CYMAT TECHNOLOGIES LTD.

ANNUAL INFORMATION FORM
FOR THE FISCAL YEAR-ENDED APRIL 30, 2013

July 29, 2013

6320-2 Danville Road
Mississauga, Ontario
L5T 2L7

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This Annual Information Form contains certain forward-looking statements that reflect the current view of Cymat Technologies Ltd. with respect to future events or developments that Cymat expects or anticipates will or may occur including such things as business strategy, competitive strengths, goals, expansion and growth of the Company's business, operations, plans and similar matters. Wherever used, the words "may", "will", "anticipate", "intend", "expect", "plan", "believe" and similar expressions identify forward-looking statements. Any such forward-looking statements are subject to risks and uncertainties, including the risk factors set forth herein, and the Company's actual results of operations could differ materially from the expectations described in the forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Annual Information Form. The Company assumes no obligation to publicly update or revise its forward-looking statements except as may be required under applicable securities laws.

CYMAT TECHNOLOGIES LTD.

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INCORPORATION

Cymat Technologies Ltd. ("Cymat" or the "Company") was incorporated on June 14, 2006 under the Business Corporations Act (Ontario) and acquired the operating business of Cymat Corp. on August 4, 2006, through a Plan of Arrangement (the "Arrangement") pursuant to which, through a series of transactions, all of the operations, obligations and assets, except those related to certain previously unrecognized future tax assets of Cymat Corp. were transferred from Cymat Corp. to the Company and resulted in the Company's business receiving approximately $1.6 million of cash.

Cymat Corp. was formed on June 30, 1998, by the amalgamation of Cymat Aluminum Corporation Inc., Cymat Technologies Inc., Cymat Holdings Inc. and 1295787 Ontario Limited (collectively, the "Predecessor Companies") under the Business Corporations Act (Ontario). Cymat's head office and manufacturing facility is located at 6320-2 Danville Road, Mississauga, Ontario, Canada, L5T 2L7.

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GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Fiscal 2011

Blast Mitigation

During fiscal 2011, Cymat continued to work with military leaders and suppliers for its blast mitigation products and solutions. We have worked closely with OEMs, Tier 1 armour integrators and US and Canadian military officials on specific retrofit programs. In particular, Cymat has focussed significant resources on the expected retrofit of the US military's HMMVW fleet. These retrofit projects along with next generation vehicle programs make up a significant growth opportunity for SmartMetal™.

Additionally, the Company experienced an increasing interest for SmartMetal™ armouring applications with specialty armour integrators and survivability design companies. The resulting collaborations have included panel and full vehicle survivability tests. These opportunities have a focus on smaller fleet sizes with a shorter design cycle.

Architectural

In fiscal 2011, Cymat achieved a 178% increase in year-over-year architecture sales. During the year Cymat produced and delivered Alusion™ products for significant projects in Asia, North America and Europe. Significant orders included:

- More than 2,000 square meters of Alusion™ for interior wall cladding of the Vanke Center auditorium in Shenzhen China. The Vanke Center contains office space, residential apartments, a conference centre, auditorium and hotel. It is the headquarters of the China Vanke Co. Ltd., the largest publicly traded property developer in China. The designer of the Vanke Center, Steven Holl Architects, received an American Institute of Architecture Honor Award for the building's design.

- Provision of Alusion™ to be utilized in the construction of the National September 11 Memorial Museum at the World Trade Center site in New York City. The order for more than 5,000 square meters of Alusion™ will be utilized as a cladding material which will emulate the original Twin Towers at their exact location and dimensional footprint. The project architect described Cymat's aluminum foam as "a key element needed for the successful realization of the [project's] conceptual design approach."

- Over 20,000 square meters of Alusion™ to be utilized in the exterior cladding of the newly constructed Congress Center in Mallorca Spain. The appearance of the Congress Center, designed by renowned Spanish architect Francisco Mangado, is intended to conjure the image of a large fish with shapes that are sharply defined yet smoothly flowing. Alusion™ was chosen for its unique random appearance, complex texture and brilliant silver colour, helping to represent the fish's belly. This order represented Cymat's largest exterior application to date. The first shipments of this order occurred in the fourth quarter of 2011.

Additionally, in fiscal 2011, Cymat continued to expand its worldwide coverage of the architectural market through its relationships with agents. The Company entered agency agreements with an agent that will be representing Alusion™ in ten Middle East countries including Saudi Arabia, the United Arab Emirates and Qatar, an agent in Finland that will represent Alusion™ in the Nordic region and an agent that will represent both Alusion™ and SmartMetal™ in India.

Automotive

In fiscal 2011, Cymat continued to collaborate with Georg Fischer Automotive in presenting SAF to various European and Asian automotive manufacturers.

Other highlights

On April 19, 2010, Cymat completed a non-brokered private placement financing in the amount of $2.78 million. The Company issued a total of 11,558,378 Units (comprising a common share and a warrant to purchase a common share) at $0.18 per Unit and 3,912,388 Subscription Receipts, also at $0.18 per Subscription Receipt. Shareholder approval was obtained on August 11, 2010 for the conversion of the Subscription Receipts into 3,912,388 common shares and an equal number of share purchase warrants.

During fiscal 2011, Cymat made significant improvements to the SAF casting process, resulting in throughput gains, increased material and labour efficiencies and reduced manufacturing costs. These process improvements were operative for the September 11 Memorial and Mallorca Congress Center Production runs.

During fiscal 2011, Cymat engaged in research regarding the production of aluminum Metal Matrix Composite ("MMC"). Aluminum MMC is a key raw material in the manufacture of Cymat's products. This research was undertaken with a view to expanding the Company's sourcing options for MMC. During the course of the year, six experiments involving the fabrication of MMC were completed.

On September 9, 2010, Cymat announced the appointment of Mr. David Fowler as the new President and Chief Operating Officer and the resignation of Mr. Timothy Hardman. Cymat's Chief Financial Officer left the Company in July 2010 and the Company had filled the position with an interim CFO until the fourth quarter when it appointed Mr. Darryl Kleebaum to the senior financial role of Vice President, Finance.

Fiscal 2012

Blast Mitigation

SmartMetal™ blast mitigation capabilities, its high strength to weight ratio and its ability to maintain its physical properties over time and over a wide temperature range, make it relevant not only in the military but also in other homeland security applications. Test results have confirmed that the use of SmartMetal™, in conjunction with other materials, offers a lower weight solution that significantly reduces mortality and serious injury for the vehicle occupants.

As of the end of Cymat's third quarter in fiscal 2012, the US military had issued a draft Request for Proposal ["RFP"] for the Humvee retrofit program which indicated specific timelines and volumes of vehicles subject to retrofit, with submissions under this RFP due by January 13, 2012. Subsequently the US military withdrew the due date for RFP submissions. As of the date of this report, the final RFP has not been released and there is no due date for RFP submissions.

The withdrawal of the funding for the US military's Humvee retrofit program has had a significant impact on the Company's expectations for future SmartMetal™ sales. However, in fiscal 2012 the Company has continued to experience an increasing interest for SmartMetal™ armouring applications with internationally-based specialty armour integrators and survivability design companies. The resulting collaborations have included panel and full vehicle survivability tests. These opportunities have a focus on smaller fleet sizes with a shorter design cycle. In fiscal 2012 this internationally-facing effort included:

- Collaboration with a global supplier of advanced composite materials focused on ballistics headquartered in France to test SmartMetal™ as part of a composite structure

integrating ceramic vehicle strike plates with aluminum foam backing. Initial testing results and feedback were was very positive and next-level testing is proceeding.

