperbelt in the Democratic Republic of Congo and the Northern Limb of the Bushveld Complex in South Africa.</p> <p>Mr. Meredith served as the Chief Financial Officer of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) from May 2004 to May 2006, and from June 1999 to November 2001, and as its Deputy Chairman from May 2006 to April 2012 where he was involved in overseeing the company's business development and corporate relations. He was a member of Turquoise Hill's Board of Directors until May 2013. Mr. Meredith was also Chairman of SouthGobi Resources Ltd. from October 2009 to September 2012 and Chief Executive Officer from June 2007 to October 2009.</p> <p>Mr. Meredith spent 31 years with Deloitte LLP, chartered accountants, and retired as a partner in 1996. Mr. Meredith is a Chartered Accountant and is a member of the Institute of Chartered Accountants of British Columbia and the Institute of Chartered Accountants of Ontario. Mr. Meredith was certified as a Chartered Accountant by the Canadian Institute of Chartered Accountants (1968).</p>						
	Principal Occupation, Business or Employment⁽³⁾						
	<p>President and Chief Executive Officer, Global Mining Management Corporation (April 2006 to May 2013); Deputy Chairman of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) (May 2006 to April 2012); Chairman, SouthGobi Resources Ltd. (October 2009 to September 2012) and Chief Executive Officer (June 2007 to October 2009)</p>						
	Board/Committee Membership:			Public Board Membership:			
				Company:		Since:	
	Board of Directors Audit Committee			Peregrine Diamonds Ltd Ivanhoe Energy Inc. Great Canadian Gaming Corporation Ivanhoe Mines Ltd. Trevali Mining Corporation		2013 2007 2003 1998 2013	
	Common Shares Beneficially Owned, Controlled or Directed: ⁽³⁾						
	Common Shares						
	Nil						
	Options Held:						
Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾	
January 4, 2014	January 4, 2019	400,000	80,000/ 320,000	\$0.63	400,000	Nil	



David Birkenshaw
Ontario, Canada
Age: 59

Director Since:
November 2012⁽⁵⁾

Director Status:
Non-Independent⁽¹⁾

Areas of Experience:
Board
International Finance
Mining Industry
Public Capital Markets

David Birkenshaw has been the President and Chief Executive Officer of Birkenshaw & Company Ltd. since its formation in 1989. He was a Senior Vice President and Director of PricewaterhouseCoopers Securities LLP specializing in mergers, acquisitions and related financial advisory work in mining and marine transport industries from 1998 to 2000. Mr. Birkenshaw, through Birkenshaw & Company Ltd. has acted as a merchant banker, making significant investments across a broad range of industry sectors.

Principal Occupation, Business or Employment⁽³⁾

Chairman, Meryllion (December 2013 to present); President and Chief Executive Officer, Birkenshaw & Company Ltd. (1989 to present); Chief Executive Officer, Planet Exploration (October 2012 to present).

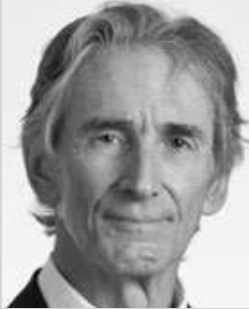
Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors	Planet Mining Exploration Inc.	2012
	California Gold Mining Inc.	2014
	Meryllion Resources Corporation	2013

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares
2,848,900

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
January 4, 2014	January 4, 2019	300,000	60,000/ 240,000	\$0.63	300,000	Nil



Edward Flood

Monaco

Age: 69

Director Since: March 2007⁽⁵⁾

Director Status:
Non-Independent⁽¹⁾

Areas of Experience:
CEO/Board
International Finance
Mining Industry
Public Capital Markets

Edward Flood has more than 35 years of experience in international mining. He was Chief Executive Officer of the Company's predecessor, Concordia Resource Corp. from December 2010 to February 2013 and Chairman from March 2007 to February 2013. Mr. Flood was the Deputy Chairman of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) and its founding President.

Mr. Flood served as the Chairman of Western Lithium USA Corporation from July 2008 to June 2012 and has been Non-Executive Co-Chairman since August 2014. He was a principal at Robertson Stephens & Co., an investment bank in San Francisco where he was a member of the investment team for the Contrarian Fund, a public mutual fund focused on natural resource development projects around the world. His past positions include Non-Executive Chairman of Byron Capital Markets and Managing Director, Investment Banking for Haywood Securities (UK) Ltd.

He also serves as a Director of East Asia Minerals Corporation and Baker Street Royalty Trust.

Principal Occupation, Business or Employment⁽³⁾

Non-Executive Co-Chairman (August 2014 to present) and Chairman (July 2008 to June 2012), Western Lithium USA Corporation; Chief Executive Officer (December 2010 to February 2013), Chairman (March 2007 to March 2013) and President (December 2010 to November 2011), Concordia Resource Corp. (predecessor to Kaizen); Chairman and Chief Executive Officer, Central Asian Mining Limited (December 2004 to July 2011)

Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors	East Asia Minerals Corporation	2012
	Western Lithium USA Corporation	2013
	Baker Steel Royalty Trust	2010

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares

182,640

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
January 4, 2014	January 4, 2019	300,000	60,000 / 240,000	\$0.63	300,000	Nil
December 22, 2010	December 22, 2015	200,000	200,000 / nil	\$2.13	200,000	Nil
June 10, 2010	June 10, 2015	20,000	20,000 / nil	\$1.90	20,000	Nil



Robert Hanson
London, United Kingdom
Age: 53

Director Since: December 2013

Director Status:
Independent⁽²⁾

Areas of Experience:
Board
International Finance
Mining Industry
Public Capital Markets

The Hon. Robert Hanson, son of the late Lord Hanson, is the Chairman of Hanson Family Holdings, an umbrella vehicle under which various diversified interests are held including the original family business, Hanson Transport Group. Mr. Hanson's formative years were served with NM Rothschild & Sons in London, Hong Kong, Chile and Spain before joining Hanson Plc. in the 1990's where he was responsible for strategy, mergers, acquisitions and disposals. He founded Hanson Capital Limited and also Hanson Asset Management to capitalize on his family office credentials and his worldwide network of high net-worth individuals, entrepreneurs and financiers.

Mr. Hanson has served as a Director for Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) and SouthGobi Resources Limited. He also is the Chairman of Strand Hanson Limited, the London based NOMAD and corporate advisory firm. In addition to acting as Chairman of the Company's Compensation Committee, Mr. Hanson also is a member of the Nominating and Corporate Governance Committee.

