

QE2 ACQUISITION CORP.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF
QE2 ACQUISITION CORP. TO BE HELD ON AUGUST 12, 2015**

and

DISTINCTTECH INC.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF
DISTINCTTECH INC. TO BE HELD ON AUGUST 12, 2015**

and

**JOINT INFORMATION CIRCULAR CONCERNING THE ACQUISITION OF ALL OF THE
ISSUED AND OUTSTANDING SECURITIES OF DISTINCTTECH INC. BY QE2
ACQUISITION CORP. BY WAY OF AMALGAMATION**

DATED JUNE 29, 2015

This management information circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult your financial, legal, tax or other professional advisor.

All information contained in this Information Circular with respect to QE2 was supplied by QE2 for inclusion herein.

All information contained in this Information Circular with respect to DistinctTech was supplied by DistinctTech for inclusion herein.

Neither the TSX Venture Exchange nor any securities regulatory has in any way passed upon the merits of the reverse take-over described in this information circular.

Table of Contents

QE2 Acquisition Corp. Notice of Annual General and Special Meeting	i
DistinctTech Inc. Notice of Annual General and Special Meeting.....	iii
Joint Management Information Circular	1
Introduction.....	1
Information Contained in this Information Circular	1
Cautionary Notice Regarding Forward-Looking Statements and Information.....	1
Presentation Of Financial Information	2
Non-IFRS Measures.....	2
Information for Beneficial Shareholders	2
Glossary of Terms	4
Summary Information	8
The Companies.....	8
The Meetings.....	8
Effect of the Amalgamation	9
Recommendations of the DistinctTech Board.....	9
Recommendations of the QE2 Board.....	9
Pro Forma Information of QE2 After Giving Effect to the Transaction.....	9
Creation of New Control Persons.....	10
Not a Non Arm’s Length Transaction.....	10
Finders Fee.....	10
Interest of Certain Persons in the Amalgamation.....	10
Estimated Available Funds and Proposed Uses Thereof.....	10
QE2’s Listing on the Exchange.....	11
Relationships.....	11
Conflicts of Interest.....	12
Interest of Experts	12
Risk Factors.....	12
Dissent Rights	12
Certain Canadian Federal Income Tax Considerations	15
Part I - General Proxy Matters QE2 Acquisition Corp.....	19
General	19
Persons Making the Solicitation.....	19
Proxy Related Information	19
Appointment and Revocation of Proxies	19
Exercise of Discretion.....	20
Advice to Non-Registered QE2 Shareholders.....	20
Voting Securities and Principal Holders Of Voting Securities	21
Voting Rights.....	21
Record Date	21
Principal Holders of QE2 Shares	21
Quorum	22
Interest of Certain Persons in Matters to be Acted Upon.....	22
Executive Compensation.....	22
Compensation Discussion and Analysis	22
Risks of Compensation Policies and Practices.....	23
Financial Instruments.....	23
Share Based and Non-Equity Incentive Plan Compensation	23
Compensation Governance	23
Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans	23
Compensation of Named Executive Officers.....	23
Termination and Change of Control Benefits	24
Compensation of Directors Director Compensation	25

Securities Authorized for Issuance Under Equity Compensation Plans.....	25
Corporate Governance Disclosure.....	25
General.....	25
Board of Directors.....	26
Other Reporting Issuer Experience.....	26
Orientation and Continuing Education of Board Members.....	26
Ethical Business Conduct.....	26
Nomination of Directors.....	26
Compensation of Directors and Officers.....	26
Other Board Committees.....	26
Assessment of Directors, the Board and Board Committees.....	27
Audit Committee.....	27
Audit Committee Charter.....	27
Composition of the Audit Committee.....	27
Relevant Education and Experience of Audit Committee Members.....	27
Audit Committee Oversight.....	28
Reliance on Certain Exemptions.....	28
Pre-Approval Policies and Procedures.....	28
Exemption.....	28
Indebtedness of Directors and Executive Officers.....	28
Interests of Informed Persons in Material Transactions.....	28
Additional Information.....	29
Part II - Matters to be Considered at the QE2 Meeting.....	30
Financial Statements.....	30
Appointment of Auditors.....	30
Approval of the Stock Option Plan.....	30
Approval of the Transaction Resolution.....	31
Change of the Name of QE2.....	32
Election of Directors.....	33
Other Business.....	35
Part III - General Proxy Matters DistinctTech Inc.	36
General.....	36
Persons Making the Solicitation.....	36
Proxy Related Information.....	36
Appointment and Revocation of Proxies.....	36
Exercise of Discretion.....	37
Advice to Non-Registered DistinctTech Shareholders.....	37
Voting Securities and Principal Holders Of Voting Securities.....	38
Voting Rights.....	38
Record Date.....	38
Principal Holders of DistinctTech Shares.....	38
Quorum.....	38
Interest of Certain Persons In Matters To Be Acted Upon.....	38
Indebtedness of Directors and Executive Officers.....	39
Interests of Informed Persons in Material Transactions.....	39
Additional Information.....	39
Part IV - Matters to be Considered at the DistinctTech Meeting.....	40
Schedule "A" – Amalgamation Agreement.....	41
Schedule "B" - QE2 Stock Option Plan.....	80
Schedule "C" - The Transaction.....	85
Background to the Transaction.....	85
Shareholder Approval.....	85
Description of the Transaction.....	85

Interests of Certain Persons in the Amalgamation	85
The Amalgamation Agreement	86
Risk Factors Relating to the Transaction	89
Schedule "D" - Information Relating to QE2	91
General	91
Name and Incorporation	91
Documents Incorporated by Reference	91
History	91
Significant Acquisitions and Dispositions	93
Selected Consolidated Financial Information and Management's Discussion and Analysis	93
Description of QE2 Shares	94
Preferred Shares	94
Dividends or Distirbutions	94
Stock Option Plan	94
Prior Sales	95
Stock Exchange Price	95
Management Contracts	95
Executive Compensation	96
Legal Proceedings	96
Auditor, Transfer Agent and Registrar	96
Auditor	96
Transfer Agent and Registrar	96
Material Contracts	96
Schedule "E" - Information Relating to DistinctTech	97
Corporate Structure	97
Name and Incorporation	97
Intercorporate Relationships	97
General Development of the Business	97
History	97
Debt and Equity Financings	97
Significant Acquisition	97
Narrative Description of the Business	98
Overview	98
Properties and Equipment	100
Market	100
Selected Consolidated Financial Information and Management's Discussion and Analysis	101
Annual and Quarterly Information	101
Management's Duscussion and Analysis	102
Description of Securities	102
Consolidated Capitalization	102
Prior Sales	103
Stock Exchange Price	103
Executive Compensation	103
Compensation Discussion and Analysis	103
Summary Compensation Table	104
Incentive Plan Awards	104
Director Compensation	105
Indebtedness of Directors and Officers	105
Termination and Change of Control Benefits	105
Management Contracts	105
Non-Arm's Length Party Transaction	105
Legal Proceedings	105
Material Contracts	106
Schedule "F" - Information Relating to the Resulting Issuer	107
Corporate Structure	107
Name and Incorporation	107

Intercorporate Relationships	107
Narrative Description of the Business	107
Stated Business Objectives	107
Milestones	107
Description of the Securities	107
Pro Forma Consolidated Capitalization	107
Pro Forma Consolidated Capitalization of the Resulting Issuer.....	108
Fully Diluted Share Capital.....	108
Available Funds and Principal Purposes	109
Funds Available	109
Dividends	110
Principal Purposes of Funds.....	110
Principal Security Holders	110
Directors, Officers and Promoters.....	111
Name, Address, Occupation and Security Holdings	111
Corporate Cease Trade Orders	113
Bankruptcies	114
Penalties or Sanctions	114
Conflicts of Interest.....	114
Personal Bankruptcies.....	114
Other Reporting Issuer Experience	114
Executive Compensation.....	115
Indebtedness of Directors, Executive Officers and Other Management	116
Investor Reations Agreement	116
Options to Purchase Securities.....	116
Option Agreements	116
Stock Option Plan	117
Escrowed Securities	117
Securities Escrowed Pursuant to the Transaction.....	117
General Information Concerning Escrowed Securities	118
Auditor, Transfer Agent and Registrar.....	119
Auditor	119
Transfer Agent and Registrar	119
Sponsorship	119
Interest of Experts	119
Relationships	119
Experts	119
Opinions.....	119
Interests of Experts.....	119
Material Facts.....	119
Board Approval.....	119
Risck Factors.....	120
Schedule "G" – Pro Forma Financial Statements of the Resulting Issuer	129
Schedule "H" – Section 185	142
Schedule "I" – DistinctTech Financial Statements	148
Schedule "J" – DistinctTech Management Discussion and Analysis	245

QE2 ACQUISITION CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 12, 2015

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**QE2 Shares**") of QE2 Acquisition Corp. ("**QE2**") will be held at the offices of Burstall Winger Zammit LLP, at Suite 1600 Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta, at 10:30 a.m. (Calgary time) on August 12, 2015, for the following purposes:

1. to receive and consider the audited consolidated financial statements of QE2 for the financial year ended January 31, 2015, together with the notes thereto and the auditors' report thereon;
2. to approve the appointment of MNP LLP as auditors of QE2 for the ensuing year at such remuneration as may be fixed by the Board;
3. to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth in the Information Circular (as defined below) prepared for the purposes of the Meeting, to approve QE2's stock option plan;
4. to consider and if deemed advisable pursuant to the policies of the TSX Venture Exchange Inc., to pass, with or without variation, an ordinary resolution (the text of which is in the accompanying joint management information circular of QE2 and DistinctTech dated as of the date of this Notice (the "**Information Circular**")) authorizing and approving the issuance of an aggregate of up to 217,218,927 QE2 Shares and 27,782,823 QE2 Warrants to the DistinctTech Shareholders pursuant to the terms of an amalgamation agreement dated June 29, 2015 among QE2, QE2 Subco, DistinctTech and the DistinctTech Shareholders (the "**Transaction**"), all as more particularly described in the Information Circular;
5. to consider, and, if deemed advisable, to approve, with or without variation, a special resolution, the full text of which is set forth in the accompanying Information Circular prepared for the purposes of the Meeting, authorizing the change of name of QE2 to "DistinctTech Infrastructure Group Inc." (the "**Name Change**"), or such other name as the Board may determine is appropriate, such Name Change to be implemented at the sole discretion of the Board;
6. to elect the board of directors of QE2 (the "**Board**") for the ensuing year; and
7. to transact any other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Annual General and Special Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be valid, the proxy must be received by Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the Meeting or any adjournment or postponement thereof. Registered Shareholders may also use the Internet (<https://www.investorvote.com>) to vote their QE2 Shares.

The record date for determination of the Shareholders entitled to receive notice of and to vote at the Meeting is July 10, 2015 (the "**Record Date**"). Only the Shareholders whose names have been entered in the register of QE2 Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. To the extent that a Shareholder transfers the ownership of any QE2 Shares after the Record Date and the transferee of those QE2 Shares establishes ownership of such QE2 Shares and demands, not later than ten (10) days before the Meeting, to be included in the list of the Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those QE2 Shares at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy for QE2 are directors and/or officers of QE2. Each Shareholder has the right to appoint a proxy holder other than such persons, who need not be a Shareholder, to attend and to act for such Shareholder and on such Shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a QE2 Shareholder should be delivered by facsimile to Computershare Trust Company of Canada at 1-866-249-7775.

DATED at the City of Calgary, Alberta, this 29th day of June, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS OF QE2
ACQUISITION CORP.**

(signed) *"Mihalis Belantis"*
President and Chief Executive Officer

DISTINCTTECH INC.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON AUGUST 12, 2015

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares ("**DistinctTech Shares**") of DistinctTech Inc. ("**DistinctTech**") will be held at the offices of Blaney McMurtry LLP, 2 Queen Street East, Suite 1500, Toronto, Ontario at 10:30 a.m. (Toronto time) on August 12, 2015, for the following purposes:

1. to consider and if deemed advisable, to pass, with or without variation, an ordinary resolution (the text of which is in the accompanying joint management information circular of DistinctTech and QE2 dated as of the date of this Notice (the "**Information Circular**") authorizing and approving the amalgamation of DistinctTech and 2471685 Ontario Ltd. pursuant to an amalgamation agreement dated June 29, 2015 entered into between DistinctTech, QE2 Acquisition Corp. and 2471685 Ontario Ltd. (the "**Amalgamation**"), all as more particularly described in the Information Circular; and
2. to transact any other business as may properly be brought before the Meeting or
3. any adjournment or postponement thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Annual General and Special Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be valid, the proxy must be received by DistinctTech Attention: Chief Financial Officer, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the Meeting or any adjournment or postponement thereof.

Registered DistinctTech Shareholders have the right to dissent with respect to the Amalgamation resolution and, if the Amalgamation resolution becomes effective, to be paid the fair value of their DistinctTech Shares in accordance with Section 185 of the OBCA. A registered DistinctTech Shareholder's right to dissent is more particularly described in the Joint Information Circular and the text of Section 185 of the OBCA is set forth in Schedule H to the Joint Information Circular. A dissenting DistinctTech Shareholder must deliver to DistinctTech, c/o its counsel, Blaney McMurtry LLP at 2 Queen Street East, Suite 1500, Toronto, Ontario, M5C 3G5, Attention: Jay Vieira, a written objection to the Amalgamation, at or prior to the DistinctTech Meeting or any postponement or adjournment thereof in order to be effective. Please refer to the Joint Information Circular under the heading "Information Concerning the Amalgamation - Right of Dissent" and Schedule H for a description of the right to dissent in respect of the Amalgamation.

Failure to strictly comply with the requirements set forth in Section 185 of the OBCA may result in the loss of the right to dissent. Persons who are beneficial owners of DistinctTech Shares, registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered holders of DistinctTech Shares are entitled to dissent. Accordingly, a beneficial owner of DistinctTech Shares desiring to exercise the right of dissent must make arrangements for the DistinctTech Shares beneficially owned by such holder to be registered in such holder's name prior to the time the written objection to the Amalgamation is required to be received by DistinctTech or, alternatively, make arrangements for the registered holder of such DistinctTech Shares to dissent on behalf of the holder.

The record date for determination of the DistinctTech Shareholders entitled to receive notice of and to vote at the Meeting is July 10, 2015 (the "**Record Date**"). Only the DistinctTech Shareholders whose names have been entered in the register of DistinctTech Shares on the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting. To the extent that a DistinctTech Shareholder transfers the ownership of any DistinctTech Shares after the Record Date and the transferee of those DistinctTech Shares establishes ownership of such DistinctTech Shares and demands, not later than ten (10) days before the Meeting, to be included in the list of the DistinctTech Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those DistinctTech Shares at the Meeting.

The instrument appointing a proxy shall be in writing and shall be executed by the DistinctTech Shareholder or the DistinctTech Shareholder's attorney authorized in writing or, if the DistinctTech Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy for DistinctTech are directors and/or officers of DistinctTech. Each DistinctTech Shareholder has the right to appoint a proxy holder other than such persons, who need not be a DistinctTech Shareholder, to attend and to act for such DistinctTech Shareholder and on such DistinctTech Shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a DistinctTech Shareholder should be delivered by facsimile to the Chief Financial Officer of DistinctTech at 416.240.1555.

DATED at the City of Toronto, Ontario, this 29th day of June, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS OF
DISTINCTTECH INC.**

(signed) *"Joe Lanni"*
Co-Chief Executive Officer

JOINT MANAGEMENT INFORMATION CIRCULAR

Introduction

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of QE2 and DistinctTech for use at the QE2 Meeting and the DistinctTech Meeting, respectively, and any adjournment(s) or postponement(s) thereof. No person has been authorized to give any information or make any representation in connection with the Amalgamation or any other matters to be considered at the DistinctTech Meeting or the QE2 Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the Amalgamation in this Information Circular are qualified in their entirety by reference to the complete text of the Amalgamation Agreement which is attached as Schedule "A" to this Information Circular. **You are urged to read carefully the full text of the Amalgamation Agreement.**

Information Contained in this Information Circular

The information contained in this Information Circular is given as at June 29, 2015, except where otherwise noted and except that information in documents incorporated by reference or referred to for additional information is given as of the dates noted in those documents.

This Information Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

DistinctTech Shareholders and QE2 Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

If you hold DistinctTech Shares and/or QE2 Shares through a broker, investment dealer, bank, trust company or other Intermediary, you should contact your Intermediary for instructions and assistance in voting and surrendering the DistinctTech Shares that you beneficially own.

Cautionary Notice Regarding Forward-Looking Statements and Information

This Information Circular, including documents incorporated by reference herein, contains forward-looking statements and information concerning DistinctTech and QE2's plans for their businesses, financial results, operations and other matters. These statements relate to analyses and other information that are based on forecasts or projections of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, possibility of equipment breakdowns, delays and availability; unexpected increases in costs of equipment and consumables such as diesel and fuel oil; unexpected environmental liabilities or social charges; the failure of contract parties to perform their obligations; the unavailability of capital and financing; adverse general economic, market or business conditions; regulatory changes; failure to receive necessary government or regulatory approvals; the loss of key personnel; and other risks and factors detailed in this Information Circular. There are also risks inherent in the nature of the Amalgamation, including: failure to realize the anticipated benefits of the Amalgamation and to successfully integrate DistinctTech and QE2; the ability of QE2 to access sufficient capital from internal and external sources on favourable terms, or at all; failure to satisfy all regulatory conditions or obtain required regulatory, shareholders and other third party approvals in respect of the Amalgamation in a timely manner and on favourable terms or at all; changes in legislation, including but not limited to tax laws; failure to realize anticipated synergies or cost savings; and incorrect assessments by one Party of the value of the other Party.

This Information Circular also contains forward-looking statements and information concerning the anticipated timing for and completion of the Amalgamation. DistinctTech and QE2 have provided these anticipated times in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the timing of receipt of the necessary regulatory, court and other third party approvals and the time necessary to satisfy the conditions to the closing of the Amalgamation. These dates may change for a number of reasons, including the inability to secure necessary regulatory, court or other third party approvals in the time assumed or the need for additional time to satisfy the conditions to the completion of the Amalgamation. None of the foregoing lists of important factors are exhaustive. As a result of the foregoing, readers should not place undue reliance on the forward-looking statements and information contained in this Information Circular or documents incorporated by reference herein.

The information contained in this Information Circular, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of DistinctTech and QE2. Readers are urged to carefully consider those factors.

The forward-looking statements and information contained in this Information Circular are made as of the date hereof and DistinctTech and QE2 undertake no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Although DistinctTech and QE2 believe that the assumptions inherent in the forward looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

Presentation of Financial Information

All currency amounts in this Information Circular are expressed in Canadian dollars unless otherwise indicated.

The reader is further cautioned that, unless otherwise indicated, the preparation of financial statements, including pro forma financial statements, are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IFRS**"), and requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.

Non-IFRS Measures

This Information Circular contains references to earnings before interest, taxes, depreciation and amortization ("**EBITDA**") and adjusted EBITDA which is EBITDA excluding stock based compensation ("**Adjusted EBITDA**"), which are not a generally accepted accounting measure under IFRS and therefore may differ from definition of EBITDA and Adjusted EBITDA used by other entities. EBITDA and Adjusted EBITDA are non-IFRS measures used by management to assess a company's performance and financial condition. Management of QE2 and DistinctTech believe that the non-IFRS measure is a useful supplemental measure that may assist purchasers in assessing the financial performance and the cash anticipated to be generated by QE2 and DistinctTech's business. This non-IFRS measure should not be considered as the sole measure of either QE2 or DistinctTech's performance and should not be considered in isolation from, or as a substitute for, analysis of QE2 and DistinctTech's financial statements.

Information for Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders, as a substantial number of such shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the applicable registrar and transfer agent for DistinctTech or QE2 as the registered holders of shares can be recognized and acted upon at the applicable Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in a holder's name on the records of DistinctTech or QE2. Such shares will more likely be registered under the name of the holder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS, which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting shares for their clients. The majority of shares held in the United States are registered in the name of Cede & Co., the nominee for The Depository Trust Company, which is the

United States equivalent of CDS. DistinctTech and QE2 generally do not know for whose benefit the shares registered in the name of CDS & Co. or Cede & Co. are held.

Applicable regulatory policy may require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the applicable Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to Registered Holders; however, its purpose is limited to instructing the Registered Holders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form ("**VIF**") in lieu of the applicable form of proxy. The Beneficial Shareholder is requested to complete and return the VIF by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the Internet to vote the shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the applicable Meeting. A Beneficial Shareholder receiving a VIF cannot use that VIF to vote shares directly at the applicable Meeting, as the VIF must be returned as directed by Broadridge well in advance of the applicable Meeting in order to have the shares voted.

There are two kinds of Beneficial Holders: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Although a Beneficial Shareholder may not be recognized directly at the applicable Meeting for the purpose of voting shares registered in the name of its broker or other intermediary, a Beneficial Shareholder may vote those shares as a proxyholder for the Registered Holder. Should a Beneficial Shareholder wish to attend and vote at the Meetings, or any adjournment or postponement thereof in person (or have another person attend and vote on behalf of the Beneficial Shareholder), the Beneficial Shareholder should, in the case of a form of proxy, insert the Beneficial Shareholder or such other person's name in the blank space provided or, in the case of the VIF or proxy authorization form, follow the corresponding instructions on the form. In either case, Beneficial Shareholders should carefully follow the instructions of their broker or other Intermediary (or the agent of such broker or other Intermediary), including those regarding when and where the form of proxy, VIF or proxy authorization form is to be delivered. A proxyholder need not be a shareholder.

GLOSSARY OF TERMS

Unless the context otherwise provides, the following terms used in this Information and the Schedules hereto shall have the meanings ascribed to them as set forth below:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended, including all regulations promulgated thereunder;

"**Affiliate**" means a Company that is affiliated with another Company as described below:

A Company is an "Affiliate" of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

- (c) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (d) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

- (a) a Company controlled by that Person, or
- (b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person;

"**Amalco**" means the amalgamated corporation following the Amalgamation;

"**Amalgamation**" means the amalgamation of DistinctTech and QE2 Subco in accordance with the *Business Corporations Act* (Ontario);

"**Amalgamation Agreement**" means the amalgamation agreement between QE2, QE2 Subco, DistinctTech and the DistinctTech Shareholders dated June 29, 2015, regarding the Transaction;

"**Associate**" when used to indicate a relationship with a Person or Company, means:

- (a) an issuer of which the Person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the Person or Company,
- (c) any trust or estate in which the Person or Company has a substantial beneficial interest or in respect of which a Person or Company serves as trustee or in a similar capacity,
- (d) in the case of a Person, a relative of that Person, including
 - i) that Person's spouse or child, or
 - ii) any relative of the Person or of his spouse who has the same residence as that Person;
- (e) where the Exchange determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company;

"Board" means the board of directors of QE2 or the Resulting Issuer, as the context requires;

"Boom" means Boom Ventures Inc., a corporation incorporated under the ABCA and a wholly-owned subsidiary of QE2;

"Candesto" means Candesto Enterprises Inc., a corporation incorporated under the ABCA, of which certain key assets were purchased by QE2;

"Candesto Assets" means the key assets of Candesto which were acquired by QE2;

"Candesto Ltd." means Candesto Enterprises Ltd., a corporation incorporated under the ABCA for the purpose of holding and acting as operator of all the Candesto Assets upon completion of the acquisition of Candesto assets by QE2;

"CEO" means the Chief Executive Officer;

"CFO" means the Chief Financial Officer;

"Closing" means the completion of the Transaction in accordance with the terms of the Amalgamation Agreement and the Private Placement;

"Closing Date" means the date upon which QE2 and DistinctTech completes the Transaction;

"Company" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"Completion of the Transaction" means the date the Final Exchange Bulletin is issued by the Exchange;

"Computershare" means Computershare Trust Company of Canada;

"Control Person" means any Person or Company that holds or is one of a combination of Persons or Companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer;

"DistinctTech" means DistinctTech Inc.;

"DistinctTech Private Placement" means the brokered private placement of 55,565,645 DistinctTech Units at a price of \$0.10 per DistinctTech Unit for gross proceeds of \$5,556,565. Each DistinctTech Unit is comprised of one DistinctTech Share and one-half of one DistinctTech Warrant;

"DistinctTech Private Placement Agency Agreement" means the agency agreement entered into in connection with the Private Placement, between DistinctTech and the DistinctTech Private Placement Agent, to be dated on the date of the closing of the Private Placement;

"DistinctTech Private Placement Agent" means Mackie Research Corp.;

"DistinctTech Private Placement Broker Warrants" means the 4,317,251 broker warrants issued to the Distinct Private Placement Agent;

"Distinct Shares" means the common shares in the capital of DistinctTech;

"Distinct Shareholders" mean the holders of DistinctTech Shares;

"DistinctTech Units" means units issued pursuant to the DistinctTech Private Placement comprised of one (1) DistinctTech Share and one-half (½) of one DistinctTech Warrant;

"Distinct Warrants" means a warrant in the capital of DistinctTech that entitles the holder thereof to acquire one (1) DistinctTech Share at an exercise price of \$0.20 per DistinctTech Share for a period of 36 months from date of issuance. The

DistinctTech Warrants are subject to a forced conversion, at the option of DistinctTech, if the average trading price of the DistinctTech Shares is above \$0.30 cents per share for a period of 20 non-consecutive trading days;

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization and stock based compensation expense. Amortization includes amortization of capital assets. EBITDA represents net income of the before amortization of capital assets, interest, stock based compensation expense, and write down of corporate assets. EBITDA is not an earnings measure recognized by GAAP and does not have a standardized meaning prescribed by GAAP. Therefore, EBITDA may not be comparable to similar measures presented by other issuers. Management of QE2 believes EBITDA to be a meaningful indicator of our performance that provides useful information to investors regarding its financial condition and results of operation;

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange Inc.;

"**Final Exchange Bulletin**" means the Exchange bulletin which is issued following completion of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction;

"**Finder**" means Imaginis Business Development Inc.;

"**Finder Fee**" means an aggregate of 10,653,282 QE2 Shares to be issued to the Finder;

"**IFRS**" means International Financial Reporting Standards;

"**Indenture**" means the trust indenture between QE2 and Computershare, as the Resulting Issuer Debenture trustee, providing for the issuance of the Resulting Issuer Debentures and includes any indenture supplemental thereto;

"**Initial Listing Requirements**" has the meaning ascribed to such term in Exchange Policy 2.1 – *Initial Listing Requirements*;

"**Insider**" if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer,
- (b) a director or senior officer of a company that is an Insider or subsidiary of the issuer,
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer, or
- (d) the issuer itself if it holds any of its own securities;

"**ITA**" means the *Income Tax Act* (Canada);

"**Letter of Intent**" means the letter agreement between QE2 and DistinctTech dated February 20, 2015 with respect to the Transaction;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**OBCA**" means the *Business Corporations Act* (Ontario), as amended, including all regulations promulgated thereunder;

"**Option Plan**" means the incentive stock option plan of QE2;

"**Options**" means options to purchase QE2 Shares pursuant to the Option Plan;

"**Person**" means a Company or an individual;

"**Pillar**" means Pillar Contracting Ltd., a corporation incorporated under the ABCA and a wholly-owned subsidiary of QE2;

"**Preferred Shares**" means the preferred shares in the capital of QE2;

"Pro-Forma Financial Statements" means the unaudited pro-forma financial statements of the Resulting Issuer as at January 31, 2015 and the notes thereto, attached to this Joint Information Circular as Schedule "G";

"QE2" means QE2 Acquisition Corp., a corporation incorporated under the ABCA;

"QE2 Debt Conversion" means the issuance of 1,365,333 QE2 Shares in exchange for the cancelation of an aggregate of \$154,200 in debt owed by QE2 to various arm's length creditors;

"QE2 Finder Warrants" means the QE2 Warrants issued to the finders pursuant to the QE2 Private Placement that entitles the holder thereof to acquire one (1) QE2 Share at an exercise price of \$0.20 per QE2 Share for a period of 36 months from date of issuance;

"QE2 Holdco" means QE2 Holding Corp., a corporation incorporated under the ABCA

"QE2 Private Placement" means the non-brokered private placement of 5,225,000 QE2 Units at a price of \$0.10 per QE2 Unit for gross proceeds of \$522,500. Each QE2 Unit is comprised of one QE2 Share and one-half of one QE2 Warrant

"QE2 Shareholders" mean the holders of QE2 Shares;

"QE2 Shares" means the common shares in the capital of QE2;

"QE2 Subco" means 2471685 Ontario Ltd., a corporation incorporated under the *Business Corporations Act* (Ontario);

"QE2 Units" means units issued pursuant to the QE2 Private Placement comprised of one (1) QE2 Share and one-half (½) of one QE2 Warrant;

"QE2 Warrants" means a warrant in the capital of QE2 that entitles the holder thereof to acquire one (1) QE2 Share at an exercise price of \$0.20 per QE2 Share for a period of 36 months from date of issuance. The QE2 Warrants are subject to a forced conversion, at the option of QE2, if the average trading price of the QE2 Shares is above \$0.30 cents per share for a period of 20 non-consecutive trading days;

"Qualifying Transaction" means a transaction where a CPC acquires Significant Assets other than cash, by way of purchase, acquisition, merger or Amalgamation with another company or by other means;

"Resulting Issuer" means QE2 following the completion of the Transaction;

"Resulting Issuer Debenture" means the 12% convertible unsecured subordinated debentures with a par value of \$1,000 and which are convertible into Resulting Issuer Shares at a conversion price of \$0.50 per Resulting Issuer Share (subject to adjustments) with a forced conversion when the simple 20-day trading average of the Resulting Issuer Shares on the Exchange has exceeded \$0.65 per Resulting Issuer Share and includes all amendments thereto;

"Resulting Issuer Shares" means common shares of the Resulting Issuer, after the Closing;

"Sponsor" has the meaning specified in the Sponsorship Policy;

"Sponsorship Policy" means Policy 2.2 of the Exchange;

"Subsidiary" has the meaning set forth in the ABCA;

"Transfer Agent" means Computershare Trust Company of Canada, the transfer agent and registrar of QE2; and

"Transaction" or **"Proposed Transaction"** means the reverse takeover of QE2 by DistinctTech, as described in "*Part 2 – The Proposed Transaction*".