- A French division of an internationally-based manufacturer of armour for land systems tested three different density levels of SmartMetal™ for a vehicular application with SmartMetal™ passing through to the prototype inclusion testing phase occurring in fiscal 2013.

- Working with a Swiss multi-national energy management company, where our product is being tested as part of composite structures for vehicle protection, aimed at passing STANAG 4569 Level 4 criteria. (STANAG 4569 is a NATO Standardized measurement for the protection of occupants of logistic and light armored vehicles, with level 5 detailing the highest level of protection). Initial testing results have been positive and more testing is scheduled for fiscal 2013.

- Teaming with the land systems and specialty vehicles group of one of Asia's leading defence and specialty vehicles companies where SmartMetal™ has undergone two different rounds of testing with positive outcomes. As a result Cymat has provided formal quotes for material supply for a two year vehicle program.

- Cooperation with the armour division of a South African company which has a broad range of industrial products. The armour division specializes in armour ceramics for use in body, vehicle, and industrial protection. Following the positive results of first round testing, SmartMetal™ is on a second round of testing, and is being considered as energy absorbing backing for ballistic armour.

Also, throughout fiscal 2012, Cymat has continued to work closely with a number of large OEMs and Tier 1 armour integrators on developmental test projects and the validation of SmartMetal™ for use in blast mitigation solutions for programs other than the Humvee retrofit.

In fiscal 2012, as an initiative for the expansion of SmartMetal™ sales, the Company began to employ an agency sales strategy for SmartMetal™. Modelled after the successful agency model employed in the sale of Alusion™ to the architectural market, the SmartMetal™ agency initiative is intended to develop effective structures for customer communication, product awareness, clarity for local program opportunities and customer needs, together with recognition of local market dynamics. As a result Cymat engaged Precision Technologies Ltd to act as our exclusive agent for Singapore. Precision Technologies Ltd has been in business since 1975, and has grown to an established medium-sized marketing and engineering support company with a prime focus on military and electronics applications. Cymat also acquired an agreement with Maher Limited from England to act to as an exclusive agent in the UK. Founded in 1932, this privately owned company has diversified into supplying specialist alloys for the defence, power generation, motor sport and medical industries. They have well established military connections and have been looking to add innovative products to complement their existing military portfolio. Management believes this agent structure can increase local market awareness for SmartMetal™ and will enable us to more effectively expand our reach beyond the US military.

Additionally, in fiscal 2012, Cymat continued the exploration of markets for various non-vehicular applications of SmartMetal™. As part of this market development effort, Cymat delivered prototype orders in connection with the investigation of SmartMetal™'s utility for blast mitigation with respect to stationary objects.

Architecture

In fiscal 2012, Cymat achieved a 59% increase in year-over-year architecture sales. During the year Cymat produced and delivered Alusion™ products for significant projects North America and Europe.

The most significant project for Cymat in fiscal 2012 was the provision of Alusion™ for the exterior cladding of the newly constructed Congress Center in Mallorca Spain. The appearance of the Congress Center, designed by renowned Spanish architect Francisco Mangado, is intended to conjure the image of a large fish with shapes that are sharply defined yet smoothly flowing. Alusion™ was chosen for its unique random appearance, complex texture and brilliant silver colour, helping to represent the fish's belly. The Company shipped installments for this order throughout fiscal 2012.

Another significant Alusion™ sales order that was fulfilled in fiscal 2012 pertained to the exterior cladding of a 12,000 square meter building in downtown Tbilisi, the capital of Georgia. As part of a multifunctional complex, Alusion™ is intended to clad a uniquely shaped outwardly sloping building that, like the Alusion™ product, will stand out from the rest of the buildings in the city. Architect Levan Mushkudiani of ARCITECTS.GE selected Alusion™ in his search for something new and creative for this distinctive project. The entire external façade will be clad with Alusion™ large cell two-sided open panels. This installation represents Cymat's first external cladding application in a more northern region.

During fiscal 2012, the National September 11 Memorial Museum at the World Trade Center site in New York City project experienced construction delays. The order involves the installation of more than 5,000 square meters of Alusion™ as a cladding material which will emulate the original Twin Towers at their exact location and dimensional footprint. The project architect described Cymat's aluminum foam as "a key element needed for the successful realization of the [project's] conceptual design approach." Unfortunately a dispute between the two funding agencies for this project has led to delays in contractor and vendor payments and impeded construction. Although, production of this order was completed in the third quarter of 2011 and partially shipped in the fourth quarter of 2011, the remainder of the material has not yet been shipped by Cymat. Management's expectations are that the dispute between the funding agencies will be resolved in fiscal 2013, resulting in shipment of the remaining material and payment of all outstanding amounts.

Additionally, in fiscal 2012, Cymat continued to expand its worldwide coverage of the architectural market through its relationships with agents. In the first part of fiscal 2012, the Company signed a distributor agreement with Stone Source LLC, a "to-the trade-only-company" that specializes in meeting the needs of architects, designers and contractors.

Headquartered in New York City, Stone Source has showrooms in Boston, Chicago, Los Angeles, New Jersey, New York and Washington DC, and offices in Philadelphia, San Francisco and Seattle. Additionally, Freund GmbH, previously an agent of Alusion™, was re-engaged as a distributor. Freund GmbH is a German architectural materials distributor that was previously responsible for securing the Audi business for Alusion™. The company also signed Alusion™ agents in Russia (Wonderwalls LLC), Finland (Oy Master Interiors Ltd.) and Cyprus (Geopet Aluminum).

Automotive

Cymat's has developed proprietary Low Pressure Foam Casting ("LPFCTM") aluminum foam technology which can produce near net shaped components that, among other uses, may have utility in automotive industry applications. In fiscal 2012, Cymat continued to work with Georg Fischer Automotive ("GF") in examining the use of for automobile manufacturers, including discussions concerning a renewed interest in the possibility of incorporating SmartMetal^{TM}, as produced from Cymat's flat panel line, into the design for automotive crash-boxes.

Other highlights

In April 2012, Cymat received the first proceeds from a private placement equity financing effort. The Company issued an aggregate of 5,000,000 equity units at a price of $0.05 per unit for gross proceeds of $250,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.10 per share until the expiry date of May 15, 2015. Related parties purchased 1,300,000 of these units for gross proceeds of $65,000. Finder's fees in the amount of $2,750 and 55,000 "broker" warrants were issuable as the result of this transaction. Each "broker" warrants entitles the holder to purchase one common share at a price of $0.10 per share until the expiry date of May 15, 2015.

Fiscal 2013

Blast Mitigation and Energy Absorbtion

SmartMetal™ blast mitigation capabilities, its high strength to weight ratio and its ability to maintain its physical properties over time and over a wide temperature range, make it relevant not only in the military but also in other homeland security applications. Test results have confirmed that the use of SmartMetal™, in conjunction with other materials, offers a lower weight solution that significantly reduces mortality and serious injury for the vehicle occupants.

The withdrawal of the funding for the US military's Humvee retrofit program has had a significant impact on the Company's expectations for near-term SmartMetal™ sales. However, in fiscal 2013 the Company continued to experience an increasing interest for SmartMetal™ armouring applications with specialty armour integrators and survivability design companies as demonstrated by increased year-over-year SmartMetalTM sales by approximately 20%. The resulting collaborations have included panel and full vehicle

survivability tests with large OEMs and Tier 1 armour integrations. These opportunities generally have a focus on smaller fleet sizes with a shorter design cycle. These projects often are undertaken under the umbrella of non-disclosure agreements, accordingly the Company is not able to provide detailed descriptions of these ventures. One such collaboration that Cymat was able to announce involved Bravo Zulu who developed a composite panel including SmartMetalTM for Texas Armoring Corporation ("TAC"), who will be providing a premium composite undershield as part of TAC's new line of special explosion-resistant SUVs.