Principal Occupation, Business or Employment⁽³⁾

Chairman, Hanson Family Holdings (May 2009 – present); Chairman, Strand Hanson Ltd. (October 2009 – present); Chairman, Hanson Asset Management (April 2010 – present)

Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors Compensation Committee (Chair) Nominating and Corporate Governance Committee	GovEx Uranium Inc.	2014

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares
Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
January 4, 2014	January 4, 2019	300,000	60,000/ 240,000	\$0.63	300,000	Nil



B. Matthew Hornor
British Columbia, Canada
Age: 43

Director Since: December 2013

Director Status:
Non-Independent⁽¹⁾

Areas of Experience:
CEO/Board
International Finance
Mining Industry
Public Capital Markets
Corporate Law

As President and Chief Executive Officer and Director of Kaizen, Matthew Hornor will provide strategic leadership and will be responsible for leading the development and execution of long term strategy with a view to creating and maximizing shareholder value. Mr. Hornor has extensive experience in the mining industry where he has participated in the structuring and execution of complex financial transactions and capital raising activities. Mr. Hornor is Executive Vice President with Ivanhoe Mines Ltd. (formerly Ivanplats Limited) and was Executive Vice President, Business Development and Legal from May 2010 to December 2013. He was instrumental in ITOCHU Corporation's approximately US\$280 million investment in Ivanhoe Mines' Platreef platinum and nickel project in South Africa.

Mr. Hornor served as Vice President with Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), based in Beijing, China. Mr. Hornor worked as a Senior Associate with the international law firm, Paul, Hastings, Janofsky & Walker, LLP in Tokyo, Japan, representing Japanese clients in out-bound cross border transactions, and top-tier U.S. investment banks in corporate finance projects and merger and acquisition transactions totalling several billion dollars in the aggregate.

Mr. Hornor is a graduate of the University of Southern California (Bachelor of Arts) and the University of Virginia School of Law (Juris Doctorate). Mr. Hornor received two Japanese Ministry of Education (Mombusho) fellowships and completed graduate and post-graduate work at Tohoku University in Sendai and at Tokyo University in Law and Economics.

Principal Occupation, Business or Employment⁽³⁾

President (January 2014 to present) and Chief Executive Officer (December 2013 to present), Kaizen Discovery Inc.; Executive Vice President (December 2013 to present) and Executive Vice President, Business Development and Legal (May 2010 to December 2013), Ivanhoe Mines Ltd. (formerly Ivanplats Limited); General Counsel to I-Pulse Inc. (July 2009 to present) and Vice President (July 2012 to present); Executive Vice President of GoviEx Uranium Inc. (September 2009 to February 2014) and General Counsel (February 2007 to February 2014)

Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors	Western Lithium USA Corporation Dusolo Fertilizers Inc.	2014 2014

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares
Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
January 4, 2014	January 4, 2019	2,400,000	480,000 / 1,920,000	\$0.63	2,400,000	Nil



David Huberman
British Columbia, Canada
Age: 79

Director Since: December 2013

Director Status:
Lead Independent⁽²⁾

Areas of Experience:
CEO/Board
International Finance
Mining Industry
Public Capital Markets

David Huberman is the President of Coda Consulting Corp., a business consulting firm. From 1972 to 1996, he was a Senior Partner of a Canadian business law firm, specializing in corporate, commercial, banking, securities, regulatory and mining law.

Mr. Huberman served as a Director of Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.) including a period as its Chairman. He also has served as Executive Vice President and General Counsel of Lions Gate Entertainment Corp. and is currently Chairman of Trevali Mining Corporation.

Principal Occupation, Business or Employment⁽³⁾

President, Coda Consulting Corp. (1994 to present); Executive at Gibralt Capital Corp. (September 2013 to present)

Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors Nominating and Corporate Governance Committee (Chair)	Trevali Mining Corporation	2012

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares
Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
January 4, 2014	January 4, 2019	300,000	60,000/ 240,000	\$0.63	300,000	Nil



Terry John Krepiakovich
British Columbia, Canada
Age: 62

Director Since: March 2011⁽⁵⁾

Director Status:
Independent⁽²⁾

Areas of Experience:
CEO/Board
International Finance
Mining Industry
Public Capital Markets
International Project
Management

Terry Krepiakovich, CA, was the Interim Chief Executive Officer of Kaizen's predecessor, Concordia Resource Corp., from March 2013 until the transaction that created Kaizen in December 2013. Prior to this, he was Chief Financial Officer of SouthGobi Resources Ltd., a Mongolia-focused coal company, from July 2006 to July 2011 and from 2000 to 2006, he was the Chief Financial Officer and Director of Extreme CCTV Inc.

In addition to acting as Chairman of Kaizen's Audit Committee, Mr. Krepiakovich also is a member of the Nominating and Corporate Governance Committee, and a member of the Institute of Chartered Accountants and the Institute of Corporate Directors.

He currently serves as Chief Executive Officer and Director at Meryllion Resources Corp., and Director at Alexco Resource Corp. and Western Lithium USA Corp.

Principal Occupation, Business or Employment⁽³⁾

Chief Executive Officer, Meryllion Resources Corporation (December 2013 to present); Interim Chief Executive Officer of Concordia Resource Corp. (March 2013 to December 2013); Independent Financial Advisor (July 1, 2011 to present); Chief Financial Officer, SouthGobi Resources Ltd. (July 2006 to July 2011)

Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors	Alexco Resources Corp.	2009
Audit Committee (Chair)	Western Lithium USA Corporation	2011
Nominating & Corporate Governance Committee	Meryllion Resources Corporation	2013

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares
Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
January 4, 2014	January 4, 2019	300,000	60,000/ 240,000	\$0.63	300,000	Nil
August 25, 2011	August 25, 2016	10,000	10,000 / nil	\$1.48	10,000	Nil
March 31, 2011	March 31, 2016	40,000	40,000 / nil	\$2.24	40,000	Nil



Akiko Levinson
 British Columbia, Canada
 Age: 59

Director Since: December 2013

Director Status:
 Independent⁽²⁾

Areas of Experience:
 CEO/Board
 International Finance
 Mining Industry
 Public Capital Markets

Akiko Levinson has been the President of Gold Canyon Resources Inc. since June 2003, a TSX-Venture listed mineral company with North American operations, and its Director since 1991.

She is also a director of Novo Resources Corp., a junior gold explorer with projects in Australia; and Jipangu Inc., a Japanese gold miner with a project in Nevada.

Ms. Levinson has served as a member of Kaizen's Compensation Committee since December 2013.

Principal Occupation, Business or Employment⁽³⁾

President, Gold Canyon Resources Inc. (June 2003 to present)

Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors	Gold Canyon Resources Inc.	1991
Compensation Committee	Novo Resources Corp.	2011
	Jipangu Inc.	2010

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares
Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
January 4, 2014	January 4, 2019	300,000	60,000/ 240,000	\$0.63	300,000	Nil



Dr. Kuang Ine Lu
British Columbia, Canada
Age: 79

Director Since: April 2014

Director Status:
Independent⁽²⁾

Areas of Experience:
Geology
International Finance
Mining Industry

Dr. Lu has advised the Vancouver office of Japan Oil, Gas and Metals National Corporation (JOGMEC) on its research and assessments of exploration projects since 2003. JOGMEC is a Japanese government entity with a mandate to seek a stable supply of natural resources for Japan's industrial sector. He has more than 50 years of mineral exploration and evaluation experience in Asia, the Middle East, North and South America and Indonesia, and holds a Ph.D. in Economic Geology from the University of Tokyo.

