

THE BECKER MILK COMPANY LIMITED

ANNUAL INFORMATION FORM

JUNE 22, 2011

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THE BECKER MILK COMPANY LIMITED

ANNUAL INFORMATION FORM

June 22, 2011

GENERAL

Forward Looking Statement

Certain information included in this Annual Information Form contains forward-looking statements within the meaning of applicable securities laws, including, among other things, statements concerning our objectives and our strategies to achieve those objectives, statements with respect to management's beliefs, plans, estimates and intentions and statements concerning anticipated future events, circumstances, expectations, results, operations or performance that are not historical facts. Forward-looking statements can be identified generally by the use of forward-looking terminology, such as "indicators", "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

The forward-looking statements in this Annual Information Form are not guarantees of future results, operations or performance and are based on estimates and assumptions that are subject to risks and uncertainties, including those described below in this Annual Information Form under "Risk Factors", which could cause actual results, operations or performance to differ materially from the forward-looking statements in this Annual Information Form. Those risks and uncertainties include risks associated with property ownership, tenant termination and financial stability, liquidity, competition for real property investments, general uninsured losses and environmental matters. Historical results and percentage relationships contained in the Company's financial statements and Annual Information Form, including trends that might appear, should not be taken as indicative of our future results, operations or performance. Although the forward-looking statements contained in this Annual Information Form are based on what management believes are reasonable assumptions, there can be no assurance that actual results, operations or performance will be consistent with these statements.

All forward-looking statements in this Annual Information Form are qualified by this forward-looking disclaimer. These statements are made as of June 22, 2011, and, except as required by applicable law, we undertake no obligation to update publicly or revise any such statements to reflect new information or the occurrence of future events or circumstances.

CORPORATE STRUCTURE AND GENERAL DEVELOPMENT OF THE BUSINESS

Incorporation

The Becker Milk Company Limited (the "**Company**") was amalgamated under the *Business Corporations Act* (Ontario) on May 1, 1988. The head office of the Company is located at 393 Eglinton Avenue East, 2nd Floor, Toronto, Ontario M4P 1M6.

General Development of the Business

Until November 30, 1996, the Company had operated convenience stores combined with its own dairy production facilities since its inception in 1957. The Company was the originator of the returnable jug milk container in Ontario and continued to be the leader in its industry in this environmentally sound practice.

On November 30, 1996, the Company sold its dairy and retail store business to Silcorp Ltd. ("**Silcorp**"). Subsequently, Silcorp shares were purchased by Alimentation Couche-Tard Inc. ("**Couche-Tard**").

Description of Business

The Company owns and manages 69 retail commercial properties, 1 of which is being held for sale. One property is in Metro Toronto and the balance is in other areas of Southern Ontario. Most of the properties are single store sites with a few multi store plazas. As of April 30, 2011, the Company had leased to third parties 87 retail stores and 3 residential sites. The residential sites are made up of apartments above the retail commercial sites. 61 sites were leased to Mac's Convenience Stores Inc. ("Mac's", a subsidiary of Alimentation Couche Tard Inc.). The remaining 26 retail sites were leased to other tenants. In addition, the Company is bearing the cost of 4 parcels of unoccupied land (1 of which is being held for sale) and 2 vacant retail stores. The address for the head office is 393 Eglinton Avenue East, Second Floor, Toronto, Ontario, M4P 1M6.

Most of the maintenance and improvements of the Company's properties are performed by outside contractors.

The focus on the future is to further refine the character of the Company's real estate portfolio by divesting some of the less desirable sites as well as developing some of the excess land that it owns. At present, 86% of the Company's rental income comes from Mac's. The length of the terms of the leases with Mac's varies from five to ten years. The Company currently has five full and part-time employees.

Three Year History

Over the past three years earnings from the ordinary operations of the Company's real estate management business have progressed steadily. During that time there has been several significant developments in the Company's business that are of note.

During the second quarter of fiscal 2008, the Company's Board of Directors initiated a review of strategies available to the Company to enhance shareholder value. The Company retained TD Securities Inc. as its financial advisor to assist with this review, which has included, without limitation, the potential sale of the Company or its assets, an expansion of the business, a merger with another corporation or another strategic transaction. The choice of strategies was significantly impacted by the severe downturn in economic conditions in the fall of 2008. In March 2009 the Board of Directors decided that it was an inappropriate time to continue with this process. As a result, a decision was made to distribute the Company's surplus cash by way of a special dividend of \$2.00 per share, in addition to the regular semi-annual dividend of \$0.30 per share, which dividends were paid as of April 16, 2009. In addition, the services of TD Securities Inc. were terminated, with the expectation that the strategic review may be reinstated at a later time when economic conditions have improved.