Words importing the singular number include the plural and vice versa, and words importing any gender include all genders.

All dollars amounts herein are in Canadian dollars, unless otherwise stated.

SUMMARY INFORMATION

The following is a summary of certain information contained elsewhere in this Information Circular, including the Schedules hereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Information Circular or in the Schedules hereto. Capitalized terms not otherwise defined herein are defined in the "Glossary of Terms".

The Companies

DistinctTech was originally founded with a focus on (i) outside network construction, service and maintenance, (ii) wireless services, and (iii) underground and aerial engineering services for telecom. Since its inception DistinctTech has provided full turnkey services for blue-chip telecom and communication providers throughout Southern Ontario. In the last few years, DistinctTech has expanded its focus to include a broader range of segments in the utility infrastructure market. More recently a greater emphasis has been placed on providing specialized services, and reallocating resources to the hydrovacating segment

DistinctTech was formed pursuant to the provisions of the *Business Corporations Act* (Ontario) on April 2, 2015 by the filing of articles of amalgamation. Pursuant to an amalgamation agreement dated April 2, 2015, DistinctTech Inc., an Ontario corporation originally incorporated on April 7, 2007 amalgamated with 2210296 Ontario Inc. and 2210291 Ontario Inc. See "Schedule "E" - *Information Relating to DistinctTech*".

QE2 was incorporated on September 19, 2012 pursuant to the ABCA under the name "Crowsnest Oilfield Services Corp." On October 12, 2012, QE2 amended its articles to change its name to "Crowsnest Acquisition Corp." and on October 25, 2012, QE2 amended its articles to remove restrictions on share transfers. On October 21, 2014, QE2 amended its articles to change its name to "QE2 Acquisition Corp." and to change its registered office to 1600, 333 – 7th Avenue S.W., Calgary, AB T2P 2Z1. The head office of QE2 is 4034, 909 – 17th Avenue S.W., Calgary, Alberta T2T 0A4. The QE2 Shares trade on the TSX-V under the symbol "QE". See "Schedule "D" - *Information Relating to QE2*".

The Meetings

DistinctTech Meeting

The DistinctTech Meeting will be held at 2 Queen Street East, Suite 1500, Toronto, Ontario at 10:30 a.m. (Toronto time) on August 12, 2015, for the purposes set forth in the accompanying Notice of Special Meeting of DistinctTech Shareholders. The Record Date for determination of DistinctTech Shareholders entitled to receive notice of and to vote at the DistinctTech Meeting is July 10, 2015.

At the DistinctTech Meeting, DistinctTech Shareholders will be asked to vote upon the Amalgamation resolution. To be effective, the Amalgamation resolution must be approved by an affirmative vote of at least 50.1% of the votes cast by the DistinctTech Shareholders present in person or by proxy at the DistinctTech Meeting. See "*Part III - General Proxy Matters - DistinctTech Inc.*".

QE2 Meeting

The QE2 Meeting will be held at Suite 1600 Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta, at 10:30 a.m. (Calgary time) on August 12, 2015, for the purposes set forth in the accompanying applicable Notice of Annual and Special Meeting of QE2. The Record Date for determination of QE2 Shareholders entitled to receive notice of and to vote at the QE2 Meeting is July 10, 2015.

A simple majority of affirmative votes cast by QE2 Shareholders present in person or by proxy at the QE2 Meeting is required to elect directors, to appoint auditors, to change the name of QE2 and to re-approve the QE2 stock option plan. If there are more nominees for election as directors or appointment of QE2's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all nominees will be declared elected or appointed by acclamation.

The approval of the resolution authorizing the issuance of an aggregate of 217,218,927 QE2 Shares to the DistinctTech Shareholders will require the affirmative vote of at least 50.1% of the votes cast by the QE2 Shareholders present in person or by proxy at the QE2 Meeting. See "*Part I -General Proxy Matters — QE2 Acquisition Corp.*"

Effect of the Amalgamation

The Amalgamation Agreement provides that DistinctTech and QE2 Subco will be amalgamated pursuant to the provision of the *Business Corporations Act* (Ontario) and will form Amalco. In consequence of the Amalgamation, QE2 will acquire all the common shares and warrants of Amalco (collectively, the "**Amalco Securities**") that is does not hold by issuing an aggregate of 217,218,927 QE2 Shares at a deemed price of \$0.10 per QE2 Share, for an aggregate deemed consideration of \$21,721,893 and 27,782,823 QE2 Warrants to the DistinctTech Shareholders, other than a dissenting shareholder, as consideration for the Amalco Securities As a result, Amalco will become a wholly owned subsidiary of QE2.

Recommendations of the DistinctTech Board

The DistinctTech board of directors unanimously concluded that the Amalgamation is in the best interests of DistinctTech and authorized the entry by DistinctTech into the Amalgamation Agreement and all related agreements.

THE DISTINCTTECH BOARD RECOMMENDS THAT THE DISTINCTTECH SHAREHOLDERS VOTE IN FAVOUR OF THE AMALGAMATION.

In reaching its conclusions and formulating its recommendations, the DistinctTech directors considered a number of factors, including the expected benefits of the Amalgamation. The discussion of the information and factors considered and given weight by the DistinctTech Board is not intended to be exhaustive. In reaching the determination to approve and recommend the Amalgamation, the DistinctTech Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

Recommendations of the QE2 Board

The QE2 Board unanimously concluded that the issuance of the QE2 Shares and QE2 Warrants to the DistinctTech Shareholders is in the best interests of QE2.

The QE2 Board Recommends That The Qe2 Shareholders Vote In Favour Of The Qe2 Resolutions.

In reaching its conclusions and formulating its recommendations respecting the issuance of the QE2 Shares and QE2 Warrants, the QE2 Board considered a number of factors, including the expected benefits of acquiring DistinctTech. The discussion of the information and factors considered and given weight by the QE2 Board is not intended to be exhaustive. In reaching the determination to approve and recommend the issuance of the QE2 Shares and QE2 Warrants, the QE2 Board did not assign any relative or specific weight to the factors that were considered, and individual directors may have given a different weight to each factor.

Pro Forma Information of QE2 after Giving Effect to the Transaction

Business Objective of QE2

Upon completion of the Transaction, the businesses of DistinctTech and QE2 will be consolidated into a single corporate group. The principal business of QE2 will remain the same while incorporating the business of DistinctTech into its operations.

Pro Forma Financial Information for QE2

DistinctTech Shareholders and QE2 Shareholders should read the unaudited pro forma consolidated financial statements of QE2 after giving effect to the Transaction as at January 31, 2015, included in Schedule "G" to this Information Circular. Adjustments have been made to prepare the unaudited pro forma consolidated financial statements of QE2, which adjustments are based on certain assumptions. Both the adjustments and the assumptions made in respect thereof are described in the notes to the unaudited pro forma consolidated financial statements. The following table sets forth the pro forma share capital of the Resulting Issuer as at January 31, 2015 on a consolidated basis, based on the pro forma consolidated financial after giving effect to the Transaction.

Designation	Amount authorized or to be authorized	Amount outstanding as at January 31, 2015 after giving effect to the Transaction
Current liabilities	Not Applicable	\$17,570,884
Long-term debt	Not Applicable	\$5,623,176
Common Shares	Unlimited	252,622,026 QE2 Shares (\$26,004,033)
Retained Earnings	Not Applicable	\$4,905,623

Creation of New Control Persons

Joe Lanni and Alex Agius, the Co-Chief Executive Officers of DistinctTech, each hold 68,000,000 DistinctTech Shares, which represents approximately 32.91%, respectively, of the issued and outstanding DistinctTech Shares. It is expected that, pursuant to the Transaction, Messrs. Lanni and Agius will each receive 68,000,000 QE2 Shares in exchange for their DistinctTech Shares. Accordingly, immediately following completion of the Transaction, it is expected that Messrs. Lanni and Agius will each hold 68,000,000 QE2 Shares, representing approximately 26.89%, respectively, of the issued and outstanding QE2 Shares.

Pursuant to the policies of the TSXV, any person that holds, or is one of a combination of persons that holds, a sufficient number of any of the securities of an issuer so as to materially affect the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer (except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer) is deemed to be a "**Control Person**" under those policies and any transaction that could result in the creation of a new Control Person requires shareholder approval. If the Transaction is completed, it is expected that Messrs. Lanni and Agius will become Control Persons of QE2.

Not a Non-Arm's Length Transaction

The Transaction is not a Non-Arm's Length Transaction.

Finders' Fee

Pursuant to an agreement with the Finder, DistinctTech has agreed to pay the Finder, an arm's length party to both DistinctTech and QE2, a finder's fee of \$1,065,328, which represents approximately 6% of the aggregate value of the QE2 Shares on the Closing Date. The finder's fee will be satisfied through the issuance of an aggregate 10,653,282 DistinctTech Shares on Closing which will be exchanged for 10,653,282 QE2 Shares.

Interests of Certain Persons in the Amalgamation

Certain members of the Board and of QE2's management have interests in connection with the transactions contemplated in the Amalgamation Agreement, including those referred to below, that may create actual or potential conflicts of interest in connection with such transactions.

Employment Agreements

QE2 has a written employment agreement with Mihalis Belantis, CEO, providing for certain payments in the event of the termination of the executive's employment by QE2 (except for cause or voluntary resignation or retirement) or if the executive resigns anytime within three months of a change of control of QE2. The transactions contemplated by the Amalgamation Agreement will constitute a change of control event of QE2 which may entitle Mihalis Belantis to "change of control payments" for the purposes of his employment agreement.

Estimated Available Funds and Proposed Principal Uses Thereof

The Resulting Issuer would have, as at January 31, 2015, *pro forma* consolidated working capital of approximately \$6,664,849.

As at May 31, 2015, DistinctTech had working capital of \$6,187,857 and as at May 31, 2015, QE2 had a working capital deficit of (\$1,697,629). It is estimated that upon Closing, the Resulting Issuer will have \$6,164,849 in working capital after deducting the estimated issuance costs and expenses of the Transaction in the amount of \$500,000.

The following table sets forth the estimated working capital (total current assets less total current liabilities) plus the amounts and sources of other funds available to QE2 and DistinctTech prior to, or concurrently with, the Closing, after giving effect to the Transaction.

Source of Funds

QE2 working capital as at May 31, 2015	\$(1,697,629)
DistinctTech working capital at May 31, 2015	\$6,187,857
Brokered Private Placement DistinctTech June 1, 2015	\$1,429,294
DistinctTech Private Placement fee	\$(83,215)
Professional Fees related to the Transaction	\$(500,000)
QE2 Private Placement	\$522,500
QE2 Private Placement fee	\$(24,300)
Agreement to defer current debt of QE2 to long term debt	\$425,000
QE2 cancellation of debt for issuance of shares	\$154,200
Conversion of QE2 Debentures	\$249,000
Payment of interest on QE2 Debenture through issuance of QE2 Shares	\$77,240
Estimated additional working capital generated over eighteen months	\$7,800,000
Total	\$14,539,947

The following table sets out the estimated available funds after giving effect to the Transaction and the proposed principal uses for those funds:

Expenditure	Amount
General and Administrative Costs (18 months)	\$9,375,000
Unallocated Working Capital	\$5,164,947
Total:	\$14,539,947

Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to affect the planned activities of the Resulting Issuer. For these reasons, management considers it to be in the best interests of QE2 and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates.

QE2's Listing on the Exchange

The QE2 Shares were listed and posted for trading on the Exchange on December 4, 2012 under the trading symbol "CAW.p". On February 25, 2014, the QE2 Shares were halted upon execution of a letter of intent in anticipation of the Qualifying Transaction and remained halted until November 5, 2014 after issuance of the final bulletin by the Exchange in connection with the Qualifying Transaction. Following Completion of the Qualifying Transaction, the QE2 Shares traded under the symbol "QE". On March 2, 2015 the QE2 Shares were halted upon execution of the Letter of Intent in anticipation of the Transaction. The trading price of the QE2 Shares on the Exchange on February 25, 2015, being the last day the QE2 Shares were available for trading was \$0.10.

No public market exists for the DistinctTech Shares.

Relationships

Neither QE2 nor DistinctTech have not entered into an agreement with any registrant to provide sponsorship or corporate finance services, either now or in the future.

Conflicts of Interest

Certain of the individuals proposed for appointment as directors or officers of the Resulting Issuer on the Closing are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of QE2, notwithstanding that they will be bound by the provisions of the *Business Corporations Act* (Alberta) to act at all times in good faith in the interests of QE2 and to disclose such conflicts to QE2 if and when they arise. To the best of their respective knowledge, neither QE2 nor DistinctTech is aware of the existence of any conflicts of interest between QE2 and any of the individuals proposed for appointment as directors or officers of the Resulting Issuer on the Closing, as of this Information Circular.

Interest of Experts

No professional person who has provided an opinion or report referenced in this Information Circular, currently holds more than 1% of the issued and outstanding QE2 Shares upon completion of the Transaction, will not hold more than 1% of the issued and outstanding QE2 Shares, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of QE2 or of its Associates or Affiliates.

Risk Factors

An investment in securities of the Resulting Issuer is highly speculative and involves a high degree of risk and should only be made by investors who can afford to lose their entire investment. Prior to making an investment decision, investors should consider the investment risks summarized below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware of or which they consider not to be material in connection with the Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline and investors may lose all or part of their investment.

The risks, uncertainties and other factors, many of which will be beyond the control of the Resulting Issuer, that could influence actual results include, but are not limited to: reliance on the resulting Issuer's contracts with the telecom companies; laws and regulations related to the Resulting Issuer's business; reduction of Resulting Issuer's fees; competition; failure of the Resulting Issuer's business plan; dependence on the Resulting Issuer's management team; future financing requirements; ongoing reporting and other obligations of the Resulting Issuer under applicable Canadian securities laws and Exchange rules; the inherent limitations of the Resulting Issuer's internal controls; changes in technology; potential litigation; efficient and uninterrupted operations of the Resulting Issuer's computer information systems; breaches of information security policies or safeguards; the completion of the Transaction being subject to the final approval of the Exchange, which approval may not be obtained; the Resulting Issuer may not be able to raise sufficient funds to successfully carry out the business plan of the Resulting Issuer; price volatility of publicly traded securities; the Resulting Issuer has no record of paying dividends and does not expect to do so in the near future; shareholder investments may be subject to dilution; and lack of liquidity for QE2 Shares.

For a complete discussion of the risks associated with the Resulting Issuer and the Transaction, DistinctTech Shareholders and QE2 Shareholders should carefully read the risk factors found under the heading "Schedule "C" - The Transaction - Risk Factors Relating to the Transaction".

Dissent Rights

The following description of the Dissent Rights is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of his, her or its DistinctTech Shares and is qualified in its entirety by the reference to the full text of Section 185 of the OBCA, which is attached as Schedule "H" to this Information Circular. A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Section 185 of the OBCA. Failure to comply strictly with the provisions of Section 185 of the OBCA and to adhere to the procedures established therein may result in the loss of all rights thereunder.

DistinctTech Shareholders may exercise Dissent Rights pursuant to and in the manner set forth under Section 185 of the OBCA, provided that notwithstanding subsection 185(6) of the OBCA, the written objection to the Amalgamation must be sent to DistinctTech by holders who wish to dissent and received by DistinctTech not later than 5:00 p.m. (Toronto time) on

August 10, 2015, or the date that is two (2) Business Days immediately prior to the DistinctTech Meeting or any date to which the Meeting may be postponed or adjourned.

DistinctTech Shareholders who wish to dissent should take note that the procedures for dissenting to the Amalgamation require strict compliance with the applicable dissent procedures.

Dissent Rights to the Amalgamation for DistinctTech Shareholders

Any DistinctTech Shareholder is entitled to be paid the fair value of his, her or its DistinctTech Shares in accordance with the Amalgamation and Section 185 of the OBCA if such holder exercises Dissent Rights and the Amalgamation becomes effective. There can be no assurance that a DistinctTech Shareholder that dissents will receive consideration for its DistinctTech Shares of equal value to the consideration such shareholder would have received on completion of the Amalgamation.

Under the OBCA, a DistinctTech Shareholder is, in effect, not entitled to exercise Dissent Rights with respect to such holder's DistinctTech Shares if such holder votes any of those shares FOR the Amalgamation. A brief summary of the provisions of Section 185 of the OBCA is set out below. This summary is qualified in its entirety by the provisions of Section 185 of the OBCA, the full text of which are set forth in Schedule "H" to this Information Circular.

Section 185 of the OBCA

Section 185 of the OBCA provides registered shareholders of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental changes. The OBCA provides that DistinctTech Shareholders who dissent to the actions being taken by DistinctTech may exercise a right of dissent and require QE2 to purchase the DistinctTech Shares held by such DistinctTech Shareholders at the fair value of such shares.

In many cases, DistinctTech Shares beneficially owned by a non-registered DistinctTech Shareholder are registered either:

- in the name of an Intermediary; or
- in the name of a clearing agency (such as CDS or similar entities) of which the Intermediary is a participant.

Accordingly, a Non-Registered DistinctTech Shareholder will not be entitled to exercise the Dissent Rights directly unless the DistinctTech Shares are re-registered in the Non-Registered DistinctTech Shareholder's name.

A Non-Registered DistinctTech Shareholder who wishes to exercise the Dissent Rights should contact the Intermediary with whom the Non-Registered DistinctTech Shareholder deals in respect of the DistinctTech Shares and either:

- instruct the Intermediary to exercise the Dissent Right on the non-registered DistinctTech Shareholder's behalf (which, if the DistinctTech Shares are registered in the name of CDS or other clearing agency, would require that the DistinctTech Shares first be re-registered in the name of the Intermediary); or
- instruct the Intermediary to re-register the DistinctTech Shares in the name of the non-registered DistinctTech Shareholder, in which case, the non-registered DistinctTech Shareholder would be able to exercise the Dissent Rights directly. In this regard, the non-registered DistinctTech Shareholder will have to demonstrate that such person beneficially owned the DistinctTech Shares in respect of which the Dissent Rights are being exercised, on the Record Date established for the Meeting.

Section 185 of the OBCA provides that a Dissenting Shareholder may only make a claim under that section with respect to all of the shares of a class held by the Dissenting Shareholder on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. The OBCA provides, in effect, that a DistinctTech Shareholder who has submitted a written objection to the Amalgamation and who votes **FOR** the Amalgamation will no longer be considered a Dissenting Shareholder with respect to the DistinctTech Shares voted **FOR** the Amalgamation. The OBCA does not provide, and DistinctTech will not assume, that a proxy submitted instructing the proxyholder to vote against the Amalgamation, a vote against the Amalgamation or an abstention, constitutes a written objection for purposes of the right to dissent under the OBCA, but a DistinctTech Shareholder need not vote its DistinctTech Shares against the Amalgamation in order to dissent.

A Dissenting Shareholder is required to send a written objection to the Amalgamation to DistinctTech by 5:00 p.m. August 10, 2015 or two (2) Business Days prior to the DistinctTech Meeting or any date to which the Meeting may be postponed or adjourned. A vote against the Amalgamation or a withholding of votes does not constitute a written objection. Within ten days after the Amalgamation is approved by DistinctTech Shareholders, DistinctTech must send to each Dissenting Shareholder a notice that the Amalgamation has been adopted, setting out the rights of the Dissenting Shareholder and the procedures to be followed on exercise of those rights. The Dissenting Shareholder is then required, within 20 days after receipt of such notice (or if such shareholder does not receive such notice, within 20 days after learning of the adoption of the Amalgamation), to send to DistinctTech a written notice containing the Dissenting Shareholder's name and address, the number of DistinctTech Shares in respect of which the Dissenting Shareholder dissents and a demand for payment of the fair value of such shares (the "**Demand Notice**") and, within 30 days after sending such Demand Notice, to send to DistinctTech the appropriate share certificate or certificates representing the DistinctTech Shares in respect of which the Dissenting Shareholder has exercised Dissent Rights. DistinctTech must endorse on any such share certificate a notice that the holder of such DistinctTech Shares is a Dissenting Shareholder under Section 185 of the OBCA and return forthwith the share certificates to the Dissenting Shareholder.

A Dissenting Shareholder who fails to send to DistinctTech within the required periods of time the required notices or the certificates representing the DistinctTech Shares in respect of which the Dissenting Shareholder has dissented may forfeit its Dissent Rights under Section 185 of the OBCA. On sending a Demand Notice, the Dissenting Shareholder ceases to have any rights as an DistinctTech Shareholder, other than the right to be paid fair value for their DistinctTech Shares, except where (i) the Dissenting Shareholder withdraws its Demand Notice before QE2 makes an offer for such Dissenting Shareholders' DistinctTech Shares in accordance with Section 185 of the OBCA; (ii) QE2 fails to make an offer for such Dissenting Shareholders' DistinctTech Shares in accordance with Section 185 of the OBCA and the Dissenting Shareholder withdraws its Demand Notice; or (iii) the directors of DistinctTech revoke the Amalgamation, in which case the Dissenting Shareholder's rights are reinstated as of the date the Dissenting Shareholder sent the Demand Notice, and the Dissenting Shareholder is entitled, upon presentation and surrender to DistinctTech of any certificate representing the DistinctTech Shares previously endorsed by DistinctTech as described above, to be issued a new certificate representing the same number of DistinctTech Shares as the certificate so presented, without payment of any fee.

If the Amalgamation becomes effective, then QE2 will be required to send, not later than the seventh day after the later of: (i) the effective date; and (ii) the day the demand for payment is received, to each Dissenting Shareholder whose Demand Notice has been received, a written offer to pay for the DistinctTech Shares of such Dissenting Shareholder in such amount as the directors of DistinctTech consider the fair value thereof accompanied by a statement showing how the fair value was determined unless there are reasonable grounds for believing that DistinctTech is, or after the payment would be, unable to pay its liabilities as they become due or the realizable value of DistinctTech's assets would thereby be less than the aggregate of its liabilities. The OBCA stipulates that QE2 must pay for the DistinctTech Shares of a Dissenting Shareholder within ten days after an offer made as described above has been accepted by a Dissenting Shareholder, but any such offer lapses if DistinctTech does not receive an acceptance thereof within 30 days after such offer has been made.

If such offer is not made or accepted within 50 days after the effective date, DistinctTech may apply to a court of competent jurisdiction to fix the fair value of such DistinctTech Shares. There is no obligation for DistinctTech to apply to the court. If DistinctTech fails to make such an application, a Dissenting Shareholder has the right to so apply within a further 20 days, or within such further period as the court may allow.

Before making an application to a court to fix the fair value of DistinctTech Shares of any Dissenting Shareholder or not later than seven days after receiving notice of an application to the court by a Dissenting Shareholder, DistinctTech must give notice to each Dissenting Shareholder who, at the date upon which the notice is given (i) has sent a Demand Notice to DistinctTech, and (ii) has not accepted an offer from QE2 for such Dissenting Shareholder's DistinctTech Shares, of the date, place and consequences of the court application and of the Dissenting Shareholder's right to appear and be heard in person or by counsel, and a similar notice must be given to each Dissenting Shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the court application, satisfies the conditions set out in (i) and (ii) of this paragraph within three days after the Dissenting Shareholder satisfies such conditions. All Dissenting Shareholders who satisfy the conditions set out in (i) and (ii) of this paragraph shall be deemed to be joined as parties to a court application on the later of the date upon which the application is brought, and the date upon which they satisfy the conditions, and shall be bound by the decision of the court.

A final order of the court in an application shall be rendered against DistinctTech in favour of each Dissenting Shareholder who, whether before or after the date of the order, complies with the conditions set out in (i) and (ii) of the preceding paragraph. If QE2 is unable lawfully to pay Dissenting Shareholders, DistinctTech must, within ten days of such final court order, notify each Dissenting Shareholder of its inability to lawfully pay. Within 30 days of receiving such notice from

DistinctTech, each Dissenting Shareholder, by written notice to DistinctTech, may (i) withdraw its notice of dissent, in which case such Dissenting Shareholder's full rights as an DistinctTech Shareholder are reinstated, or (ii) retain a status as a claimant against DistinctTech, to be paid as soon as DistinctTech is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of DistinctTech but in priority to DistinctTech Shareholders.

Addresses for Notice

All notices to DistinctTech of dissent to the Amalgamation Resolution pursuant to Section 185 of the OBCA should be addressed to the attention of the Chief Financial Officer and be sent to:

DistinctTech Inc.
c/o Blaney McMurtry LLP
2 Queen Street East, Suite 1500
Toronto, Ontario M5C 3G5

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder. Section 185 of the OBCA requires strict adherence to the procedures established therein and failure to do so may result in the loss of all Dissent Rights. Accordingly, each DistinctTech Shareholder who might desire to exercise Dissent Rights should carefully consider and comply with the provisions of the section, the full text of which is set forth in Schedule "H" to this Information Circular and consult such holder's legal advisor.

Certain Canadian Federal Income Tax Considerations

The following is a summary, as of the date hereof, of the principal Canadian federal income tax considerations relating to the Amalgamation generally applicable to a beneficial owner of DistinctTech Shares who, for the purposes of the *Income Tax Act* (the "**Tax Act**") and at all relevant times, (i) holds DistinctTech Shares, and will hold QE2 Shares acquired pursuant to the Amalgamation, as capital property, (ii) deals at arm's length with DistinctTech and QE2, and (iii) is not affiliated with DistinctTech or QE2. A beneficial owner who meets all of the foregoing requirements is referred to as a "**Holder**" in this summary and this summary only addresses such Holders.

This summary is not applicable to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act, (ii) that is a "specified financial institution" or "restricted financial institution" as defined in the Tax Act, (iii) who has acquired DistinctTech Shares upon the exercise of an employee stock option, (iv) an interest in which is or would constitute a "tax shelter investment" as defined under the Tax Act, (v) that reports its Canadian tax results in a currency other than the Canadian currency, (vi) that has entered into, or will enter into, a "derivative forward agreement" or "synthetic disposition Amalgamation" as defined in the Tax Act with respect to the DistinctTech Shares or the QE2 Shares, or (vii) that is otherwise of special status or in special circumstances. All such Holders should consult their own tax advisors. Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada that is or becomes controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in the Tax Act, and all such Holders should also consult their own tax advisors.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder in force as of the date hereof (the "**Regulations**") and our understanding of the current administrative policies and assessing practices of the Canadian Revenue Agency. This summary takes into account all specific proposals to amend the Tax Act and the Regulations (the "**Proposed Amendments**") announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and assumes that all Proposed Amendments will be enacted in the form proposed. However, there can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. No advance income tax ruling or legal opinion has been sought or obtained in respect of the Amalgamation.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT EXHAUSTIVE OF ALL POSSIBLE CANADIAN FEDERAL INCOME TAX CONSIDERATIONS. THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR ADVICE AS TO

THE INCOME TAX CONSEQUENCES TO THEM OF THE AMALGAMATION HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Holders Resident in Canada

The following portion of the summary is generally applicable to a Holder who at all relevant times is, or is deemed to be, resident solely in Canada for purposes of the Tax Act (herein, a "**Resident Holder**").

Amalgamation - Exchange of DistinctTech Shares

A Resident Holder of DistinctTech Shares who, on the Amalgamation, receives QE2 Shares in consideration for the Resident Holder's DistinctTech Shares will realize neither a capital gain nor a capital loss as a result of the Amalgamation. Such Resident Holder will be considered to have disposed of its DistinctTech Shares for proceeds of disposition equal to the adjusted cost base of its DistinctTech Shares immediately before the Amalgamation and to have acquired the QE2 Shares at an aggregate cost equal to such proceeds of disposition.

For the purpose of determining at any time the adjusted cost base of the QE2 Shares acquired by a Resident Holder on the Amalgamation, the cost of such QE2 Shares must be averaged with the adjusted cost base to the Resident Holder of all other QE2 Shares held by the Resident Holder as capital property at that time.

Dividends on QE2 Shares

In the case of a Resident Holder who is an individual, dividends received or deemed to be received on QE2 Shares (if any) will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced dividend tax credit rules applicable to dividends designated by QE2 as "eligible dividends", as defined in the Tax Act. There may be restrictions on QE2's ability to designate any dividends as "eligible dividends" for this purpose, and QE2 has made no commitments in this regard.

In the case of a Resident Holder that is a corporation, dividends received or deemed to be received on QE2 Shares will be included in computing the corporation's income and will generally be deductible in computing its taxable income, subject to all restrictions and limitations under the Tax Act. A "private corporation" or a "subject corporation" (as defined in the Tax Act) may also be liable to pay a special tax (refundable in certain circumstances) of 33¹/₃% under Part IV of the Tax Act on dividends received or deemed to be received on the QE2 Shares, to the extent such dividends are deductible in computing the corporation's taxable income.

Disposition of QE2 Shares

The disposition or deemed disposition of QE2 Shares acquired by a Resident Holder pursuant to the Amalgamation will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the QE2 Shares immediately before the disposition. See "*Taxation of Capital Gains and Capital Losses*" below for a general description of the treatment of capital gains and losses under the Tax Act.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year will be included in the Resident Holder's income for the year. One-half of any capital loss (an "**allowable capital loss**") realized by the Resident Holder in a year is deducted against taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back up to three taxation years or carried forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the Tax Act.