In fiscal 2012, as an initiative for the expansion of SmartMetalTM sales, the Company began to employ an agency sales strategy for SmartMetalTM. As a result Cymat engaged Precision Technologies Ltd to act as our exclusive agent for Singapore. In fiscal 2013, Precision Technologies Ltd introduced Cymat to two military vehicle manufacturers based in the same geographic area as Singapore and the Company has initiated a dialogue with these entities.

In fiscal 2013, Cymat continued the exploration of markets for various non-vehicular applications of SmartMetalTM. As part of this market development effort, Cymat announced that it has it has been specified into the new ITER nuclear reactor project in France. ITER is a major new nuclear project under construction in the south of France utilizing a new type of nuclear fusion reactor. SmartMetalTM has been specified into the base of the cargo lift, to act as an energy absorber in the event of lift failure. This cargo lift is responsible for transporting "hot" nuclear components from the reactor building to containment areas.

Architecture

In the first quarter of fiscal 2013, Cymat completed the provision of Alusion™ for the exterior cladding of the newly constructed Congress Center in Mallorca Spain. The appearance of the Congress Center, designed by renowned Spanish architect Francisco Mangado, is intended to conjure the image of a large fish with shapes that are sharply defined yet smoothly flowing. Alusion™ was chosen for its unique random appearance, complex texture and brilliant silver colour, helping to represent the fish's belly. The Mallorca project represents the Company's most significant exterior architectural application to date.

Construction delays that began during fiscal 2012 for the National September 11 Memorial Museum at the World Trade Center site in New York City project continued through most of fiscal 2013. This order involves the installation of more than 5,000 square meters of Alusion™ as a cladding material which will emulate the original Twin Towers at their exact location and dimensional footprint. The project architect described Cymat's aluminum foam as "a key element needed for the successful realization of the [project's] conceptual design approach." Near the end of fiscal 2013 the two funding agencies for this project finally reached a settlement of their dispute and construction at the site recommenced. Management's expectations are that the shipment of all the remaining material for this project and payment of all outstanding amounts will occur in the first part of fiscal 2014.

In fiscal 2013 Cymat continued to expand its worldwide coverage of the architectural market through its relationships with agents. In the first quarter the Company signed the Latin American Division of Hunter Douglas N. V. ("Hunter Douglas") to be the exclusive distributor

of its Alusion™ product in Chile, Mexico, Brazil, Argentina, Columbia, Peru, Panama and Uruguay. Hunter Douglas is the world market leader in window coverings and a major manufacturer of architectural products. Hunter Douglas Latin America ("Hunter Douglas LA") employs over 1700 people. In addition to offering sales services, the architectural group has manufacturing facilities with a strong ability to develop systems, engineering solutions, and deliver product innovations. It is expected that value-add solutions will be developed for Alusion™ in this market, which may also translate to other markets.

Architectural sales for fiscal 2013 experienced a year-over-year decline of approximately 67% as there were no major architectural projects comparable to the Mallorca and Tbilisi from fiscal 2012. However, sales of AlusionTM from small "transactional" sales did experience an increase of approximately 40%.

Automotive

Cymat's has developed proprietary Low Pressure Foam Casting ("LPFCTM") aluminum foam technology which can produce near net shaped components that, among other uses, may have utility in automotive industry applications. In fiscal 2013, Cymat continued to work with Georg Fischer Automotive and Daimler in examining the use of SmartMetalTM for automotive applications, including discussions concerning a renewed interest in the possibility of incorporating SmartMetalTM, as produced from Cymat's flat panel line, into the design for automotive crash-boxes.

Other highlights

In November 2012, Cymat completed a private placement equity financing effort. In fiscal 2013, the Company issued an aggregate of 25,673,600 common shares and 25,778,600 share purchase warrants for gross proceeds of $1,283,680. Each warrant entitles the holder to purchase one common share at a price of $0.10 per share until the expiry date of May 15, 2015. Shares and warrants in the amount of 3,278,600 each were issued to related parties.

In April 2013, Cymat signed a debt Settlement Agreement with Industry Canada regarding the funds repayable under a contribution agreement through the Technology Partnerships Canada ("TPC") Program. Under the former TPC arrangement, the Company was required to make an annual royalty payment of 3.45% on aluminum foam sales. Under this arrangement, approximately $6,366,000 remained to be paid. This obligation was reflected on Cymat's January 31, 2013 financial statements as a $2,148,000 liability - an amount equal to the present value of the forecast royalty payment stream. Under the Settlement Agreement, Industry Canada agreed to accept payments in the aggregate amount of $175,000 in settlement of Cymat's entire obligation under the TPC program. The settlement is payable in 35 monthly installments of $5,000 each, commencing on May 15, 2013. As a result of this settlement, Cymat recorded a gain on settlement of debt in the approximate amount of $2,000,000.

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THE BUSINESS

Company Overview

Cymat is a materials technology company that has the right to manufacture and sell a proprietary Stabilized Aluminum Foam ("SAF") in most industrialized countries of the world, including Western Europe and North America and select countries in South America and Asia. SAF is a cellular material that is produced by bubbling gas through molten alloyed aluminum containing a dispersion of fine ceramic particles. Cymat has developed a proprietary process to manufacture flat panel products. Additionally, Cymat has developed proprietary Low Pressure Foam Casting ("LPFC™") aluminum foam technology which can produce near net shaped components. SAF's characteristics include a high stiffness-to-weight ratio, high energy absorption, thermal and acoustic insulation and recyclability. These characteristics, together with SAF's low cost of production relative to competing metal foam materials, make it suitable for use in a variety of applications, primarily in the blast mitigation, architecture and automotive industries.

Properties of Stabilized Aluminum Foam

Energy Absorption
SAF can absorb large amounts of energy from all directions as it is isotropic. As a consequence, it has an advantage over directional materials such as honeycomb, especially when impacts occur at an angle. This characteristic makes SAF suitable for various automotive components, including bumper systems, side impact panels and pillars stiffeners and for application in blast mitigation solutions.

Strain Rate Insensitivity
Studies have shown that SAF is "strain rate insensitive". This means that the mechanical characteristics of SAF do not vary with the speed of the impact, which may not be the case with polymeric foams.

Stability
Cymat believes that, when compared with polymeric foams, which are currently used in some structural automotive applications, SAF has superior long-term stability. SAF is not affected by changes in temperature and is resistant to automotive fluids such as gas, antifreeze and transmission fluids.

Thermal and Acoustical Properties
The high air content of SAF provides it with good thermal and acoustical properties. Additionally, testing conducted by the Company has shown SAF to be "non-combustible" as defined by the American Society for Testing and Materials ("ASTM") Method E136-92. This means that SAF withstood temperatures of 750ºC and does not aid combustion or add appreciable heat to an ambient fire. Testing of the acoustic properties of SAF has shown that

SAF has good acoustic absorption properties and in combination with other materials can provide transmission loss properties as well.

Recyclability
SAF can be recycled and can be used as feedstock to make new SAF parts. This is a key environmental issue and provides an important competitive advantage.

Cost
Cymat's SAF is relatively low cost aluminum foam because its manufacturing process is continuous as opposed to a batch process and does not involve costly catalysts. Available industry data from the National Physical Laboratory in the U.K. and the Cambridge Engineering Selector Database indicates that Cymat's SAF can be produced at costs well less than powder-based aluminum foams.