With the completion of the environmental assessments and the termination of the services of TD Securities there has been a significant reduction in expenses for fees and special services in fiscal years 2011 and 2010 over 2009.

In the third quarter of fiscal 2010 it was determined that the Company's tax treatment of certain transactions had passed the limitation period for reassessment. As a result an amount of \$350,000 income tax plus an additional amount of \$164,700 interest thereon, accrued and disclosed in prior years as current income tax payable, was reversed to current income tax expense.

In response to the requirement for the Company to adopt International Financial Reporting Standards ("IFRS") effective May 1, 2011, the Board of Directors and management formulated a transition plan in fiscal 2010 and have largely completed its execution as of April 30, 2011. The conversion planning and execution has involved reviews and assessments of the impact of IFRS on accounting policies, information systems and business processes, determination of the fair value of the Company's portfolio of investment properties and consideration of the impacts on disclosure controls and procedures and internal controls over financial reporting.

The principal impact on the Company from the adoption of IFRS will be from the choice made to use the fair value model of preparing its financial statements. This required the current valuation of all the Company's properties and the recording of their fair value on the balance sheet. Changes in fair value each period will be recorded in the income statement.

The non-recurring costs of the IFRS implementation project has negatively impacted the Company's 2011 net income. There will also be increased annual audit and consulting fee costs for reporting under IFRS.

Significant Acquisitions

There were no business acquisitions in fiscal 2011.

RISK FACTORS

There are certain risks and uncertainties inherent in the activities of the Company, including the following:

Industry and Economic Conditions

In 2008, a large portion of the Company's leases was renewed for terms ranging between 5 and 10 years. Further renewals have been negotiated and are pending final signatures. The Company's exposure to risks from industry and economic factors that could materially affect its business is significantly reduced as these renewals are completed on a regular basis.

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, such local real estate markets, supply and demand for leased premises, competition from other available premises, realty taxes based on market value assessment and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants.

Tenant Terminations and Financial Stability

The Company's net income would be adversely affected if its major tenant or a significant number of tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties were not able to be leased on economically favourable lease terms. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable to the Company than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Company's investment may be incurred. Furthermore, at any time, a tenant of any of the Company's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to the Company. The ability to rent unleased space in the properties in which the Company has an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new tenant. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Company's financial condition.

Fixed Costs

Certain significant expenditures, including property taxes, maintenance costs, insurance costs and related charges must be made by the Company throughout the period of its ownership of the properties regardless of whether the property is producing any income.

Liquidity

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the Company's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Company were to be required to liquidate its real property investments, the proceeds to the Company might be significantly less than the aggregate carrying value of its properties.

Competition

The real estate business is competitive. Numerous other developers, managers and owners of commercial properties compete with the Company in seeking tenants. Some of the properties of the Company's competitors are better located than its properties and any property in which the Company subsequently acquires an interest. Some of the Company's competitors are better capitalized and stronger financially and hence better able to withstand an economic downturn. The existence of competing developers and owners and competition for the Company's tenants could have an adverse effect on the Company's ability to lease space in its properties and on the rents charged or concessions granted, and could adversely affect the Company's revenues.

General Uninsured Losses

The Company carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or underinsured loss occur, the Company could lose its investment in, and anticipated profits and cash flows from, one or more of its properties.

Environmental Matters

As an owner of real property, some of which includes retail gas sites, the Company is subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that the Company could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect the Company's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the Company. The Company is not aware of any material non-compliance with environmental laws at any of its properties. Except as disclosed herein, the Company is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or any pending or threatened claims relating to environmental conditions at its properties.

Environmental laws and regulations may change and the Company may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on the Company's business, financial condition or results of operation.

DIVIDENDS

The declaration and payment of dividends on the Class B Shares and Common Shares is at the discretion of the Board of Directors. The Board of Directors intends to maintain a prudent dividend payment policy. During the fiscal year ended April 30, 2011, the Company declared and paid regular dividends of \$0.60 (\$0.60 in 2010 and 2009) on each of its Class B Shares and Common Shares. In addition a special dividend of \$2.00 was declared and paid in 2009 on each of its Class B Shares and Common Shares.