If the Resident Holder is a corporation, the amount of any capital loss arising from a disposition or deemed disposition of a share may be reduced by the amount of certain dividends received or deemed to be received by the corporation on the share, to the extent and in the circumstances specified in the Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns shares, or where a partnership or trust of which the corporation is a member or beneficiary is a member of a partnership or a beneficiary of a trust that owns shares.

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) of 6 $\frac{2}{3}$ % on certain investment income, including amounts in respect of taxable capital gains. Capital gains realized by a Resident Holder who is an individual (and certain trusts) may be subject to alternative minimum tax under the Tax Act.

Dissenting Holders

A Resident Holder who, as a result of exercising Dissent Rights, is deemed to dispose of DistinctTech Shares to DistinctTech in accordance with the Amalgamation may have a deemed dividend for purposes of the Tax Act (to the extent, if any, that the amount paid exceeds the "paid up capital" of the DistinctTech Shares so disposed of), although this result is not clear under the Tax Act. No income tax ruling or legal opinion has been sought in this regard and Resident Holders who dissent from the Amalgamation are advised to consult their own tax advisors in this regard. In addition, a Resident Holder who exercises Dissent Rights will realize a capital gain or loss (to the extent, if any, that the amount paid, net of any deemed dividend portion as referred to above and excluding interest if any, exceeds or is less than, respectively, the adjusted cost base of the DistinctTech Shares so disposed of). A capital gain or capital loss realized by a dissenting Resident Holder will be treated in the same manner as described above under the heading "Taxation of Capital Gains and Capital Losses". Interest (if any) awarded by a Court to a dissenting Resident Holder will be included in the Holder's income for purposes of the Tax Act.

Eligibility for Investment

The QE2 Shares will be a qualified investment under the Tax Act for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), deferred profit sharing plan, registered education savings plan, registered disability savings plan and "tax-free saving account (a "TFSA") upon completion of the Amalgamation provided that, at that time, the QE2 Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the Exchange).

Notwithstanding the foregoing, a holder of a TFSA or an annuitant of an RRSP or RRIF which holds QE2 Shares will be subject to a penalty tax under the Tax Act if the holder or annuitant (the "**Plan Holder**") does not deal at arm's length with QE2 (within the meaning of the Tax Act) or if the Plan Holder has a "significant interest" (for purposes of the Tax Act) in QE2 or in any other corporation, trust or partnership with which QE2 does not deal at arm's length. Plan Holders should consult with their own tax advisors in this regard.

Holdings Not Resident in Canada

The following portion of the summary is applicable to a Holder who, for purposes of the Tax Act and at all relevant times (i) is not resident or deemed to be resident in Canada for purposes of the Tax Act and (ii) does not use or hold, and is not deemed to use or hold, DistinctTech Shares or QE2 Shares in connection with carrying on a business in Canada (herein, a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Amalgamation –Exchange of DistinctTech Shares

A Non-Resident Holder of DistinctTech Shares who, on the Amalgamation, receives QE2 Shares in consideration for the Non-Resident Holder's DistinctTech Shares will generally be subject to the same tax consequences as a Resident Holder on the Amalgamation, as discussed above. Accordingly, such a Non-Resident Holder will generally realize neither a capital gain nor a capital loss under the Amalgamation.

Disposition of QE2 Shares

A Non-Resident Holder will be subject to tax under the Tax Act on any capital gain realized on the disposition or deemed disposition of QE2 Shares acquired pursuant to the Amalgamation where (a) the QE2 Shares are, or are deemed to be, "taxable Canadian property" (as defined in the Tax Act, discussed below) of the Non-Resident Holder at the time of disposition and (b) the QE2 Shares are not "treaty protected property" of the Non-Resident Holder at the time of disposition.

In general terms, a share owned by a Non-Resident Holder will be taxable Canadian property of that Non-Resident Holder at a particular time if the share is not listed on a "designated stock exchange" and, at any particular time during the 60-month period that ends at that time, more than 50% of the fair market value of the share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" or "timber resource properties" (as defined in the Tax Act) and options or interests in respect of the foregoing.

In addition, in general terms, a share owned by a Non-Resident Holder will also be taxable Canadian property of that Non-Resident Holder at a particular time if the share is so listed on a "designated stock exchange" (which currently includes the Exchange) if, at any particular time during the 60-month period that ends at that time (a) the Non-Resident Holder and/or persons with whom the Non-Resident Holder did not deal at "arm's length" for purposes of the Tax Act and/or partnerships in which any of the foregoing held an interest (directly or indirectly) owned 25% or more of the shares of any class or series of the corporation AND (b) more than 50% of the fair market value of the share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" or "timber resource properties" (as defined in the Tax Act) and options or interests in respect of the foregoing.

In addition, in general terms, a share owned by a Non-Resident Holder will also be taxable Canadian property of that Non-Resident Holder at a particular time if the share is deemed to be taxable Canadian property under the Tax Act. If DistinctTech Shares were held by the Non-Resident Holder as taxable Canadian property, then the QE2 Shares received by the Non-Resident Holder in consideration for those DistinctTech Shares on the Amalgamation in accordance with the Amalgamation will be deemed to be taxable Canadian property for 60 months after the Amalgamation in accordance with rules set out the Tax Act.

Non-Resident Holders who may have held DistinctTech Shares as taxable Canadian property (or who may otherwise hold or be deemed to hold QE2 Shares as taxable Canadian property) should consult with their own tax advisors regarding their particular circumstances and with respect to the potential application of any relevant tax treaty between Canada and the country of residence of the Non-Resident Holder.

Taxation of Capital Gains and Losses

A Non-Resident Holder's capital gain (or capital loss) in respect of QE2 Shares that constitute or are deemed to constitute taxable Canadian property (and are not "treaty-protected property" as defined for the purposes of the Tax Act) will generally be computed in the manner described above under the heading "*Holders Resident in Canada – Disposition of QE2 Shares*".

Non-Resident Holders whose QE2 Shares are taxable Canadian property should consult their own tax advisors.

Dividends on QE2 Shares

Dividends paid, deemed to be paid, or credited on QE2 Shares to a Non-Resident Holder will be subject to non-resident withholding tax under the Tax Act at a rate of 25% of the gross amount of the dividend, unless the rate is reduced by an applicable income tax treaty. In the case of a beneficial owner of dividends that is a resident of the United States for purposes of the Canada-U.S. Tax Convention, can demonstrate that it is entitled to all the benefits under the Canada-U.S. Tax Convention and holds less than 10% of the outstanding QE2 Shares, the rate of withholding tax on dividends will generally be reduced to 15%.

Dissenting Holders

A Non-Resident Holder who exercises Dissent Rights may realize a deemed dividend and/or capital gain or loss generally in the same manner as discussed above under "*Holders Resident in Canada – Dissenting Holders*". The same general considerations apply as discussed above under "*Holders Not Resident in Canada - Disposition of QE2 Shares*" in determining whether a capital gain will be subject to tax under the Tax Act. Interest received (if any) by a Non-Resident Holder upon the exercise of Dissent Rights will not be subject to withholding tax under the Tax Act. A deemed dividend (if any) arising in consequence of the exercise of Dissent Rights will be subject to withholding tax under the Tax Act generally in the same manner as discussed above under "*Holders Not Resident in Canada – Dividends on QE2 Shares*". Non-Resident Holders who

PART I
GENERAL PROXY MATTERS
QE2 ACQUISITION CORP.

GENERAL

This management information circular (the "**Information Circular**") is furnished to QE2 Shareholders in connection with the solicitation of proxies by the management of QE2 for use at the QE2 Meeting to be held at the offices of Burstall Winger Zammit LLP, at Suite 1600 Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta, at 10:30 a.m. (Calgary time) on August 12, 2015, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying QE2 Notice of Meeting.

The information contained herein is given as of June 29, 2015, except where otherwise indicated. Enclosed herewith is a form of proxy for use at the QE2 Meeting. Each QE2 Shareholder who is entitled to attend at meetings of QE2 Shareholders is encouraged to participate in the QE2 Meeting and QE2 Shareholders are urged to vote on matters to be considered in person or by proxy.

Persons Making the Solicitation

This solicitation is made on behalf of the management of QE2. The costs incurred in the preparation of both the form of proxy and this Information Circular will be borne by QE2. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of QE2 who will not be directly compensated therefor.

In accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), QE2 has determined to deliver the proxy solicitation materials directly to the non-objecting beneficial owners of QE2 Shares ("**NOBOs**"). The costs thereof will be borne by QE2.

QE2 does not intend to pay for intermediaries to deliver proxy-related materials or Form 54-101F7 — *Request for Voting Instructions Made by Intermediary* to the objecting beneficial owners of QE2 Shares ("**OBOs**") and as such, OBOs will not receive such materials unless their intermediary assumes the costs thereof (OBOs and NOBOs are herein collectively referred to as the "**Non-Registered Shareholders**"). See also "*Proxy Related Information — Advice to Non-Registered Shareholders*" in this Information Circular.

QE2 will not be providing the QE2 Notice of Meeting, the Information Circular or the form of proxy to registered QE2 Shareholders or Non-Registered Shareholders through the use of notice-and-access, as such term is defined in NI 54-101.

PROXY RELATED INFORMATION

Appointment and Revocation of Proxies

Those QE2 Shareholders desiring to be represented at the Meeting by proxy must deposit their respective forms of proxy with Computershare Trust Company ("**Computershare**"), Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the Meeting or any adjournment or postponement thereof. A proxy must be executed by the Shareholder or by his attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment or postponement of the Meeting.

Registered QE2 Shareholders may also use the internet (www.investorvote.com) to vote their QE2 Shares. QE2 Shareholders will be prompted to enter the control number which is located on the form of proxy when voting by the Internet. Votes by the internet must be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of the Meeting or any adjournment or postponement thereof. The internet may also be used to appoint a proxyholder to attend and vote at the Meeting on the Shareholder's behalf and to convey a Shareholder's voting instructions.

QE2 may refuse to recognize any instrument of proxy deposited in writing or by the internet received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the Meeting or any adjournment or postponement thereof.

The persons named in the enclosed form of proxy are officers and directors of QE2. Each Shareholder submitting a proxy has the right to appoint a person, who need not be a Shareholder, to represent him/her or it at the Meeting other than the persons designated in the form of proxy furnished by QE2. A Shareholder may exercise this right by inserting the name of the desired representative in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, depositing the proxy with Olympia, at the place and within the time specified above for the deposit of proxies.

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing (or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized), deposited either at Computershare Trust Company of Canada, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, and upon either of such deposits, the proxy is revoked.

Exercise of Discretion

All QE2 Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the Shareholder where voting is by way of a show of hands or by ballot and, if the Shareholder specifies a choice with respect to any matter to be voted upon, the QE2 Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instructions, the persons whose names appear on the enclosed form of proxy will vote in favour of the matters set forth in the Notice of Meeting and in this Information Circular.**

The enclosed form of proxy confers discretionary authority on the persons named therein with respect to any amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting or any adjournment or postponement thereof. If any such amendment, variation or other matter should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxies in accordance with their best judgment, unless the Shareholder has specified to the contrary or that QE2 Shares are to be withheld from voting. At the time of printing of this Information Circular, management of QE2 knows of no such amendment, variation or other matter.

Advice to Non-Registered QE2 Shareholders

The information in this section is of significant importance to many QE2 Shareholders, as a substantial number do not hold their QE2 Shares in their own name. Non-Registered QE2 Shareholders are advised that only proxies from QE2 Shareholders of record can be recognized and voted upon at the Meeting. If QE2 Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those QE2 Shares will not be registered in the Shareholder's name on the records of QE2. Such QE2 Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such QE2 Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms).

Voting by Non-Registered QE2 Shareholders

QE2 Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, brokers/nominees are prohibited from voting QE2 Shares for their clients. The directors and officers of QE2 do not know for whose benefit the QE2 Shares registered in the name of CDS & Co. are held, and directors and officers of QE2 do not necessarily know for whose benefit the QE2 Shares registered in the name of any broker or agent are held. Non-Registered QE2 Shareholders who complete and return a form of proxy must indicate thereon the person (usually a brokerage house) who holds their QE2 Shares as a registered Shareholder.

Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered QE2 Shareholders in advance of QE2 Shareholders' meetings. Every broker and other intermediary have its own mailing procedure, and provide its own return instructions, which should be carefully followed. The form of proxy supplied by

brokers and other intermediaries to Non-Registered QE2 Shareholders may be very similar and in some cases identical to that provided to registered QE2 Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Non-Registered Shareholder.

In Canada, the vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered QE2 Shareholders and asks Non-Registered QE2 Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote QE2 Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of QE2 Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the QE2 Shares voted.**

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting QE2 Shares registered in the name of his broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the QE2 Shares in that capacity. **Non-Registered QE2 Shareholders who wish to attend the Meeting and indirectly vote their QE2 Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Non-Registered QE2 Shareholders should contact their broker or other intermediary through which they hold QE2 Shares if they have any questions regarding the voting of such QE2 Shares.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Rights

The authorized share capital of QE2 consists of an unlimited number of QE2 Shares without nominal or par value and an unlimited number of preferred shares ("**Preferred Shares**") without nominal or par value and issuable in series. As at the date hereof, there are 35,403,099 QE2 Shares and no Preferred Shares issued and outstanding. Each QE2 Share entitles the holder thereof to one vote on all matters properly coming before the Meeting or any adjournment or postponement thereof.

Record Date

The record date for the determination of QE2 Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof is July 10, 2015 (the "**Record Date**").

QE2 will prepare or cause to be prepared a list of the QE2 Shareholders recorded as holders of QE2 Shares on its register of QE2 Shareholders as of the close of business on the Record Date, each of whom shall be entitled to vote the QE2 Shares shown opposite their name on the list at the Meeting or any adjournment or postponement thereof, except to the extent that: (a) any such Shareholder has transferred ownership of any of their QE2 Shares subsequent to the Record Date; and (b) the transferee produces properly endorsed share certificates evidencing the transfer or otherwise establishes that the transferee owns the transferred QE2 Shares and demands, not later than ten (10) days before the Meeting, that they be included on the list of QE2 Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote the transferred QE2 Shares at the Meeting or any adjournment or postponement thereof.

In addition, persons who are Non-Registered QE2 Shareholders as of the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See "*Proxy Related Information —Advice to Non-Registered QE2 Shareholders*".

Principal Holders of QE2 Shares

To the knowledge of the directors and executive officers of QE2, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding QE2 Shares as at the date of this Information Circular, other than as set forth in the table below:

Name of Shareholder	Number and Percentage of QE2 Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Mihalis Belantis	6,000,000 QE2 Shares (16.97%)

Quorum

Under the by-laws of QE2, a quorum of QE2 Shareholders is present at a meeting if at least two individuals are present in person, each of whom is entitled to vote at a meeting, and who hold or represent by proxy in the aggregate not less than 5% of the total number of shares entitled to be voted at the meeting. If any share entitled to be voted at a meeting of QE2 Shareholders is held by two or more persons jointly, the persons or those of them who attend the meeting of QE2 Shareholders constitute only one Shareholder for the purpose of determining whether a quorum of QE2 Shareholders is present.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of QE2 at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of QE2, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors of QE2.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Canadian Securities Administrators (the "CSA") has implemented Form 51-102F6 - Statement of Executive Compensation ("**Form 51-102F6**"), which governs the disclosure of executive compensation for reporting issuers. The Form 51-102F6, defines "**Named Executive Officers**" as the Chief Executive Officer, the Chief Financial Officer and each of the Corporation's three most highly compensated officer other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was more than \$150,000.

All dollar amounts set forth in this Management Information Circular are in Canadian dollars, except where otherwise indicated.

The Corporation's executive compensation program is comprised of the following components: base salary and long-term incentives. Together, these components support the Corporation's long-term growth strategy and the following objectives:

- to align executive compensation with shareholders' interests;
- to attract and retain highly qualified management;
- to focus performance by linking incentive compensation to the achievement of business objectives and financial results; and
- to encourage retention of key executives for leadership succession.

Base salary is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual salary adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

With respect to the grant of Options, the Chief Executive Officer of QE2 recommends to the Board the individual equity incentive awards for each executive officer and director. The Board then takes these recommendations into consideration when making final decisions on compensation for those executive officers. The Board does not use formulas or benchmarks for each grant, but is restricted by the policies of the Exchange and the terms of the Option Plan in how many Options it may grant. Options under the Option Plan are awarded to executive officers by the Board based upon the level of responsibility and contribution of the individuals towards QE2's goals and objectives. Previous grants of Options to a particular individual will be taken into account when considering future grants of Options to that particular individual.

Risks of Compensation Policies and Practices

QE2's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board noted the following facts that discourage QE2's executives from taking unnecessary or excessive risk: (i) QE2's business strategy and related compensation philosophy; and (ii) the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

Based on this review, the Board believes that QE2's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Financial Instruments

QE2 has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Share Based and Non-Equity Incentive Plan Compensation

QE2 has not at any time granted any share-based awards nor has it provided any awards pursuant to a non-equity incentive plan.

Compensation Governance

For a discussion on policies and practices by the Board to determine the compensation of QE2's directors and executive officers, see "Executive Compensation — Compensation Discussion and Analysis". The current members of the Compensation Committee of the Board are Maria Nathanail and Joe Gagliardi. The Compensation Committee is responsible for: (i) reviewing and approving the compensation of the Chief Executive Officer, the Chief Financial Officer and other senior vice presidents; (ii) recommending to the Board other executive compensation, incentive-based plans and equity-based plans; (iii) approving and monitoring trading by insiders and share ownership policies; and (iv) reviewing compensation disclosure in public documents.

The Compensation Committee in consultation with other board members, develop the compensation Amalgamations of the CEO, the CFO and other senior vice presidents. Other senior management may be asked by the Compensation Committee to prepare compensation information (such as current and historical compensation data). While the Compensation Committee delegates to the CEO decisions on compensation levels for the other Named Executive Officers, it ensures that total compensation paid to all Named Executive Officers is fair, reasonable and consistent with the compensation philosophy of QE2.

The Compensation Committee makes recommendations to the Board with respect to fixed compensation for the Named Executive Officers and performance based compensation for the Named Executive Officers and a broader management group, described below.

Benefit, Contribution, Pension, Retirement, Deferred Compensation and Actuarial Plans

QE2 currently has no defined benefit, defined contribution, pension, retirement, deferred compensation or actuarial plans for its Named Executive Officers (as defined below) or directors of QE2.

Compensation of Named Executive Officers

Named Executive Officers - Summary Compensation and Outstanding Option-Based Awards

For the financial year ended January 31, 2015, Mihalis Belantis, the President and Chief Executive Officer of QE2 and Ben Leung, the Chief Financial Officer are referred to herein as the "**Named Executive Officers**". For the fiscal year ended January 31, 2015, the Named Executive Officers received salary, bonus and option-based awards, but did not receive any share-based awards, non-equity incentive plan compensation, pension value or other compensation. The Chief Executive Officer is also a director of QE2; however, he did not receive any compensation in his capacity as director of QE2.

Summary Compensation Table

The summary compensation table sets out particulars of compensation paid for the fiscal years ended January 31, 2015, September 30, 2014 and September 30, 2013 to the Named Executive Officers. The Corporation does not have any other executive officers whose total salary and other compensation during such period exceeded \$150,000.

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			
Mihalis Belantis ⁽¹⁾ President, CEO	2015 ⁽⁷⁾ 2014	51,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	51,000 Nil
Gordon McCormack ⁽²⁾ President, CEO	2015 ⁽⁷⁾ 2014 2013 2012	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil 1,522 7,028 Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil 1,522 7,028 Nil
Ben Leung ⁽³⁾ CFO	2015 ⁽⁷⁾ 2014	22,625 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	22,625 Nil
Rob Harding ⁽⁴⁾ CFO	2015 ⁽⁷⁾ 2014	37,125 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	37,125 Nil
Blair Pennock ⁽⁵⁾ CFO, Corporate Secretary	2015 ⁽⁷⁾ 2014 2013 2012	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil 1,522 7,028 Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil 1,522 7,028 Nil
Fletcher Morgan ⁽⁶⁾ Executive Vice President	2015 ⁽⁷⁾ 2014	20,150 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	20,150 Nil

Notes:

- (1) Mr. Belantis was appointed President and Chief Executive Officer of the Corporation effective October 20, 2014.
- (2) Mr. McCormack was appointed President and Chief Executive Officer of the Corporation effective September 19, 2012 and resigned effective October 20, 2014.
- (3) Mr. Leung was appointed Chief Financial Officer of the Corporation effective December 12, 2014.
- (4) Mr. Harding was appointed Chief Financial Officer of the Corporation effective October 20, 2014 and resigned effective December 12, 2014.
- (5) Mr. Pennock was appointed Chief Financial Officer of the Corporation on September 19, 2012 and resigned effective October 20, 2014.
- (6) Mr. Morgan was appointed Executive Vice President on October 20, 2014 and resigned on February 7, 2015.
- (7) For the post RTO period October 20, 2014 to January 31, 2015.

Termination and Change of Control Benefits

Other than as provided for in the executive employment agreement dated November 1, 2014 (the "**Employment Agreement**") entered into between QE2 and Mihalis Belantis, there is no other contract, agreement, plan or Amalgamation that provides for payments to the Named Executive Officers at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of QE2 or a change in the Named Executive Officers' responsibilities.

Pursuant to the terms of the Employment Agreement, in the event of a Change of Control (as such term is defined in the Employment Agreement), Mr. Belantis will be entitled to compensation equal to 150% of his base salary at the date of the Change of Control. In addition, he will also be paid an amount reflecting the loss of unexercised unvested stock options. Pursuant to the terms of the Amalgamation Agreement, Mr. Belantis has agreed to forego these benefits with respect to the Transaction.

Compensation of Directors Director Compensation

Director Compensation

No compensation other than Option-based awards has been paid to QE2's directors. There were no options granted during the financial year ended January 31, 2015.

The following table sets forth information in respect of Option-based awards granted subsequent to the end of the financial year ended January 31, 2015 held by directors of QE2 other than Mihalis Belantis, who is also a Named Executive Officer. QE2 does not have outstanding share-based awards.

Name	No. of securities underlying unexercised Options (#) ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽²⁾ (\$)
Maria Nathanail <i>Director</i>	400,000	\$0.20	February 6, 2020	Nil
Joe Gagliardi <i>Director</i>	400,000	\$0.20	February 6, 2020	Nil

Notes:

- QE2 has calculated the grant date fair value of the Options granted to the Named Executive Officers using the Black-Sholes model. QE2 chose this methodology because it is recognized as the most common methodology for valuing options and doing value comparisons. The Black-Sholes assumptions used by QE2 for the Options granted on February 6, 2015, were: (i) an initial expected useful life of 3 years; (ii) a forfeiture rate of 0%; (iii) expected volatility of 90%; and (iv) risk-free interest rate of 1.18%.
- Value is calculated based on the difference between the exercise price of the Options and the closing price of the QE2 Shares on the TSXV on January 31, 2015, of \$0.06.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth QE2's equity compensation plans under which equity securities are authorized for issuance as at January 31, 2015, the end of the most recently completed financial year.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
The Option Plan	1,500,000	-	2,040,310
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	1,500,000⁽¹⁾	N/A	2,040,310⁽²⁾

Notes:

- The Option Plan is a "rolling" stock option plan which reserves for issuance a maximum of 10% of the issued and outstanding QE2 Shares at the time of the Option grant.
- QE2 currently has 2,040,310 Options available for grant under the Option Plan.

CORPORATE GOVERNANCE DISCLOSURE

General

The Board views effective corporate governance as an essential element for the effective and efficient operation of QE2. QE2 believes that effective corporate governance improves corporate performance and benefits all of its QE2 Shareholders. The following statement of corporate governance practices sets out the Board's review of QE2's governance practices relative to

National Instrument 58-101 - Disclosure of Corporate Governance Practices ("**NI 58-101**") and National Policy 58-201 - Corporate Governance Guidelines.

Board of Directors

The Board, which is responsible for supervising the management of the business and affairs of QE2, is currently comprised of three directors. Following the Meeting, if the Transaction Resolution was duly passed, it is anticipated that there will be five (5) directors, of which Michael Newman, Gary Wetsch and Dave O'Brien would be considered to be independent, as such term is defined in NI 58-101 and National Instrument 52-110 — Audit Committees ("**NI 52-110**"). Alex Agius and Joe Lanni are not independent by virtue of being members of QE2's management or a related party thereto.

The Board has not adopted any formal terms of reference or mandate for the Board other than a charter ("**Audit Committee Charter**") for the audit committee of QE2 ("**Audit Committee**").

The Board has plenary power to manage and supervise the management of the business and affairs of QE2 and to act in the best interest of QE2. The Board is responsible for the overall stewardship of QE2 and approves all significant decisions that affect QE2 before they are implemented. The Board also considers their implementation and reviews the results.

Other Reporting Issuer Experience

Certain of QE2's directors or nominee directors are currently directors or officers or have served as directors or officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange	Position	Term
Mihalis Belantis	Otis Gold Corp	TSX	Manager of Corporate Development	January 2008 to February 2010

Orientation and Continuing Education of Board Members

QE2 currently does not have any formal orientation or continuing education programs in place for new directors, as there have been no changes in Board membership since incorporation. At such time as there is a change in the Board, this policy will be reviewed.

Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of QE2.

Nomination of Directors

The size of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual meeting of QE2 Shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

Compensation of Directors and Officers

At the end of the most recently completed financial year, the directors and officers of QE2 were not compensated for acting in such capacities. See "Executive Compensation - Compensation of Directors".

Other Board Committees

In addition to the Audit Committee, the Board has created the Compensation Committee and the Nominating and Corporate Governance Committee.

The current members of the Compensation Committee of the Board are Maria Nathanail and Joe Gagliardi. The Compensation Committee is responsible for: (i) reviewing and approving the compensation of the Chief Executive Officer, the Chief Financial Officer and other senior vice presidents; (ii) recommending to the Board other executive compensation, incentive-based plans and equity-based plans; (iii) approving and monitoring trading by insiders and share ownership policies; and (iv) reviewing compensation disclosure in public documents.

The Compensation Committee in consultation with other board members, develop the compensation Amalgamations of the CEO, the CFO and other senior vice presidents. Other senior management may be asked by the Compensation Committee to prepare compensation information (such as current and historical compensation data). While the Compensation Committee delegates to the CEO decisions on compensation levels for the other Named Executive Officers, it ensures that total compensation paid to all Named Executive Officers is fair, reasonable and consistent with the compensation philosophy of QE2.

The Compensation Committee makes recommendations to the Board with respect to fixed compensation for the Named Executive Officers and performance based compensation for the Named Executive Officers and a broader management group.

The current member of the Nominating and Corporate Governance Committee is Maria Nathanail. The general mandate of the Nominating and Corporate Governance Committee is to assume responsibility for developing the Corporation's corporate governance policies for approval of the Board, to advise the Board on corporate governance matters, to lead Board evaluations, and to review and recommend nominees for Board membership.

Assessment of Directors, the Board and Board Committees

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Committees, to satisfy itself that the Board, the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee and its individual directors are performing effectively.

AUDIT COMMITTEE

The following information is provided in accordance with Form 52-110F2 under NI 52-110.

Audit Committee Charter

NI 52-110, relating to the composition and function of audit committees, was implemented for Alberta reporting companies effective March 30, 2004 and, accordingly, applies to every Exchange listed company, including QE2, as upon listing, every listed company becomes a reporting issuer in Alberta. NI 52-110 requires QE2 to have a written audit committee charter and to make the disclosure required by Form 52-110F2, which includes disclosure of the text of the audit committee charter, in the Information Circular of QE2 wherein management solicits proxies from the security holders of QE2 for the purpose of electing directors to the Board.

Composition of the Audit Committee

The Audit Committee of the Board currently consists of Mihalīs Belantis and Joe Gagliardi. Joe Gagliardi is independent and all members of the Audit Committee are Financially Literate, as such terms are defined in NI 52-110.

Relevant Education and Experience of Audit Committee Members

Mihalīs Belantis

Mihalīs Belantis was a successful business owner and was responsible for reviewing and approving their financial statements.

Joe Gagliardi

Mr. Gagliardi obtained a CMA designation in 1996 as well as a FCMA designation in 2014 and is currently Vice Chair of the Board of Directors and the Chair of the Governance Committee for CMA Alberta.

Audit Committee Oversight

At no time since the commencement of QE2's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of QE2's most recently completed financial year has QE2 relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services under the heading "*External Auditors*" of the Audit Committee Charter of QE2 which is attached hereto as Schedule "C".

External Auditor Service Fees (By Category)

The approximate aggregate fees paid by QE2 to the external auditors of QE2 for the last two financial years for audit fees are described below. QE2 was incorporated on September 19, 2012.

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
September 30, 2014	\$8,500	Nil	Nil	Nil
September 30, 2013	\$6,300	Nil	Nil	Nil

Notes:

- (1) Audit fees were for professional services rendered by the auditors for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related fees are for services related to performance of limited procedures performed by the Corporation's auditors related to interim reports.
- (3) Tax fees are for tax compliance, tax advice and tax planning.
- (4) All other fees for services performed by the Corporation's auditors and other accounting services.
- (5) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf.

Exemption

As an issuer listed on the TSXV, QE2 currently relies on the exemption set forth in Section 6.1 of NI 52-110 pertaining to composition of the Audit Committee and reporting obligations under NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of QE2, or any proposed nominee director, or any of their respective associates or affiliates, is or has been at any time since the beginning of the last completed fiscal year, indebted to QE2 or any of its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar Amalgamation or understanding, provided by QE2 or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, QE2 is not aware of any material interest, direct or indirect, of any "informed person" of QE2, any proposed director of QE2 or any associate or affiliate, of any of the foregoing in any transaction since the commencement of QE2's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the company or any of its subsidiaries.