Business Strategy

In 2007, the Company changed its focus from the research and development of products for the automotive sector to the commercial production of flat panels for the architectural and blast mitigation industries, while continuing to develop the commercialization of automotive applications through the pursuit of technology licensing or in-house manufacturing opportunities. The flat panel business involves selling directly and through distributors to architects and designers in Europe, Asia and North and South America as well as developing key relationships in the blast protection industry. While aluminum foam in this industry is still in its nascent stage, the Company believes that it possesses significant growth potential given the proliferation of terrorist activity worldwide and the associated need to protect people and infrastructure.

Blast Mitigation
SmartMetal™ is the SAF material produced by Cymat for use in blast mitigation applications. SmartMetal™ energy absorption capabilities, its high strength to weight ratio and its ability to maintain its physical properties over time and over a wide temperature range, make it relevant not only in the military but also in other homeland security applications.

The energy absorption capabilities of SmartMetal™ have been confirmed by independent testing at Ben Gurion University of the Negev in Israel, AIGIS Blast Protection, and the world-renowned blast test facility in Nevada. Substantial testing has been done over the past 8 years to prove the efficacy of Cymat's aluminum foam as a blast mitigant.

In addition, AIGIS tested its TABREshield product, incorporating Cymat's SAF, at the Womorra testing facility in Australia. The results confirmed that TABREshield system was able to resist a 5 tonne bomb at 40 meters and protect the building. Typically, reinforced concrete fails at 100m.

Historically, a large portion of the Company's blast mitigation activities had been focused on US military initiatives, as the United States represents the largest market in the world for military related sales. The most significant of the Company's US-targeted efforts pertained to

the US military's Humvee retrofit program. Unfortunately, the funding for this large-scale retrofit program was withdrawn by the US Department of Defense at the beginning of calendar 2012. While this funding withdrawal was disappointing, there continues to be interest displayed by certain OEMs based in the United States regarding the use of SmartMetal™ for retrofitted vehicles as well as next generation vehicles.

Prior to the announced Humvee funding withdrawal, Cymat had strategically increased its efforts to expand relationships with customers outside of North America. Some of the resulting collaborations have included panel and full vehicle survivability tests. These opportunities tend to have a focus on smaller fleet sizes with a shorter design cycle.

Additionally as part of the efforts to expand international opportunities for SmartMetal™ in fiscal 2012, the Company began to employ an agency sales strategy for SmartMetal™. In fiscal 2013, this initiative has lead to the development of two new relationships with internationally-based military vehicle companies.

In addition to the development of SmartMetal™'s utility for vehicular installation, the Company is pursuing the investigation of SmartMetal™ applications for blast mitigation on stationary objects and structures.

Despite, government budget restrictions, the need for protection against terrorist and insurgent warfare is still an unfortunate reality. Cymat SAF has a unique ability to mitigate blast and attenuate shock waves and is an ideal material to mitigate morbidity and serious injury associated with the new warfare theatre.

Architectural

Alusion™ is the SAF material produced by Cymat for use in architectural applications. In addition to its unique aesthetic qualities, Alusion™ has a number of features which appeal to the industry including very low density, thermal and acoustic insulation, recyclability, time and temperature insensitivity and a relatively low cost of production. Several unique-looking products have been developed including natural panels, open-cell panels, semi-translucent panels and powder-coated coloured panels. The products are being sold for application in floors, ceilings or walls. High profile installations such as the September 11 Memorial Museum at the World Trade Center site in New York City and the Congress Center in Mallorca Spain, are expected to elevate the awareness of Alusion™ within the architectural market.

Additionally, Cymat continues to expand its worldwide network of agencies and distributorships within the architectural market.

Automotive

Cymat has developed proprietary Low Pressure Foam Casting ("LPFC™") aluminum foam technology which can produce near net shaped components that, among other uses, may have utility in automotive industry applications. Whether in the form of a SmartMetal™ panel or casted shape, Cymat's SAF addresses a number of the automotive industries stated objectives including making vehicles lighter, increasing safety for both passengers and pedestrians,

improving noise, vibration and harshness ("NVH") levels and adding to the vehicle recyclability.

Other
As part of its growth strategy, Cymat investigates the use of its SAF in applications outside of the blast mitigation, architectural and automotive markets. In fiscal 2013, the Company provided two customers with material that was used as a consumable in their manufacturing processes. SmartMetal™ has also been specified in the design of a base for a cargo lift for the new ITER fusion reactor project in France. The SmartMetal™ is intended to act as an energy absorber in the event of a cargo lift failure.

Market Trends

Blast Mitigation
Warfare involving terrorist and insurgent forces employing improvised explosive devices continues to characterize a large portion of global military conflicts. Unrest continues in regions like Iraq, Afghanistan and the Middle East. While some of these areas have experienced a withdrawal of NATO forces, governments continue to be concerned with protecting their personnel and equipment from such attacks.
At the same time, governments are also under increased budgetary pressures as the result of escalating national deficits and debt levels, which has the potential to constrain military spending. Such budget constraints have led to the US military's withdrawal of funding for the large scale Humvee retrofit program. Cymat had targeted significant efforts towards winning participation in this particular program, so the withdrawal of funding came as a disappointment to Cymat management. However, in general budget constraints also have the potential to make the option of retrofitting existing assets a more attractive alternative. To this end Cymat has positioned its material as a solution that can be applied to existing assets as well as incorporated into the design of next generation equipment.

Architectural
The world-wide economic recovery has been slow and uneven, with the uncertainty regarding the European Economic Community having far-reaching negative implications for the construction and architectural industries. However, Cymat believes that with its expanding international agent base and its recent participation in high profile projects, there will be increased opportunities to supply architectural projects.

Automotive
Rising fuel prices and government legislation of vehicle green house gas and fuel economy standards are providing impetus for automotive design changes. Vehicle weight reduction is one way to accomplish these auto design goals and an area that SAF has the potential to contribute.
Additionally, as regulations concerning vehicle safety tighten worldwide, there is an increasing interest on the part of automakers in crash management systems that protect passengers and pedestrians, and that reduce vehicle damage. Furthermore, insurance companies, particularly in Europe, provide large premium discounts to cars that meet a 15 km/h offset crash test with minimal damage (the "Allianz test"). These factors are compelling automotive companies to

design cars with improved sacrificial energy-absorbing devices such as crash boxes. Cymat believes that SAF can be an integral part of these new design solutions.

Revenue

In 2013 and 2012, revenue consisted of architectural flat panel sales to Europe, North and South America and Asia as well as sales in the technical fields such as blast mitigation and industrial processes.

The following table illustrates revenues by category:

Revenue category	2013	2012	% change
Alusion™	$817,000	$2,705,000	(70%)
SmartMetal™	108,500	90,000	21%
Total	**$925,500**	**$2,795,000**	**(67%)**

Technology Rights

Intellectual Property Strategy

Cymat's primary focus has shifted from the development of the SAF manufacturing process to the commercial production of SAF for international sale. According the Company's intellectual property strategy is to defend its existing suite of SAF patents and technology rights to protect against competitive entry into Cymat's targeted markets.

The License Agreements with Alcan

On July 31, 1995, Cymat entered into two license agreements with Alcan, as amended effective July 31, 2000 (collectively, the "Aluminum Foam Licensing Agreements"), granting it licenses to manufacture and sell SAF under the Alcan patents in North America and to sell SAF pursuant to the Hydro patents outside North America. Effective July 31, 2000, the rights to manufacture SAF were extended worldwide. Pursuant to the Aluminum Foam Licensing Agreements, Cymat is required to pay a royalty per kilogram of SAF produced.