Dr. Lu directed the discoveries of the Formosa massive sulfide deposit in the U.S.; the placer gold zone south of Peter's Mine in Guyana; the Jason South lead-zinc zone in Canada; and the Lucky gold deposit at the Chinkaushih Mine in Taiwan.

Principal Occupation, Business or Employment⁽³⁾

Advisor to JOGMEC (2003 to present)

Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors	Nil	N/A

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares
Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
May 2, 2014	May 2, 2019	300,000	60,000 / 240,000	\$0.67	300,000	Nil



Ali Zamani
New York, USA
Age: 34

Director Since: December 2013

Director Status:
Independent⁽²⁾

Areas of Experience:
Board
International Finance
Mining Industry
Public Capital Markets

Ali Zamani has served as a Portfolio Manager at Gefinor Capital Management since February 2014 and as Chief Investment Officer of the GEF Opportunities Fund, an opportunistic, value-oriented, liquid public markets fund. Prior to Gefinor, Mr. Zamani was a Principal at SLZ Capital Management, from 2012 to 2013, and was a Portfolio Manager at Goldman Sachs for eight years (2004 to 2012) focusing on the energy, materials, utilities and industrials sectors. Mr. Zamani also sits on the board of Applied Minerals, Inc., a vertically-integrated Halloysite Clay producer listed on the OTC Bulletin Board.

Mr. Zamani holds a B.S. in Economics from the Wharton School at the University of Pennsylvania where he graduated magna cum laude.

Principal Occupation, Business or Employment⁽³⁾

Portfolio Manager at Gefinor Capital Management (February 2014 to present); Principal at SLZ Capital (July 2012 to December 2013); Vice-President at Goldman Sachs (May 2004 to July 2012)

Board/Committee Membership:	Public Board Membership:	
	Company:	Since:
Board of Directors Audit Committee Compensation Committee	Applied Minerals, Inc.	2014

Common Shares Beneficially Owned, Controlled or Directed:⁽³⁾

Common Shares
Nil

Options Held:

Date Granted	Expiry Date	Number Granted	Vested / Unvested	Exercise Price	Total Unexercised	Value of Options Unexercised ⁽⁴⁾
January 4, 2014	January 4, 2019	300,000	60,000/ 240,000	\$0.63	300,000	Nil

Notes:

- (1) See entitled "Corporate Governance Disclosure" for a description of the reasons why the Company does not consider this nominee to be independent.
- (2) "Independent" refers to the standards of independence established under Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (3) The information as to principal occupation, business or employment of and shares beneficially owned, controlled or directed by a nominee is not within the knowledge of the management of the Company and has been furnished by the nominee.
- (4) The "Value of Unexercised Options" is calculated on the basis of the difference between the closing price of the Common Shares on the TSXV Venture Exchange on August 22, 2014 and the exercise price of the options multiplied by the number of unexercised options on August 22, 2014, vested and unvested.
- (5) Initially elected to the board of directors of Concordia prior to the Reorganization. In December 2013, Concordia changed its name to Kaizen.

SCHEDULE 2 – STATEMENT OF EXECUTIVE COMPENSATION

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Company's Chief Executive Officer (the "CEO") or Chief Financial Officer (the "CFO") during the 2013 fiscal year, and each of the three (3) other most highly compensated executive officers of the Company and its subsidiaries for the 2013 fiscal year, whose annual aggregate compensation exceeded Cdn\$150,000 (collectively, the "NEOs"). In reviewing the information in this Schedule 2, readers are reminded that the Company was formed on December 4, 2013 through a combination of certain assets of Concordia and certain assets acquired from HPX TechCo Inc., a 100%-owned subsidiary of High Power Exploration Inc. (the "Reorganization"). Prior to the Reorganization, Concordia was a TSXV listed mineral exploration company trading under the symbol "CCN".

Compensation Discussion and Analysis

Objectives of Compensation Program

The Board recognizes that Kaizen's performance depends on the quality of its directors and executives. To achieve its operating and financial objectives, the Company must attract, motivate and retain highly skilled directors and executives. The Board recognizes that there must be a link between compensation and business strategy and that remuneration at Kaizen must be comparable with that offered by other businesses operating in similar industries in order to ensure that the Company can retain its executives and promote a culture aimed at achieving its business objectives. Executive compensation packages are designed to attract, motivate and retain executives of the calibre necessary to manage Kaizen's operations and to align the executives' interests with the interests of the Company's shareholders and reward them for enhancing shareholder value.

The Company's policy for determining the nature and amount of remuneration for the Company's directors and executives is assessed from time to time with reference to the mineral industry marketplace. The Compensation Committee is responsible for researching, assessing and making recommendations to the Board in relation to senior executive remuneration. Where required, the Compensation Committee will seek independent external advice to gauge general market conditions and perform competitor analysis in order to provide for transparent and defensible compensation.

Overview of the Compensation Philosophy

- The Company's Compensation Committee was established by the Board in December 2013. Through the Compensation Committee, the Board is committed to the transparent presentation of its compensation program.
- The three principal elements of the compensation program are: (i) base salary; (ii) performance bonuses (cash and/or shares); and (iii) long term incentives.
- Overall incentive compensation is awarded based on individual performance objectives, experience levels of the individual, responsibilities relating to the individual's position and salaries paid by the Company's peer compensation group at the time.

Role of the Compensation Committee

The Compensation Committee was formed on December 4, 2013. The Compensation Committee oversees and sets the general guidelines and principles for the implementation of the Company's executive compensation policies, reviews the adequacy and form of compensation and/or benefits for directors and executives, assesses the individual performance of the Company's executives and makes recommendations to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the remuneration for directors and executive officers as well as other employees and consultants

The Compensation Committee also administers and makes recommendations to the Board with respect to the Plan, in compliance with applicable securities law, stock exchange and other regulatory requirements.

The CEO, B. Matthew Hornor, is invited to committee meetings as required, to discuss senior executives' performance and remuneration packages but does not attend meetings involving matters pertaining to his own remuneration.