For the purposes of the above, "informed person" means: (a) a director or executive officer of QE2; (b) a director or executive officer of a company that is itself an informed person or subsidiary of QE2; (c) any person or company who beneficially owns, directly or indirectly, voting securities of QE2 or who exercises control or direction over voting securities

of QE2 or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of QE2 other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) QE2 after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

There are potential conflicts of interest to which all of the directors and officers of QE2 may be subject in connection with the operations of QE2. All of the directors and officers are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations, which may be in competition with QE2. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Alberta).

ADDITIONAL INFORMATION

Additional financial information is provided in QE2's audited consolidated financial statements and management's discussion and analysis for the financial year ended September 30, 2014.

Any request for these documents can be made by contacting the President and Chief Executive Officer of QE2 at 4034, 909 – 17th Avenue SW, Calgary, Alberta, T2T 0A4. Information relating to QE2 can also be obtained on SEDAR under QE2's profile at www.sedar.com.

PART II

MATTERS TO BE CONSIDERED AT THE QE2 MEETING

To the knowledge of the board of directors of QE2 (the "**Board**"), the only matters to be brought before the QE2 Meeting are those matters set forth in the Notice of Meeting.

Financial Statements

At the Meeting, the audited consolidated financial statements of QE2 for the financial years ended January 31, 2015, together with the notes thereto and the auditors' report thereon (the "**Financial Statements**") will be presented. Shareholder approval of the Financial Statements is not required and no formal action will be taken at the Meeting to approve the Financial Statements.

In accordance with applicable laws, the Financial Statements have been delivered to Non-Registered Shareholders who have requested copies of QE2's annual financial statements and to registered Shareholders who have not informed QE2 in writing that they do not wish to receive copies of annual financial statements of QE2. The Financial Statements are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com under QE2's SEDAR profile.

Appointment of Auditors

Management of QE2 intends to nominate MNP LLP ("**MNP**"), Chartered Accountants, of Calgary, Alberta, for re-appointment as the auditors of QE2, to hold office for the ensuing year until the close of the next annual meeting of Shareholders or until MNP is removed from office or resigns, at a remuneration to be fixed by the Board. MNP has been the auditors of QE2 since its incorporation.

Approval of the Stock Option Plan

The Exchange requires all listed companies with a 10% rolling stock option plan to obtain shareholder approval of such plan on an annual basis. Shareholders will be asked at the Meeting to vote on a resolution to approve, for the ensuing year, the Stock Option Plan as described below, which was previously approved on April 24, 2014.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of QE2, or any subsidiary of QE2, the option to purchase QE2 Shares. The Stock Option Plan provides for a floating maximum limit of 10% of the issued and outstanding QE2 Shares, as permitted by the policies of the Exchange. As at the date hereof, this represents 3,540,310 QE2 Shares available under the Stock Option Plan. As of the date hereof, options to purchase a total of 1,500,000 QE2 Shares have been issued to directors, officers, employee, consultants and persons providing investor relations activities on behalf of the Corporation.

The number of QE2 Shares reserved for issuance under the Stock Option Plan will be affected by the consummation of the Transaction. The number of QE2 Shares reserved for any one person may not exceed 5% of the outstanding QE2 Shares or 2% in the case of a person who is a Consultant or Employee conducting Investor Relations Activities (as such terms are defined in Exchange Policies). The Board determines the price per QE2 Share and the number of QE2 Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the Exchange. The price per QE2 Share set by the directors is subject to minimum pricing restrictions set by the Exchange.

Options may be exercisable for up to five years from the date of grant, but the Board has the discretion to grant options that are exercisable for a shorter period. Options under the Stock Option Plan are non-assignable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of QE2 Shares purchasable by him immediately prior to the time of his cessation of office or employment and he shall have no right to purchase any other QE2 Shares. Other than Options issued to persons conducting investor relations activities, Options must be exercised within 90 days of termination of employment or cessation of position with QE2, provided that if the cessation of office, directorship, consulting Amalgamation or employment was by reason of death or disability, the option must be exercised within one year, subject to the expiry date.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Option Plan. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Option Plan is as follows:

"BE IT HEREBY RESOLVED as an ordinary resolution of the shareholders of QE2 that:

1. the stock option plan of QE2, substantially in the form attached as Schedule "B" (the "**Option Plan**") to the management information circular of QE2 dated June 29, 2015, be and is hereby approved and adopted as the stock option plan of QE2;
2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of QE2; and
3. any one director or officer of QE2 is authorized and directed, on behalf of QE2, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of QE2 or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of QE2 and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the Option Plan for the ensuing year.**

Approval of the Transaction Resolution

Management of QE2 has proposed that an aggregate of up to 217,218,927 QE2 Shares (the "**Consideration Shares**") be issued to the DistinctTech Shareholders as consideration for the acquisition of DistinctTech (the "**Transaction**") pursuant to the Amalgamation Agreement and pursuant to the policies of the Exchange. For full details of the Transaction, QE2, DistinctTech and the Resulting Issuer, see Schedule "C" – The Transaction, Schedule "D" – Information Relating to QE2, Schedule "E" – Information Relating to DistinctTech and "Schedule "F" – Information Concerning the Resulting Issuer, respectively.

Accordingly, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, a resolution (being a resolution passed by not less than a simple majority of the votes cast by those Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting) approving the issuance of the Consideration Shares (the "**Transaction Resolution**").

The text of the Transaction Resolution which management intends to place before the Meeting is as follows:

BE IT RESOLVED as an ordinary resolution of the shareholders of QE2 that:

1. The issuance of up to an aggregate of 217,218,927 QE2 Shares to the DistinctTech Shareholders pursuant to the terms and conditions of the Amalgamation Agreement is hereby confirmed, ratified, authorized and approved.
2. Notwithstanding that this resolution has been duly passed by the shareholders, the board of directors of QE2 may amend or decide not to proceed with the transactions contemplated by the Amalgamation Agreement or revoke these resolutions at any time prior to the completion of such transactions without further shareholder approval.
3. Any one director or officer of QE2, for and on behalf of QE2, be and is hereby authorized to execute and deliver all documents and instruments and take all such other actions as may be necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. The Board believes the passing of the above resolution is in the best interests of QE2 and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the issuance of 217,218,927 QE2 Shares to the DistinctTech Shareholders for the ensuing year.

Change of the Name of QE2

In the event that the Transaction Resolution is duly passed and the Transaction is completed, management of QE2 has proposed that the name of QE2 will be changed. Accordingly, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, a special resolution (being a resolution passed by not less than 2/3 of the votes cast by those Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting) to change the name of QE2 to "DistinctTech Infrastructure Group Inc.", or to such other name acceptable to the registrar and as the Board, in its sole discretion, determines is appropriate (the "Name Change").

Notwithstanding the approval of the Shareholders, the Board may, in its sole discretion, including and without further Shareholder action, revoke the Name Change without further approval of the Shareholders.

The text of the special resolution which management intends to place before the Meeting for the approval of the Name Change is as follows:

"BE IT HEREBY RESOLVED as a special resolution of the shareholders of QE2 that:

1. the change of the name of QE2 to "DistinctTech Infrastructure Group Inc.", or to such other name acceptable to the TSX Venture Exchange and as the directors of QE2 determine is appropriate is authorized and approved;
2. any officer or director of QE2 be and is hereby authorized and directed for and on behalf of QE2 (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this special resolution and any matters contemplated thereby; and
3. the directors of QE2 are hereby authorized and granted with absolute discretion to abandon the change of name of QE2 at any time without further approval, ratification or confirmation by the shareholders of QE2."

The requisite regulatory approvals for the Name Change, including the approvals of the TSXV, will not be sought by QE2 until after the Board decides to implement the Name Change resolution. There can be no assurance that the applicable TSXV approvals will be obtained.

The foregoing special resolution must be approved by 2/3 of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of QE2 and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the special resolution approving the Name Change.**

Election of Directors

Pursuant to the articles of incorporation of QE2, QE2 is required to have a minimum of one director and a maximum of 15 directors.

In the event that the Transaction Resolution is passed, and in accordance with the articles of incorporation of QE2, the Board has fixed the number of directors to be elected at the Meeting at six (6) directors. QE2 currently has three directors, each of whose term of office ends at the Meeting.

In the event that the Transaction Resolution is not passed, the Board has fixed the number of directors to be elected at the Meeting at three (3) directors. In this case, the nominees for election as directors are the current directors of QE2.

At the Meeting, Shareholders will be asked to elect the nominees set forth in the table below as directors of QE2, to hold office until the next annual meeting of Shareholders or until their successors are duly elected or appointed. Each of the nominees elected as a director of QE2 will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed or his or her office is vacated earlier in accordance with the articles of association of QE2.

Management does not contemplate that any of such nominees will be unable to serve as directors. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, the persons named in the enclosed form

of proxy, if not expressly directed to the contrary, intend to vote proxies in favour of another nominee at the proxyholder's discretion, unless the Shareholder has specified in his proxy that his QE2 Shares are to be withheld from voting on the election of directors or has withheld discretionary authority.

The following is a brief description of the nominees, including the name and province or state and country of residence of each of the nominees, the date each first became a director of QE2, their principal occupation during the past five years and the number of QE2 Shares beneficially owned, or controlled or directed, directly or indirectly, by each of the foregoing as of the date of this Information Circular.

Nominees For Election as Directors if the Transaction Resolution is Duly Passed at the Meeting

Name and Province or State and Country of Residence	Director Since	Principal Occupation for Past Five Years	QE2 Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
Alex Agius⁽⁴⁾ <i>Mississauga, Ontario</i>	Nominee	Co-Chief Executive Officer of DistinctTech	Nil
Joe Lanni <i>Etobicoke, Ontario</i>	Nominee	Co-Chief Executive Officer of DistinctTech	Nil
Michael Newman⁽²⁾⁽³⁾⁽⁴⁾ <i>Toronto, Ontario</i>	Nominee	Managing Partner of Boardwalk Capital Inc. and Adevam Investments Inc.	Nil
Gary Wetsch⁽²⁾⁽³⁾	Nominee	General Counsel, Landrex Inc.	Nil
Dave O'Brien⁽²⁾⁽³⁾⁽⁴⁾ <i>Mississauga, Ontario</i>	Nominee	Currently retired. Previously was Global Head, Cities Centre of Excellence for KPMG LLP from 2012 to 2014, a professional director from 2010 to 2012 and President and Chief Executive Officer of Toronto Hydro Corporation from 2004 to 2009	Nil

Notes:

- (1) Information respecting the number of QE2 Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at the date of this Information Circular has been furnished to QE2 by the above named individuals.
- (2) Member of Audit Committee.
- (3) Member of Compensation Committee.
- (4) Member of Nominating and Corporate Governance Committee.

The Board believes the election of the above named nominees as directors of QE2 is in the best interests of QE2, and recommends that the Shareholders vote IN FAVOUR of electing the nominees. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the election of the nominees set forth in the table above as directors of QE2.

Nominees for Election as Directors if the Transaction Resolution is Not Duly Passed at the Meeting

Name and Province or State and Country of Residence	Director Since	Principal Occupation for Past Five Years	QE2 Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
Mihalis Belantis⁽²⁾ <i>Calgary, Alberta</i>	October 20, 2014	Chief Executive Officer and Director of QE2 since October 2014. Owner and operator of Innovative Thinking Inc., a consulting company which undertakes strategic and communication planning work and provides consulting services primarily to small market enterprises looking to become publicly traded, from June 2006 to present CEO of QE2 from January 2013 to present, Manager of	6,000,000

Name and Province or State and Country of Residence	Director Since	Principal Occupation for Past Five Years	QE2 Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
		Corporate Development at Otis Gold Corp. from January 2008 to February 2010.	
Joe Gagliardi ⁽²⁾⁽³⁾ <i>Edmonton, Alberta</i>	October 20, 2014	Partner at Recruitment Partners from July 2011 to present, Principal at The Headhunters Inc. from April 2010 to June 2011, Recruiting Manager at Robert Half Canada from May 2006 to March 2010.	140,000
Maria Nathanail ⁽³⁾⁽⁴⁾ <i>Calgary, Alberta</i>	October 20, 2014	Associate in the Securities Group at the law firm Burstall Winger Zammit LLP since October 2012, Associate at Torys LLP from June 2011 to October, 2012. VP Business Development and General Counsel with a private income fund, Katana Energy from February 2009 to June 2011.	233,333

Notes:

- (1) Information respecting the number of QE2 Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at the date of this Information Circular has been furnished to QE2 by the above named individuals.
- (2) Member of Audit Committee.
- (3) Member of Compensation Committee.
- (4) Member of Nominating and Corporate Governance Committee.

The Board believes the election of the above named nominees as directors of QE2 is in the best interests of QE2, and recommends that the Shareholders vote IN FAVOUR of electing the nominees. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the election of the nominees set forth in the table above as directors of QE2.

Cease Trade Orders

Except as disclosed below, to the knowledge of QE2, no proposed director of QE2 (nor any personal holding company of any of such persons) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including QE2), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

- Mr. Newman resigned as a director of GreenStar Agricultural Corporation ("GreenStar") on September 24, 2014. GreenStar was issued a temporary order by the Ontario Securities Commission (the "OSC") on June 3, 2014 cease trading the common shares of GreenStar. On June 16, 2014 the OSC issued a permanent order cease trading the common shares of GreenStar. The British Columbia Securities Commission issued a cease trade order dated June 4, 2014 against GreenStar. The Alberta Securities Commission issued a cease trade order dated September 15, 2014 against GreenStar. The cease trade orders were issued as a result of the failure of GreenStar in filing its audited financial statements for the year ended December 31, 2013, unaudited interim financial statements of GreenStar for the three month period ended March 31, 2014, accompanying management's discussion and analysis, and related CEO and CFO certifications, as required by applicable securities laws. The cease trade orders remain in effect. On June 3, 2014, the Exchange suspended trading of GreenStar's common shares until such time as it accepts a reinstatement application by the company.

Bankruptcies

To the knowledge of QE2, no proposed director of QE2 (nor any personal holding company of any of such persons): (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or

executive officer of any company (including QE2) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, Amalgamation or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, Amalgamation or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

To the knowledge of QE2, no proposed director of QE2 (nor any personal holding company of any of such persons) has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

Other Business

Management is not aware of any other matters to come before the Meeting, other than those set out in the Notice of Meeting. **If other matters come before the Meeting, it is the intention of the management designees named in the instrument of proxy to vote the same in accordance with their best judgment in such matters.**

**PART III
GENERAL PROXY MATTERS
DISTINCTTECH INC.**

GENERAL

This management information circular (the "**Information Circular**") is furnished to DistinctTech Shareholders in connection with the solicitation of proxies by the management of DistinctTech for use at the DistinctTech Meeting to be held at the offices of Blaney McMurtry LLP, 2 Queen Street East, Suite 1500, Toronto, Ontario at 10:30 a.m. (Toronto time) on August 12, 2015, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying DistinctTech Notice of Meeting.

The information contained herein is given as of June 29, 2015, except where otherwise indicated. Enclosed herewith is a form of proxy for use at the DistinctTech Meeting. Each DistinctTech Shareholder who is entitled to attend at meetings of DistinctTech Shareholders is encouraged to participate in the DistinctTech Meeting and DistinctTech Shareholders are urged to vote on matters to be considered in person or by proxy.

Persons Making the Solicitation

This solicitation is made on behalf of the management of DistinctTech. The costs incurred in the preparation of both the form of proxy and this Information Circular will be borne by DistinctTech. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of DistinctTech who will not be directly compensated therefor.

PROXY RELATED INFORMATION

Appointment and Revocation of Proxies

Those DistinctTech Shareholders desiring to be represented at the Meeting by proxy must deposit their respective forms of proxy with DistinctTech, Attention: Chief Financial Officer not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Toronto) prior to the DistinctTech Meeting or any adjournment or postponement thereof. A proxy must be executed by the DistinctTech Shareholder or by his attorney authorized in writing, or if the DistinctTech Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment or postponement of the Meeting.

DistinctTech may refuse to recognize any instrument of proxy deposited in writing or by the internet received later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Toronto) prior to the DistinctTech Meeting or any adjournment or postponement thereof.

The persons named in the enclosed form of proxy are officers and directors of DistinctTech. Each DistinctTech Shareholder submitting a proxy has the right to appoint a person, who need not be a DistinctTech Shareholder, to represent him/her or it at the DistinctTech Meeting other than the persons designated in the form of proxy furnished by DistinctTech. A DistinctTech Shareholder may exercise this right by inserting the name of the desired representative in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, depositing the proxy with DistinctTech, at the place and within the time specified above for the deposit of proxies.

A DistinctTech Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the DistinctTech Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the DistinctTech Shareholder or by the DistinctTech Shareholder's attorney authorized in writing (or if the DistinctTech Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized), deposited either with DistinctTech, at any time up to and including the last business day preceding the day of the DistinctTech Meeting or any adjournment or postponement thereof or with the Chairman of the DistinctTech Meeting on the day of the DistinctTech Meeting or any adjournment or postponement thereof, and upon either of such deposits, the proxy is revoked.

Exercise of Discretion

All DistinctTech Shares represented at the DistinctTech Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the DistinctTech Shareholder where voting is by way of a show of hands or by ballot and, if the DistinctTech Shareholder specifies a choice with respect to any matter to be voted upon, the DistinctTech Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instructions, the persons whose names appear on the enclosed form of proxy will vote in favour of the matters set forth in the DistinctTech Notice of Meeting and in this Information Circular.**

The enclosed form of proxy confers discretionary authority on the persons named therein with respect to any amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters which may be properly brought before the DistinctTech Meeting or any adjournment or postponement thereof. If any such amendment, variation or other matter should come before the DistinctTech Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxies in accordance with their best judgment, unless the DistinctTech Shareholder has specified to the contrary or that DistinctTech Shares are to be withheld from voting. At the time of printing of this Information Circular, management of DistinctTech knows of no such amendment, variation or other matter.

Advice to Non-Registered DistinctTech Shareholders

The information in this section is of significant importance to many DistinctTech Shareholders, as a substantial number do not hold their DistinctTech Shares in their own name. Non-Registered DistinctTech Shareholders are advised that only proxies from DistinctTech Shareholders of record can be recognized and voted upon at the DistinctTech Meeting. If DistinctTech Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those DistinctTech Shares will not be registered in the Shareholder's name on the records of DistinctTech. Such DistinctTech Shares will more likely be registered under the name of the DistinctTech Shareholder's broker or an agent of that broker.

Voting by Non-Registered DistinctTech Shareholders

DistinctTech Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Non-Registered DistinctTech Shareholder. Without specific instructions, brokers/nominees are prohibited from voting DistinctTech Shares for their clients. The directors and officers of DistinctTech do not know for whose benefit the DistinctTech Shares registered in the name of CDS & Co. are held, and directors and officers of DistinctTech do not necessarily know for whose benefit the DistinctTech Shares registered in the name of any broker or agent are held. Non-Registered DistinctTech Shareholders who complete and return a form of proxy must indicate thereon the person (usually a brokerage house) who holds their DistinctTech Shares as a registered DistinctTech Shareholder.

Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered DistinctTech Shareholders in advance of DistinctTech Shareholders' meetings. Every broker and other intermediary have its own mailing procedure, and provide its own return instructions, which should be carefully followed. The form of proxy supplied by brokers and other intermediaries to Non-Registered DistinctTech Shareholders may be very similar and in some cases identical to that provided to registered DistinctTech Shareholders. However, its purpose is limited to instructing the registered DistinctTech Shareholder how to vote on behalf of the Non-Registered DistinctTech Shareholder.

In Canada, the vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered DistinctTech Shareholders and asks Non-Registered DistinctTech Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Non-Registered DistinctTech Shareholder who receives a Broadridge voting instruction form cannot use that form to vote DistinctTech Shares directly at the DistinctTech Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of DistinctTech Shares must otherwise be communicated to Broadridge) well in advance of the DistinctTech Meeting in order to have the DistinctTech Shares voted.**

Although a Non-Registered DistinctTech Shareholder may not be recognized directly at the DistinctTech Meeting for the purposes of voting DistinctTech Shares registered in the name of his broker, a Non-Registered DistinctTech Shareholder may attend the DistinctTech Meeting as proxyholder for the registered DistinctTech Shareholder and vote the DistinctTech Shares in that capacity. **Non-Registered DistinctTech Shareholders who wish to attend the DistinctTech**

Meeting and indirectly vote their DistinctTech Shares as proxyholder for the registered DistinctTech Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

Non-Registered DistinctTech Shareholders should contact their broker or other intermediary through which they hold DistinctTech Shares if they have any questions regarding the voting of such DistinctTech Shares.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Rights

The authorized share capital of DistinctTech consists of an unlimited number of DistinctTech Shares without nominal or par value. As at the date hereof, there are 206,565,645 DistinctTech Shares issued and outstanding. Each DistinctTech Share entitles the holder thereof to one vote on all matters properly coming before the DistinctTech Meeting or any adjournment or postponement thereof.

Record Date

The record date for the determination of DistinctTech Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof is July 10, 2015 (the "**Record Date**").

DistinctTech will prepare or cause to be prepared a list of the DistinctTech Shareholders recorded as holders of DistinctTech Shares on its register of DistinctTech Shareholders as of the close of business on the Record Date, each of whom shall be entitled to vote the DistinctTech Shares shown opposite their name on the list at the DistinctTech Meeting or any adjournment or postponement thereof, except to the extent that: (a) any such DistinctTech Shareholder has transferred ownership of any of their DistinctTech Shares subsequent to the Record Date; and (b) the transferee produces properly endorsed share certificates evidencing the transfer or otherwise establishes that the transferee owns the transferred DistinctTech Shares and demands, not later than ten (10) days before the DistinctTech Meeting, that they be included on the list of DistinctTech Shareholders entitled to vote at the DistinctTech Meeting, in which case the transferee will be entitled to vote the transferred DistinctTech Shares at the DistinctTech Meeting or any adjournment or postponement thereof.

Principal Holders of DistinctTech Shares

To the knowledge of the directors and executive officers of DistinctTech, no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of the issued and outstanding DistinctTech Shares as at the date of this Information Circular, other than as set forth in the table below:

<u>Name of Shareholder</u>	<u>Number and Percentage of DistinctTech Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly</u>
Joe Lanni	68,000,000 DistinctTech Shares (32.92%)
Alex Agius	68,000,000 DistinctTech Shares (32.92%)

Quorum

Under the by-laws of DistinctTech a quorum of DistinctTech Shareholders is present at a meeting if at least two individuals are present in person, each of whom is entitled to vote at a meeting, and who hold or represent by proxy in the aggregate not less than 5% of the total number of shares entitled to be voted at the meeting. If any share entitled to be voted at a meeting of DistinctTech Shareholders is held by two or more persons jointly, the persons or those of them who attend the meeting of DistinctTech Shareholders constitute only one DistinctTech Shareholder for the purpose of determining whether a quorum of DistinctTech Shareholders is present.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of DistinctTech at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of DistinctTech, nor any associate or affiliate of any of the

foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of DistinctTech, or any proposed nominee director, or any of their respective associates or affiliates, is or has been at any time since the beginning of the last completed fiscal year, indebted to DistinctTech or any of its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar Amalgamation or understanding, provided by DistinctTech or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, DistinctTech is not aware of any material interest, direct or indirect, of any "informed person" of DistinctTech, any proposed director of DistinctTech or any associate or affiliate, of any of the foregoing in any transaction since the commencement of DistinctTech's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the company or any of its subsidiaries.

For the purposes of the above, "informed person" means: (a) a director or executive officer of DistinctTech; (b) a director or executive officer of a company that is itself an informed person or subsidiary of DistinctTech; (c) any person or company who beneficially owns, directly or indirectly, voting securities of DistinctTech or who exercises control or direction over voting securities of DistinctTech or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of DistinctTech other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) DistinctTech after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

There are potential conflicts of interest to which all of the directors and officers of DistinctTech may be subject in connection with the operations of DistinctTech. All of the directors and officers are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations, which may be in competition with DistinctTech. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Ontario).

ADDITIONAL INFORMATION

Additional financial information is provided in DistinctTech's audited consolidated financial statements and management's discussion and analysis for the financial year ended November 30, 2014.

PART IV
MATTERS TO BE CONSIDERED AT THE DISTINCTTECH MEETING

To the knowledge of the board of directors of DistinctTech (the "**Board**"), the only matter to be brought before the DistinctTech Meeting is the approval of the Amalgamation.

In May, 2015, DistinctTech, QE2 and QE2 Subco entered in the Amalgamation Agreement. Pursuant to the terms of the Amalgamation Agreement, DistinctTech will amalgamate with QE2 Subco pursuant to the OBCA and continue as one corporation under the name "DistinctTech Infrastructure Group Inc.", which amalgamated company will become a wholly owned subsidiary of QE2. Rather than receiving shares and warrants of Amalco, the DistinctTech Shareholders will each receive QE2 Shares and QE2 Warrants on a one for one basis.

Accordingly, DistinctTech Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, a resolution (being a resolution passed by not less than a simple majority of the votes cast by those DistinctTech Shareholders who, being entitled to do so, vote in person or by proxy at the DistinctTech Meeting) approving the Amalgamation Agreement.

The text of the resolution which management intends to place before the DistinctTech Meeting is as follows:

BE IT RESOLVED as an ordinary resolution of the shareholders of DistinctTech that:

1. The Amalgamation Agreement pertaining to the amalgamation of DistinctTech and QE2 Subco is hereby confirmed, ratified, authorized and approved.
2. Notwithstanding that this resolution has been duly passed by the shareholders, the board of directors of DistinctTech may amend or decide not to proceed with the transactions contemplated by the Amalgamation Agreement or revoke these resolutions at any time prior to the completion of such transactions without further shareholder approval.
3. Any one director or officer of DistinctTech, for and on behalf of DistinctTech, be and is hereby authorized to execute and deliver all documents and instruments and take all such other actions as may be necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions.

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the DistinctTech Meeting by the DistinctTech Shareholders voting in person or by proxy. The Board believes the passing of the above resolution is in the best interests of DistinctTech and recommends that the DistinctTech Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the Amalgamation Agreement for the ensuing year.

SCHEDULE "A"
AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT dated as of the 29th day of June, 2015.

BETWEEN:

QE2 ACQUISITION CORP., a corporation existing pursuant to the provisions of the *Business Corporations Act* (Alberta) ("QE2")
- and -

2471685 ONTARIO LIMITED, a corporation existing pursuant to the provisions of the *Business Corporations Act* (Ontario) ("New co")
- and -

DISTINCTTECH INC., a corporation existing pursuant to the provisions of the *Business Corporations Act* (Ontario) ("DistinctTech")

WITNESSES THAT:

WHEREAS Newco and DistinctTech wish to amalgamate so as to continue as one corporation in accordance with the terms and subject to the conditions herein set forth;

AND WHEREAS Newco is a newly incorporated, wholly-owned subsidiary of QE2 and has not carried on any business;

AND WHEREAS QE2, Newco and DistinctTech wish to effect the foregoing merger through the amalgamation of Newco with DistinctTech, such that the amalgamated corporation will be a wholly-owned subsidiary of QE2 and the existing securityholders of DistinctTech become securityholders of QE2, in accordance with the terms and conditions herein set forth,

NOW THEREFORE IN CONSIDERATION of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions.