DESCRIPTION OF CAPITAL STRUCTURE

General Description

The authorized share capital of the Company consists of: (i) 8,000 Class A preference shares (non-voting, cumulative dividend of \$6, and redeemable at the stated capital amount) (the "**Class A Shares**"); (ii) 2,459,250 Class B special shares (non-voting, non-cumulative and participating) (the "**Class B Shares**"); and (iii) 640,750 common shares (the "**Common Shares**").

Each holder of Common Shares is entitled to one vote at meetings of shareholders. The right to receive dividends is subject to the prior rights of the holders of Class A Shares and Class B Shares. Holders of Common Shares and

Class B Shares are entitled to participate in any distribution of the Company's net assets upon liquidation, dissolution or winding-up on an equal basis per share. There are no pre-emptive, redemption, retraction, purchase or conversion rights attaching to the Common Shares.

During the fiscal year ended April 30, 2007, the Company redeemed all of the outstanding Class A Shares at a price of \$100 per Class A Share.

As at April 30, 2011 and April 30, 2010, there were 1,267,610 Class B Shares issued and outstanding.

Voting Securities and Principal Holders Thereof

As of the date of this Annual Information Form, 540,750 Common Shares were issued and outstanding. 100% of the Common Shares are owned by Euclid Securities Limited, a company owned by Robert Bazos, Constance Pottow (wife of director Geoffrey Pottow) and Panos family trusts (director George Panos is a member of the Panos family).

MARKET FOR SECURITIES

Trading Price and Volume

The Class B Shares of the Company are traded on the Toronto Stock Exchange. The price range and volumes traded for each month of fiscal 2011 are set out below:

	High	Low	Monthly Volume Traded
May 2010	\$10.49	\$9.75	5,825
June 2010	\$10.38	\$10.01	2,596
July 2010	\$10.39	\$9.75	5,200
August 2010	\$10.79	\$10.11	31,005
September 2010	\$10.34	\$10.24	43,900
October 2010	\$10.65	\$10.24	46,292
November 2010	\$10.85	\$10.65	1,480
December 2010	\$10.96	\$10.55	9,450
January 2011	\$10.97	\$10.77	23,829
February 2011	\$11.07	\$10.66	8,745
March 2011	\$10.95	\$10.42	4,698
April 2011	\$10.88	\$10.49	5,700

Prior Sales

There was no change in the number of Common Shares issued during the fiscal year ended April 30, 2011.

DIRECTORS AND OFFICERS

The following table sets out, for each of the Company's directors and officers, the person's name, location of residence, position(s) held with the Company, principal occupation during the five preceding years and, if a director, the date on which the person became a director.

Three of the Company's current directors and officers beneficially own, or control or direct, directly or indirectly, in the aggregate, 540,750 Common Shares representing 100% of the issued and outstanding Common Shares as at the date hereof.

Name and Province of Residence	Position(s) or Office held with the Company	Principal Occupation for the Past Five Years	Period Served as Director ⁽¹⁾	Number of Common Shares Beneficially Owned or Controlled
Robert Bazos Quebec, Canada	Director and Vice-Chairman	Vice-Chairman of the Company	1969 to present	540,750 ⁽²⁾
E. Duff Scott Ontario, Canada ⁽³⁾⁽⁴⁾	Director	Corporate Director of the following TSX listed companies: Tricon Capital Group	1994 to present	1,100
Stephens Lowden FCA Ontario, Canada ⁽³⁾⁽⁴⁾	Director	Corporate Director of the following TSX listed entities: SCITI Rocs Trust SCITI Trust Canadian Resources Income Trust	July 2002 to present	
George S. Panos Ontario, Canada ⁽³⁾	Director	Investment Consultant at H.P. Group Holdings Ltd. since January 2003	1998 to present	540,750 ⁽²⁾
Geoffrey W. J. Pottow Ontario, Canada	Director, President and Chief Executive Officer	President and Chief Executive Officer of the Company and a director of Water Furnace Renewable Energy Inc., a TSX listed company	1969 to present	540,750 ⁽²⁾
Brian Rattenbury Ontario, Canada	Chief Financial Officer	Chief Financial Officer of the Company since 2006, Operations and financial consultant	N/A	

Notes:

- (1) The term of the office of each director will expire when their successors are duly appointed.
- (2) 100% of the Common Shares are owned by Euclid Securities Limited, a company owned by Robert Bazos, Constance Pottow (wife of Geoffrey Pottow) and Panos family trusts (director George Panos is a member of the Panos family).
- (3) Member of the Audit Committee.
- (4) Member of the Governance and Compensation Committee.