The Compensation Committee may seek independent compensation advice where appropriate from external consultants to assist in assessing executive remuneration levels and aligning directors and senior executive remuneration packages with comparative industry standards and prevailing market rates. The Compensation Committee has not yet engaged such external advice. All Compensation Committee members are independent directors. All meetings of the Compensation Committee are documented in the form of meeting minutes. The Compensation Committee is made up of the following members, all of whom have experience in dealing with compensation matters:

- *Mr. Robert Hanson, Chair.* Mr. Hanson is the Chairman of Hanson Family Holdings, an umbrella vehicle under which various diversified interests are held including the original family business, Hanson Transport Group. Mr. Hanson has extensive experience in international business, having worked with NM Rothschild & Sons in London, Hong Kong, Chile and Spain as well as with his business interests in shipping, packaging and fund management. Mr. Hanson has served as a director and committee member on other public company boards including Ivanhoe Mines Ltd. (now Turquoise Hill Resources Ltd.), SouthGobi Resources Limited, and GoviEx Uranium Inc., where he is the Chair of its compensation committee. Mr. Hanson has regularly addressed matters of executive and director compensation, external compensation consultants and human resource professionals.
- *Akiko Levinson.* Ms. Levinson has been the President of Gold Canyon Resources Inc., a TSXV listed mineral company with North American operations since 2003, and one of its Directors since 1991. She also sits on the boards of Novo Resources Corp., a junior gold explorer with projects in Australia; and Jipangu Inc., a Japanese gold miner with a project in Nevada. During Ms. Levinson's career in the mining industry, she has had extensive experience with matters pertaining to executive management compensation.
- *Ali Zamani.* Mr. Zamani has served as a Portfolio Manager at Gefinor Capital Management since February 2014 and as Chief Investment Officer of the GEF Opportunities Fund, an opportunistic, value-oriented, liquid public markets fund. Prior to Gefinor, Mr. Zamani was a Principal at SLZ Capital Management, from 2012 to 2013, and was a Portfolio Manager at Goldman Sachs for eight years (2004 to 2012) focusing on the energy, materials, utilities and industrials sectors. Mr. Zamani also sits on the board of Applied Minerals, Inc., a vertically-integrated Halloysite Clay

producer listed on the OTC Bulletin Board. Mr. Zamani has had direct experience relevant to executive compensation.

Compensation Philosophy and Goals

The Board has the responsibility of overseeing the Company's compensation program. The Board has delegated certain oversight responsibilities to the Compensation Committee but retains final authority over the compensation program and process, including approval of material amendments to or the adoption of new equity-based compensation plans and the review and approval of Compensation Committee recommendations.

The Compensation Committee oversees and sets the general guidelines and principles for the Company's executive compensation policies. It assesses the individual performance of the Company's executive officers and makes recommendations relating to compensation to the Board. Based on these recommendations, the Board makes decisions concerning the nature and scope of the compensation to be paid to the Company's executive officers. The Compensation Committee bases its recommendations to the Board on its compensation philosophy and the Compensation Committee's assessment of corporate and individual performance, recruiting and retention needs. In the normal course, the Company's total compensation package is comprised of three principal elements: base salary, performance bonuses (cash and/or shares), and long term incentives.

NEOs and directors are not permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps or 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 in accordance with the Company's Corporate Disclosure, Confidentiality and Securities Trading Policy.

Management of Risk

In designing and implementing the Company's compensation policy, the Compensation Committee and the Board regularly assess the risks associated with the Company's policies and practices. The Compensation Committee maintains sufficient discretion and flexibility in implementing compensation decisions such that unintended consequences in remuneration can be minimized, while still allowing the Compensation Committee to be responsive to market forces in a competitive environment.

Employment Agreements

The Company entered into an employment agreement with B. Matthew Hornor effective December 4, 2013 with regard to his employment as the Chief Executive Officer of the Company. Mr. Hornor's employment agreement provides for a base salary in an amount equal to: (i) a gross salary of \$530,000 per annum; (ii) divided by 24; and (iii) multiplied by a fraction which represents the percentage of the period Mr. Hornor allocates to the Company (the "**CEO Salary**"), which will constitute a majority of his working time. In addition to the CEO Salary, Mr. Hornor will receive four weeks paid annual vacation per annum and be reimbursed for all reasonable expenses incurred in the course of performing his duties as Chief Executive Officer. The Company may terminate Mr. Hornor's employment agreement at any time without cause and if such termination occurs the Company will pay Mr. Hornor a sum equal to six months CEO Salary plus an additional one month per year of service completed with the Company up to a maximum of 12 months and all outstanding and accrued vacation. In the event of a change of control, Mr. Hornor may terminate the employment agreement within six months following the effective date of a change of control by providing the Company with 30 days written notice of termination of his employment. If such termination occurs the Company shall be obligated to pay an amount equal to twelve months CEO Salary.

A “change of control” is defined in Mr. Hornor’s employment agreement to mean, in summary, (i) any sale, amalgamation or other transaction as a result of which an entity or group of entities becomes the owner of 50% percent or more of the shares of the Company or exercises control or direction over 50% percent or more of the shares of the Company; (ii) a sale or other disposition of all or substantially all of the assets of the Company; or (iii) a change in the composition of the Board which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholder’s resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.

The Company entered into an employment agreement with Pierre Massé effective December 4, 2013 with regard to his employment as Chief Financial Officer of the Company. Mr. Massé’s employment agreement provides for a base salary in an amount equal to: (i) a gross salary of \$350,000 per annum; (ii) divided by 24; and (iii) multiplied by a fraction which represents the percentage of the period Mr. Massé allocates to the Company (the “CFO Salary”), which will constitute a majority of his working time. In addition to the CFO Salary, Mr. Massé will receive four weeks paid annual vacation per annum and be reimbursed for all reasonable expenses incurred in the course of performing his duties as Chief Financial Officer. The Company may terminate Mr. Massé’s employment agreement at any time without cause and if such termination occurs the Company will pay Mr. Massé a sum equal to six months CFO Salary plus an additional one month per year of service completed with the Company up to a maximum of 12 months and all outstanding and accrued vacation. In the event of a change of control, Mr. Massé may terminate the employment agreement within six months following the effective date of a change of control by providing the Company with 30 days written notice of termination of his employment. If such termination occurs, the Company shall be obligated to pay an amount equal to twelve months CFO Salary. A “change of control” is defined in Mr. Massé’s employment agreement in substantially the same manner as that in Mr. Hornor’s employment agreement summarized above.

Option Based Rewards

The Company’s Plan is administered by the Board with the assistance of the Compensation Committee, which makes recommendations to the Board as to the recipients of options and the terms and conditions of each grant. The Board has, as at the date hereof, granted incentive stock options to its and its affiliates’ officers, directors, employees and service providers to acquire a total of 11,964,700 Common Shares.

See for “*Summary of Stock Option Plan*” for a summary of the provisions of the Plan.

Summary Compensation Table

The following table sets forth the total compensation paid to, or earned by, the NEOs for the Company’s three most recently completed financial years. The current Chief Executive Officer, Mr. Hornor, and Chief Financial Officer, Mr. Massé, were appointed to their respective positions on December 4, 2013 upon completion of the Reorganization.