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

"affiliate" has the meaning ascribed thereto in the Securities Act unless otherwise expressly stated herein;

"Agreement" means this amalgamation agreement, provided for in Section 175 of the OBCA, including the recitals and schedules hereto;

"Amalco" means the continuing corporation constituted upon the Amalgamation upon the Effective Date;

"Amalco Shares" means common shares in the capital of Amalco;

"Amalgamation" means the amalgamation of Newco and DistinctTech pursuant to Section 174 of the OBCA as provided for in this Agreement;

"Appropriate Regulatory Approvals" means all of the rulings, consents, orders, exemptions, permits and other approvals of Governmental Entities and the Exchange required or necessary for the completion of the transactions provided for in this Agreement and the Amalgamation;

"Articles of Amalgamation" means the articles of amalgamation in respect of the Amalgamation, in the form required by the OBCA;

"Assets" includes all assets having fair market value in excess of \$5,000;

"Business Day" means a day on which commercial banks are generally open for business in Toronto, Ontario other than a Saturday, Sunday or a day observed as a holiday in Toronto, Ontario under the Laws of the Province of Ontario or the federal Laws of Canada;

"Closing" has the meaning ascribed to such term in Section 6.5(a);

"Closing Date" has the meaning ascribed to such term in Section 6.5(a);

"Constituting Documents" means, as applicable, the articles, by-laws or other similar constituting documents of anybody corporate;

"Director" means the Director appointed under Section 278 of the OBCA;

"DistinctTech Amalgamation Resolution" means the consent resolution of the DistinctTech Shareholders approving the Amalgamation;

"DistinctTech Business" means the business currently and hereto carried on by DistinctTech and the DistinctTech Subsidiaries consisting of design, engineering, construction, service and maintenance for leading communication and infrastructure companies;

"DistinctTech Compensation Options" means the compensation options of DistinctTech issued in connection with the DistinctTech Private Placement, each of which is exercisable for a period of three years from issuance, into one DistinctTech Share and one-half of one DistinctTech Warrant at an exercise price of \$0.10;

"DistinctTech Meeting" means the special meeting of Holders of DistinctTech Shares to be called to approve the DistinctTech Amalgamation Resolution;

"DistinctTech Private Placement" means the private placement of units of DistinctTech, each of which is comprised of one DistinctTech Share and one-half of one DistinctTech Warrant, at a price of \$0.10 per unit, for aggregate gross proceeds of \$5,556,564.50;

"DistinctTech Securities" means collectively the DistinctTech Shares, the DistinctTech Warrants and the DistinctTech Compensation Option;

"DistinctTech Shareholders" means the holders of DistinctTech Shares;

"DistinctTech Shares" means the common shares in the capital of DistinctTech;

"DistinctTech Subsidiaries" means collectively, iVac Services Inc., DistinctTech Inc. (Alberta) and Distinct Environmental Solutions Inc.;

"DistinctTech Warrants" means warrants to purchase DistinctTech Shares issued in connection with the DistinctTech Private Placement, each of which is exercisable for a period of three years from issuance, into one DistinctTech Share at a price of \$0.20 per share;

"Effective Date" means the date shown on the certificate of amalgamation issued by the Director pursuant to subsection 178(4) of the OBCA giving effect to the Amalgamation;

"Encumbrance" means any and all claims, liens, security interests, mortgages, pledges, pre-emptive rights, charges, options, equity interests, encumbrances, proxies, voting agreements, voting trusts, leases, tenancies, easements or other interests of any nature whatsoever, however created;

"Environmental Laws" has the meaning ascribed thereto in section 3.25 hereof;

"Exchange" means the TSX Venture Exchange;

"Exchange Policy 5.2" means Exchange Policy 5.2 - Changes of Business and Reverse Take-Overs, as amended;

"Governmental Entity" means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"Holders" means, when used with reference to the QE2 Securities, the Newco Shares or the DistinctTech Securities, the holders of such QE2 Securities, Newco Shares or DistinctTech Securities, or, as applicable, shown from time to time in the register maintained by or on behalf of QE2, Newco or DistinctTech, as applicable, in respect of the applicable securities;

"Indenture" means the convertible debenture indenture dated as of the 20th day of October, 2014 entered into between QE2 and Computershare Trust Company of Canada providing for the issuance of convertible unsecured subordinated debentures of QE2;

"Joint Circular" means the management information circular of QE2 prepared by both QE2 and DistinctTech in accordance with applicable Laws in respect of the DistinctTech Meeting called for the purpose of approving the Amalgamation, among other things;

"Laws" means all statutes, regulations, statutory rules, orders, judgments, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any court, Governmental Entity, statutory body or self-regulatory authority (including the Exchange);

"Material Adverse Change", when used in connection with QE2 or DistinctTech, means any change, effect, event or occurrence that is, or could reasonably be expected to be, material and adverse to the business, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), operations or financial condition of such party and its subsidiaries, taken as a whole, as applicable, other than any change, effect, event or occurrence: (i) relating to the global economy or securities markets in general; or (ii) affecting the telecom construction industry in general and which does not have a materially disproportionate effect on QE2 or DistinctTech;

"Material Adverse Effect" means any effect that is, or could reasonably be expected to be, a Material Adverse Change;

"material fact" has the meaning ascribed thereto in the Securities Act;

"misrepresentation" has the meaning ascribed thereto in the Securities Act;

"Newco Shareholders" means the holders of the Newco Shares;

"Newco Shares" means the outstanding common shares in the capital of Newco;

"OBCA" means the *Business Corporations Act* (Ontario), as amended;

"Person" means and includes an individual, firm, sole proprietorship, partnership, joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, a trustee, executor, administrator or other legal representative, Governmental Entity, or other entity, whether or not having legal status;

"QE2" means QE2 Acquisitions Corp., a corporation governed by the laws of the Province of Alberta;

"QE2 Business" means the business currently and hereto carried on by QE2 and the QE2 Subsidiaries consisting of the acquisition, consolidation and growth of businesses in the infrastructure and essential services sector;

"QE2 Compensation Options" means the compensation options to be issued by QE2 in exchange for the DistinctTech Compensation Options to holders thereof, each such compensation option exercisable on substantially the same terms and conditions as the DistinctTech Compensation Options, except as may be required by the Exchange;

"QE2 Convertible Securities" means, collectively, the QE2 Warrants, the QE2 Options and the QE2 Compensation Options;

"QE2 Convertible Securities" means, collectively, the QE2 Warrants, QE2 Options, QE2 Finder Warrants, QE2 Debenture, QE2 Outstanding Warrants and QE2 Compensation Options;

"QE2 Debentures" means the outstanding \$1,298,00 principle amount of convertible unsecured subordinated debentures;

"QE2 Finder Warrants" means the 364,500 finder warrants granted by QE2 to certain arm's length parties in connection with the private placement of QE2 completed in May, 2015;

"QE2 Indenture" means the debenture indenture entered into on October 20, 2014 between QE2 and Computershare Trust Company of Canada and includes the supplemental indenture entered into on June 25, 2015;

"QE2 Meeting" means the annual and special meeting of Holders of QE2 Shares to be held on August 12, 2015 to address the items of business as set out in the Joint Circular;

"QE2 Options" means the 1,500,000 outstanding stock options of QE2 to acquire QE2 Shares under the QE2 stock option plan;

"QE2 Outstanding Warrants" means the 5,763,290 outstanding share purchase warrants of QE2 to acquire QE2 Shares at prices of \$0.20 and \$0.50 per share with various expiry dates;;

"QE2 Securities" means collectively the QE2 Shares and the QE2 Convertible Securities;

"QE2 Shares" means the common shares in the capital of QE2;

"QE2 Subsidiaries" means, collectively, Candesto Enterprises Ltd., Pillar Contracting Ltd. and Boom Ventures Inc.;

"QE2 Warrants" means the warrants to be issued by QE2 in exchange for the DistinctTech Warrants to holders thereof, each such warrant being exercisable on substantially the same terms and conditions as the DistinctTech Warrants to purchase one QE2 Share, except as may be required by the Exchange;

"Regulations" means all statutes, laws, rules, orders, directives and regulations in effect from time to time and made by any Governmental Entity having jurisdiction over any of QE2 or DistinctTech;

"Securities Act" means the *Securities Act* (Ontario), as amended;

"Subsidiary" means, with respect to a specified body corporate, a body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the directors thereof, whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency, are at the time owned, directly or indirectly, by such specified body corporate, and includes a body corporate in like relation to a subsidiary;

"Tax" and "Taxes" means, with respect to any Person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes (including source withholdings in respect of income taxes, Canada Pension Plan and employment insurance premiums), payroll taxes, employment taxes, pension plan premiums, excise, severance, social security premiums, workers' compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

"Tax Act" means the *Income Tax Act* (Canada), as amended;

"Tax Returns" means all returns, declarations, reports, information returns and statements filed or required to be filed with any taxing authority relating to Taxes;

"Termination Time" means the time that this Agreement is terminated;

"Time of Closing" shall have the meaning ascribed to such term in subsection 6.4(a) of this Agreement;

"Transaction" means the Amalgamation and the issuance of the QE2 Securities in consideration thereof;

Section 1.2 Currency.

All amounts of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

Section 1.3 Interpretation Not Affected By Headings.

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the provisions of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and the schedules hereto as a whole and not to any particular article, section, subsection, paragraph or subparagraph hereof and include any agreement or instrument supplementary or ancillary hereto.

Section 1.4 Number and Gender.

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders.

Section 1.5 Date for Any Action.

In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.6 Meanings.

Words and phrases used herein and defined in the OBCA shall have the same meaning herein as in the OBCA, unless otherwise defined herein or the context otherwise requires.

Section 1.7 Statutes.

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

Section 1.8 Enforceability.

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally and by the discretionary nature of certain remedies (including specific performance and injunctive relief).

Section 1.9 Knowledge.

Where any matter is stated to be "to the knowledge" or "to the best of the knowledge" of QE2 or DistinctTech or words to like effect in this Agreement, QE2 or DistinctTech shall be required, in addition to making any other reasonable inquiries, to make inquiries of their respective Chief Executive Officers and Chief Financial Officers.

The following Schedule is annexed to this Agreement and is hereby incorporated by reference into this Agreement and forms part hereof:

Schedule "A"	-	Post Transaction Capitalization of QE2
Schedule "B"	-	Agreement to Acquire Shares by DistinctTech
Schedule "C"	-	DistinctTech Lawsuits

Schedule "D"	-	Financial Statements of DistinctTech
Schedule "E"	-	HVAC Agreement
Schedule "F"	-	Material Contracts of DistinctTech
Schedule "G"	-	DistinctTech Banks and Bank Accounts
Schedule "H"	-	Agreement to Acquire Shares by QE2
Schedule "I"	-	Regulatory Deficiencies of QE2
Schedule "J"	-	Options, Warrants and Debentures of QE2
Schedule "K"	-	QE2 Lawsuits
Schedule "L"	-	Financial Statements of QE2
Schedule "M"	-	Material Contracts of QE2
Schedule "N"	-	QE2 Banks and Bank Accounts
Schedule "O"	-	Outstanding Liabilities of QE2 and the QE2 Subsidiaries at Closing

ARTICLE 2 THE AMALGAMATION

Section 2.1 Agreement to Amalgamate

Newco and DistinctTech hereby agree to amalgamate pursuant to the provision of section 174 of the OBCA as of the Effective Date and to continue as one corporation on the terms and conditions set out in this Agreement.

Section 2.2 Securities Compliance.

QE2 shall use reasonable best efforts to obtain all orders and approvals required from the applicable Governmental Entity and the Exchange (subject to escrow conditions imposed by the Exchange) to permit the issuance and first resale of the QE2 Securities issuable pursuant to the Amalgamation as well as the QE2 Shares issuable upon the exercise of the QE2 Warrants and QE2 Compensation Options without qualification with, or approval of, or the filing of any prospectus or similar document, or the taking of any proceeding with, or the obtaining of any further order, ruling or consent from, any Governmental Entity under any Canadian federal, provincial or territorial securities or other Laws or pursuant to the rules and regulations of any Governmental Entity administering such Laws, or the fulfillment of any other legal requirement in any such jurisdiction (other than, with respect to such first resales, any restrictions on transfer by reason of, among other things, a Holder being a "control person" for purposes of Canadian federal, provincial or territorial securities Laws).

Section 2.3 Preparation of Filings.

- (a) Each of the parties to this Agreement shall cooperate in the taking of all such action as may be required under the OBCA in connection with the transactions contemplated by the Agreement.
- (b) Each of the parties to this Agreement shall promptly furnish to the others all information concerning it and its securityholders as may be required in order to effect the actions described in Section 2.1 and 2.2 and the foregoing provisions of this Section 2.3 and each covenants that no information furnished by it (to its knowledge in the case of information concerning its shareholders) in connection with such actions or otherwise in connection with the consummation of the Amalgamation and the other transactions contemplated by this Agreement will contain any misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished.
- (c) Each of the parties to this Agreement shall promptly notify the other parties if at any time before or after the Effective Date it becomes aware that the Joint Circular or an application for an order described in Section 2.2 contains any misrepresentation or any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Joint Circular or such application. In any such event, each party shall cooperate in the preparation of a supplement or amendment to the Joint Circular or such other document, as required and as the case may be, and, if required, shall cause the same to be filed with the relevant securities regulatory authorities.

Section 2.4 Filing of Articles of Amalgamation.

Subject to the rights of termination contained in Article 8 hereof, upon the fulfillment of the necessary conditions to this Agreement, the parties shall jointly file with the Director the Articles of Amalgamation and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation, pursuant to the provisions of the OBCA.

Section 2.5 Effect of the Amalgamation.

On the Effective Date, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) Newco and DistinctTech shall amalgamate to form Amalco and shall continue as one corporation under the OBCA in the manner set out in Section 2.6 hereof and with the effect set out in Section 179 of the OBCA;
- (b) immediately upon the amalgamation of DistinctTech and Newco to form Amalco as set forth in Section 2.4:
 - (i) each one (1) DistinctTech Share issued and outstanding on the Effective Date, including DistinctTech Shares issued in connection with the DistinctTech Private Placement, shall be exchanged for one QE2 Share (at a deemed price of \$0.10 per QE2 Share), provided that fractional QE2 Shares shall not be issued to Holders of DistinctTech Shares, and the DistinctTech Shares thus exchanged shall be cancelled without reimbursement of the capital represented by such securities;
 - (ii) each one (1) DistinctTech Warrant issued and outstanding on the Effective Date shall be converted into one QE2 Warrant, on substantially the same terms except as may be required by the Exchange, and which shall provide for an exercise price per QE2 Share of \$0.20, provided that fractional QE2 Warrants shall not be issued to holders of DistinctTech Warrants;
 - (iii) subject to obtaining approval by the Exchange, each one (1) DistinctTech Compensation Option issued and outstanding on the Effective Date shall be converted into one QE2 Compensation Option, on substantially the same terms except as may be required by the Exchange, and which shall provide for an exercise price per QE2 unit (comprised of one QE2 Share and one-half of one QE2 Warrant) of \$0.10, provided that fractional QE2 Compensation Options shall not be issued to holders of DistinctTech Compensation Options;
 - (iv) QE2 shall receive one fully-paid and non-assessable common share of Amalco for each one Newco Share held by QE2, following which all such Newco Shares shall be cancelled; and
 - (v) in consideration for the issue by QE2 of the QE2 Shares pursuant to this subsection 2.5(b), Amalco shall issue to QE2 one fully-paid and non-assessable common share of Amalco for each QE2 Share issued;
- (c) with respect to each of the DistinctTech Securities exchanged in accordance with subsection 2.5(b):
 - (i) the Holders thereof shall cease to be the holders of such DistinctTech Securities and the name of each such Holder shall be removed from the register of Holders of such DistinctTech Securities;
 - (ii) the certificates (if any) representing any DistinctTech Securities shall be deemed to have been cancelled as of the Effective Date and certificates representing the number of QE2 Securities issuable to each Holder of DistinctTech Securities will be issued to the holders of the DistinctTech Securities;
 - (iii) any fractional interests resulting from the transactions provided for in subsection 2.5(b) shall be rounded up or down to the nearest whole QE2 Security and any fractions of exactly 0.5 shall be rounded up to the nearest whole QE2 Security;

provided that none of the foregoing shall occur or shall be deemed to occur unless all of the foregoing occurs.

Section 2.6 Amalgamated Corporation.

Unless and until otherwise determined in the manner required by Laws, by Amalco or by its directors or the Holder or Holders of the Amalco Shares, the following provisions shall apply:

- (a) Name. The name of Amalco shall be "DistinctTech Inc." or such other name as DistinctTech shall determine;
- (b) Registered Office. The municipality where the registered office of Amalco shall be located is Toronto, Ontario. The address of the registered office of Amalco shall be 77 Belfield Road, Toronto, ON M9W 1G6;
- (c) Business and Powers. There shall be no restrictions on the business that Amalco may carry on or on the powers it may exercise;
- (d) Authorized Share Capital. Amalco shall be authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series;
- (e) Share Restrictions. There shall be no restrictions upon the right to transfer any shares of Amalco;
- (f) Number of Directors. The number of directors of Amalco shall be not less than one (1) and not more than ten (10) as the shareholders of Amalco may from time to time determine;
- (g) Initial Directors. The initial directors of Amalco shall be as follows:

Joe Lanni
Alex Agius
- (h) By-laws. The by-laws of Amalco, until repealed, amended or altered, shall be the same as the by-laws of DistinctTech, with such amendments thereto as may be necessary to give effect to this Agreement; and
- (i) Additional Directors. The directors of Amalco may, between annual meetings, appoint one or more additional directors of Amalco to serve until the next annual meeting of Amalco but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual meeting of Amalco.

Section 2.7 Assets and Liabilities.

Each of Newco and DistinctTech shall contribute to Amalco all of its assets, subject to their respective liabilities, as they exist immediately before the Effective Date. Amalco shall possess all of the property, rights, privileges and franchises, as they exist immediately before the Effective Date, and shall be subject to all of the liabilities, contracts, disabilities and debts of each of Newco and DistinctTech, as they exist immediately before the Effective Date. All rights of creditors against the properties, assets, rights, privileges and franchises of Newco and DistinctTech and all liens upon their properties, rights and assets shall be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of Newco and DistinctTech shall thenceforth attach to and may be enforced against Amalco. No action or proceeding by or against Newco or DistinctTech shall abate or be affected by the Amalgamation but, for all purposes of such action or proceeding, the name of Amalco shall be substituted in such action or proceeding in place of the name of Newco or DistinctTech, as applicable.

Section 2.8 Stated Capital.

- (a) Upon the Amalgamation, Amalco shall add to the stated capital account maintained in respect of the Amalco Shares an amount equal to the aggregate paid up capital for purposes of the Tax Act of the Newco Shares and the DistinctTech Shares immediately before the Effective Date.

- (b) Upon the Amalgamation, QE2 shall add to the stated capital account maintained in respect of the QE2 Shares an amount equal to the aggregate paid up capital for purposes of the Tax Act of the DistinctTech Shares immediately before the Effective Date.

**ARTICLE 3
REPRESENTATIONS AND WARRANTS OF QE2**

Section 3.1 QE2 represents and warrants to and in favour of DistinctTech as follows:

- (a) QE2 and each of the QE2 Subsidiaries are corporations duly incorporated, organized and validly subsisting under the laws of its jurisdiction of incorporation and have the corporate power to own or lease their property and to carry on their businesses as it is now being conducted and as proposed to be conducted and on the Closing Date will have the corporate power to execute, deliver and perform their obligations under this Agreement, and have made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which QE2 is subject;
- (b) except for the QE2 Subsidiaries, QE2 does not have any interest in any body corporate, partnership, joint ventures or other entity or person. None of QE2 and the QE2 Subsidiaries is a party to any agreement, option or commitment to acquire any shares or securities of anybody corporate, partnership, trust, joint venture or other entity or person other than in connection with the Transaction. QE2 is the sole registered holder and beneficial owner of 100% of the issued and outstanding shares in the capital of each of the QE2 Subsidiaries free and clear of all Encumbrances, claims or demands of any kind whatsoever. All of such shares and securities have been fully authorized and validly issued and in the case of shares are outstanding as fully paid and non-assessable shares. No other securities of the QE2 Subsidiaries are issued and outstanding;
- (c) the entering into of this Agreement and the consummation of the Transaction as contemplated hereby have been duly authorized by all necessary corporate action on behalf of QE2 and this Agreement has been duly executed and delivered by QE2 and is a valid and binding obligation of QE2 enforceable in accordance with its terms, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws generally affecting creditor's rights and to the extent that equitable remedies, such as specific performance and injunction, are in the discretion of the court from which they are sought;
- (d) other than the default notice issued by the British Columbia Securities Commission, which default has been remedied, and other than the late filing of the change of auditor notice, QE2 is a reporting issuer in good standing in the provinces of Alberta and British Columbia and is not in default of any applicable securities, taxation and corporate legislation, regulations, orders, notices and policies in force therein;
- (e) QE2 will take all necessary steps to cause the issuance of the QE2 Shares and the QE2 Convertible Securities at the Time of Closing, and the QE2 Shares will be duly and validly authorized and issued as fully paid and non-assessable shares in accordance with this Agreement and the QE2 Convertible Securities will be duly and validly authorized and issued as fully paid securities in accordance with this Agreement;
- (f) neither the execution and delivery of this Agreement by QE2 nor the consummation of the Transaction:
 - (i) will conflict with or result in or create a state of facts which after notice or lapse of time or delay or both, will conflict with or result in:
 - (A) a violation, contravention or breach by QE2 of any of the terms, conditions or provisions of the constating documents, by-laws or resolutions of QE2 or of any agreement or instrument to which QE2 is a party or by which it is bound or constitute a default of QE2 thereunder, or of any statute, regulation, judgement, decree or law by which QE2 or the Assets of QE2 are subject or bound; or
 - (B) a violation by QE2 of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over QE2, or require QE2, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person or await the expiration of any applicable waiting period; or

- (ii) do not and will not result in the imposition of an Encumbrance upon any Assets of QE2 that would, individually or in the aggregate, have a Material Adverse Effect on QE2;
- (g) the authorized share capital of QE2 consists of an unlimited number of common shares of which 35,403,099 QE2 Shares are outstanding. There are 1,500,000 QE2 Options outstanding exercisable at a price of \$0.20 per QE2 Share, 3,150,792 QE2 Outstanding Warrants exercisable at a price of \$0.20 and \$0.50 per QE2 Share, 2,612,500 QE2 Outstanding Warrants exercisable at a price of \$0.20 per QE2 Share, 364,500 QE2 Finder Warrants exercisable into one QE2 Share and one-half of one warrant at an exercise price of \$0.10 and 1,298 QE2 Debentures convertible into 2,596,000 QE2 Shares;
- (h) except as set out in Schedule "H", QE2 does not have any agreements, options or commitments to acquire any shares or securities of any corporation or to acquire or lease any business operations, real property or assets;
- (i) the minute books of QE2 contain full, true and correct copies of the constating documents of QE2 at the Time of Closing, and contain copies of all minutes of all meetings and all resolutions of the directors, committees of directors and shareholders of QE2 and all such meetings were duly called and properly held and such minutes were properly adopted and approved;
- (j) except as set out in Schedule "I", QE2 has made all filings required under applicable securities laws with the applicable regulatory authorities, all such filings have been made in a timely manner, and all such filings and information and statements contained therein and any other information or statements disseminated to the public by QE2 (the "Public Record"), were true, correct and complete and did not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) as at the date of such filing which has not been corrected;
- (k) QE2 has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and holds necessary licences, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, which has or would reasonably be expected to have a Material Adverse Effect on the operation of its business as now carried on;
- (l) QE2 has not received any notice of proceedings relating to the revocation or modification of any certificate, authority, permit or license which, if the subject of an unfavourable decision, ruling or finding would materially and adversely affect the conduct of the business, operations, financial condition or income of QE2;
- (m) QE2 has not granted or entered into any agreement, option, understanding or commitment or any Encumbrance of or disposal of its Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to its Assets and will not do so prior to Closing;
- (n) except for the options, warrants and debentures set out in Schedule "J" and as disclosed in the Public Record, no Person holds any securities convertible or exchangeable into securities of QE2 nor will any agreement, warrant, option, right or privilege being capable of becoming an agreement, warrant, option or right for the purchase, subscription or issuance of any unissued common shares or other securities of QE2 have been authorized or agreed to or will be outstanding as at Closing;
- (o) the officers and directors of QE2 are as follows:

Mihalis Belantis	Chief Executive Officer and Director
Joe Gagliardi	Director
Maria Nathaniel	Corporate Secretary and Director
Ben Leung	Chief Financial Officer

- (p) except as disclosed in Schedule "K", there is not pending, or to the knowledge of QE2, after due inquiry, threatened or contemplated any suit, action, legal proceeding, litigation or governmental investigation of any sort, nor is there any present state of facts or circumstances which can be reasonably anticipated to be a basis for any such suit, action, legal proceeding, litigation or governmental investigation nor is there presently outstanding against QE2, any judgement, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality, or arbitrator, to which QE2 is a party or to which the property of QE2 is subject;
- (q) the audited financial statements of QE2 for the period ended on January 31, 2015 and the unaudited interim financial statements for the three month period ending April 30, 2015 attached as Schedule "L" hereto:
 - (i) are in accordance with the books and accounts as at April 30, 2015, as the case may be;
 - (ii) are true and correct and present fairly the financial position of QE2 as at April 30, 2015, as the case may be;
 - (iii) the consolidated financial statements for the year ended January 31, 2015 have been prepared in accordance with IFRS;
 - (iv) the interim consolidated financial statements for the three month period ended April 30, 2014 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", using accounting policies consistent with IFRS; and
 - (v) present fairly all of the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of QE2 as at April 30, 2015, including, all material liabilities (absolute, accrued, contingent or otherwise) of QE2;
- (r) since January 31, 2015, QE2 has not:
 - (i) carried on the business of QE2 in other than its usual and ordinary course;
 - (ii) other than the Parr Hill indemnity agreement (bonding), entered into any transaction out of the usual and ordinary course of business other than the Transaction;
 - (iii) amended its articles, by-laws or other governing documents; and
 - (iv) made any change in its accounting principles and practices including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained;
- (s) other than what has already been disclosed to DistinctTech in writing, there has been no change in the affairs, business, operations or condition of QE2, financial or otherwise, whether arising as a result of any legislative or regulatory change, revocation of any licence or right to do business, fire, explosion, accident, casualty, labour dispute, flood, drought, riot, storm, condemnation, act of God, public force or otherwise, except changes occurring in the usual and ordinary course of business which have not had a Material Adverse Effect on QE2;
- (t) there has never been any reportable event (within the meaning of National Instrument 51-102 - *Continuous Disclosure Obligations*) with the present or any former auditors of QE2;
- (u) the books, records and accounts of QE2, in all material respects, have been maintained in accordance with good business practices on a basis consistent with prior periods and accurately and fairly reflect the basis for QE2's financial statements;
- (v) QE2 has not withheld, and will not withhold, from DistinctTech any material facts or material information relating to QE2 or the Transaction;
- (w) each of QE2 and the QE2 Subsidiaries are taxable Canadian corporations within the meaning of the Tax Act and:

- (i) have in a due and timely manner, filed or caused to be filed all returns, elections, descriptions, reports, statements and forms respecting Taxes, and all information and data in connection therewith, required to be filed by QE2 or a QE2 Subsidiary or on QE2's or a QE2 Subsidiary's behalf with any Governmental Body to whom QE2, a QE2 Subsidiary or the QE2 Business are subject;
- (ii) have paid all Taxes and any interest, penalties and fines in connection therewith, properly due and payable, and has paid all of same in connection with all known assessments, reassessments and adjustments;
- (iii) have withheld all amounts required to be withheld, including without limiting the generality of the foregoing, all amounts required to be withheld under the Tax Act, for employee deductions, unemployment insurance, the Canada Pension Plan and Goods and Services Tax payable under the *Excise Tax Act* (Canada) and any other amounts required by law to be withheld from any payments made to non-residents and any of its officers, directors and employees, and has paid the same to the proper taxing authority or receiving offices;
- (iv) no other Taxes nor any interest, penalties and fines have been claimed by any Governmental Body or are known to QE2 or a QE2 Subsidiary to be due and owing by QE2 or a QE2 Subsidiary or are pending or threatened (including all tax instalments) or by reason of the transactions herein contemplated will become due and owing by QE2 or a QE2 Subsidiary and there are no matters of dispute or under discussion with any Governmental Body, relating to Taxes by such Governmental Body;
- (v) there are no agreements, waivers (including a waiver in respect of time within which a reassessment may be made by any taxing authority) or other arrangements providing for any extension of time with respect to the filing of any tax return by, or payment of any Tax, governmental charge or deficiency against, QE2 or a QE2 Subsidiary;
- (vi) neither QE2 nor a QE2 Subsidiary is aware of any actions, audits, assessments, reassessments, suits, proceedings, investigations or claims threatened or pending against QE2 or a QE2 Subsidiary in respect of Taxes, governmental charges or assessments, or any other matters under discussion with any Governmental Body relating to Taxes asserted by any such Governmental Body;
- (vii) no creditor of QE2 or a QE2 Subsidiary has forgiven a debt or other obligation owing by QE2 or a QE2 Subsidiary or settled or extinguished such debt or obligation for an amount less than the principal amount of the debt or obligation; and
- (viii) neither QE2 nor a QE2 Subsidiary has any unpaid amounts that may be required to be included in income under Section 78 of the Tax Act;
- (x) QE2 is in material compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and has not and is not engaged in any unfair labour practice;
- (y) no unfair labour practice complaint against QE2 is pending before any labour relations board or similar governmental tribunal or agency and no such complaint has been filed within the two year period preceding the date hereof and no notice has been received by QE2 of any complaints filed by any employees against QE2 claiming that QE2 has violated any employee or human rights or similar legislation in any jurisdiction in which the business of QE2 is conducted, and no such complaint has been filed within the two year period preceding the date hereof;
- (z) to the knowledge of QE2, after due inquiry, there will not be any Material Adverse Change in the relationship between QE2 and its employees as a result of the Transaction;
- (aa) other than fees and/or commissions payable pursuant to the QE2 Private Placement, there is no Person acting or purporting to act at the request of QE2, who is entitled to any commission, brokerage or finder's fee in connection with the Transaction;

- (bb) other than the indemnity agreements with directors and officers, QE2 is not a party to any agreement of guarantee, indemnification or assumption of the obligations of a third party, or other like commitment;
- (cc) QE2 has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing;
- (dd) there is not in the constating documents of QE2 or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which QE2 is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of QE2 or the payment of dividends by QE2 to the holders of the common shares of QE2;
- (ee) QE2 owns or possesses adequate enforceable rights to use all patents, patent applications, trademarks, service marks, copyrights, trade secrets, processes or formulations (including software) used in the conduct of its business;
- (ff) to the knowledge of QE2, after due inquiry, the conduct of the business of QE2 does not infringe upon the trademarks, trade names, service marks or copyrights, trade secrets, know-how, designs or other proprietary rights or technology, domestic or foreign, of any other Person;
- (gg) to the knowledge of QE2, after due inquiry, no person is entitled to any royalties or other interests or any revenues of QE2 whether derived from utilization of any intellectual property or proprietary information or equipment of QE2 or otherwise;
- (hh) other than the Roynat loan, which is secured by QE2 Assets and any leases of equipment used in the QE2 Business and except as disclosed to DistinctTech in writing, QE2 owns all right, title and interest in and to its Assets free and clear of all Encumbrances;
- (ii) QE2 is the beneficial owner of its Assets and properties or interests therein and any and all agreements pursuant to which QE2 holds any such interests in its Assets and properties are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and QE2 is not in material default of any of the provisions of any such agreement nor has any default been alleged and, to the knowledge of QE2, after due inquiry, such properties are in good standing under the applicable statutes, rules, regulations, licences and permits of the jurisdictions in which they are situated and all leases pursuant to which QE2 derives its interest in such properties are in good standing and there has been no default under any of such leases;
- (jj) except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect on the business, financial condition, assets, properties, liabilities or operations of QE2 or the QE2 Subsidiaries:
 - (i) neither QE2 nor the QE2 Subsidiaries is in violation of, and has operated its business at all times in material compliance with, all applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances having force of law on the relevant date with respect to environmental, health or safety matters in those jurisdictions wherein QE2 or the QE2 Subsidiaries conducts or conducted business (collectively, "Environmental Laws"),
 - (ii) no orders, directions or notices have been issued and none remain outstanding pursuant to any Environmental Laws relating to the business or assets of QE2 or the QE2 Subsidiaries,
 - (iii) neither QE2 nor the QE2 Subsidiaries has failed to report to the proper federal, provincial or municipal, government, department, commission, board, bureau, agency, domestic or foreign ("Government Authority") the occurrence of any event which is required to be so reported by any Environmental Law,
 - (iv) QE2 and the QE2 Subsidiaries hold all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets and all such licenses, permits and approvals are in full force and effect except for (A) notifications and conditions of general application to assets of the type owned by the Corporation, and (B) notifications relating to reclamation obligations under applicable law, and