Audit Committee of the Board of Directors

Audit Committee's Charter

The mandate (the “**Charter**”) of the Company’s Audit Committee is reproduced as Appendix “A”.

Composition of Audit Committee

For the 2011 fiscal year, the Audit Committee was composed of three directors, Messrs. Lowden, Panos, and Scott, all of whom were “independent directors” as such term is defined in National Instrument 52-110 Audit Committee – Audit Committee (“**NI 52-110**”). Each member of the Audit Committee is “financially literate” (as such terms are defined in NI 52-110).

During the fiscal year ended April 30, 2011, the Audit Committee met four times.

Relevant Education and Experience

All members of the Audit Committee are financially literate and two members have specific accounting and financial management expertise.

Mr. Lowden is an accountant by background and holds several positions on boards and audit committees of Canadian public companies. Mr. Scott has substantial finance and business expertise and he is also a director of several Canadian public companies. Mr. Panos holds a business degree and has financial experience derived from previous business experience.

As a result, each of the foregoing members of the Audit Committee has the ability to read the Company’s financial statements and also to understand the complexities and breadth of the issues raises in such financial statements.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed fiscal year has the Company relied on any exemption described in items 4, 5 and 6 of Form 52-110F1 under NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed fiscal year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Company’s external auditors not been adopted by the board of directors of the Company.

Pre-Approval Policies and Procedures

The terms of the Charter state that all non-audit services to be provided by the Company’s external auditor to the Company must be pre-approved by the chairman of the Audit Committee.

External Auditor Service Fees (By Category)

Prior to October 3, 2006, Ernst & Young LLP, Chartered Accountants, Toronto, served as the Company’s auditors. Effective October 3, 2006, Grant Thornton LLP, Chartered Accountants, Toronto has served as the Company’s auditors.

For the fiscal years ended on April 30, 2011 and April 30, 2010, fees billed for audit, audit-related, tax and all other services provided to the Company by the respective auditors of the Company were the following:

	2011	2010
Audit Fees	\$71,600	73,850
Audit-Related Fees	NIL	NIL
Tax Fees ⁽¹⁾	NIL	8,820
All Other Fees	5,250	NIL
TOTAL	\$76,850	\$82,670

Notes:

(1) Tax Fees relate to compliance and other tax advisory services.

Cease Trade Orders and Bankruptcies

To the knowledge of the Company, no director or executive officer of the Company as at the date of this Annual Information Form or has been, within the 10 years before the date of this Annual Information Form, a director or executive officer of any company that while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the 10 years before the date of this Annual Information Form, 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, officer or shareholder.

Penalties and Sanctions

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (i) 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 (ii) 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.

Conflicts of Interest

Certain directors or officers of the Company are also directors, officers or shareholders of other companies, and conflicts of interest may arise between their duties as a director or officer of the Company and their duties as a director, officer or shareholder of other companies. All potential conflicts of interest must be disclosed in accordance with the requirements of the *Business Corporations Act* (Ontario), and the directors and officers in question are required to comply with their legal obligations as well as all contractual provisions binding them. To the knowledge of the Company, no conflict of interest arose during fiscal year 2011 or currently exists.

PROMOTERS

There has been no person or company, within the three most recently completed financial years or during the current financial year, considered a promoter of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As of June 22, 2011, there are no material legal proceedings or regulatory actions against the Company. All legal proceedings in the past three years have been settled or dismissed.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of our directors or executive officers, or persons or companies that beneficially own, or control or direct, directly or indirectly, more than 10% of our outstanding Common Shares, or any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transactions in which we have participated during the three financial years ending April 30, 2011 which has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Company is CIBC Mellon Trust Company at its principal offices in the City of Toronto, Ontario.

MATERIAL CONTRACTS

With the exception of the following, the Company did not enter into any material contract (other than in the ordinary course of business) during fiscal 2011 or prior that is still in effect.

The company has completed a lease agreement with Mac's Convenience Stores Inc. which requires them to upgrade an aging gas bar site with a 4,000 square foot retail store and a three island canopied gas bar facility. The construction process will remove any contaminated soil from the site, install new tanks and remove the old store facility. The company is required to provide a construction allowance of \$820,000 once all appropriate government approvals are obtained and construction has commenced.