Name and Principal Position	Year Ended	Salary	Share - Based Awards	Option -Based Awards ⁽¹⁾	All Other Compensation	Total Compensation
B. Matthew Hornor ⁽²⁾	12/13	\$23,943	Nil	Nil	Nil	\$23,943
President, Chief Executive Officer	09/13	N/A	N/A	N/A	N/A	N/A
	09/12	N/A	N/A	N/A	N/A	N/A

Name and Principal Position	Year Ended	Salary	Share - Based Awards	Option -Based Awards ⁽¹⁾	All Other Compensation	Total Compensation
and Director						
Pierre Massé ⁽²⁾	12/13	\$21,195	Nil	Nil	Nil	\$21,195
Chief Financial Officer	09/13	N/A	N/A	N/A	N/A	N/A
	09/12	N/A	N/A	N/A	N/A	N/A
Toby Mayo ⁽³⁾	12/13	\$80,258	Nil	\$420	Nil	\$80,678
Former President	09/13	\$235,417	Nil	\$9,503	Nil	\$244,920
	09/12	\$200,000	Nil	\$15,000	\$10,000	\$225,000
Terry Krepiakevich ⁽⁴⁾	12/13	Nil	Nil	Nil	\$4,416 ⁽¹¹⁾	\$4,416
Former Interim Chief Executive Officer	09/13	Nil	Nil	\$1,344	\$95,779 ⁽⁸⁾	\$97,123
	09/12	Nil	Nil	Nil	\$18,750	\$18,750
Eduard Epshtein ⁽⁴⁾	12/13	\$16,667	Nil	\$631	\$200,000 ⁽⁹⁾	\$217,298
Former Chief Financial Officer	09/13	\$100,000	Nil	\$14,255	Nil	\$114,255
	09/12	\$100,000	Nil	\$22,500	\$12,500	\$135,000
R. Edward Flood ⁽⁵⁾⁽⁶⁾	12/13	Nil	Nil	Nil	\$353,484 ⁽¹⁰⁾	\$353,484
Former Chief Executive Officer	09/13	\$209,838	Nil	Nil	\$684,854 ⁽⁷⁾	\$894,692
	09/12	\$327,410	Nil	Nil	\$16,631	\$344,041

Notes:

- (1) The "grant date fair value" of options granted during the year was determined by using the Black-Scholes model for valuing options. The following weighted average assumptions were used for the purposes of valuing the options: (i) expected life = one (1) year; (ii) risk-free rate = 1.05%; (iii) exercise price = C\$0.60-2.46; and (iv) volatility of share price =71%.
- (2) Messrs. Hornor and Massé were appointed as Chief Executive Officer and Chief Financial Officer, respectively, on December 4, 2013.
- (3) Mr. Mayo resigned on January 31, 2014.
- (4) Messrs. Krepiakevich and Epshtein resigned as Interim CEO and CFO, respectively, on December 4, 2013.
- (5) Mr. Flood resigned as CEO on February 28, 2013.
- (6) Salary was paid in US currency. The exchange rate used to convert the amounts to Canadian currency was US\$1.00 = CDN\$1.01.
- (7) Compensation is composed of \$16,004 of US-resident benefits and a \$668,850 employment severance payment.
- (8) Compensation is composed of \$70,000 in consulting fees and \$25,779 in pro-rated directors' fees.
- (9) Change of control payment resulting from the Reorganization, which closed on December 4, 2013.
- (10) Change of control payment (\$345,768) due from the Reorganization plus US-resident benefits.
- (11) Directors fees prorated from October 1, 2013 to the event of the Reorganization.

Incentive Plan Awards

Outstanding Share – Based Awards and Option Based Awards

The following table sets forth the options granted to the NEOs, to purchase or acquire securities of the Company outstanding at the end of the financial year ended December 31, 2013.

Option-Based Awards							
Name	Number of Common Shares underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested	Market or payout value of share-based awards that have vested
B. Matthew Hornor ⁽²⁾ President, Chief Executive Officer and Director	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Pierre Massé ⁽²⁾ Chief Financial Officer	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Toby Mayo ⁽³⁾ Former President	40,000	\$1.90	May 31, 2014	Nil	N/A	N/A	N/A
	40,000	\$2.24	May 31, 2014	Nil	N/A	N/A	N/A
	20,000	\$0.60	May 31, 2014	\$600	N/A	N/A	N/A
Terry Krepiakevich ⁽⁴⁾ Former Interim Chief Executive Officer	40,000	\$2.24	March 31, 2016	Nil	Nil	N/A	N/A
	10,000	\$1.48	August 25, 2016	Nil	Nil	N/A	N/A
Eduard Epshtein ⁽⁴⁾ Former Chief Financial Officer	10,000	\$1.90	April 3, 2014	Nil	Nil	N/A	N/A
	30,000	\$2.24	April 3, 2014	Nil	Nil	N/A	N/A
	30,000	\$0.60	April 3, 2014	\$900	Nil	N/A	N/A
R. Edward Flood ⁽⁵⁾ Former Chief Executive Officer	100,000	\$1.86	January 21, 2014	Nil	N/A	N/A	N/A
	20,000	\$1.90	June 10, 2015	Nil	N/A	N/A	N/A
	200,000	\$2.13	December 22, 2015	Nil	N/A	N/A	N/A

Notes:

- (1) The value of unexercised in-the-money options is calculated based on the difference between the market value of the underlying Common Shares as of December 31, 2013, and the exercise price of the options.
- (2) Messrs. Hornor and Massé were appointed as Chief Executive Officer and Chief Financial Officer, respectively, on December 4, 2013.
- (3) Mr. Mayo resigned on January 31, 2014.
- (4) Messrs. Krepiakevich and Epshtein resigned as Interim CEO and CFO, respectively, on December 4, 2013.
- (5) Mr. Flood resigned as CEO on February 28, 2013.

Subsequent to the year ended December 31, 2013, the Company granted 2,400,000 options to Mr. Hornor, 500,000 options to Mr. Massé, and 300,000 options to each of Messrs. Krepiakevich and Flood. Each of the options is exercisable until January 4, 2019 at an exercise price of \$0.63 per share and vests in five equal parts, each representing 20% of the options, commencing on the date of granted and on each of the four anniversaries thereafter. Such options are not subject to any performance goals or similar conditions.

Incentive Plan Awards – Value Vested or Earned during the Year

The following table sets forth the value vested or earned during the year of option-based awards, share based awards and non-equity incentive plan compensation paid to NEOs, during the most recently completed financial year.