During the fourth quarter of fiscal 2004, Cymat and Alcan executed amendments to the Aluminum Foam Licensing Agreements. These amendments secured Cymat's global exclusivity to develop SAF technology, applications and products through to 2013, by replacing the requirement for minimum production levels with the continuation of the current quarterly minimum royalty payments.

Alcan has agreed to pay the maintenance fees in respect of the patents that are licensed to Cymat. The Aluminum Foam Licensing Agreements expire concurrently with the last of the patents or patent applications pending licensed under the Aluminum Foam Licensing Agreements, on December 30, 2013 and November 4, 2013, respectively. Alcan has agreed to reduce the royalties payable by Cymat by the amount normally payable by Alcan to Hydro Aluminum A.S. (Hydro) under the terms of the Cross License Agreement. See "Acquisition of Intellectual Property Rights and Other Assets from Hydro".

The last of Alcan's Canadian patents will expire on November 4, 2013. The last of Alcan's United States patents expired on November 4, 2012.

Acquisition of Intellectual Property Rights and Other Assets from Hydro
Hydro Aluminum A.S. developed and patented the technology to produce SAF at approximately the same time as Alcan. Alcan and Hydro Aluminum entered into a cross license agreement with respect to the SAF technology, with Alcan retaining patents and patent applications in Canada, the United States and Mexico and Hydro Aluminum retaining patents and patent applications in the Western European countries. The Hydro Aluminum patents expired on July 11, 2010, except for South Korea, which expires on December 30, 2013, and Norway, which expired on July 17, 2009.

On March 26, 2001, Cymat acquired Hydro Aluminum's rights to the SAF technology, including: (i) the processing patents relating to SAF; (ii) a patent application titled "A Method and Means for Producing Moulded Foam Bodies" as described in patent applications filed by Hydro; (iii) assets used for the production of SAF; (iv) rights under Hydro Aluminum's Cross Licensing Agreement with Alcan; and (v) Hydro Aluminum's casting technology and research and development relating to the SAF technology.

As a result of Cymat's acquisition of Hydro Aluminum's rights under the Cross License Agreement, Cymat is entitled to the majority of any royalty payments to which Alcan would be entitled under any licenses to manufacture or sell SAF which Alcan grants in the Territory.

New Patent Pending Applications
In January 2005 the Company was granted a patent in the United States covering the displacement casting process used by the Company to produce SAF near-net shape components. In March 2005 the Company was granted a second patent in the United States covering a method for producing discrete moulded aluminum foam components. Subsequent to Q4 2006 the Company was granted the European counterpart for the second US patent. These patents extend the Company's intellectual property base and provide additional patent protection through to the year 2022. The Company is in the process of filing parallel patents in most other industrialized countries.

During Fiscal 2006 Cymat was granted a series of patents in Europe and the United States covering the proprietary displacement casting process that forms the basis of its LPFC^{TM} system.

These patents extend through 2021 to 2024.

During Fiscal 2010 Cymat filed a new patent on its equipment expanding on its existing patent suite and further protecting its intellectual property for an additional 20 years.

Protection of Intellectual Property
Cymat currently relies on a combination of trade secrets, patents, common law and license agreements to protect its proprietary rights. All of its senior management and research and

development personnel have entered into intellectual property rights assignments and nondisclosure agreements. If its technology is found to infringe on the patents or other intellectual property rights of third parties, Cymat may be required to stop using all or a portion of such technology, pay damages or account for profits, enter into licensing or royalty agreements with the owner of the technology or develop costly non-infringing technologies.

Hutte Klein Reichenbach
Cymat and an Austrian company, Hutte Klein Reichenbach ["HKB"], have had a number of patent infringement claims against one another dating back to fiscal 2005. Initially the Company enforced its intellectual property rights by issuing a cease and desist notice to HKB with HKB responding by initiating nullity proceedings against one of the Company's patents. After a series of court imposed injunctions and related appeals, the German courts nullified Patent No. 0690639, one of Cymat's German patents acquired from Norsk Hydro, which is based on European Patent EP 0483184. In fiscal 2009, HKB filed a claim seeking costs from Cymat totalling €19,786 in connection with the nullity action that it commenced against Cymat's German patent as described above. Cymat paid approximately €14,000 as full settlement of these costs during the year. Additionally, in 2010 HKB filed a similar claim for costs in connection with the nullity action in the Austrian courts which awarded costs in the approximate amount of €15,000.

Despite having its Patent No. 0690639 nullified by the German courts, the Company still has an extensive patent suite protecting its technology.

Technology Partnerships Canada Program
Through one of Cymat's Predecessor Companies, Cymat entered into a Contribution Agreement dated March 27, 1997, which was amended on March 23, 1998, March 31, 1999 and April 26, 2001, with the Minister of Industry of Canada under the Technology Partnerships Canada program. Under the Contribution Agreement, the TPC agreed to reimburse Cymat for certain eligible expenses incurred by Cymat in connection with an agreed work program over a period commencing October 1, 1996 and ending July 31, 2002. The reimbursement was for 35% of the eligible expenses, to a maximum of $3,357,550.
In return for the contributions, Cymat had granted a royalty to TPC of 3.45% on revenues from the sale of SAF. Cymat was required to pay this royalty until it had paid the Minister a total of $6,686,874. Prior to April 30, 2013, the Company had incurred a total of $478,244 [2012 - $459,049] in royalties. The payments were due annually no later than 123 days following the end of the fiscal year.

In April 2013, the Company signed a settlement agreement with Industry Canada regarding the funds repayable under the TPC Program. Under the Settlement Agreement, Industry Canada agreed to accept payments in the aggregate amount of $175,000 in settlement of Cymat's entire obligation under the TPC program. The settlement is payable in 35 monthly installments of $5,000 each, commencing on May 15, 2013.

The settlement included the removal of various provisions that were in effect during the term of the Contribution Agreement, including:

- the Company could not materially alter the scope, time frame, cost, nature, location or financing of the TPC program;
- the Company could not sell, transfer, relocate, or otherwise dispose of its interest in any asset which is material to the TPC program, without the prior consent of TPC;
- the Company could not declare any dividends or make any other distributions to shareholders which would prevent it from completing the TPC program and satisfying the TPC Royalty;
- a commitment to establish a production facility for SAF in Canada and a commitment to establish and maintain research and development facilities in Canada.

Human Resources

As of April 30, 2013, Cymat employed six permanent salaried and five permanent hourly employees. Cymat's compensation plan incorporates stock options and a bonus plan that is specifically targeted to its strategies as an incentive to align the interests of employees with those of its shareholders.

Industry Competition

There are a number of aluminum foam manufacturers whose aluminum foam technology is based on a powder metallurgical process that also involves the use of a foaming agent (titanium hydride for aluminum foam). There are a number of process variations for this powder technology but some common characteristics are that the material used is 100% aluminum with no MMC particle, and the process is a batch process which produces large buns of aluminum foam. These buns can then be cut to different shapes and panels. Architectural Panels made from this process are often darker and lack the silver reflective surface of Alusion™. Generally the size of the panels produced by this process more limited as compared to Alusion™. Usually in an architectural competition these materials are painted with a high gloss silver paint to match Alusion™. This can be problematic in an exterior application, since the paint will wear off.

Military panels made from this process are generally smaller than our panels and past experience has shown them to be quoted at a higher price than our panels. We believe that producing panels in this manner is more costly than producing panels from our flat panel production line, which makes the panels to the desired thickness as they come off the production line. We also believe that because these competitive materials do not have a silicon carbide particle they are not strain rate insensitive which is a major attribute of our foam. Aluminum foam made from powders are generally better suited for in-situ foam production, as in filling an engine mount, and for some industrial applications due to the tighter cell size control from this chemical process.