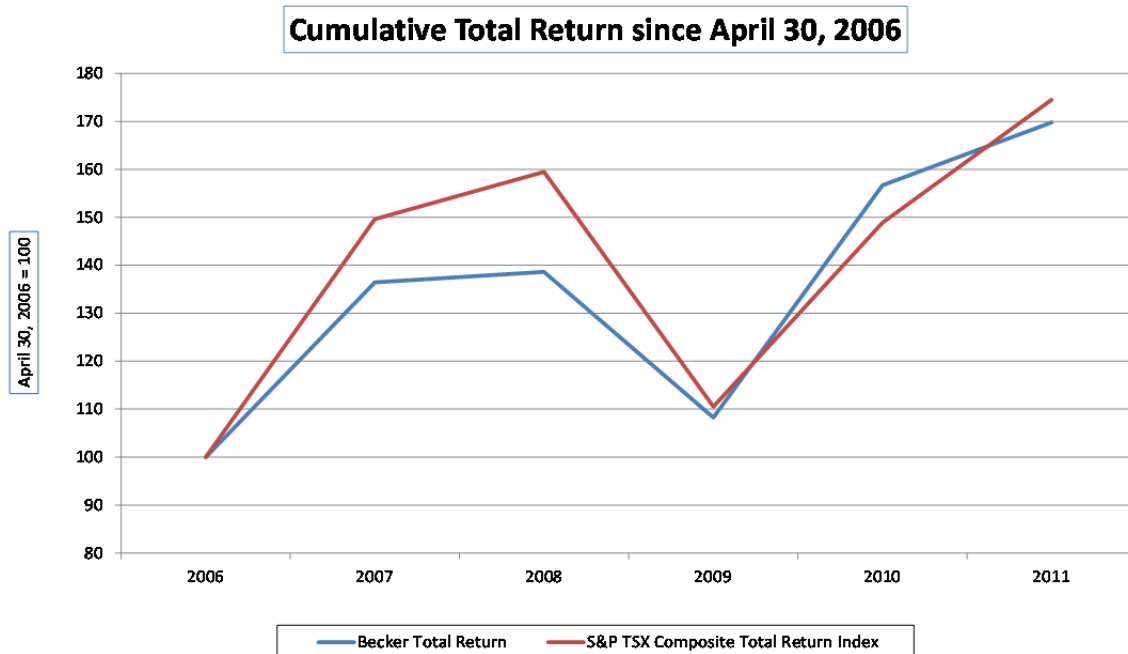
INTEREST OF EXPERTS

The auditors of the Company are Grant Thornton LLP, Chartered Accountants. The Company's financial statements as of April 30, 2011 and for the year then ended have been filed under National Instrument 51-102 in reliance on the report of Grant Thornton LLP, Chartered Accountants, given their authority as experts in auditing and accounting. Grant Thornton LLP, Chartered Accountants, is independent in accordance with rules of professional conduct which govern its professional activities in the Province of Ontario.

EXECUTIVE COMPENSATION

Performance Graph

The following graph compares the total cumulative shareholders return for \$100 invested in Class B Shares with the cumulative total return of the S&P/TSX Composite Total Return Index during the period commencing on April 30, 2006 and ending on April 30, 2011, assuming the re-investment of all cash distributions of the Company on the day of distribution.



	04/30/06	04/30/07	04/30/08	04/30/09	04/30/10	04/30/11
Becker Total Return	100	136	139	108	157	170
S&P TSX Composite Total Return Index	100	150	159	111	149	175

During this period, Named Executive Officer's (as defined below) compensation has not changed, with the exception of the addition of the Chief Financial Officer to the management of the Company in fiscal 2007.

Compensation Discussion and Analysis

The Governance and Compensation Committee of the Company is responsible for setting and monitoring executive compensation programs. The Governance and Compensation Committee is responsible for making recommendations for approval by the directors with respect to remuneration of executives of the Company, including the Named Executive Officers, and other senior officers and senior management of the Company. To ensure that such compensation programs are appropriate, aligned to market practice and focus executives on creating shareholder value, the Governance and Compensation Committee periodically reviews all elements of the executive compensation programs.

In fiscal 2011, the Compensation and Nominating Committee was comprised of E. Duff Scott and Stephens Lowden, each of whom are independent as that term is defined in National Instrument 52-110.

Compensation Philosophy and Objectives

The Company's approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Company attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Company.