Name	Option-based awards – Value vested during the year	Share-based awards – Value earned during the year	Non-equity incentive plan compensation – Value earned during the year
B. Matthew Hornor ⁽¹⁾ President, Chief Executive Officer and Director	Nil	N/A	N/A
Pierre Massé ⁽¹⁾ Chief Financial Officer	Nil	N/A	N/A
Toby Mayo ⁽²⁾ Former President	\$8,000	N/A	N/A
Terry Krepiakevich ⁽³⁾ Former Interim Chief Executive Officer	\$2,500	N/A	N/A
Eduard Epshtein ⁽³⁾ Former Chief Financial Officer	\$1,500	N/A	N/A
R. Edward Flood ⁽⁴⁾ Former Chief Executive Officer	\$8,400	N/A	N/A

Notes:

- (1) Messrs. Hornor and Massé were appointed as Chief Executive Officer and Chief Financial Officer, respectively, on December 4, 2013.
- (2) Mr. Mayo resigned on January 31, 2014.
- (3) Messrs. Krepiakevich and Epshtein resigned as Interim CEO and CFO, respectively, on December 4, 2013.
- (4) Mr. Flood resigned as CEO on February 28, 2013.

Termination and Change of Control Benefits

Other than as disclosed elsewhere in the Information Circular, the Company has no contract, agreement, plan or arrangement that provides for payments to any NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or a change in the NEO's responsibilities other than what is provided in the employment agreements for each of Mr. Hornor and Mr. Massé. See "*Compensation Discussion and Analysis – Employment Agreements*" on page 31.

Director Compensation

The Board's policy is to remunerate non-executive directors for their commitment of time, duties and responsibilities at market rates for similar companies in comparable industries. The Board reviews on an annual basis the remuneration to non-executive directors and makes determinations thereon based on market practice, workload and accountability. Independent external advice is sought when required.

The Board set an annual compensation for non-executive directors of \$24,000 commencing January 1, 2014.

No other fees are payable to non-executive directors at this time, however, directors are able to participate in the Plan. No fees were paid to directors for the year ended December 31, 2013 other than to Mr. David Birkenshaw as disclosed below.

Director Compensation Table

The following table sets forth the value of all compensation provided to non-executive directors, excluding those directors who are also NEOs, for the Company's financial year ended December 31, 2013. Since no fees were paid to the Company's other directors for the year ended December 31, 2013, they are not listed in the following table.

Name and Principal Position	Year Ended Dec. 31	Fees Earned	Share-based awards	Option-Based Awards	All Other Compensation	Total Compensation
David Birkenshaw	2013	\$37,672	Nil	Nil	\$6,731	\$44,403

Notes:

- (1) Compensation for B. Matthew Hornor, R. Edward Flood, and Terry Krepiakovich is provided in the compensation table for NEOs above. All non-executive directors have received compensation for their services as directors for the financial year commencing January 1, 2014.

Outstanding Option-Based Awards

No options were awarded or outstanding to directors of the Company, who were not also NEOs for the Company, during the financial year ended December 31, 2013. Subsequent to the year ended December 31, 2013, the Company granted 300,000 options to each of Messrs. Birkenshaw, Zamani, Hanson and Huberman, 300,000 options to Ms. Levinson and 400,000 options to Mr. Meredith on January 4, 2014. Each of the options is exercisable until January 4, 2019 at an exercise price of \$0.63 per share and vests in five equal parts, each representing 20% of the options, commencing on the date of granted and on each of the four anniversaries thereafter. On May 2, 2014, the Company granted 300,000 options to Dr. Lu. The options are exercisable until May 2, 2019 at an exercise price of \$0.67 per share and vest in five equal parts, each representing 20% of the options, commencing on the date of granted and on each of the four anniversaries thereafter. None of the options described above are subject to any performance goals or similar conditions.

SCHEDULE 3 – AUDIT COMMITTEE CHARTER

KAIZEN DISCOVERY INC. (the “Company”)

AUDIT COMMITTEE CHARTER

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
 - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company, and
 - (ii) the auditor’s report, if any, prepared in relation to those financial statements;
- (b) review the Company’s annual and interim earnings press releases before the Company publicly discloses this information;
- (c) satisfy itself that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements and periodically assess the adequacy of those procedures;
- (d) recommend to the board of directors:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and
 - (ii) the compensation of the external auditor;
- (e) oversee 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 Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established;
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company;
- (h) establish procedures for:

- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor;
 - (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company; and
 - (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and Chief Financial Officer to comply with Multilateral Instrument 52-109.

Composition of the Committee

The committee will be composed of three directors from the Company's board of directors, a majority of whom are not officers or employees of the Company or an affiliate of the Company.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.

SCHEDULE 4 – STOCK OPTION PLAN

KAIZEN DISCOVERY INC.

STOCK OPTION PLAN

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STOCK OPTION PLAN

KAIZEN DISCOVERY INC.

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless anything in the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) **“Administrator”** means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) **“affiliate”** has the meaning ascribed to such term in the Exchange Corporate Finance Manual;
- (c) **“associate”** has the meaning ascribed to such term in the Securities Act;
- (d) **“Award Date”** means the date on which the Board grants a particular Option;
- (e) **“Board”** means the board of directors of the Company;
- (f) **“Change of Control”** means the acquisition by any person or by any person and a joint actor, whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a joint actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board;
- (g) **“Company”** means Kaizen Discovery Inc.;
- (h) **“Consultant”** means an individual or Consultant Company, other than Employee or a Director, that:
 - (i) is engaged to provide on an ongoing *bona fide* basis consulting, technical, management or other services to the Company or to an affiliate of the Company, other than services provided in relation to a distribution,
 - (ii) provides the services under a written contract between the Company or the affiliate and the individual or a Consultant Company,

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliate of the Company, and
 - (iv) has a relationship with the Company or an affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;
- (i) **“Consultant Company”** means, for an individual consultant, a company which the individual consultant is an employee or shareholder;
 - (j) **“Director”** means a director, officer, Management Company Employee of the Company or an affiliate of the Company to whom Options can be granted in reliance on a prospectus exemption under applicable securities laws;
 - (k) **“Discounted Market Price”** has the meaning ascribed to such term in the Exchange Corporate Finance Manual;
 - (l) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to shares of the Company beneficially owned by insiders to whom options may be granted under the Plan and their associates and affiliates
 - (m) **“Early Termination Date”** has the meaning ascribed to it in paragraph 3.5;
 - (n) **“Employee”** means:
 - (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source),
 - (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work, as an employee of the Company, but for whom income tax deductions are not made at source, or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