Competitive Aluminum foam manufacturers include:

The German research organization Fraunhofer Institute Fertigungstechnik Materialforschung manufactures foamed metals (primarily aluminum but also lead- and iron-based alloys). Fraunhofer has been commercializing aluminum foam recently, but with a main focus on industrial and especially filtering applications.
Hutte Klein Reichenbach ("HKR"), an Austrian company, claims to have invented a new aluminum foaming process that Cymat believes infringes on the Company's intellectual property rights. It does not appear that HKR has commercialized this technology. Their product offerings appear to focus on industrial applications and as a filling agent in pre-formed parts.
Foamtech is a South Korean company producing aluminum foam from powder technology. They are focused on the architectural markets and on composite structures with stone bound to lightweight aluminum foam in a product called Alustone. They also target sound absorption for highway dividers and sports facilities.
ERG Aerospace Company is a California based company that produces metal foams including aluminum foam which they describe as having a true metal skeletal structure. They are primarily focused on niche aerospace applications.
It appears that some former competitors have withdrawn from the SAF market, including Alulight International GmbH of Austria who used to compete in blast and automotive, and Shinko Wire Company Ltd. ("Shinko") of Tokyo who were mainly focused on industrial applications and sound absorption.

In the blast mitigation market, there are many different engineering solutions to managing the energy of a blast. Some of the main ideas in this area are: v-hulls used to direct the energy away from the vehicle, double v-hulls used to deflect energy, increased armouring, raising the bottom of the vehicle to gain more distance between blast and vehicle, installing chimneys into vehicles as a "pipe" for the explosion to pass through and use of other energy absorbing materials such as polyurethane based structures. All of these solutions will be used to some degree depending on vehicle size, desired utility and cost. The same is true for aluminum foam and the utility it offers. It is lightweight, tuneable and can be added easily to vehicles. It can also be used in conjunction with v-hulls where the aluminum foam allows the v-hull construction to be made lighter.

Architecture is a very large industry with numerous and different competitors. The range of competitors includes drywall, stone, wood, solid aluminum siding, other metallic siding and other specialty wall claddings. Alusion™ material offers a distinct aesthetic that is hard to duplicate. It is recyclable and lightweight and absorbs sound better than many materials. It is a speciality material in an enormous market.

Risk Factors

In evaluating the Company and its business, the following should be considered in addition to the other information provided in this Annual Information Form:

The Company is a developmental stage company facing corresponding risks, expenses and difficulties.

The Company is dependent on a single technology and the market for SAF is a developing one. Some of the applications for SAF contemplated by the Company may require additional development, testing and investment prior to final commercialization. In particular, SAF may not be accepted as a suitable application in one or more of the Company's target industries. Large industry users and OEMs may be reluctant to deal with the Company because of its short development, manufacturing and commercial experience. The likelihood of the Company's long-term success must be considered in light of the expenses, difficulties and delays frequently encountered in connection with the development of new technology, achieving marketplace acceptance and managing growth and the competitive environment in which the Company operates. The Company may not successfully address these risks and its failure to do so could disrupt its operations, prevent it from further commercializing SAF, prevent it from attracting and retaining customers and limit its revenue growth.

Cymat's SAF technology has undergone limited testing. Subsequent testing or use by actual customers may reveal inadequacies that could result in failure to meet the expectations and demands of industry users and if any such inadequacies cannot be successfully resolved, could result in the failure of one or more of the Company's SAF applications in the marketplace.

Cymat's near-net shape technology is new and under development. The ability to shape SAF is essential to most automotive applications. There can be no assurance that the Company will be successful in fully developing this technology to meet the stringent requirements of the automotive sector.

The Company has a history of losses and negative cash flows and expects to continue to incur losses and experience negative cash flows in the future.

Cymat has incurred significant cumulative net losses and negative cash flows. These losses were due primarily to costs incurred in the research, development and commercialization of SAF. The Company's ability to generate revenues and operating profits will depend upon the successful development of commercial applications for SAF and the market acceptance of SAF.

The Company may have future requirements for additional capital, which it may not be able to raise on favourable terms or at all.

The Company's ability to continue depends on a number of factors including the ability to obtain the necessary financing to continue to develop markets for SAF. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to

complete key research and development efforts, take advantage of growth opportunities, develop new products and processes or otherwise respond effectively to competitive pressures.

If the Company fails to protect its proprietary technology, it may lose competitive advantage that the technology provides.

Protective patents with respect to SAF, related manufacturing processes and SAF products may be vulnerable to challenges by third parties. The Company has obtained licenses to utilize several patents as well as certain other proprietary information and techniques. The Company has, and intends to continue to apply for, patents on new technology, commercial applications and process improvements it develops. These proposed patents may not be granted or if they are granted in one country, corresponding patents may not be obtained in other countries. In the absence of patent protection, the Company may be vulnerable to competitors that attempt to imitate its techniques.

No assurance can be given that if a patent owned or held under license by the Company is challenged, it will be held valid and enforceable or will be held to have a scope sufficiently broad to cover competitors' products or processes. The cost of enforcing the Company's patent rights in lawsuits that it may bring against infringement or defending itself against infringement charges by other patent holders may be significant and could interfere with its operations, and if not successfully defended, may result in the loss of the Company's exclusivity.

Trade secrets and confidential know-how are important to the Company's success. Although the Company protects its proprietary information through confidentiality agreements executed by all its key employees, there can be no assurance that others will not develop the same or similar information independently or gain access to the Company's proprietary information. These confidentiality agreements may not be completely effective and the Company may not be adequately compensated for damages suffered as a result of any breach of such confidentiality agreements.

Third parties may claim that the Company's current or future products infringe on their patents or other intellectual property rights. If the Company is required to defend against these claims, whether or not they have any merit and whether or not they are resolved in the Company's favor, the Company may face costly litigation and diversion of management's attention and resources. If SAF or any related product is found to infringe on the patents or other intellectual property rights of a third party, the Company may be required to stop manufacturing or selling that product, pay damages or an accounting of profits, enter into licensing or royalty agreements with the owner of the technology and/or develop costly non-infringing technology. If the Company is unable to develop non-infringing technologies, it could suffer delays in new product introduction and be required to stop the manufacture or sale of its products.

The Company may not be able to establish further relationships with OEMs and Tier 1 suppliers, which may limit its ability to develop and commercialize SAF.

The Company intends to establish further relationships with OEMs and Tier 1 suppliers in the automotive and other industries in order to develop applications for SAF. Although the Company has developed relationships with Tier 1 suppliers, it may not be able to develop additional relationships, and the co-development agreements currently in place may not lead to commercialization. Further, even if relationships, joint ventures or license arrangements are created, they may not be successful. Without collaborative partners to develop applications for SAF, the Company's ability to develop and commercialize SAF may be limited.

The Company's competitors may develop technologies that are better than the Company's technologies. Many of the Company's competitors have significantly greater resources.

There can be no assurance that the Company will be able to successfully compete with any existing competitors or that its business will not be adversely affected by new competitors.

Existing and future competitors may have significantly greater financial, technical, human, development, manufacturing, marketing and other resources and significantly greater commercial experience than the Company. The Company may not be able to compete successfully against these competitors. While the Company believes that it currently possesses the rights to the technologies necessary to manufacture SAF competitively, commercial success will depend largely on its ability to remain abreast of technological advances. Technological advances may render the Company's technologies uneconomical, obsolete or otherwise uncompetitive.