Elements of Executive Compensation

In fiscal 2011, the Company's executive compensation package consisted of base salary. In reaching compensation decisions, the Governance and Compensation Committee considered the individual performance of each executive officer and the results of the executive compensation review conducted in fiscal 2011.

Benchmarking

Because of the small number of executives involved, the stable nature of the Company's operations and the absence of incentive or stock option plans, the Company relies solely on board discussion without any formal objectives, criteria and analysis in determining executive compensation. There was no benchmarking used in determining compensation or any element of compensation.

Summary Compensation Table

The following table sets forth information concerning the compensation paid or awarded to each individual who served as Chief Executive Officer and Chief Financial Officer of the Company, respectively, during the fiscal year ended April 30, 2011 and the three most highly compensated executive officers of the Company, other than such Chief Executive Officer and Chief Financial Officer, who were serving as executive officers on April 30, 2011 (collectively, the "**Named Executive Officers**"). The Company does not have any executive officers other than the Named Executive Officers. For compensation related to previous years, please refer to the Company's annual information forms available at www.sedar.com

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Geoffrey W.J. Pottow President, Chief Executive Officer and Director ⁽¹⁾	2011	\$200,000							\$200,000
Brian Rattenbury Chief Financial Officer ⁽²⁾	2011	\$41,625							\$41,625
Robert Bazos Vice-Chairman and Director ⁽¹⁾	2011	\$100,000							\$100,000

Note:

- (1) During fiscal 2011, neither Dr. Pottow nor Mr. Bazos were compensated for their roles as directors of the Company.
 (2) Services are provided through Norhold Associates Limited.

Significant Terms of Employment Agreements or Arrangements; Termination and Change of Control Benefits

The following describes the material terms and conditions of the contracts in effect during the fiscal year ended April 30, 2011 with respect to the services of the Company's chief financial officer, Brian Rattenbury. The contract of the Company with Norhold provides for a per diem amount to be paid for the services of Mr. Rattenbury, with no payments due if there is a change in control or on termination of the contract. The agreement is for a term of one year, to be renewed annually by mutual agreement.

Long Term Incentive Plan and Stock Option Plan

The Company has no long term incentive plan or stock option plan.

Director Compensation

The following table sets forth all amounts of compensation provided to the directors of the Company (other than directors who are also Named Executive Officers) for the year ending April 30, 2011:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
E. Duff Scott	\$29,000						\$29,000
Stephens Lowden	\$29,000						\$29,000
George S. Panos	\$29,000						\$29,000

The Company does not have any standard arrangement in effect pursuant to which directors are compensated by the Company for their services or any other arrangements in addition to or in lieu of any standard arrangement pursuant to which directors were compensated by the Company in their capacity as directors during the most recently completed financial year of the Company.

No benefits were paid, and no benefits are proposed to be paid to any of the directors of the Company under any pension or retirement plan.

Indebtedness of Directors and Executive Officers

No executive officer, director, employee, former executive officer, former director, former employee, or associate of any such person has been indebted to the Company at any time since the commencement of the Company's last completed fiscal year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company at any time since the beginning of the most recently completed fiscal year with respect to any indebtedness of any such person.

Corporate Governance Practices

The Company's "Statement of Corporate Governance Practices" is attached to this Annual Information Form as Appendix "B". It has been approved by the Governance and Compensation Committee of the directors and by the directors as a whole.

Appointment and Remuneration of Auditors

The auditors of the Company are Grant Thornton LLP, Chartered Accountants, Toronto. Grant Thornton LLP was first appointed as auditors of the Company on or about October 3, 2006.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional financial information is provided in the audited financial statements and the management discussion and analysis of financial condition and results of operation for the period ended April 30, 2011. A copy of such documents may be obtained found on SEDAR at www.sedar.com.

APPENDIX “A”**MANDATE OF THE AUDIT COMMITTEE****Audit Committee Purpose**

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee’s primary duties and responsibilities are to:

1. Identify and monitor the management of the principal risks that could impact the financial reporting of the Company.
2. Monitor the integrity of the Company’s financial reporting process and system of internal controls regarding financial reporting and accounting compliance.
3. Monitor the independence and performance of the Company’s auditors.
4. Provide an avenue of communication between the Board, the management and the auditors.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the outside auditors and all staff in the Company. It has the ability to retain any special legal, accounting or other expert advice it believes necessary to the conduct of its affairs.

Audit Committee Composition and Meetings

The Audit Committee is composed of three independent directors. All members of the Audit Committee are financially literate and have specific accounting and financial management expertise.