- (o) **“Exchange”** means the TSX Venture Exchange or, if the Shares are no longer listed for trading on the TSX Venture Exchange, such other exchange or quotation system on which the Shares are listed or quoted for trading;
- (p) **“Exchange Corporate Finance Manual”** means the corporate finance manual published by the Exchange, as amended from time to time, or if the Shares are no longer listed for trading on the Exchange, the policies of such other exchange or quotation system on which the Shares are listed or quoted for trading;
- (q) **“Exercise Notice”** means the notice respecting the exercise of an Option in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (r) **“Exercise Period”** means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date, subject to the provisions of the Plan relating to the vesting of Options;
- (s) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with paragraph 3.3;
- (t) **“Expiry Date”** means the date determined in accordance with paragraphs 3.4 and 3.8 and after which a particular Option cannot be exercised;
- (u) **“insider”** has the meaning ascribed to such term in the Securities Act;
- (v) **“Investor Relations Activities”** has the meaning ascribed to such term in the Securities Act;
- (w) **“Management Company Employee”** means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person involved in Investor Relations Activities;
- (x) **“Market Price”** has the meaning ascribed to such term in the Exchange Corporate Finance Manual;
- (y) **“Option”** means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;
- (z) **“Option Certificate”** means the certificate, substantially in the form set out as Schedule “A” hereto, evidencing an Option;
- (aa) **“Option Holder”** means a Director, Employee or Consultant, or a former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

- (bb) **“Plan”** means this stock option plan;
- (cc) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so, and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (dd) **“Securities Act”** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof; and
- (ee) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital of the Company.

1.2 Choice of Law

The Plan is established under and the provisions of the Plan is be interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

The Board shall, from time to time, in its sole discretion determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. If the Board elects to award an

Option to a Director, the Board shall, in its sole discretion but subject to paragraph 3.2, determine the number of Shares to be acquired on the exercise of such Option. A Director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. If the Board elects to award an Option to an Employee or Consultant, the number of Shares to be acquired on the exercise of such Option shall be determined by the Board in its sole discretion, and in so doing the Board may take into account the following criteria:

- (a) the remuneration paid to the Employee or Consultant as at the Award Date in relation to the total remuneration payable by the Company to all of its Employees and Consultants as at the Award Date;
- (b) the length of time that the Employee or Consultant has been employed or engaged by the Company;
- (c) the quality of work performed by the Employee or Consultant; and
- (d) any other factors which it may deem proper and relevant.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan, unless a copy has been previously provided to the Option Holder. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company. Participation in the Plan by an Option Holder is voluntary.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Allot Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be allotted and authorized for issuance by the Board prior to the exercise thereof.

3.2 Number of Shares

The maximum number of Shares issuable under the Plan, together with the number of Shares issuable under outstanding options granted otherwise than under the Plan, shall not exceed 10% of the Shares of the Company outstanding from time to time. Additionally, the Company shall not grant Options:

- (a) to any one person in any 12 month period which could, when exercised, result in the issuance of Shares exceeding five percent (5%) of the issued and outstanding Shares of the Company unless the Company has obtained the requisite Disinterested Shareholder Approval to the grant; or
- (b) to any one Consultant in any 12 month period which could, when exercised, result in the issuance of Shares exceeding 2% of the issued and outstanding Shares of the Company; or
- (c) in any 12 month period, to persons employed or engaged by the Company to perform Investor Relations Activities which could, when exercised, result in the issuance of Shares exceeding, in aggregate, 2% of the issued and outstanding Shares of the Company.

If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which Option expired or terminated shall again be available for the purposes of the Plan. Exercised Options reduce the number of Options available under this Plan.

3.3 Exercise Price

The Exercise Price shall be that price per share, as determined by the Board in its sole discretion as of the Award Date, at which an Option Holder may purchase a Share upon the exercise of an Option, and shall not be less than the closing price of the Company's Shares traded through the facilities of the Exchange on the day preceding the Award Date, less any discount permitted by the Exchange, or such other price as may be required by the Exchange. Any reduction in the exercise price of an Option held by an Option Holder who is an insider of the Company at the time of the proposed reduction will require Disinterested Shareholder Approval.

3.4 Term of Option

Subject to paragraph 3.5, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall not be later than the tenth anniversary of the Award Date of the Option.

3.5 Termination of Option

An Option Holder may, subject to any vesting provisions applicable to Options hereunder, exercise an Option in whole or in part at any time or from time to time during the Exercise Period

provided that, with respect to the exercise of part of an Option, the Board may at any time and from time to time fix a minimum or maximum number of Shares in respect of which an Option Holder may exercise part of any Option held by such Option Holder. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in sub-paragraphs (a) to (c) below (the “**Early Termination Date**”):

(a) Death

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director) or Employee or Consultant (if he or she holds his or her Option as Employee or Consultant), the Early Termination Date shall be twelve months from the date of death of the Option Holder; or

(b) Ceasing to Hold Office

In the event that the Option Holder holds his or her Option as Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Early Termination Date of the Option shall be the 120th day following the date the Option Holder ceases to be a Director of the Company unless the Option Holder ceases to be a Director of the Company but continues to be engaged by the Company as an Employee or a Consultant, in which case the Expiry Date shall remain unchanged, or unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in the *Business Corporations Act* (British Columbia); or
- (ii) a resolution having been passed by the shareholders of the Company pursuant to the *Business Corporations Act* (British Columbia) removing the Director as such; or
- (iii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be an Employee or a Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Early Termination Date of the Option shall be the 120th day following the date the Option Holder ceases to be an Employee or Consultant of the Company unless the Option Holder ceases to be an Employee or Consultant of the Company as a result of:

- (i) termination for cause or, in the case of a Consultant, breach of contract;
or
- (ii) by order of the British Columbia Registrar of Companies, British Columbia Securities Commission, the Exchange or any other regulatory body having jurisdiction to so order,

in which case the Early Termination Date shall be the date the Option Holder ceases to be an Employee or Consultant of the Company.

Notwithstanding the foregoing, the Early Termination Date for Options granted to any Option Holder engaged primarily to provide Investor Relations Activities shall be the 30th following the date that the Option Holder ceases to be employed in such capacity, unless the Option Holder continues to be engaged by the Company as an Employee or Director, in which case the Early Termination Date shall be determined as set forth above.

3.6 Hold Period and Vesting Requirements

The Company may grant Options without an Exchange hold period provided the Exercise Price of an Option is greater than or equal to the Market Price rather than the Discounted Market Price.

All Options granted pursuant to the Plan will be subject to such vesting requirements as may be imposed by the Board. The Option Certificate representing any such Option will disclose any vesting conditions.

3.7 Effect of a Take-Over Bid

If a *bona fide* offer (an "**Offer**") for Shares is made to an Option Holder or to shareholders of the Company generally or to a class of shareholders which includes the Option Holder, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Option Holder of the full particulars of the Offer, whereupon all Shares subject to Options will become vested and the Options may be exercised in whole or in part by each Option Holder so as to permit each Option Holder to tender the Shares received upon exercise of his Options, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or

- (b) all of the Shares acquired by the Option Holder on the exercise of his Option and tendered pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Shares received upon the exercise of such Options, or in the case of clause (b) above, the Shares that are not taken up and paid for, may be returned by each Option Holder to the Company and reinstated as authorized but unissued Shares and with respect to such returned Shares, the Options shall be reinstated as if they had not been exercised and the terms upon which such Shares were to become vested pursuant to paragraph 3.6 shall be reinstated. If any Shares are returned to Company under this paragraph 3.7, the Company shall immediately refund the exercise price to the Option Holder for such Shares.