If the Company fails to manage growth successfully, it could experience delays, cost overruns or other problems.

Expansion of the Company's business is likely to put significant strain on its managerial, operational and financial resources as it must hire, train, integrate and manage new employees and develop and manage business functions and outside relationships.

The Company may need to improve its financial and operating systems and controls for managing growth. As well, the Company is dependent on the timely delivery from suppliers of materials, goods and services, and is also vulnerable to price increases.

The Company is subject to government regulation and may be subject to certification requirements imposed by customers. The Company may not be able to obtain necessary approvals or meet such requirements.

The use of SAF in certain applications may be subject to regulation by certain government bodies and to compliance with applicable laws, including environmental and safety laws.

Compliance with these laws may be costly and time consuming and failure to comply may have a material adverse effect on the Company's business. The process of obtaining approvals from such bodies can be costly and time consuming, and these approvals may not be obtained. Failure to obtain or significant delay in obtaining these approvals may materially adversely

affect the Company's ability to market its products successfully and to generate revenue, and could have a material adverse effect on its business.

In addition, industry users may impose significant certification, safety, quality control and other requirements. Meeting these requirements may be costly and time consuming. The inability to meet such requirements could damage the Company's reputation and limit or impair market acceptance of SAF technology.

If the Company is unable to hire or retain qualified or key personnel, its business may be jeopardized.

The Company believes that its success will depend, to a certain extent, upon the efforts and abilities of a small number of key management and technical personnel. The loss of the services of these key personnel may have a material adverse effect on the Company. The Company's success is also dependent upon its ability to attract and retain qualified employees and personnel.

Competition for such personnel can be intense and there can be no assurance that the Company will be able to attract and retain all personnel necessary for the development and operation of its business.

The Company is subject to the risks of international sales.

The Company sales are primarily to customers in countries other than Canada. Accordingly, it may be subject to numerous risks including unexpected changes in laws, regulations and government policies; import and export restrictions, tariffs and other trade barriers; changes in laws relating to the financing of foreign operations and the repatriation of funds; currency exchange risks; changes in local tax rates or policies of local tax authorities; challenges in managing and staffing foreign operations, and the need to comply with local employment laws and practices; less favourable intellectual property laws; and political or economic instability. The Company will hedge against currency risk, as management deems appropriate.

ITEM 6

DIVIDENDS

The Company has incurred significant accumulated net losses and negative cash flow. As such it has not paid any dividends. The Company currently intends to retain future earnings, if any, for use in its business and does not anticipate paying dividends on the common shares in the foreseeable future. Any determination to pay any future dividends will be made taking into account the Company's financial condition and other factors deemed relevant by the Board of Directors.

ITEM 7

CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares. As at April 30, 2013 the Company had 144,071,876 common shares issued and outstanding. The Company had issued and outstanding 11,267,632 stock options at a weighted average exercise price of $0.14 with 2.8 years of weighted average remaining life. In addition the Company had 30,778,600 common share purchase warrants outstanding with an exercise price of $0.10, expiring on May 15, 2015.

ITEM 8

MARKET FOR SECURITIES

The Company's Common Shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "CYM".

The following table sets forth the reported high and low closing prices and trading volume of the Common Shares as reported by the Toronto Stock Exchange, on a monthly basis, for the 2013 fiscal year.

Date	High ($)	Low ($)	Close ($)	Volume ($)
May-12	0.04	0.025	0.035	937,261
Jun-12	0.04	0.03	0.03	970,010
Jul-12	0.04	0.03	0.035	1,275,184
Aug-12	0.045	0.035	0.045	3,111,331
Sep-12	0.05	0.035	0.05	3,264,786
Oct-12	0.05	0.04	0.04	1,171,311
Nov-12	0.035	0.02	0.025	1,788,906
Dec-12	0.04	0.025	0.03	1,740,610
Jan-13	0.04	0.025	0.025	1,605,067
Feb-13	0.035	0.025	0.03	629,550
Mar-13	0.03	0.02	0.02	1,116,000
Apr-13	0.025	0.015	0.015	215,190

ITEM 9

[Intentionally Omitted]

ITEM 10

DIRECTORS, AUDIT COMMITTEE AND OFFICERS

As at April 30, 2013 the following table presents the name, municipality of residence, position with the Company and the principal occupation of each of the directors and officers of Cymat and, in the case of the directors, the year each director first became a director of the Company.

Name and Municipality of Residence	Position with the Company	Director Since
Jon Gill (1) (2) Ontario, Canada	Director	June 2006
Michael M. Liik Ontario, Canada	Director, Executive Chairman	October 1999
Martin J. Mazza (1) (2) Ontario, Canada	Director	November 2004
William Pettipas (1) Ontario, Canada	Director	October 2008
Lewis Mackenzie (1) Ontario, Canada	Director	February 2009
Kleebaum, Darryl Ontario, Canada	Chief Financial Officer	
Johnson, Jim Ontario, Canada	Vice President, Operations	

(1) Independent and financially literate Member of the Audit Committee.
(2) Member of the Compensation Committee.

Jon Gill is the Chair of the Audit Committee. Mr. Gill is the President of Braxton Management Partners Inc., specializing in providing management and financial advisory services to both public and private corporations in the areas of financing, restructuring, mergers and acquisition. He has extensive operating company and capital markets experience. Mr. Gill also recently acted as the Board Chair and Chair of the Audit Committee for another public company and serves on a number of private company and non-profit boards.

Michael M. Liik is currently the President of Liikfam Holdings Inc., a financial consulting company. Mr. Liik is also Managing Partner, Private Equity at Fraser Mackenzie Merchant Capital. He also serves as a director for several private and public companies. Mr. Liik was the Chief Executive Officer of the Company until October 2003. From 1998 to 2003, Mr. Liik was a Partner with HSD Partners Inc., a merchant banking firm. From 1993 to 1998, Mr. Liik was Vice President, Corporate Development of Slater Steel Inc., a TSX listed specialty steel producer.

Martin J. Mazza is currently Senior Vice President of Marketing and Global Sales for The Woodbridge Group, a private Canadian auto parts company. He is also serves as a director for several private companies.

Major-General (Ret'd) Lewis Wharton MacKenzie is President of Major-General MacKenzie Enterprises Inc. He served 36 years in the Canadian Forces and commanded the UN operation that opened the Sarajevo Airport for the delivery of humanitarian aid during the Bosnian civil war.

William Pettipas is President of Pettipas Consulting, a company specializing in advice to the defence industry. Mr. Pettipas has served 30 years in the Canadian Army and subsequently was employed for 20 years at GM Defense where he attained the position of Executive Director of GM Defense and Vice President of GM Defense Canada.

Jim Johnson joined Cymat in May 2009. Prior to joining the Company, Mr. Johnson held the role of Director of Distribution at Thermo Fisher Scientific Inc.

Darryl Kleebaum joined Cymat in February 2011. Prior to joining the Company, Mr. Kleebaum was the Chief Financial Officer for The Futura Loyalty Group Ltd.

As at April 30, 2013 the directors and executive officers of the Company, as a group, own beneficially or exercise control or direction over (directly or indirectly) an aggregate of 5,743,430 Cymat common shares or 4% of the issued and outstanding Cymat common shares and 3,053,500 Cymat warrants or 10% of the issued and outstanding Cymat warrants.

ITEM 11

SELECTED FINANCIAL INFORMATION

Selected Annual Financial Data

The selected financial information in this Annual Information Form should be read in conjunction with the Company's comparative audited financial statements for each of the fiscal years in the three year period ended April 30, 2013, including the notes thereto. The financial information for all three years has been prepared in accordance with International Financial Reporting Standards.