The Committee meets four times annually, and more frequently as circumstances dictate. An agenda is prepared in advance of every meeting and minutes of the proceedings are maintained. The Committee meets privately with the Company’s auditors at least once a year. In addition, the Committee communicates with management quarterly to review the Company’s interim financial statements.

Audit Committee Responsibilities and Duties*Review Procedures*

1. Reviews and reassesses the adequacy of this mandate at least annually and submits the mandate to the Board of Directors for approval.
2. Reviews the Company’s annual audited financial statements and related documents prior to filing or distribution. This review includes discussion with management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.
3. Annually, in consultation with management and the external auditors, considers the integrity of the Company’s financial reporting process and controls. Discussion includes significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Reviews significant findings prepared by the external auditors together with management’s responses.
4. Reviews the principal risks affecting financial reporting and provides the Committee’s view to the Board of Directors.
5. Reviews with financial management the Company’s quarterly financial results and related documents prior to the release of earnings and/or the Company’s quarterly financial statements prior to filing and distribution. Discusses any significant changes to the Company’s accounting principles.

6. Reviewing the engagement letters of the external auditor, both for audit and non-audit services.
7. Reviewing the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor.
8. Reviewing and approving the nature of and fees for any non-audit services performed for the Company by the external auditor and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

External Auditors

9. The external auditors are ultimately accountable to the Audit Committee and the Board of Directors, as representatives of the shareholders. The Audit Committee reviews the independence and performance of the auditors and annually recommends to the Board of Directors the appointment of the external auditors.
10. The Committee approves the fees and other compensation to be paid to the external auditors.
11. On an annual basis, the Committee reviews and discusses with the external auditors all significant relationships they have with the Company that could impair the auditor's independence.
12. Each year it reviews the external auditor's audit plan and discusses and approves the audit scope and staffing.
13. Prior to releasing the year-end earnings, it discusses the result of the audit with the external auditors and any matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.
14. Each year the Audit Committee carefully considers the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

Other Audit Committee Responsibilities

15. The Audit Committee annually assesses the effectiveness of the Committee against its mandate and reports the results of the assessment to the Board.
16. It prepares a summary of the mandate for shareholders.
17. It performs any other activities consistent with its mandate that the Committee or Board deems necessary or appropriate.
18. It maintains minutes of meetings and periodically reports to the Board of Directors on significant results of its activities.
19. It reviews financial and accounting personnel succession planning.

Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters (Whistle Blower Policy)

The chairman of the Audit Committee shall be designated as the complaint officer (the "**Complaints Officer**") to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters (a "**Complaint**").

The Complaints Officer shall be informed that any Complaints so received must be kept confidential and that the identity of employees or such other person making the Complaints shall be kept confidential and shall only be communicated to the Audit Committee or the Chair of the Audit Committee.

The Complaints Officer shall be informed that he or she must report to the Audit Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Audit Committee called to approve interim and annual financial statements of the Company.

Upon receipt of the report from the Complaints Officer, the Audit Committee shall investigate the report and take such steps as the Audit Committee may deem appropriate.

The Complaints Officer shall retain a record of the Complaint or submission received for a period of six years following resolution of the Complaint or submission.

APPENDIX “B”

STATEMENT OF GOVERNANCE PRACTICES

A summary of the Company’s governance initiatives in relation to the new guidelines for effective corporate governance pursuant to National Instrument 58-101 -*Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 - *Corporate Governance Guidelines* (“**NP 58-201**”) is set out below.

Information about the Company’s Directors

Independence of Directors

The board has determined that 3 out of 5 or 60% of the directors are independent for the purpose of NI 58-101. The independent directors for fiscal 2011 were E. Duff Scott, George Panos and Stephens Lowden. Dr. Geoffrey Pottow, President and CEO of the Company, is not independent as he is a member of management of the Company. Robert Bazos, as Vice-Chairman of the Company, is also a non-independent director.

Director Attendance – Fiscal 2011

Since the commencement of the 2011 fiscal year, the board has held four (4) regularly scheduled meetings and one (1) special meeting. The following table summarizes the attendance of each of the directors at such board meetings:

Director	Regularly Scheduled Board Meetings Attended	Special Board Meetings Attended
Robert Bazos	4	1
Stephens Lowden	4	1
George S. Panos	4	1
Geoffrey W.J. Pottow	4	1
E. Duff Scott	4	1

Independent Director Meetings

In their capacity as members of the Audit Committee and the Governance and Compensation Committee, the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. Since the beginning of the Company’s most recently completed fiscal year, the independent directors of the board held two such meetings.