3.8 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised an Offer is made by an offeror, the Board may, upon notifying each Option Holder of full particulars of the Offer, declare vested all Shares issuable upon the exercise of Options granted under the Plan, and, notwithstanding paragraphs 3.4 and 3.5, declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer.

3.9 Effect of Reorganization, Amalgamation or Merger

If the Company is reorganized, amalgamated or merges with or into another Company, at the discretion of the Board, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Option Holder would have received upon such reorganization, amalgamation or merger if the Option Holder had exercised his Option immediately prior to the record date applicable to such reorganization, amalgamation or merger, and the exercise price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

3.10 Effect of Change of Control

If a Change of Control occurs, all Shares subject to each outstanding Option will become vested, subject to any required approval of the Exchange, whereupon all Options may be exercised in whole or in part by the Option Holder.

3.11 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.12 Adjustments

If, prior to the complete exercise of any Option, the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the “Event”) other shares of the Company, an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional Shares shall be issued upon the exercise of any Option and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional Share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded. Additionally, no lots of Shares in an amount less than 500 Shares shall be issued upon the exercise of the Option unless such amount of Shares represents the balance left to be exercised under the Option.

3.13 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If an Option Holder retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Certificate with respect to the right to purchase Shares which were not vested at the time or which, if vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Option Holder.

ARTICLE 4 EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares purchased pursuant to the exercise of the Option. If the number of Shares purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option

Certificate to the Option Holder concurrently with delivery of the aforesaid share certificate for the balance of Shares available under the Option.

4.3 Condition of Issue

The issue of Shares by the Company pursuant to the exercise of an Option is subject to this Plan and compliance with the laws, rules and regulations of all regulatory bodies applicable to the issuance and distribution of such Shares and to the listing requirements of the Exchange or any stock exchange on which the Shares may be listed. The Option Holder agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company any information, report and/or undertakings required to comply with and to fully co-operate with the Company in complying with such laws, rules and regulations.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director or Employee of the Company such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 Prospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any

relevant law, rule or regulation applicable to the Plan, any Option or the Shares or for any other purpose which may be permitted by all relevant laws, rules and regulations, provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment. Notwithstanding the foregoing, the Board may, subject to the requirements of the Exchange, amend the terms upon which each Option shall become vested with respect to Shares without further approval of the Exchange, other regulatory bodies having authority over the Company, the Plan or the shareholders.

6.2 Retrospective Amendment

Subject to applicable regulatory and, if required by any relevant law, rule or regulation applicable to the Plan, to shareholder approval, the Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options which have been previously granted. For greater certainty, the policies of the Exchange currently require that disinterested shareholder approval be obtained for any reduction in the Exercise Price of any Option held by an insider of the Company.

6.3 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination. Notwithstanding the termination of the Plan, the Company, Options awarded under the Plan, Option Holders and Shares issuable under Options awarded under the Plan shall continue to be governed by the provisions of the Plan.

6.4 Agreement

The Company and every person to whom an Option is awarded hereunder shall be bound by and subject to the terms and conditions of the Plan.

6.5 No Shareholder Rights

An Option Holder shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Option Holder exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

6.6 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Option Holder, the number of Options granted to an Option Holder, the details thereof and the number of Options outstanding.

6.7 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

6.8 Option Holder Status

For stock options granted to Employees, Consultants or Management Company Employees, the Company represents that each such Option Holder will be a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

**ARTICLE 7
APPROVALS REQUIRED FOR PLAN**

7.1 Approvals Required for Plan

Prior to its implementation by the Company, the Plan is subject to approval by the Exchange.

7.2 Substantive Amendments to Plan

Any substantive amendments to the Plan shall be subject to the Company first obtaining the approvals of:

- (a) the shareholders or disinterested shareholders, as the case may be, of the Company at a general meeting where required by the rules and policies of the Exchange or any stock exchange on which the Shares may be listed for trading; and
- (b) the Exchange or any stock exchange on which the Shares may be listed for trading.

**ON BEHALF OF THE BOARD OF
KAIZEN DISCOVERY INC.**

B. Matthew Hornor
Director

SCHEDULE "A"

**KAIZEN DISCOVERY INC.
STOCK OPTION PLAN OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of Kaizen Discovery Inc. (the "**Company**") Stock Option Plan (the "**Plan**") and evidences that ♦ (the "**Holder**") is the holder of an option (the "**Option**") to purchase up to ♦ common shares (the "**Shares**") in the capital stock of the Company at a purchase price of \$ ♦ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is ♦; and
- (b) the Expiry Date of this Option is ♦.

The right to purchase Shares under the Option will vest in the Holder in four increments over the term of the Option as follows:

Dates	Cumulative Number of Shares which may be Purchased
Immediately	♦ common shares
♦	♦ common shares
♦	♦ common shares
♦	♦ common shares

This Option may be exercised in accordance with its terms at any time and from time to time from and including the Award Date through to and including up to 5:00 local time in Vancouver, British Columbia on the Expiry Date, by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Kaizen Discovery Inc." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised. If the Optionee is an employee, consultant or management company employee, the Optionee confirms that it is a bona fide employee, consultant or management company employee, as the case may be.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

The foregoing Option has been awarded this ♦ day of ♦, 20♦.

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate and the shares issuable upon the exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ♦ [Note: Date is four months PLUS 1 day].

KAIZEN DISCOVERY INC.

Per: _____
Authorized Signatory

SCHEDULE "B"

EXERCISE NOTICE

TO: The Administrator, Stock Option Plan
Kaizen Discovery Inc.
Suite 654, 999 Canada Place
Vancouver, British Columbia, V6C 3E1

1. Exercise of Option

The undersigned hereby irrevocably gives notice, pursuant to the Kaizen Discovery Inc. (the "**Company**") Stock Option Plan (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (a) all of the Shares; or
- (b) _____ of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (a) number of Shares to be acquired on exercise: _____ shares
- (b) times the Exercise Price per Share: \$ _____
- Total Exercise Price, as enclosed herewith: \$ _____

The undersigned tenders herewith a cheque or bank draft (circle one) in the amount of \$_____, payable to "Kaizen Discovery Inc." in an amount equal to the total Exercise Price of the Shares, as calculated above, and directs the Company to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the _____ day of _____.

Witness

Signature of Option Holder

Name of Witness (Print)

Name of Option Holder (Print)