- (v) neither QE2 nor the QE2 Subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by any of them as a condition of continued compliance with any Environmental Laws or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated;
- (kk) each Material Contract of QE2 is set out in Schedule "M" hereto and is a legal, valid and binding obligation of QE2, enforceable against QE2 in accordance with its terms, and neither QE2 nor, to the knowledge of QE2, after due inquiry, any other party to a Material contract is in material default thereunder;
- (ll) except for liabilities disclosed in the audited financial statements of QE2 for the year ending January 31, 2015 and the unaudited financial statements of QE2 for the period ended on April 30, 2015 and for liabilities incurred by QE2 in the ordinary course, QE2 has no liabilities;
- (mm) other than change of control payout provisions in the employment agreement of Mihalis Belantis (the "Belantis Agreement"), QE2 has no obligations or liabilities to pay any amount to its officers, directors or employees relating to salary and directors' fees in the ordinary course, including but not limited to the obligations of QE2 to officers, employees or directors for severance, retention, termination or bonus payments as a result of the Transaction or change of control arrangements. Notwithstanding the foregoing, QE2 shall be obligated to pay any bonus, incentives, reimbursement or other cash payments to its employees, directors and/officers if such payment arises from such individuals carrying out their duties to QE2;
- (nn) to the knowledge of QE2, after due inquiry, there are no unanimous shareholders' agreements, shareholders' agreements, voting trusts, pooling agreements or similar agreements in effect in respect of any securities of QE2;
- (oo) QE2 and each QE2 Subsidiary has:
 - (i) not received any orders or directives under applicable law which relate to environmental matters and which require any material work, repairs, construction or capital expenditures with respect to the Business, where such orders or directives have not been complied with in all material respects;
 - (ii) not received any demand or notice issued under applicable law with respect to a breach of any environmental, health or safety law applicable to the Business, including without limitation, any applicable law respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding on the Closing Date; or
 - (iii) not received any demand, notice or claim from any Person relating to any contamination, pollution or other damage to or material adverse impacts on the environment or damage caused by the presence, storage, transportation, release, spill or emission of any substance relating to the business of QE2 or the QE2 Subsidiaries;
- (pp) the board of directors of QE2 will, in due course, unanimously approve the Transaction and this Agreement, has determined that the Transaction is fair, from a financial point of view, to holders of the QE2 Shares and has resolved to unanimously recommend that holders of common shares vote to approve the Transaction;
- (qq) other than the consent and/or approvals of the TSX-V, Roynat and ATB, no consents or approvals to the transactions contemplated hereunder are required under the Material Contracts or any other contract, agreement or other instrument to which QE2 or a QE2 Subsidiary is a party or by which QE2 or a QE2 Subsidiary is bound.
- (rr) no agreements, loans, funding arrangements or assistance programs are outstanding in favour of QE2 or a QE2 Subsidiary from any Governmental Body, and no basis exists for any Governmental Body to seek payment or repayment from QE2 or a QE2 Subsidiary of any amount or benefit received, or to seek performance of any obligation of QE2 or a QE2 Subsidiary, under any such program;
- (ss) Schedule "N" hereto contains a true and complete list showing the name of each bank, trust company or similar institution in which QE2 or the QE2 Subsidiaries have accounts or safe deposit boxes and the names of all persons authorized to draw thereon or to have access thereto;

- (tt) other than the trading halt issued pursuant to the Transaction, no securities commission or similar regulatory authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of QE2, no such proceeding is, to the knowledge of QE2, pending, contemplated or threatened and QE2 is not in default of any requirement of Canadian Securities Laws or the United States;
- (uu) QE2 maintains such policies of insurance as are appropriate to its operations, property and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets. All such policies of insurance will at or prior to the Closing Time be in full force and effect and QE2 is not in default, as to the payment of premiums or otherwise, under the terms of any such policy;
- (vv) neither QE2 nor any of the QE2 Subsidiaries has, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case, where either the payment of the purpose of such contribution, payment or gift was, is, or would be prohibited under the Canada Corruption of Foreign Public Officials Act (Canada) or the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to QE2 or any of the QE2 Subsidiaries and their respective operations and have instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation;
- (ww) neither QE2 nor any of the QE2 Subsidiaries or to the best knowledge of QE2, any director, officer, agent, employee, affiliate or person acting on behalf of QE2 or any of the QE2 Subsidiaries has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("OFAC");
- (xx) neither QE2 nor any QE2 Subsidiary is a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind, including as a beneficiary or trustee in any trust arrangement, and is not party to any agreement under which QE2 or a QE2 Subsidiary agrees to carry on any part of the business or any other activity in such manner or by which QE2 or any QE2 Subsidiary agrees to share any revenue or profit with any other person;
- (yy) There are reasonable grounds for believing that QE2 is able to pay its liabilities as they become due and, immediately prior to the time of the consummation of the Amalgamation, will be able to pay its liabilities as they become due. There are reasonable grounds for believing that the realizable value of Amalco's assets will, immediately after the consummation of the Amalgamation, not be less than the aggregate of its liabilities and the stated capital of all classes of shares;
- (zz) QE2 has reasonable grounds for believing that no creditor of QE2 will be prejudiced by the Amalgamation; and
- (aaa) none of the foregoing representations and warranties knowingly contains any untrue statement of a material fact or knowingly omits to state any material fact necessary to make any such warranty or representation not misleading to DistinctTech.

Section 3.2 Survival of Representations and Warranties.

The representations and warranties of QE2 contained in this Agreement shall be true at the Time of Closing as though they were made by QE2 at the Time of Closing.

**ARTICLE 4
REPRESENTATIONS AND WARRANTS OF QE2 IN RELATION TO NEWCO**

Section 4.1 QE2 represents and warrants to and in favour of DistinctTech as follows:

- (a) Newco has been duly incorporated and is a valid and subsisting corporation under the provisions of the Laws of its jurisdiction of incorporation, has all requisite corporate power and authority to carry on its business as now being carried on by it and to own or lease and operate its properties and assets and is duly

licensed or otherwise qualified to carry on business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties makes such qualification necessary, except where, individually or in the aggregate, the failure to be so licensed or qualified would not have a Material Adverse Effect on Newco.

- (b) Newco has no Subsidiaries as of the date hereof and shall have no Subsidiaries as of the Effective Date.
- (c) The authorized share capital of Newco consists of an unlimited number of common shares. As of the date hereof, one (1) Newco Share has been issued and is outstanding as a fully paid and non-assessable share. The Newco Share was offered, issued and sold in compliance with applicable securities Laws in distributions exempt from the prospectus and registration requirements of such securities Laws, and all notices and filings in respect of such distributions have been made by Newco within the time and within the manner required by such securities Laws.
- (d) Newco does not have any outstanding agreements, subscriptions, warrants, options or commitments (pre-emptive, contingent or otherwise), nor has it granted any rights or privileges capable of becoming an agreement, subscription, warrant, option or commitment, obligating Newco to offer, sell, repurchase or otherwise acquire, transfer, pledge or encumber any shares in the capital of Newco, or other securities, nor are there outstanding any securities or obligations of any kind convertible into or exercisable or exchangeable for any capital stock of Newco. There are no outstanding bonds, debentures or other evidences of indebtedness of Newco having the right to vote or that are exchangeable or convertible for or exercisable into securities having the right to vote with Holders of Newco Shares on any matter as of the date hereof.
- (e) Other than this Agreement, Newco does not have any shares or other interests in any company or Person. Newco is not a party to any agreement or arrangement to acquire any shares or other interests in any other companies or Persons and is not a party to any agreement or arrangement to acquire or lease any other business operations other than the Amalgamation.
- (f) As of the date hereof, there are no shareholder agreements, proxies, voting trusts, rights to require registration under securities Laws or other arrangements or commitments to which Newco is a party or bound with respect to the voting, disposition or registration of any outstanding securities of Newco.
- (g) To the knowledge of Newco, none of the Newco Shares held by the sole shareholder of Newco are subject to any escrow restrictions, pooling arrangements, or voting trust, voluntary or otherwise.
- (h) Newco has all requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and this Agreements, documents and transactions contemplated herein have been duly authorized by all necessary corporate action of Newco. This Agreement has been duly executed and delivered by Newco and constitutes a valid and binding obligation of Newco, enforceable in accordance with its terms subject only to the following qualifications:
 - (i) an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy; and
 - (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar laws generally affecting the enforceability of creditors' rights.
- (i) None of the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby or the fulfilment of or compliance with the terms and provisions hereof do or will, nor will they with the giving of notice or the lapse of time or both:
 - (i) conflict with any of the terms, conditions or provisions of the Constatng Documents of Newco;
 - (ii) subject to the consents, approvals, orders, authorizations, registrations, declarations or filings referred to in Section 4.1(I) being made or obtained, violate any provision of any Laws applicable to Newco;

- (iii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award to which Newco is a party or by which it is bound or to which its property is subject, all as of the Effective Date; or
- (iv) result in the cancellation, suspension or alteration in the terms of any licence, permit or authority held by Newco, or in the creation of any Encumbrance upon any of the assets of Newco under any such agreement, covenant, undertaking, commitment, instrument, judgment, order, decree or award or give to any other Person any interest or rights, including rights of purchase, termination, cancellation or acceleration;

except in the case of clauses (ii) through (iv) for any of the foregoing that would not, individually or in the aggregate, have a Material Adverse Effect on Newco or impair the ability of Newco to perform its obligations hereunder or prevent or delay the consummation of any of the transactions contemplated hereby.

- (j) The board of directors of Newco at a meeting duly called and held or by written resolution has determined by unanimous approval that the transactions contemplated by this Agreement are fair to the Holders of Newco Shares and in the best interests of Newco and has recommended that such Holders of Newco Shares vote in favour of the transactions contemplated by this Agreement.
- (k) QE2, as the sole shareholder of Newco, has approved, by way of written resolution, the Amalgamation and the agreements and transactions related thereto.
- (l) No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to Newco in connection with the execution and delivery of this Agreement by Newco, the performance of its obligations hereunder or the consummation by Newco of the transactions contemplated hereby other than (a) the approval by the sole shareholder of Newco of the Amalgamation, (b) any filings with the Director, and (c) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on Newco or prevent or delay the consummation of any of the transactions contemplated hereby or impair Newco's ability to perform its obligations hereunder.
- (m) There are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of Newco or, instituted or, to the knowledge of Newco, pending or threatened against or affecting Newco at law or in equity or before or by any Governmental Entity, nor is there any judgment, order, decree or award of any Governmental Entity having jurisdiction, obtained, pending or, to the knowledge of Newco, threatened against Newco and neither Newco nor its assets or properties is subject to any outstanding judgment, order, writ, injunction or decree.
- (n) The corporate records and minute books of Newco as required to be maintained by Newco under the Laws of its jurisdiction of incorporation, as made available to DistinctTech and its counsel, are up-to-date, in all material respects, and contain complete and accurate minutes of all meetings of shareholders and the board of directors and any committees thereof and all resolutions consented to in writing.
- (o) Newco is in compliance, and at all times has complied, with all applicable Laws other than non-compliance which would not, individually or in the aggregate, have a Material Adverse Effect on Newco. No investigation or review by any Governmental Entity with respect to Newco is pending or, to the knowledge of Newco, is threatened, nor has any Governmental Entity indicated in writing an intention to conduct the same, other than those the outcome of which could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Newco.
- (p) There is no agreement, judgment, injunction, order or decree binding upon Newco that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of Newco, acquisition of property by Newco or the conduct of business by Newco as currently conducted or proposed to be conducted in the Joint Circular. Newco does not carry on any business.

- (q) Newco is not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of Newco and applicable laws and other than standard indemnities in favour of purchasers of assets in purchase and sale agreements or indemnities and guarantees in favour of Newco's bankers or prior underwriters and guarantees), or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person.
- (r) Newco has no loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's-length with Newco that are currently outstanding.
- (s) Newco is not a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, compete in any geographic region, transfer or move any of its assets or operations, where such covenant would have a Material Adverse Effect on the business of Newco.
- (t) QE2 has fully made available to DistinctTech and its advisers all of the information relating to Newco that DistinctTech has requested for deciding whether to complete the transactions contemplated in this Agreement. None of the foregoing representations, warranties and statements of fact and no other statement furnished by or on behalf of QE2, relating to Newco, to DistinctTech or its advisers in connection with the negotiation of the transactions contemplated by this Agreement, contain in respect of Newco, any untrue statement of a material fact or omit to state any material fact necessary to make such statement or representation not misleading to a prospective purchaser of securities of Newco seeking full information as to Newco and its properties, financial condition, prospects, businesses and affairs.

Section 4.2 Survival of Representations and Warranties.

The representations and warranties of QE2 relating to Newco contained in this Agreement shall be true at the Time of Closing as though they were made by QE2 at the Time of Closing.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF DISTINCTTECH

Section 5.1 DistinctTech represents and warrants to and in favour of QE2 and Newco as follows:

- (a) DistinctTech and the Distinct Subsidiaries are corporations duly amalgamated or incorporated, organized and validly subsisting under the laws of the Province of Ontario and have the corporate power to own or lease their property and to carry on their businesses as it is now being conducted and as proposed to be conducted and on the Closing Date will have the corporate power to execute, deliver and perform their obligations under this Agreement, and have made all necessary filings under all applicable corporate, securities and taxation laws or any other laws to which DistinctTech is subject;
- (b) the authorized share capital of DistinctTech consists of an unlimited number of common shares, of which 206,565,645 DistinctTech Shares are currently issued and outstanding as of the date hereof and such issued and outstanding common shares have been validly issued and are outstanding as fully paid and non-assessable and will not be subject to any pre-emptive rights. In addition, there are 27,782,823 DistinctTech Warrants and 4,317,251 DistinctTech Compensation Options issued and outstanding;
- (c) all of the issued and outstanding DistinctTech Shares are beneficially owned and registered in the name of the Shareholders as set out in Schedule "A" hereto free and clear of all Encumbrances and without limiting the generality of the foregoing, none of the DistinctTech Shares are subject to any voting trust, shareholder agreement or voting agreement;
- (d) there are no restrictions on transfers of DistinctTech Shares contained in the articles or by laws of DistinctTech or any other agreement or instrument to which it is a party or by which it is bound other than as disclosed to QE2 in writing and any restrictions imposed by applicable securities legislation;
- (e) the entering into of this Agreement and the consummation of the Transaction as contemplated hereby have been duly authorized by all necessary corporate action on behalf of DistinctTech and this Agreement has

been duly executed and delivered by DistinctTech and is a valid and binding obligation of DistinctTech enforceable in accordance with its terms, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws generally affecting creditors' rights and, to the extent that equitable remedies, such as specific performance and injunction, are in the discretion of the court from which they are sought;

- (f) other than the DistinctTech Subsidiaries, DistinctTech does not own any subsidiaries or shares or any other interest in any other Person nor is subject to any agreements of any nature to acquire any subsidiary or shares or any other interest in any other Person or to acquire or lease any other business operations, except as disclosed in Schedule "B". DistinctTech owns all of the issued and outstanding shares of each DistinctTech Subsidiary, which securities have been validly issued and are outstanding as fully paid and non-assessable shares;
- (g) neither the execution and delivery of this Agreement by DistinctTech nor the consummation of the Transaction
 - (i) will conflict with or result in or create a state of facts which after notice or lapse of time or delay or both, will conflict with or result in:
 - (A) a violation, contravention or breach by DistinctTech of any of the terms, conditions or provisions of the charter documents, by-laws or resolutions of DistinctTech or of any agreement or instrument to which DistinctTech is a party or by which it is bound or constitute a default of DistinctTech thereunder, or of any statute, regulation, judgement, decree or law by which DistinctTech, DistinctTech's Assets or the DistinctTech Shares are subject or bound; or
 - (B) a violation by DistinctTech of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over DistinctTech, or require DistinctTech, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person or await the expiration of any applicable waiting period; or
 - (ii) do not and will not result in the imposition of an Encumbrance upon any of DistinctTech's Assets or the DistinctTech Shares that would, individually or in the aggregate, have a Material Adverse Effect on DistinctTech;
- (h) the minute books of DistinctTech contain full, true and correct copies of the constating documents of DistinctTech, and contain copies of all minutes of all meetings and all resolutions of the directors, committees of directors and shareholders of DistinctTech, and all such meetings were duly called and properly held and such minutes were properly adopted and approved;
- (i) DistinctTech has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and holds necessary licenses, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, which has or would reasonably be expected to have a Material Adverse Effect on the operation of its business as now carried on;
- (j) DistinctTech has not received any notice of proceedings relating to the revocation or modification of any certificate, authority, permit or license which, if the subject of an unfavourable decision, ruling or finding would materially and adversely affect the conduct of the business, operations, financial condition or income of DistinctTech;
- (k) DistinctTech has not granted or entered into any agreement, option, understanding or commitment or any encumbrance of or disposal of DistinctTech's Assets or an interest therein or any right or privilege capable of becoming an agreement or option with respect to DistinctTech's Assets and will not do so prior to Closing, save and except for any disposal of assets in the normal course of business;

- (l) other than in connection with the DistinctTech Private Placement, the DistinctTech Warrants and the DistinctTech Compensation Options, no Person holds any securities convertible or exchangeable into securities of DistinctTech nor will any agreement, warrant, option, right or privilege being or capable of becoming an agreement, warrant, option or right for the purchase, subscription or issuance of any unissued common shares or other securities of DistinctTech have been authorized or agreed to be issued or will be outstanding as at Closing;
- (m) the officers and directors of DistinctTech are as follows:
- | | |
|-------------------|--|
| Alexander Agius | Co-Chief Executive Officer and President, and Director |
| Joe Lanni | Co-Chief Executive Officer and President, and Director |
| Manny Bettencourt | Chief Financial Officer and Corporate Secretary |
- (n) except as set out in Schedule "C", there is no pending, or to the knowledge of DistinctTech, after due inquiry, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort, nor is there any present state of facts or circumstances which can be reasonably anticipated to be a basis for any such suit, action, legal proceeding, litigation or governmental investigation nor is there presently outstanding against DistinctTech, any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality, or arbitrator, to which DistinctTech is a party or to which the property of DistinctTech is subject;
- (o) the audited financial statements of DistinctTech for the period end November 30, 2014, attached as Schedule "D" hereto:
- (i) are in accordance with the books and accounts of DistinctTech as at November 30, 2014;
 - (ii) are true and correct and present fairly the financial position of DistinctTech as at November 30, 2014;
 - (iii) have been prepared in accordance with International Financial Reporting Standards ("IFRS"); and
 - (iv) present fairly all of the assets, liabilities (whether accrued, absolute, contingent or otherwise) and financial condition of DistinctTech as at November 30, 2014 including, all material liabilities (absolute, accrued, contingent or otherwise) of DistinctTech as at November 30, 2014;
- (p) on January 30, 2015, DistinctTech entered into a purchase agreement with Joe Johnson Equipment (the "HVAC Truck Agreement"). Such agreement is attached here as Schedule "E". Under the HVAC Truck Agreement, DistinctTech will acquire certain assets for a purchase price, as more fully described under the agreement. In addition DistinctTech will be entering into an agreement with a third party with respect to the purchase of a water recovery unit;
- (q) with the exception of the HVAC Truck Agreement, since November 30, 2014, DistinctTech has not:
- (i) carried on the business of DistinctTech in other than its usual and ordinary course;
 - (ii) entered into any transaction out of the usual and ordinary course of business other than the Transaction;
 - (iii) amended its articles, by-laws or other governing documents; and
 - (iv) made any change in its accounting principles and practices including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained;
- (r) since November 30, 2014, there has been no change in the affairs, business, operations or condition of DistinctTech of the DistinctTech Subsidiaries, financial or otherwise, whether arising as a result of any legislative or regulatory change, revocation of any licence or right to do business, fire, explosion, accident, casualty, labour dispute, flood, drought, riot, storm, condemnation, act of God, public force or otherwise, except changes occurring in the usual and ordinary course of business which have not had a Material Adverse Effect on DistinctTech;

- (s) the books, records and accounts of DistinctTech, in all material respects, have been maintained in accordance with good business practices on a basis consistent with prior periods and accurately and fairly reflect the basis for DistinctTech's financial statements;
- (t) DistinctTech has not withheld, and will not withhold, from QE2 any material facts or material information relating to DistinctTech or the Transaction;
- (u) each of DistinctTech and the DistinctTech Subsidiaries are taxable Canadian corporations within the meaning of the Tax Act and:
 - (i) have in a due and timely manner, filed or caused to be filed all returns, elections, descriptions, reports, statements and forms respecting Taxes, and all information and data in connection therewith, required to be filed by DistinctTech or a DistinctTech Subsidiary or on DistinctTech's or a DistinctTech Subsidiary's behalf with any Governmental Body to whom DistinctTech, a DistinctTech Subsidiary or the Business are subject;
 - (ii) have paid all Taxes and any interest, penalties and fines in connection therewith, properly due and payable, and has paid all of same in connection with all known assessments, reassessments and adjustments;
 - (iii) have withheld all amounts required to be withheld, including without limiting the generality of the foregoing, all amounts required to be withheld under the Tax Act, for employee deductions, unemployment insurance, the Canada Pension Plan and Goods and Services Tax payable under the *Excise Tax Act* (Canada) and any other amounts required by law to be withheld from any payments made to non-residents and any of its officers, directors and employees, and has paid the same to the proper taxing authority or receiving offices;
 - (iv) no other Taxes nor any interest, penalties and fines have been claimed by any Governmental Body or are known to DistinctTech or a DistinctTech Subsidiary to be due and owing by DistinctTech or a DistinctTech Subsidiary or are pending or threatened (including all tax instalments) or by reason of the transactions herein contemplated will become due and owing by DistinctTech or a DistinctTech Subsidiary and there are no matters of dispute or under discussion with any Governmental Body, relating to Taxes by such Governmental Body;
 - (v) there are no agreements, waivers (including a waiver in respect of time within which a reassessment may be made by any taxing authority) or other arrangements providing for any extension of time with respect to the filing of any tax return by, or payment of any Tax, governmental charge or deficiency against, DistinctTech or a DistinctTech Subsidiary;
 - (vi) neither DistinctTech nor a DistinctTech Subsidiary is aware of any actions, audits, assessments, reassessments, suits, proceedings, investigations or claims threatened or pending against DistinctTech or a DistinctTech Subsidiary in respect of Taxes, governmental charges or assessments, or any other matters under discussion with any Governmental Body relating to Taxes asserted by any such Governmental Body;
 - (vii) no creditor of DistinctTech or a DistinctTech Subsidiary has forgiven a debt or other obligation owing by DistinctTech or a DistinctTech Subsidiary or settled or extinguished such debt or obligation for an amount less than the principal amount of the debt or obligation; and
 - (viii) neither DistinctTech nor a DistinctTech Subsidiary has any unpaid amounts that may be required to be included in income under Section 78 of the Tax Act;
- (v) DistinctTech and the DistinctTech Subsidiaries are in material compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and has not and is not engaged in any unfair labour practice;
- (w) no unfair labour practice complaint against DistinctTech and the DistinctTech Subsidiaries are pending before any labour relations board or similar governmental tribunal or agency and no such complaint has been filed within the two year period preceding the date hereof and no notice has been received by DistinctTech and the DistinctTech Subsidiaries of any complaints filed by any employees against DistinctTech and the DistinctTech Subsidiaries claiming that DistinctTech and the DistinctTech

Subsidiaries have violated any employee or human rights or similar legislation in any jurisdiction in which the business of DistinctTech and the DistinctTech Subsidiaries are conducted, and no such complaint has been filed since the incorporation of DistinctTech and the DistinctTech Subsidiaries;

- (x) to the knowledge of DistinctTech, after due inquiry, there will not be any Material Adverse Change in the relationship with the employees of DistinctTech as a result of the Transaction;
- (y) all written agreements with respect to employees, consultants and executives of DistinctTech and the DistinctTech Subsidiaries have been provided to QE2 and neither DistinctTech or the DistinctTech Subsidiaries has any obligations or liabilities to pay any amount to their officers, directors or employees relating to salary and directors' fees in the ordinary course, including but not limited to the obligations of DistinctTech to officers, directors or employees for severance, retention, termination or bonus payments as a result of the Transaction. Notwithstanding the foregoing, DistinctTech shall be obligated to pay any bonus, incentives, reimbursement or other cash payments to its employees, directors and/officers if such payment arises from such individuals carrying out their duties to DistinctTech;
- (z) no director, officer, shareholder or employee of DistinctTech or the DistinctTech Subsidiaries and no entity that is an Affiliate of one or more of such individuals has any cause of action or other claim whatsoever against DistinctTech or the DistinctTech Subsidiaries in connection with the Business
- (aa) to the knowledge of DistinctTech, after due inquiry, no Person is entitled to any royalties or other interests or any revenues of DistinctTech whether derived from utilization of any intellectual property or proprietary information or equipment of DistinctTech or otherwise;
- (bb) other than a finders' fee of 14,628,325 DistinctTech Shares to be paid to Imaginis Intrapreneur Inc., there is no Person acting or purporting to act at the request of DistinctTech, who is entitled to any commission, brokerage or finder's fee in connection with the Transaction;
- (cc) except as disclosed to QE2, DistinctTech owns all right, title and interest in and to its Assets free and clear of all Encumbrances;
- (dd) DistinctTech is the beneficial owner of its Assets and properties or interests therein and any and all agreements pursuant to which DistinctTech holds any such interests in its Assets and properties are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and DistinctTech is not in material default of any of the provisions of any such agreement nor has any default been alleged and, to the knowledge of DistinctTech, after due inquiry, such properties are in good standing under the applicable statutes, rules, regulations, licences and permits of the jurisdictions in which they are situated and all leases pursuant to which DistinctTech derives its interest in such properties are in good standing and there has been no default under any of such leases;
- (ee) each Material Contract of DistinctTech is set out in Schedule "F" hereto and is a legal, valid and binding obligation of DistinctTech, enforceable against DistinctTech in accordance with its terms, and neither DistinctTech nor, to the knowledge of DistinctTech, after due inquiry, any other party to a Material Contract is in material default thereunder;
- (ff) DistinctTech is not a party to any agreement of guarantee, indemnification or assumption of the obligations of a third party or other like commitment of the obligations, liabilities (contingent or otherwise) of indebtedness of any other Person;
- (gg) DistinctTech has not, directly or indirectly, made or authorized any loans or other indebtedness outstanding to any Person, declared or paid any dividend or declared or made any other distribution on any of its shares or securities or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing;
- (hh) there is not in the constating documents of DistinctTech or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which DistinctTech is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of DistinctTech or the payment of dividends by DistinctTech to the holders of the common shares of DistinctTech;
- (ii) DistinctTech does not have any patents, patent applications, trademarks, service marks, copyrights, trade secrets, processes or formulations (including software);

- (jj) to the knowledge of DistinctTech, after due inquiry, the conduct of the business of DistinctTech does not infringe upon the trademarks, trade names, service marks or copyrights, trade secrets, know-how, designs or other proprietary rights or technology, domestic or foreign, of any other Person;
- (kk) DistinctTech is not offering, nor has it offered any of its securities to the public within the meaning of Canadian Securities Laws and it is not a "reporting issuer" under applicable Canadian Securities Laws, there is no published market in respect of the DistinctTech Shares;
- (ll) DistinctTech is a registrant for the purposes of the *Excise Tax Act* (Canada).
- (mm) DistinctTech and each DistinctTech Subsidiary has:
 - (i) not received any orders or directives under applicable law which relate to environmental matters and which require any material work, repairs, construction or capital expenditures with respect to the Business, where such orders or directives have not been complied with in all material respects;
 - (ii) not received any demand or notice issued under applicable law with respect to a breach of any environmental, health or safety law applicable to the Business, including without limitation, any applicable law respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding on the Closing Date; or
 - (iii) not received any demand, notice or claim from any Person relating to any contamination, pollution or other damage to or material adverse impacts on the environment or damage caused by the presence, storage, transportation, release, spill or emission of any substance relating to the business of DistinctTech or the DistinctTech Subsidiaries;
- (nn) no consents or approvals to the transactions contemplated hereunder are required under the Material Contracts or any other contract, agreement or other instrument to which DistinctTech or a DistinctTech Subsidiary is a party or by which DistinctTech or a DistinctTech Subsidiary is bound.
- (oo) no agreements, loans, funding arrangements or assistance programs are outstanding in favour of DistinctTech or a DistinctTech Subsidiary from any Governmental Body, and no basis exists for any Governmental Body to seek payment or repayment from DistinctTech or a DistinctTech Subsidiary of any amount or benefit received, or to seek performance of any obligation of DistinctTech or a DistinctTech Subsidiary, under any such program;
- (pp) Schedule "G" hereto contains a true and complete list showing the name of each bank, trust company or similar institution in which DistinctTech or the DistinctTech Subsidiaries have accounts or safe deposit boxes and the names of all persons authorized to draw thereon or to have access thereto;
- (qq) no securities commission or similar regulatory authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of DistinctTech, no such proceeding is, to the knowledge of DistinctTech, pending, contemplated or threatened and DistinctTech is not in default of any requirement of Canadian Securities Laws or the United States;
- (rr) DistinctTech maintains such policies of insurance as are appropriate to its operations, property and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets. All such policies of insurance will at or prior to the Closing Time be in full force and effect and DistinctTech is not in default, as to the payment of premiums or otherwise, under the terms of any such policy;
- (ss) except for liabilities disclosed in the audited financial statements of DistinctTech for the year ending November 30, 2014 and for liabilities incurred by DistinctTech in the ordinary course, DistinctTech has no liabilities;
- (tt) neither DistinctTech nor any of the DistinctTech Subsidiaries has, directly or indirectly: (i) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (ii) made any contribution to any candidate for public office, in either case, where either the payment of the purpose of such contribution, payment or gift was, is, or would be prohibited under the Canada Corruption of Foreign Public Officials

Act (Canada) or the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to DistinctTech or any of the DistinctTech Subsidiaries and their respective operations and have instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such legislation;

- (uu) neither DistinctTech nor any of the DistinctTech Subsidiaries or to the best knowledge of DistinctTech, any director, officer, agent, employee, affiliate or person acting on behalf of DistinctTech or any of the DistinctTech Subsidiaries has been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("OFAC");
- (vv) neither DistinctTech nor any DistinctTech Subsidiary is a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind, including as a beneficiary or trustee in any trust arrangement, and is not party to any agreement under which DistinctTech or a DistinctTech Subsidiary agrees to carry on any part of the business or any other activity in such manner or by which DistinctTech or any DistinctTech Subsidiary agrees to share any revenue or profit with any other person;
- (ww) There are reasonable grounds for believing that DistinctTech is able to pay its liabilities as they become due and, immediately prior to the time of the consummation of the Amalgamation, will be able to pay its liabilities as they become due. There are reasonable grounds for believing that the realizable value of Amalco's assets will, immediately after the consummation of the Amalgamation, not be less than the aggregate of its liabilities and the stated capital of all classes of shares.
- (xx) DistinctTech has reasonable grounds for believing that no creditor of DistinctTech will be prejudiced by the Amalgamation
- (yy) none of the foregoing representations and warranties knowingly contains any untrue statement of a material fact or knowingly omits to state any material fact necessary to make any such warranty or representation not misleading to QE2.