Governance and Compensation

The responsibility for identifying suitable candidates to be recommended for election to the board rests with the entire board. One of the objectives of the board is to maintain the composition of the directors in a way that provides the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Company. The responsibility for compensation for management and governance rests with the Governance and Compensation Committee. Duff Scott and Stephens Lowden, both of whom are independent, form the Governance and Compensation Committee.

Chairman of the Board

The Chairman of the board is Dr. Geoffrey Pottow who is not independent. Given the small size of the board, the independent directors are able to provide leadership to the board and to the Chief Executive Officer without the need for a lead director.

Other Directorships

<u>Name of Director</u>	<u>Other Directorships</u>
Robert Bazos	Not Applicable
Stephens Lowden	SCITI Rocs Trust, SCITI Trust, Canadian Resources Income Trust
George S. Panos	Not Applicable
Geoffrey W.J. Pottow	Water Furnace Renewable Energy Inc.
E. Duff Scott	Tricon Capital Group

Board Mandate

The directors have a formal written mandate. The board is responsible for the overall stewardship of the Company, establishing the overall policies and standards of the Company in the operation of its businesses and reviewing and approving its strategic plans. A copy of the Directors' Mandate may be found as Appendix "C" to this Annual Information Form.

Position Descriptions

The board has not adopted position descriptions for the Chairman, the CEO, and the Chair of the Audit Committee.

Orientation and Continuing Education

The board is responsible for the orientation and education of new recruits to the board of directors. Prior to joining the board of directors, each new director will meet with the Chairman and the Chief Executive Officer. Such officer shall be responsible for outlining the business and prospects of the Company, both positive and negative, with a view to ensuring that the new director is properly informed to commence his or her duties as a director. Each new director will also be given the opportunity to meet with the auditors and counsel to the Company.

Code of Business Ethics

The directors have not adopted a code of business conduct, however the directors are able to monitor and maintain ethical behaviour in the Company due to the limited number of employees.

Conflicts of Interest

The directors follow the rules of corporate law which require that all related party transactions be approved by the independent directors. For this purpose, "independent" means independent of the parties to the transaction.

Assessments

The board engages in active and ongoing discussions regarding the overall performance of the directors as a group and specifically addresses areas that the directors and/or management believe could be improved to ensure the continued effectiveness of the directors in the execution of their responsibilities.

CEO and Director Compensation

The board conducts an annual review of the performance of the Company and the CEO. This performance evaluation is communicated to the CEO by the Chair of the Governance and Compensation Committee. The board also reviews the compensation of the outside directors on an annual basis, taking into account such matters as time commitment, responsibility and compensation provided by comparable organizations.

APPENDIX “C”

DIRECTORS’ MANDATE

Directors’ Responsibilities

The directors are explicitly responsible for the stewardship of the Company. To discharge this obligation, the directors should assume responsibility in the following areas, as required:

Strategic Planning Process

- Provide input to management on emerging trends and issues.
- Review and approve, if appropriate, management’s strategic plans on an annual basis.
- Review and approve the Company’s financial objectives, plans and actions, including significant capital allocations and expenditures.

Monitoring Tactical Progress

- Monitor corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.

Risk Assessment

- Identify the principal risks of the Company’s businesses and ensure that appropriate systems are in place to manage these risks.

Senior Level Staffing and Succession Planning

- Select, monitor and evaluate the Chief Executive Officer (“**CEO**”) and other senior executives, and ensure management succession.
- Approve a position description for the CEO including limits to management’s responsibilities and corporate objectives which the CEO is responsible for meeting.
- Engage in succession planning including appointing, training and monitoring senior management.

Integrity

- Ensure the integrity of the Company’s internal control and management information systems.
- Ensure ethical behaviour and compliance with laws and regulations, audit and accounting principles, and the Company’s own governing documents.
- Satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the organization.

Material Transactions

- Review and approve material transactions not in the ordinary course of business.

Monitoring Directors' Effectiveness

- Assess its own effectiveness in fulfilling the above and directors' responsibilities, including monitoring the effectiveness of individual directors.

Expectations and Responsibilities

- Directors are expected to attend all meetings of the board. Directors are expected to have reviewed meeting materials in advance of meetings.

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