	Year ended April 30		
	2013	**2012**	**2011**
Revenue	$925,515	$2,795,444	$1,852,632
Net income (loss)	$443,440	($4,785,014)	($4,051,908)
Basic and fully diluted net loss per share	$0.00	($0.04)	($0.04)
Total assets	$1,296,562	$1,519,832	$6,199,864

ITEM 12

MATERIAL CONTRACTS

In April 2013, the Company signed a debt settlement agreement with Industry Canada as described above in the Technology Rights section under the Technology Partnerships Canada Program heading. Aside from this agreement there were no material contracts entered into by Cymat as at April 30, 2013, other than in the ordinary course of business.

ITEM 13

ADDITIONAL AUDIT COMMITTEE INFORMATION

Charter of the Audit Committee

This charter applies to Cymat Technologies Ltd. ("the Company").

1. The Audit Committee will be composed of a minimum of three directors, the majority of whom will be independent.

2. Each member of the Audit Committee shall serve during the tenure of the Board of Directors.

The Board may fill vacancies in the Audit Committee by appointment from among the directors, and if and whenever a vacancy shall exist in the Audit Committee, the remaining members may exercise all of its powers so long as a quorum remains in office.

3. The mandate of the Audit Committee is as follows:

a) The Audit Committee will review and recommend to the Board for approval:
   - The audited and unaudited financial statements of the Company and the management discussion and analysis;
   - All financial information in any annual information forms, prospectuses and other offering documents of the Company;
   - Recommendations of the auditors for strengthening internal controls to ensure that processes are in place to mitigate or eliminate risks associated with financial reporting and cash management for the Company as well as the response of management to these recommendations; and
   - Procedures for the receipt, retention and treatment of complaints received regarding accounting, internal accounting controls or auditing matters and for the confidential, anonymous submission by employees of the Company or any entity providing services on behalf of the Company of concerns regarding questionable accounting or auditing matters.

b) Meet periodically with the auditors and at least once a year meet in confidence with the auditors and report to the Board on such meetings including the nature of the auditor's recommendations.

c) Review the reappointment or appointment of the auditors and make recommendations to the Board with respect to the nomination and remuneration of the auditors on an annual basis. Review the audit plans of the auditors and report to the Board of any significant reservations the Audit Committee may have or the auditors may have expressed with respect to such arrangements or scope.

d) Review policies and procedures regarding the adequacy and effectiveness of internal controls over the accounting and financial reporting systems for the Company.

e) Review with management, the auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a material adverse effect upon the financial position or operating results of the Company and the manner in which these matters have been disclosed in the financial statements of the Company.

f) Review and approve any non-audit related services provided by the auditors and the fees related thereto. Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and

the Company, including non-audit services, and discussing the relationships with the auditors.

g) Perform other activities related to this charter as requested by the Board.

4. A quorum for the transaction of business of the Audit Committee shall consist of two members of the Committee.

5. The time and place for meetings of the Audit Committee and procedures at such meetings shall be determined from time to time by, the Audit Committee. The appointed secretary of the Company shall, upon request of the Committee Chairman, any member of the Audit Committee, the external auditors of the Company, the President, Chief Executive Officer or the Chief Financial Officer of the Company, call a meeting of the Audit Committee by letter, telephone, facsimile, telegram or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

6. Any member of the Audit Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

7. The Audit Committee shall keep minutes of its meetings which shall be submitted to the Board of Directors.

8. One of the members of the Audit Committee shall be elected as its chairman by the Audit Committee or the Board of Directors of the Company and the Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

9. For the purposes of performing their duties, the members of the Audit Committee shall have the right, at all reasonable times, to inspect the books and financial records of the Company and to discuss with management and the officers such accounts, records and matters relating to the financial statements of the Company.

10. The Audit Committee may invite such officers, directors and employees of the Company and the external auditors of the Company as it may see fit, from time to time, to attend at meetings of the Audit Committee.

11. The Board of Directors may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

Audit Committee Oversight

The Board of Directors of the Company adopted all recommendations of the Audit Committee to nominate and compensate the Company‘s auditors.

Pre-Approval Policies and Procedures

The Audit Committee is permitted by its charter to review and approve any non-audit related services provided by the auditors and the fees related thereto. The Audit Committee has not adopted specific policies and procedures related to pre-approval of non-audit related services.

External Auditor Service Fees

A summary of the fees billed by the external auditors in the 2013 and 2012 fiscal years is as follows:

	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2013	$54,111	Nil	Nil	Nil
2012	$49,900	Nil	Nil	Nil

ITEM 14

ADDITIONAL INFORMATION

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

TMX Equity Transfer Services acts as the Company's transfer agent and registrar and is located at 200 University Ave, Suite 400, Toronto ON M5H 4H1.

Grant Thornton LLP acts as the Company's auditors and has issued unqualified audit report for the fiscal year ended April 30, 2013.

Additional financial information, including the Company's comparative audited financial statements and related MD&A for the fiscal year ended April 30, 2013 is available on SEDAR.

The Company will also provide to any person upon request to the Secretary of the Company:

(a) when securities of the Company are in the course of a distribution under a preliminary short form prospectus or a short form prospectus:

(i) one copy of the Company's most recent annual information form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference therein;

(ii) one copy of the comparative financial statements of the Company for its most recently completed financial year for which financial statements have been filed, together with the accompanying report of the auditor and one copy of the most recent interim financial statements of the Company that have been filed, if any, for any period after the end of the Company's most recently completed financial year;

(iii) one copy of the Company's information circular in respect of its most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared in lieu of that information circular, as appropriate; and

(iv) one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under clauses (i), (ii) or (iii).

(b) at any other time, one copy of any of the documents referred to in clauses (a)(i), (ii) or (iii), provided that the Company may require the payment of a reasonable charge if the request is made by a person or Company who is not a security holder of the Company.

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ITEM 15

GLOSSARY OF TERMS

Alusion™ is Cymat's brand name for SAF sold into the architecture and design industry.

Combined Average Fuel Efficiency (CAFE) Standards set the average miles per gallon (mpg) that passenger cars and light trucks sold by a manufacturer in the United States must attain. CAFE was established by the Energy Policy and Conservation Act (EPCA) of 1975 to reduce U.S. dependence on foreign oil in response to the oil price shocks and gasoline shortages of 1973 and 1974.

Crash box is an automotive component in the bumper system that is designed to absorb energy in a crash in order to protect other, more costly components.

Isotropic means the same from all directions. For example, SAF absorbs the same amount of energy, regardless of the direction of the force applied.

Metal matrix composite (MMC) is a material made from a metal alloy and ceramic particles, which are distributed in the alloy.

Near-net shape is a component produced as near as possible to the final shape that is required. The advantage is the elimination of additional steps such as machining.

Original Equipment Manufacturer (OEM) is a primary manufacturer that markets finished products to the end user. Examples of automotive OEMs include Ford, General Motors, PSA Peugeot Citroën and DaimlerChrysler.

Stabilized Aluminum Foam (SAF) is a cellular material that is produced by bubbling gas through molten alloyed aluminum containing a dispersion of fine ceramic particles.

Statistical Process Control (SPC) techniques measure the variability of a process, establish guidelines for "normal or allowed variability" and then determine, on an ongoing basis, whether or not the process is functioning within the allowable zone.

Strain rate insensitive indicates that the mechanical characteristics of a material do not vary with the speed of impact.

Tier 1 supplier is a primary supplier to an OEM. Examples of automotive Tier 1 suppliers include Decoma, Johnson Controls, Magna and Valeo Thermique Moteur.