Section 5.2 Survival of Representations and Warranties.

The representations and warranties of DistinctTech contained in this Agreement shall be true at the Time of Closing as though they were made by DistinctTech at the Time of Closing.

ARTICLE 6 COVENANTS AND AGREEMENTS

Section 6.1 Mutual Covenants.

- (a) Each of QE2, Newco and DistinctTech agree as follows until the earlier of the Effective Date or the termination of this Agreement in accordance with Article 8, in each case except (i) with the consent of the other parties to any deviation therefrom or (ii) as expressly contemplated by this Agreement:
 - (i) it shall not:
 - A. declare or pay any dividends on, make other distributions or return capital in respect of any of its capital stock or any other equity interests;
 - B. other than the shares for debt transactions and except in conjunction with the DistinctTech Private Placement or the due and proper exercise of any of the DistinctTech Warrant or the DistinctTech Compensation Options, split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock;
 - C. than the shares for debt transactions and issue, sell, pledge, reserve, set aside, dispose of or encumber, repurchase, redeem or otherwise acquire, any shares of its capital stock or any securities or obligations convertible into, exercisable or exchangeable for, or any rights, warrants, calls, subscriptions or options to acquire, shares of its capital stock,

except pursuant to fully vested stock options and warrants outstanding on the date hereof;
or

D. enter into or announce any agreement or arrangement with respect to the sale, voting, registration or repurchase of any shares of its capital stock or any security convertible into or exchangeable for such shares.

(ii) it shall not:

A. incur any indebtedness for borrowed money or purchase money indebtedness or assume, guarantee, endorse or enter into a "keepwell" or similar arrangement with respect to any indebtedness, other than indebtedness under its existing credit facilities;

B. make or commit to make any capital expenditures (including capital lease obligations), without the written consent of the other parties.

C. enter into any material operating lease or create any mortgages, liens, security interests or other encumbrances on the property of such party in connection with any indebtedness other than Permitted Encumbrances.

(iii) it shall not:

A. increase the amount of (or accelerate the payment or vesting of) any benefit or amount payable under, any employee benefit plan or any other contract, agreement, commitment, arrangement, plan or policy providing for compensation or benefits to any former, present or future director, officer or employee of such party;

B. increase (or enter into any commitment or arrangement to increase) the compensation or benefits, or otherwise to extend, expand or enhance the engagement, employment or any related rights, of any former, present or future director, officer, employee or consultant of such party;

C. except as specifically provided under this Agreement, whether through its board of directors or otherwise, accelerate the vesting of any unvested stock options or accelerate the release of, or the expiry date of any hold period relating to, any DistinctTech Shares or otherwise amend, vary or modify any plans or the terms of any stock option or warrant without the written consent of the other parties; or

D. adopt, establish, enter into or implement any employee benefit plan, policy, severance or termination agreement providing for any form of benefits or other compensation to any former, present or future director, officer or employee of such party or amend any employee benefit plan, policy, severance or termination agreement.

(iv) it shall not amend or propose to amend its Constatng Documents.

(v) it shall not pay, discharge, satisfy, compromise or settle any material claims or material liabilities prior to the same being due.

(vi) except as required by applicable Laws, it shall not enter into, terminate or waive any provision of, exercise any material option or relinquish any material contractual rights under, or modify in any material respect any material contract, agreement, guarantee, lease commitment or arrangement.

(vii) it shall not make any changes to the existing accounting practices, methods and principles relating to such party except as required by Laws or by Canadian generally accepted accounting principles as advised by such party's regular independent accountants, as the case may be.

(viii) it shall not make or rescind any material tax election, except as disclosed in writing to QE2.

- (ix) it shall not (a) enter into any confidentiality or standstill agreement or with the consent of the other party hereto (other than in respect of confidentiality agreements entered into in the ordinary course of business), or (b) amend or release any third party from its obligations or grant any consent under, any confidentiality or standstill provision or fail to fully enforce any such provision.
 - (x) it shall not take or fail to take any action which would cause any of such party's representations or warranties hereunder to be untrue or would be reasonably expected to prevent or materially impede, interfere with or delay the Amalgamation.
 - (xi) it shall not agree in writing or otherwise to take any of the actions as described above in clauses (i) through (x).
- (b) Each party to this Agreement shall promptly advise the other parties in writing:
- (i) of any event, condition or circumstance that might be reasonably expected to cause any representation or warranty of such party contained in this Agreement to be untrue or inaccurate on the Effective Date (or, in the case of any representation or warranty made as of a specified date, as of such specified date);
 - (ii) of any Material Adverse Effect on such party or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on such party; and
 - (iii) of any material breach by such party of any covenant, obligation or agreement contained in this Agreement.
- (c) Each of QE2, Newco and DistinctTech shall use its reasonable best efforts to perform all obligations required to be performed by such party under this Agreement, cooperate with the other parties hereto in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, each of QE2, Newco and DistinctTech shall:
- (i) use reasonable best efforts to satisfy or cause to be satisfied as soon as reasonably practicable all the conditions precedent that are set forth in Article 7 hereof;
 - (ii) apply for and use reasonable best efforts to obtain as promptly as practicable all Appropriate Regulatory Approvals relating to such party or any of its Subsidiaries and, in doing so, to keep the other parties hereto reasonably informed as to the status of the proceedings related to obtaining the Appropriate Regulatory Approvals, including providing such other parties with copies of all related applications and notifications, in draft form, in order for such other party to provide its reasonable comments;
 - (iii) use reasonable best efforts to comply promptly with all requirements which applicable Laws may impose on such party or such party's Subsidiaries with respect to the transactions contemplated hereby;
 - (iv) use reasonable best efforts to defend all lawsuits or other legal, regulatory or other proceedings to which it is a party challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
 - (v) use reasonable best efforts to have lifted or rescinded any injunction or restraining order or other order which may adversely affect the ability of the parties to consummate the transactions contemplated hereby;
 - (vi) effect all necessary registrations, filings and submissions of information required by Governmental Entities from such party or any of such party's Subsidiaries in connection with the transactions contemplated hereby; and

- (vii) use reasonable best efforts to obtain all waivers, consents and approvals from other parties to loan agreements, leases or other contracts required to be obtained by such party or any of such party's Subsidiaries to consummate the transactions contemplated hereby which the failure to obtain would materially and adversely affect the ability of such party or such party's Subsidiaries to consummate the transactions contemplated hereby.

Section 6.2 Covenants of DistinctTech.

- (a) in a timely and expeditious manner:
 - (i) prepare, in consultation with QE2, and file the Joint Circular (which shall be in form and substance satisfactory to QE2, acting reasonably), together with any other documents required by applicable Laws (which shall be in form and substance satisfactory to QE2, acting reasonably), in all jurisdictions where the Joint Circular is required to be filed and mail the Joint Circular, in accordance with all applicable Laws, to each of the shareholders of DistinctTech in all jurisdictions where the Joint Circular is required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof and in the form and containing the information required by all applicable Laws, including all applicable corporate and securities legislation and requirements, and not containing any misrepresentation (as defined under applicable securities legislation and requirements) with respect thereto;
 - (ii) convene the DistinctTech Meeting as soon as practicable and in any event use its commercially reasonable efforts to convene the DistinctTech Meeting no later than August 31, 2015 or such later date as may be mutually agreed upon with QE2, and solicit proxies to be voted at the Meeting in favour of the Transaction and use commercially reasonable efforts to take all other action that is necessary or desirable to secure the requisite approval of the Transaction by the shareholders of QE2;
 - (iii) not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation), or fail to call, the DistinctTech Meeting without QE2's prior written consent except as may be required by a court of competent jurisdiction or by applicable statutory requirements;
 - (iv) provide notice to QE2 of the DistinctTech Meeting and allow representatives of QE2 to attend the DistinctTech Meeting;
 - (v) hold and conduct the DistinctTech Meeting in accordance with the OBCA, the by-laws of DistinctTech and as otherwise required by applicable Laws; and
 - (vi) take all such actions as may be required under the OBCA in connection with the transactions contemplated by this Agreement and the Transaction;
- (b) in a timely and expeditious manner, prepare (in consultation with QE2) and file any mutually agreed (or as otherwise required by applicable Laws) amendments or supplements to the Joint Circular (which amendments or supplements shall be in a form satisfactory to QE2, acting reasonably) with respect to the DistinctTech Meeting and mail such amendments or supplements, as required by and in accordance with all applicable Laws, to each shareholder of DistinctTech in all jurisdictions where such amendments or supplements are required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof; and
- (c) recommend to the shareholders of DistinctTech that they approve the Transaction and solicit the proxies of such shareholders to vote in favour of the Transaction;
- (d) DistinctTech agrees that until the earlier of the Effective Date or the termination of this Agreement in accordance with Article 8, in each case except (i) with the consent of QE2 to any deviation therefrom or (ii) as expressly contemplated by this Agreement, it shall:
 - A. save and except for the purchase of certain assets and the water recovery unit as set out herein, carry on its businesses in the usual and ordinary course consistent with past practices and in a manner consistent with industry;

- B. use reasonable best efforts to preserve intact its present business organization and material rights and franchises, to keep available the services of its current officers and employees, and to preserve its relationships with customers, suppliers and others having business dealings with it; and
 - C. maintain and keep its material properties and assets in as good repair and condition as at the date hereof, subject to ordinary wear and tear, all to the end that its goodwill and ongoing businesses shall not be impaired in any material respect at the Effective Date.
- (e) Until the earlier of the Effective Date and the termination of this Agreement pursuant to Article 8, DistinctTech shall not sell, pledge, encumber, lease (whether such lease is an operating or capital lease) or otherwise dispose of any of its assets;
 - (f) not grant any executive officer or employee any increase in compensation or in severance or termination pay whether or not such compensation or pay is payable in cash, or enter into any employment agreement with any person;
 - (g) not enter into any Material Contracts or contracts, commitments or obligations which it cannot terminate on 30 days' notice or less without penalty except in the ordinary course of business with a value greater than \$250,000;
 - (h) ensure that the financial statements of DistinctTech contained in the Joint Circular or incorporated therein by reference will present fairly DistinctTech's financial position as of the dates provided therein and the results of its operations and changes in financial position for the periods then ended and will be prepared in accordance with Canadian generally accepted accounting principles consistently applied; and
 - (i) not initiate or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any offer, "business combination" or "takeover bid," exempt or otherwise, within the meaning of the Canadian Securities Laws, for securities or assets of DistinctTech (other than pursuant to the DistinctTech Private Placement), nor to undertake any transaction or negotiate any transaction which would be or potentially could reasonably be in conflict with the Transaction, nor to permit any of its shareholders, officers or directors to do so, except as required by statutory obligations.

Section 6.3 Covenants of QE2

- (a) in a timely and expeditious manner:
 - (i) prepare, in consultation with DistinctTech, and file the Joint Circular (which shall be in form and substance satisfactory to DistinctTech, acting reasonably), together with any other documents required by applicable Laws (which shall be in form and substance satisfactory to DistinctTech, acting reasonably), in all jurisdictions where the Joint Circular is required to be filed and mail the Joint Circular, in accordance with all applicable Laws, to each of the shareholders of QE2 in all jurisdictions where the Joint Circular is required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof and in the form and containing the information required by all applicable Laws, including all applicable corporate and securities legislation and requirements, and not containing any misrepresentation (as defined under applicable securities legislation and requirements) with respect thereto;
 - (ii) convene the QE2 Meeting as soon as practicable and in any event use its commercially reasonable efforts to convene the QE2 Meeting no later than August 31, 2015 or such later date as may be mutually agreed upon with DistinctTech, and solicit proxies to be voted at the QE2 Meeting in favour of the Transaction and use commercially reasonable efforts to take all other action that is necessary or desirable to secure the requisite approval of the Transaction by the shareholders of QE2;
 - (iii) not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation), or fail to call, the QE2 Meeting without DistinctTech's prior written consent except as may be required by a court of competent jurisdiction or by applicable statutory requirements;

- (iv) provide notice to DistinctTech of the QE2 Meeting and allow representatives of DistinctTech to attend the QE2 Meeting;
 - (v) hold and conduct the QE2 Meeting in accordance with the ABCA, the by-laws of QE2 and as otherwise required by applicable Laws; and
 - (vi) take all such actions as may be required under the OBCA in connection with the transactions contemplated by this Agreement and the Transaction;
- (b) in a timely and expeditious manner, prepare (in consultation with DistinctTech) and file any mutually agreed (or as otherwise required by applicable Laws) amendments or supplements to the Joint Circular (which amendments or supplements shall be in a form satisfactory to DistinctTech, acting reasonably) with respect to the QE2 Meeting and mail such amendments or supplements, as required by and in accordance with all applicable Laws, to each shareholder of QE2 in all jurisdictions where such amendments or supplements are required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof;
- (c) recommend to the shareholders of QE2 that they approve the Transaction and solicit the proxies of such shareholders to vote in favour of the Transaction;
- (d) not initiate or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any offer, "business combination" or "takeover bid", exempt or otherwise, within the meaning of the Canadian securities Laws or the TSXV Corporate Finance Manual, as applicable, for securities or assets of QE2, nor to undertake any transaction or negotiate any transaction which would be or potentially could reasonably be in conflict with the Transaction, nor to permit any of its shareholders, officers or directors to do so, except as required by statutory obligations;
- (e) QE2 agrees that until the earlier of the Effective Date or the termination of this Agreement in accordance with Article 8, in each case except (i) with the consent of DistinctTech to any deviation therefrom or (ii) as expressly contemplated by this Agreement, it shall:
- A. carry on its businesses in the usual and ordinary course consistent with past practices and in a manner consistent with industry;
 - B. use reasonable best efforts to preserve intact its present business organization and material rights and franchises, to keep available the services of its current officers and employees, and to preserve its relationships with customers, suppliers and others having business dealings with it; and
 - C. maintain and keep its material properties and assets in as good repair and condition as at the date hereof, subject to ordinary wear and tear, all to the end that its goodwill and ongoing businesses shall not be impaired in any material respect at the Effective Date.
- (f) Until the earlier of the Effective Date and the termination of this Agreement pursuant to Article 8, QE2 shall not sell, pledge, encumber, lease (whether such lease is an operating or capital lease) or otherwise dispose of any of its assets;
- (g) preserve and protect the rights of QE2 and the QE2 Subsidiaries under the Material Contracts;
- (h) not grant any executive officer or employee any increase in compensation or in severance or termination pay whether or not such compensation or pay is payable in cash, or enter into any employment agreement with any person;
- (i) not enter into any Material Contracts or contracts, commitments or obligations which it cannot terminate on 30 days' notice or less without penalty except in the ordinary course of business;
- (j) QE2 will use its best efforts to maintain its status as a reporting issuer or the equivalent thereof not in default of the requirements of the Securities Laws of each of the Provinces of British Columbia and Alberta; and

- (k) QE2 will use its best efforts to maintain the listing, without suspension, of its common shares on the Exchange.

Section 6.4 Access to Information.

- (a) Subject to subsection 6.4(b) and applicable Laws, upon reasonable notice to an officer of such party, each of QE2 and DistinctTech shall afford the officers, employees, counsel, accountants and other authorized representatives and advisors ("Representatives") of the other parties access, during normal business hours from the date hereof and until the earlier of the Effective Date or the termination of this Agreement, to its properties, books, contracts and records as well as to its management personnel; provided that such access shall be provided on a basis that minimizes the disruption to the operations of such party. During such period, each of QE2 and DistinctTech shall furnish promptly to the other parties all information concerning such party's business, properties and personnel as the other party may reasonably request.
- (b) QE2 and DistinctTech acknowledge that certain information received pursuant to subsection 6.4(a) will be non-public or proprietary in nature and that such parties shall not disclose such information to third parties without the prior written consent of the other party unless required to do so by Law.

Section 6.5 Closing Matters.

- (a) The completion of the transactions contemplated under this Agreement (the "Closing") shall be closed at the offices of DistinctTech's counsel, Fogler, Rubinoff LLP, 77 King Street West, Suite 3000 Toronto, Ontario, M5K 1G8, at 10:00 a.m. (Toronto Time) (the "Time of Closing") on August 31, 2015 (the "Closing Date") or on such other date or at such other time and place as the parties may agree.
- (b) On or prior to Closing, DistinctTech shall deliver to QE2, or shall cause to be delivered to QE2, the following documents:
 - (i) *Constituting Documents and Certificate of Corporate Existence.* (i) a copy of the constituting documents of DistinctTech, certified by a duly authorized officer of DistinctTech, to be true and complete as of the Effective Date; and (ii) a certificate or the equivalent, dated not more than one business day prior to the Closing Date, of the jurisdiction of incorporation for DistinctTech as to the corporate good standing thereof.
 - (vii) *Proof of Corporate Action.* A copy, certified by a duly authorized officer of DistinctTech to be true and complete as of the Closing Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, including if necessary, the approval of its shareholders for this Agreement and the transactions contemplated hereby.
 - (viii) *Incumbency Certificates.* An incumbency certificate, dated the Closing Date, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of DistinctTech, this Agreement and any other documents necessary to complete the transactions contemplated hereby.
 - (ix) *Representations and Warranties.* The certificates of the Chief Executive Officer and the Chief Financial Officer of DistinctTech dated the Closing Date confirming that the representations and warranties of DistinctTech contained in this Agreement will be true and correct in all material aspects at the Closing Date, with the same force and effect as if such representations and warranties were made at and as of such date, except as specifically permitted or contemplated by this Agreement, such certificates to be in form and substance satisfactory to QE2, acting reasonably.
 - (x) *Covenants.* The certificates of the Chief Executive Officer and the Chief Financial Officer of DistinctTech dated the Closing Date confirming that all of the terms, covenants and conditions of this Agreement to be complied with or performed by DistinctTech in all material aspects at or before the Closing Date will have been complied with or performed, such certificates to be in form and substance satisfactory to QE2, acting reasonably.

- (xi) *Undertaking.* An undertaking, in form and substance satisfactory to QE2 and its counsel, acting reasonably, that within 90 days from the Closing Date, DistinctTech shall use its best efforts to remove the personal guarantees of Mihalis Belantis and Claudio Pucci (the "Personal Guarantees") in relation to the Alberta Treasury Board line of credit, the Roynat loan agreement and the Royal Sun Alliance bonding facility agreement. In the event that the Personal Guarantees cannot be removed, DistinctTech shall undertake to use its best efforts to transfer the personal guarantee of Claudio Pucci to DistinctTech or an executive officer of DistinctTech.
 - (xii) *Regulatory Consents.* Such regulatory authorizations as are required to be obtained by DistinctTech to consummate the Transaction, if any, in form and substance satisfactory to QE2, acting reasonably.
 - (xiii) *Regulatory Escrow.* Escrow and any other agreements required by the Exchange or other regulatory authority.
 - (xiv) *Legal Opinion.* Legal opinion, in form and substance satisfactory to QE2 and its counsel, acting reasonably, in respect of DistinctTech, the Distinct Subsidiaries, the Transaction and the Agreement.
 - (xv) *Closing Documents.* Customary closing documents in form and substance satisfactory to DistinctTech and its counsel, acting responsibly.
- (c) On or prior to Closing, QE2 shall deliver to DistinctTech, or shall cause to be delivered to DistinctTech, the following documents:
- (i) *QE2 Securities:* Certificates representing the QE2 Securities issuable in connection with the Transaction, subject to the terms of any required escrow deliveries.
 - (ii) *Constating Documents and Certificate of Corporate Existence.* (i) a copy of the constating documents of QE2, certified by a duly authorized officer of QE2 to be true and complete as of the Closing Date; and (ii) a certificate or the equivalent, dated not more than one business day prior to the Closing Date, of the jurisdiction of incorporation of QE2 as to the corporate good standing thereof.
 - (iii) *Proof of Corporate Action.* A copy, certified by a duly authorized officer to be true and complete as of the Closing Date, of the records of all corporate action taken to authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby.
 - (iv) *Incumbency Certificates.* An incumbency certificate, dated the Closing Date, signed by a duly authorized officer thereof and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of QE2, this Agreement and any other documents necessary to complete the transactions contemplated hereby.
 - (v) *Representations and Warranties.* The certificates of the Chief Executive Officer and the Chief Financial Officer of QE2 dated the Closing Date confirming that the representations and warranties of QE2 contained in this Agreement will be true and correct in all material aspects at the Closing Date, with the same force and effect as if such representations and warranties were made at and as of such date, except as specifically permitted or contemplated by this Agreement, such certificates to be in form and substance satisfactory to DistinctTech, acting reasonably.
 - (vi) *Confirmation.* Confirmation, in form and substance satisfactory to DistinctTech and its counsel, acting reasonably, that on the Closing Date QE2 shall have no more than 38 million QE2 Shares issued and outstanding and no more than 10,727,792 QE2 Shares shall be issuable on the exercise of options, warrants and debentures.
 - (vii) *Covenants.* The certificates of the Chief Executive Officer and the Chief Financial Officer of QE2 dated the Closing Date confirming that all of the terms, covenants and conditions of this Agreement to be complied with or performed by QE2 in all material aspects at or before the

Closing Date will have been complied with or performed, such certificates to be in form and substance satisfactory to DistinctTech, acting reasonably.

- (viii) *Regulatory Consents.* Such authorizations as are required to be obtained by QE2 to consummate the Transaction, including the approval of the Exchange for the Transaction and for the listing on the Exchange of the QE2 Shares issuable pursuant to the Transaction, in each case in form and substance satisfactory to DistinctTech, acting reasonably.
- (ix) *Debenture Amendment.* Confirmation, in form and substance satisfactory to DistinctTech and its counsel, acting reasonably, that on the Closing Date QE2 shall have obtained the requisite approval of the Debenture Holders with respect to the amendment of the Indenture.
- (x) *Bank Account.* Documentation changing the authorized signatories on QE2's bank account to the representatives to be designated by DistinctTech.
- (xi) *Liabilities.* Confirmation that on the Closing Date, the aggregate balance of all of the outstanding liabilities of QE2, as set out in Schedule "O", shall not exceed \$500,000.
- (xii) *Termination and Waiver by Mihalis Belantis.* A termination and waiver, in a form acceptable to DistinctTech, acting reasonably, executed by Mihalis Belantis, terminating the Belantis Agreement as of the Closing Date and waiving any and all rights, entitlements and payments under the Belantis Agreement.
- (xiii) *Release by Directors and Officers.* Releases of each of the directors and officers of QE2 in favour of QE2 in form and substance satisfactory to DistinctTech, acting reasonably.
- (xiv) *Legal Opinion.* Legal opinion, in form and substance satisfactory to DistinctTech and its counsel, acting reasonably, in respect of QE2, the issuance of the Consideration Shares, the Transaction and the Agreement.
- (xv) *Closing Documents.* Customary closing documents in form and substance satisfactory to DistinctTech and its counsel, acting responsibly.

ARTICLE 7 CONDITIONS

Section 7.1 Mutual Conditions Precedent.

The respective obligations of QE2 and DistinctTech to complete the transactions contemplated by this Agreement and to file the Articles of Amalgamation for acceptance by the Director to give effect to the Amalgamation shall be subject to the satisfaction of each of the following conditions at or prior to the Effective Date;

- (a) the Exchange shall have approved the Transaction contemplated herein, including the issuance by QE2 of QE2 Securities in connection with the completion of the Amalgamation;
- (b) the Exchange shall have conditionally approved the listing thereon of the QE2 Shares (i) to be issued pursuant to the Amalgamation as of the Effective Date; and (ii) issuable upon exercise of the QE2 Convertible Securities to be issued pursuant to the Amalgamation and following the Amalgamation;
- (c) all other Appropriate Regulatory Approvals shall have been obtained or received from the Persons having jurisdiction in the circumstances, and all other applicable regulatory requirements and conditions shall have been complied with, the failure to obtain which would, individually or in the aggregate, have a Material Adverse Effect on Amalco or QE2 after the Effective Date;
- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated under this Agreement and there shall be no proceeding, whether of a judicial or administrative nature or otherwise, in progress that relates to or results from the transactions contemplated under this Agreement that would, if successful, result in an order or ruling that would preclude completion

of the transactions contemplated under this Agreement in accordance with the terms and conditions hereof or thereof;

- (e) there shall not exist any prohibition at Law against the completion of the Amalgamation;
- (f) all consents and approvals under any agreements to which either of QE2 or DistinctTech may be a party or bound which are required or necessary or desirable for the completion of the transactions contemplated under this Agreement shall have been obtained or received;
- (g) none of the consents, orders, regulations or approvals contemplated herein shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the parties hereto acting reasonably;
- (h) each Person, as required by the Exchange, shall have entered into an escrow agreement in respect of the QE2 Securities issued to them;
- (i) QE2 shall be able to satisfy the minimum listing requirements of the Exchange for a Tier 1 or Tier 2 Issuer as of the completion of the Transaction, assuming the completion of the Transaction and all related transactions contemplated hereby, as described herein, as evidenced before the Closing Date by a conditional listing letter issued by the Exchange; and
- (j) this Agreement shall not have been terminated under ARTICLE 8.

The foregoing conditions are for the mutual benefit of QE2 and DistinctTech and may be waived in writing, in whole or in part, by QE2 and DistinctTech at any time.

Section 7.2 Additional Conditions Precedent to the Obligations of QE2.

The obligations of QE2 to complete the transactions contemplated hereby and the obligation of Newco to file Articles of Amalgamation jointly with DistinctTech and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation shall also be subject to the satisfaction of each of the following conditions at or prior to the Effective Date or such other time as is specified below:

- (a) DistinctTech shall have performed or complied with, in all material respects, each of its obligations, covenants and agreements hereunder to be performed and complied with by it on or before the Effective Date;
- (b) each of the representations and warranties of DistinctTech under this Agreement shall be true and correct in all respects on the date of this Agreement and as of the Effective Date as if made on and as of such date except: (i) for such representations and warranties made as of a specified date, which shall be true and correct as of such specified date, (ii) as affected by transactions contemplated or permitted by this Agreement; or (iii) where the failure of such representations and warranties in the aggregate to be true and correct in all respects would not be reasonably expected to have a Material Adverse Effect on DistinctTech;
- (c) since the date of this Agreement, there shall have been no Material Adverse Effect with respect to DistinctTech or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on DistinctTech;
- (d) QE2 shall have received a certificate of a senior officer of DistinctTech addressed to QE2 and dated the Effective Date, confirming that the conditions in subsections 7.2(a), (b), (c) and (e) have been satisfied;
- (e) since the date of this Agreement, no action, suit or proceeding shall have been taken before or by any Governmental Entity or by any other Person against DistinctTech that would, if successful, have a Material Adverse Effect on DistinctTech, in the sole discretion of QE2, acting reasonably;

- (f) the boards of directors and shareholders of DistinctTech shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by DistinctTech to permit the consummation of the Amalgamation; and
- (g) the post Amalgamation capitalization of QE2 shall be in accordance with the capitalization table attached hereto as Schedule "A" except as agreed to by the parties in writing.

The foregoing conditions are for the benefit of QE2 and may be waived in writing, in whole or in part, by QE2 at any time.

Section 7.3 Additional Conditions Precedent to the Obligations of DistinctTech.

The obligations of DistinctTech to complete the transactions contemplated hereby and the obligation of DistinctTech to file Articles of Amalgamation jointly with Newco and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation shall also be subject to the satisfaction of each of the following conditions at or prior to the Effective Date or such other time as is specified below:

- (a) QE2 shall have performed or complied with, in all material respects, each of its obligations, covenants and agreements hereunder to be performed and complied with by it on or before the Effective Date;
- (b) each of the representations and warranties of QE2 under this Agreement (which for purposes of this clause (b) shall be read as though none of them contained any Material Adverse Effect or other materiality qualification), shall be true and correct in all respects on the date of this Agreement and as of the Effective Date as if made on and as of such date except: (i) for such representations and warranties made as of a specified date, which shall be true and correct as of such specified date, (ii) as affected by transactions contemplated or permitted by this Agreement; or (iii) where the failure of such representations and warranties in the aggregate to be true and correct in all respects would not be reasonably expected to have a Material Adverse Effect on QE2;
- (c) since the date of this Agreement, there shall have been no Material Adverse Effect with respect to QE2 or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on QE2;
- (d) DistinctTech shall have received a certificate of a senior officer of QE2 addressed to DistinctTech and dated the Effective Date, confirming that the conditions in subsections 7.3(a), (b), (c) and (e) have been satisfied;
- (e) since the date of this Agreement, no action, suit or proceeding shall have been taken before or by any Governmental Entity or by any other Person against QE2 that would, if successful, have a Material Adverse Effect on QE2, in the sole discretion of DistinctTech, acting reasonably;
- (f) the board of directors of QE2 shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by QE2 to permit the consummation of the Amalgamation;
- (g) DistinctTech completing and being satisfied, in its sole discretion, as to the results of its due diligence investigations of QE2, the QE2 Business and QE2's Assets;
- (h) the Belantis Agreement shall have been terminated no later than the Effective Time and Belantis shall have waived any and all rights, entitlements and payments under such agreement;
- (i) Mihalis Belantis and the Resulting Issuer shall have entered into a new employment or consulting agreement on terms and conditions to be agreed upon by the Resulting Issuer and Belantis, each acting reasonably; and
- (j) the post Amalgamation capitalization of QE2 shall be in accordance with the capitalization table attached hereto as Schedule "A" except as agreed to by the parties in writing.

The foregoing conditions are for the benefit of DistinctTech and may be waived in writing, in whole or in part, by DistinctTech at any time.

Section 7.4 Merger of Conditions.

The conditions set out in Section 7.1, Section 7.2, and Section 7.3, shall be conclusively deemed to have been satisfied, waived or released on the filing by DistinctTech and Newco of the Articles of Amalgamation, and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation and the issuance by the Director of a certificate of amalgamation.

**ARTICLE 8
AMENDMENT AND TERMINATION**

Section 8.1 Termination.

This Agreement may be terminated and the Amalgamation abandoned at any time prior to the Effective Date:

- (a) by the mutual written consent of QE2, Newco and DistinctTech;
- (b) by any one of QE2 or DistinctTech, if there shall be any Law that makes consummation of the Amalgamation illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent Governmental Entity enjoining Newco and DistinctTech from consummating the Amalgamation shall be entered and such judgment, injunction, order or decree shall have become final and non-appealable;
- (c) by either QE2 or DistinctTech, if the Effective Date does not occur on or prior to August 31, 2015 or such other date as QE2 and DistinctTech may agree; provided, however, that the right to terminate this Agreement under this subsection 8.1(c) shall not be available to any party whose failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before such date;
- (d) by QE2, if the board of directors or the shareholders of DistinctTech fail to recommend or withdraws, modifies or changes its approval or recommendation of this Agreement and the Amalgamation, in a manner adverse to QE2;
- (e) by DistinctTech, if the board of directors or the shareholders of QE2 fails to recommend or withdraws, modifies or changes its approval or recommendation of this Agreement and the Amalgamation, in a manner adverse to DistinctTech;
- (f) by either of QE2 or DistinctTech, by written notice to the other party, if any of the mutual conditions precedent set out in Section 7.1 hereof have not been complied with or waived on or before the date required for performance thereof; provided, however, that no party may rely on the failure to satisfy any of the conditions set out in Section 7.1 if the condition would have been satisfied but for a failure by such party in complying with its obligations hereunder;
- (g) by DistinctTech, by written notice to QE2, if any of the conditions precedent set out in Section 7.3 hereof have not been complied with or waived on or before the date required for performance thereof; provided, however, that no party may rely on the failure to satisfy any of the conditions set out in Section 7.3 if the condition would have been satisfied but for a material failure by such party in complying with their obligations hereunder;
- (h) by DistinctTech, if QE2 has breached any of its representations, warranties, agreements or obligations herein which breach would result in the failure to satisfy one or more conditions set forth in subsections 7.3(b) or (c) and such breach is not curable or if curable, is not cured within 20 days after notice thereof has been received by QE2;
- (i) by QE2, by written notice to DistinctTech, if any of the conditions precedent set out in Section 7.2 hereof have not been complied with or waived on or before the date required for performance thereof; provided,

however, that no party may rely on the failure to satisfy any of the conditions set out in Section 7.2 if the condition would have been satisfied but for a material failure by such party in complying with their obligations hereunder;

- (j) by QE2, if DistinctTech has breached any of its representations, warranties, agreements or obligations herein which breach would result in the failure to satisfy one or more conditions set forth in subsections 7.2(b) or (c) and such breach is not curable or if curable, is not cured within 20 days after notice thereof has been received by DistinctTech;
- (k) by DistinctTech, if, at or prior to the Closing Date, QE2 has not (x) performed, satisfied or fulfilled any of the obligations; or (y) delivered any of the documents and/or information, set out in section 6.5(c) to the satisfaction of DistinctTech, acting reasonably; or
- (l) by QE2, if, at or prior to the Closing Date, DistinctTech has not (x) performed, satisfied or fulfilled any of the obligations; or (y) delivered any of the documents and/or information, set out in section 6.5(b) to the satisfaction of QE2, acting reasonably.

Section 8.2 Effect of Termination.

If this Agreement is terminated in accordance with the provisions of Section 8.1, no party shall have any further liability to perform its obligations hereunder except for the provisions of this Section 8.2 and subsection 6.3(b) and Section 9.10; provided that neither the termination of this Agreement nor anything contained in this Section 8.2 shall relieve any party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants and agreements made herein. If it shall be judicially determined that termination of this Agreement under Section 8.1 was caused by breach of this Agreement, then, in addition to any other remedies at law or equity for breach of this Agreement, the party so found to have breached this Agreement shall indemnify and hold harmless the other parties for their out-of-pocket costs, including fees and expenses of their counsel, accountants, financial advisors and other experts and advisors, incident to the negotiation, preparation and execution of this Agreement and related documentation.

**ARTICLE 9
GENERAL**

Section 9.1 Investigation.

Any investigation by a party hereto and its advisors shall not mitigate, diminish or affect the representations and warranties of any other party to this Agreement.

Section 9.2 Notices.

All notices which may or are required to be given pursuant to any provision of this Agreement shall be in writing and shall be deemed given when delivered personally, e-mailed, faxed (which is confirmed) or dispatched (postage prepaid) to a nationally recognized overnight courier service with overnight delivery instructions, in each case addressed to the particular party at:

in the case of QE2 or Newco:

with a copy (such copy shall not constitute notice) to:

QE2 Acquisition Corp.
Suite 4034
909 – 17th Avenue S.W.
Calgary, AB T2T 0A4

Attention: Mihalis Belantis
Telephone: 403.701.7299
Facsimile: 403.770.8468
Email: mb@qe2corp.com

Burstall Winger Zammit LLP
Suite 1600 Dome Tower
333 – 7th Avenue S.W.
Calgary, AB T2P 2Z1

Attention: Maria Nathanail
Telephone: 403.513.2647
Facsimile: 403.266.6016
Email: nathanail@burstall.com

and if to DistinctTech:

with a copy (such copy shall not constitute notice) to:

DistinctTech Inc.
77 Belfield Road
Etobicoke, ON M9W 1G6

Attention: Manny Bettencourt
Telephone: 416.897.7401
Facsimile: 416.675.6489
Email: manny.bettencourt@distincttech.ca

Fogler, Rubinoff LLP
77 King Street West
Suite 3000
Toronto, ON M5K 1G8

Attention: Jay Vieira
Telephone: 416.941.8829
Facsimile: 416.941.8852
Email: jvieira@foglers.com

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing.

Section 9.3 Assignment.

No party may assign this Agreement or any of its rights, interests or obligations under this Agreement or the Amalgamation (whether by operation of law or otherwise) without the prior written consent of the other parties.

Section 9.4 Binding Effect.

This Agreement and the Amalgamation shall be binding upon and shall enure to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

Section 9.5 Third Party Beneficiaries.

Nothing in this Agreement, express or implied, shall be construed to create any third party beneficiaries.

Section 9.6 Waiver and Modification.

Each party to this Agreement may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants or agreements herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other parties hereto. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

Section 9.7 No Personal Liability.

- (a) No director, officer, employee or agent of QE2 shall have any personal liability whatsoever to DistinctTech under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of QE2.
- (b) No director, officer, employee or agent of DistinctTech shall have any personal liability whatsoever to QE2 under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of DistinctTech.

Section 9.8 Further Assurances.

Each party hereto shall, from time to time, and at all times hereafter, at the request of the other parties hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

Section 9.9 Expenses.

Each party shall pay its own costs and expenses in connection with the Amalgamation including, without limitation, legal, accounting and auditing fees, regulatory and exchange fees, meeting and mailing costs, if applicable, and any fees or commissions of brokers, finders or other third parties employed in connection with the Amalgamation. For greater certainty, QE2 shall pay the costs relating to qualifying QE2 for listing on Exchange, whether or not the Amalgamation is completed or terminated.

Section 9.10 Public Announcements: Appropriate Regulatory Approvals.

The parties agree to consult with each other prior to issuing any news releases or public statements with respect to the Amalgamation or the other transactions contemplated by this Agreement, and to use their respective reasonable best efforts not to issue any news releases or public statements inconsistent with the results of such consultations. Subject to applicable Laws, each party shall use its reasonable best efforts to enable the other parties to review and comment on all such news releases prior to the release thereof. The parties agree that QE2 will issue a news release with respect to this Amalgamation as soon as practicable following the execution of this Agreement.

Section 9.11 Governing Law; Consent to Jurisdiction.

This Agreement shall be governed by and be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each party hereby irrevocably attorns to the jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement.

Section 9.12 Entire Agreement.

This Agreement, and the other agreements and other documents referred to herein, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties.

Section 9.13 Time of Essence.

Time is of the essence of this Agreement.

Section 9.14 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

WITNESS WHEREOF the parties hereto have executed this Agreement as of the date hereinbefore written.

QE2 ACQUISITIONS CORP.

Per: _____
Name:
Title:
(I have the authority to bind the company)

2471685 ONTARIO LIMITED

Per: _____
Name:
Title:
(I have the authority to bind the company)

DISTINCTTECH INC.

Per: _____
Name:
Title:
(I have the authority to bind the company)

SCHEDULE "B"
QE2 STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of QE2 Acquisition Corp., a corporation incorporated under the *Business Corporations Act* (Alberta) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed and delegated such authority from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. Shares Subject to Plan

Subject to adjustment as provided in Section 16 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

However, other than in connection with a "Qualifying Transaction" (as defined in Policy 2.4 of the TSX Venture Exchange) or otherwise accepted by the TSX Venture Exchange ("**TSXV**"), during the time that the Corporation is a "**Capital Pool Company**" (as defined in Policy 2.4 of the TSXV), the aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the common shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. Exercise Price

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date of the Corporation's shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

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8. Number of Optioned Shares

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any 12-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any 12-month period to any one consultant of the Corporation (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities. Options granted to persons retained to provide investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSXV, the maximum term may not exceed 10 years if the Corporation is classified as a "Tier 1" issuer by the TSXV, and the maximum term may not exceed five years if the Corporation is classified as a "Tier 2" issuer by the TSXV.

10. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

11. Ceasing To Be a Director, Officer, Consultant or Employee

- (a) Subject to subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.
- (b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Corporation's Qualifying Transaction (as such terms are defined in the policies of the Exchange), the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.
- (c) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

12. Death of Participant

Notwithstanding Section 11, in the event of the death of a Participant, the option previously granted to him or her shall be exercisable only within one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the option at the date of his death.

13. Extension of Expiry Time During Blackout Periods

Notwithstanding the provisions contained herein for the expiry of options, and subject to the rules of the Exchange, in the event that the expiry date of an option occurs during a blackout period that is self-imposed by the Corporation pursuant to its policies ("**Blackout Period**"), the expiry date of such option shall be automatically extended for a period of 10 business days following the end of the Blackout Period.

14. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

15. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

16. Adjustments

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through reorganization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

17. Transferability

A person's rights and interests under the Plan, including amounts payable, may not be assigned, pledged or transferred, provided that a person's rights and interests under the Plan may be transferred by will or the laws of descent and distribution. Options shall be exercisable during the Option holder's lifetime only by him.

18. Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board may, at any time, suspend or terminate the Plan. Subject to applicable approval of the Exchange, the Board may also at any time amend or revise the terms of the Plan; provided that (a) no such amendment or revision shall result in a material adverse change to the terms of any Options theretofore granted under the Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision, and (b) any such amendment must comply with Section 16(b) of the Act, and/or Sections 162(m), 422 and 409A of the Code if the Corporation or the Option becomes subject to those sections.

19. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

20. Effective Date of Plan

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

21. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

SCHEDULE "C" **THE TRANSACTION**

Background to the Transaction

The following is a summary of the principal events leading up to the proposal from DistinctTech, the finalization of the Amalgamation Agreement and the meetings, discussions and other actions between the parties that preceded the public announcement of the Acquisition and the calling of the Meeting.

QE2 and DistinctTech first explored the possibility of a cooperative business relationship, having regard for the synergies between QE2's business model and that of DistinctTech in February, 2015. In furtherance thereof, QE2 and DistinctTech entered into a non-disclosure agreement.

Over the course of the next several weeks, representatives of QE2 and DistinctTech had ongoing discussions with respect to the terms of a potential transaction and related due diligence. Site visits of both companies' major facilities were conducted and management meetings were held.

On February 24, 2015, the parties entered into a non-binding letter of intent (the "**Letter of Intent**") setting out the general terms for the acquisition of the outstanding DistinctTech Shares in exchange for QE2 Shares. The parties continued due diligence of each other. The Board met on April 29, 2015 and management approved entering into the Amalgamation Agreement and to recommend that Shareholders vote their QE2 Shares **IN FAVOUR** of the Transaction Resolution. QE2 and DistinctTech jointly announced the Transaction thereafter.

Shareholder Approval

At the Meeting, Shareholders will be asked to vote to approve the Transaction Resolution. The approval of the Transaction Resolution will require the affirmative vote of a simple majority of the votes cast at the Meeting in person or by proxy by Shareholders.

Description of the Transaction

The following description of the Transaction is qualified in its entirety by reference to the full text of the Amalgamation Agreement, a copy of which is available under QE2's profile on SEDAR at www.sedar.com.

Subject to completion of satisfactory due diligence, and receipt of applicable regulatory approvals, DistinctTech and QE2 Subco will complete the Amalgamation and continue as one corporation under the name "DistinctTech Inc.", which amalgamated company will become a wholly owned subsidiary of QE2. Rather than receiving shares and warrants of Amalco, the DistinctTech Shareholders will each receive QE2 Shares and QE2 Warrants on an one for one basis. QE2 will issue an aggregate of 217,218,927 QE2 Shares at a deemed price of \$0.10 per QE2 Share for an aggregate deemed consideration of \$21,721,893 and 27,782,823 QE2 Warrants to the DistinctTech Shareholders. The Transaction is an arm's length transaction.

Completion of the Amalgamation is subject to the terms and conditions set forth in the Amalgamation Agreement, a complete copy of which is attached to this Information Circular as Schedule "A".

The closing of the Transaction is subject to a number of conditions, including but not limited to, the receipt of all requisite regulatory approvals, and the approval of the QE2 Shareholders and the DistinctTech Shareholders. The Transaction cannot close until the required shareholder approval is obtained. The Transaction will constitute a reverse take-over of QE2 for accounting purposes and under Exchange policies.

Interests of Certain Persons in the Amalgamation

In considering the recommendation of the Board with respect to the Transaction, the QE2 Shareholders should be aware that certain members of the Board and of QE2's management have interests in connection with the transactions contemplated in the Amalgamation Agreement, including those referred to below, that may create actual or potential conflicts of interest in connection with such transactions. The Board is aware of these interests and considered them.

Employment Agreements

QE2 has a written employment agreement with Mihalis Belantis, CEO, providing for certain payments in the event of the termination of the executive's employment by QE2 (except for cause or voluntary resignation or retirement) or if the executive resigns anytime within three months of a change of control of QE2. See "Statement of Executive Compensation – Termination and Change of Control Benefits" for further details.

The transactions contemplated by the Amalgamation Agreement will constitute a change of control event of QE2 which may entitle Mihalis Belantis to "change of control payments" for the purposes of his employment agreement.

The Amalgamation Agreement

The Transaction will be carried out pursuant to the Amalgamation Agreement. The following summary description of certain material provisions of the Amalgamation Agreement is not comprehensive and is qualified in its entirety by reference to the full text of the Amalgamation Agreement, a copy of which is attached to this Information Circular as Schedule "A" and which also can be accessed under QE2's profile on SEDAR at www.sedar.com.

Representations and Warranties

The Amalgamation Agreement contains customary representations and warranties made by each of QE2, QE2 Subco, DistinctTech and the DistinctTech Shareholders. Those representations and warranties were made solely for the purposes of the Amalgamation Agreement and are subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, some of the representations and warranties contained in the Amalgamation Agreement are qualified by knowledge or by reference to a contractual standard of materiality (including a Material Adverse Effect) that is different from that generally applicable to public disclosure to Shareholders, or those standards used for the purpose of allocating risk between parties to an agreement. For the foregoing reasons, readers should not rely on the representations and warranties contained in the Amalgamation Agreement as statements of factual information at the time they were made or otherwise. Shareholders may not directly enforce or rely upon the terms and conditions of the Amalgamation Agreement.

The representations and warranties provided by QE2 in favour of DistinctTech and DistinctTech Shareholders relate to, among other things: (a) organization and corporate capacity; (b) authority relative to the Amalgamation Agreement and the Transaction; (c) reporting issuer status; (d) necessary steps to issue Consideration Shares; (e) no violation of applicable Laws, constating documents or certain agreements; (f) authorized and outstanding capital and other securities of QE2; (g) no agreements to acquire securities of another entity or to acquire a business, real property or assets; (h) minute books are true and correct; (i) all necessary filings have been made under all applicable laws; (j) conduct of business in compliance with applicable laws; (k) no revocation of license; (l) officers and directors; (m) litigation; (n) financial statements; (o) auditors; (p) taxes; (q) employment laws; (r) Material Adverse Change; (s) indemnities; (t) dividends, (u) security interests in assets (v) intellectual property; (w) environmental laws; (x) material contracts; (y) employment agreements and severance obligations; (z) no unanimous shareholders' agreement; (aa) board approval of the Transaction and the Amalgamation Agreement; (bb) no third party consents; (cc) bank accounts; (dd) no cease trade order; (ee) insurance policies; and (ff) compliance with money laundering legislation and anti-corruption laws.

The representations and warranties provided by DistinctTech in favour of QE2 relate to, among other things: (a) organization and corporate capacity; (b) authority relative to the Amalgamation Agreement and the Transaction; (c) no violation of applicable Laws, constating documents or certain agreements; (d) authorized and outstanding capital and other securities of DistinctTech and its subsidiaries; (e) no agreements to acquire securities of another entity or to acquire a business, real property or assets; (f) minute books are true and correct; (g) all necessary filings have been made under all applicable laws; (h) conduct of business in compliance with applicable laws; (i) no revocation of license; (j) officers and directors; (k) litigation; (l) financial statements; (m) taxes; (n) employment laws; (o) Material Adverse Change; (p) indemnities; (q) security interests in assets (r) intellectual property; (s) environmental laws; (t) material contracts; (u) employment agreements and severance obligations; (v) board approval of the Transaction and the Amalgamation Agreement; (w) no third party consents; (x) bank accounts; (y) no cease trade order; (z) insurance policies; and (aa) compliance with money laundering legislation and anti-corruption laws.

The representations and warranties of the DistinctTech Shareholders in favour of QE2 relate to among other things: (a) authority relative to the Amalgamation Agreement and the Transaction; (b) no violation of applicable Laws, constating documents or certain agreements; (c) no agreements, options or rights capable of becoming an agreement to purchase DistinctTech Shares; (d) ownership of DistinctTech Shares free of encumbrances.

The representations and warranties of the parties contained in the Amalgamation Agreement will survive the completion of the Transaction for a period of one year, subject to certain exceptions and requirements, and will expire and be terminated on the earlier of such expiration date and the date on which the Amalgamation Agreement is terminated in accordance with its terms.

Conditions Precedent

Mutual Conditions Precedent

The Amalgamation Agreement provides that completion of the Transaction is subject to the satisfaction or waiver of a number of conditions precedent, which may only be waived by mutual consent of the parties, including:

- (a) there shall be no impediment, prohibition or restriction existing at the Closing Date to, and no offence would occur or result under any applicable statute or regulation to which the transactions contemplated hereby would be subject to by, the Closing of the Transaction;
- (b) certain of the DistinctTech Shareholders, as required by the Exchange, shall have entered into an escrow agreement in respect of the Consideration Shares issued to them pursuant to the terms of the Amalgamation Agreement;
- (c) if required by any applicable law or any securities regulatory authority, the DistinctTech Shareholders shall have approved the Transaction and approved or consented to such other matters as DistinctTech and QE2 shall consider necessary or desirable in connection with the Transaction in the manner required thereby;
- (d) if required by any applicable law or any securities regulatory authority, the QE2 Shareholders shall have approved the Transaction and approved or consented to such other matters as DistinctTech and QE2 shall consider necessary or desirable in connection with the Transaction in the manner required thereby;
- (e) QE2 shall be able to satisfy the minimum listing requirements of the Exchange for a Tier 1 or Tier 2 Issuer as of the completion of the Transaction, assuming the completion of the Transaction and all related transactions contemplated hereby, as described herein, as evidenced before the Closing Date by a conditional listing letter issued by the Exchange;
- (f) all governmental, court, regulatory, third person and other approvals, consents, waivers, orders, exemptions, agreements and all amendments and modifications to agreements, indentures and Amalgamations which DistinctTech and QE2 shall consider necessary or desirable in connection with the Transaction and not otherwise specifically described in this agreement shall have been obtained in form satisfactory to DistinctTech and QE2; and
- (g) there shall have been no action taken under any applicable law or by any government or governmental or regulatory authority which
 - (i) makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Transaction, or
 - (ii) results or could reasonably be expected to result in a judgment, order, decree or assessment of damages directly or indirectly, relating to the Transaction which is, or could be, materially adverse to DistinctTech and QE2, respectively, on a consolidated basis.

Conditions Precedent in Favour of QE2

The Amalgamation Agreement provides that QE2's obligation to complete the Transaction is also subject to the satisfaction or waiver of a number of additional conditions, each of which may only be waived by QE2, including:

- (a) DistinctTech and the DistinctTech Shareholders shall have performed and complied in all material respects with all of the covenants and obligations thereof required to be performed by DistinctTech and the DistinctTech Shareholders prior to the completion of the Transaction;

- (b) the representations and warranties of DistinctTech and the DistinctTech Shareholders contained in the Amalgamation Agreement shall be true and accurate, in all material respects, when made and on and as of the completion of the Transaction with the same force and effect as if they had been made at the completion of the Transaction;
- (c) DistinctTech shall have no more than 217,218,927 DistinctTech Shares issued and outstanding at the Closing of the Transaction;
- (d) QE2 completing and being satisfied as to the results of its due diligence investigation of DistinctTech, the Distinct Business and Assets; and
- (e) there shall not have been any event or change that has had or would be reasonably likely to have a Material Adverse Effect on DistinctTech.

Conditions Precedent in Favour of DistinctTech and the DistinctTech Shareholders

The Amalgamation Agreement provides that the obligations of DistinctTech and the DistinctTech Shareholders to complete the Transaction are also subject to the satisfaction or waiver of a number of additional conditions, each of which may only be waived by DistinctTech and the DistinctTech Shareholders, including:

- (a) QE2 shall have performed and complied in all material respects with all of the covenants and obligations thereof required to be performed by QE2 prior to the completion of the Transaction;
- (b) the representations and warranties of QE2 contained in the Amalgamation Agreement shall be true and accurate, in all material respects, when made and on and as of the completion of the Transaction with the same force and effect as if they had been made at the completion of the Transaction;
- (c) QE2 shall have no more than 37,239,766 QE2 Shares issued and outstanding at the closing of the Transaction;
- (d) DistinctTech completing and being satisfied as to the results of its due diligence investigation of QE2, the QE2 Business and Assets; and
- (e) there shall not have been any event or change that has had or would be reasonably likely to have a Material Adverse Effect on the QE2.

Covenants

Each of QE2, DistinctTech and the DistinctTech Shareholders has agreed to certain covenants under the Amalgamation Agreement, including customary negative and affirmative covenants relating to the operation of their respective businesses during the period prior to the Effective Date, and using commercially reasonable efforts to satisfy the conditions precedent to their respective obligations under the Amalgamation Agreement.

Termination

The Amalgamation Agreement (other than certain specified terms which survive) may be terminated at any time before the Closing Time:

- (a) mutual agreement of QE2, DistinctTech and the DistinctTech Shareholders;
- (b) either QE2 or the DistinctTech Shareholders upon notice to the other in the event that any condition precedent set forth in the Amalgamation Agreement for their benefit is not satisfied to the satisfaction of such party or becomes incapable of being satisfied and such party does not waive such condition;
- (c) either QE2 or DistinctTech, if there shall be any applicable law that makes consummation of the Transaction illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a competent governmental entity enjoining QE2 or DistinctTech from consummating the Transaction shall be entered and such judgment, injunction, order or decree shall have become final and non-appealable;

- (d) either QE2 or DistinctTech upon notice to the other in the event that the Transaction is not completed before June 29, 2015, or such other date as QE2 and DistinctTech may agree in writing;
- (e) QE2, if DistinctTech or the DistinctTech Shareholders has breached any of their respective representations, warranties or covenants in the Amalgamation Agreement and such breach is not curable or if curable, is not cured within five business days after notice thereof has been received by the party alleged to be in breach; or
- (f) DistinctTech, if QE2 has breached any of its representations, warranties or covenants in the Amalgamation Agreement and such breach is not curable or if curable, is not cured within five business days after notice thereof has been received by the party alleged to be in breach.

Amendment

Subject to certain limitations contained therein, the Amalgamation Agreement may, at any time and from time to time before or after the holding of the Meeting but not later than the Closing Time, be amended by written agreement of the parties.

Finders' Fee

Pursuant to an agreement with the Finder, an arm's length party to both DistinctTech and QE2, DistinctTech has agreed to pay the Finder a finder's fee of \$1,065,328, which represents approximately 5% of the aggregate value of the DistinctTech Shares on the Closing Date. The finder's fee will be satisfied through the issuance of an aggregate 10,653,282 DistinctTech Shares on Closing which will be exchanged for 10,653,282 QE2 Shares.

RISK FACTORS RELATING TO THE TRANSACTION

The following risk factors should be considered by Shareholders in evaluating whether to approve the Transaction Resolution. These risk factors should be considered in conjunction with the other information contained in or incorporated by reference into this Information Circular. These risk factors relate to the Transaction. For information on risks and uncertainties relating to the business of DistinctTech, see "Risk Factors" in "Schedule "F" - Information Relating to the Resulting Issuer."

Failure to complete the Transaction could negatively impact the market price of the QE2 Shares.

The Transaction is subject to certain conditions that may be outside the control of QE2, including, without limitation, the receipt of the Shareholder approvals and certain regulatory approvals. There can be no certainty that these conditions will be satisfied or, if satisfied, when they will be satisfied. In addition, DistinctTech has the right in certain circumstances to terminate the Amalgamation Agreement, including in the event of a change having a Material Adverse Effect on QE2. See "The Amalgamation Agreement — Termination".

QE2 and DistinctTech may not integrate successfully.

The Transaction will involve the integration of companies that previously operated independently. As a result, the combination will present challenges to management, including the integration of management (including the sufficiency of management capacity), operations, systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, diversion of management's attention and the loss of key employees or customers.

The difficulties QE2's management encounters in the transition and integration processes could have an adverse effect on the revenues, level of expenses and operating results of the combined company. As a result of these factors, it is possible that any anticipated benefits from the combination will not be realized.

Uncertainty surrounding the Transaction and the combined entity could adversely affect QE2's retention of strategic partners and key personnel and could negatively impact QE2's future business and operations.

Because the Transaction is dependent upon satisfaction of certain conditions, its completion is subject to uncertainty. In response to this uncertainty, QE2's strategic partners may delay or defer decisions concerning QE2 or adversely affect the relationship going forward. Any delay or deferral of those decisions by strategic partners could have a material adverse effect on the business and operations of QE2, regardless of whether the Transaction is ultimately completed. Similarly, current and

prospective employees of QE2 and/or DistinctTech may experience uncertainty about their future roles with QE2 or DistinctTech until QE2's strategies with respect to DistinctTech are announced and executed. This may adversely affect QE2 ability to attract or retain key management in the period until the Transaction is completed.

QE2 and DistinctTech will incur significant transaction-related costs in connection with the Transaction.

Both QE2 and DistinctTech expect to incur non-recurring costs associated with negotiating and completing the Transaction and subsequently combining the operations of the two companies, including facilities and systems consolidation costs and employment-related costs as well as transaction costs relating to the Transaction. QE2 will also incur transaction fees and costs related to formulating and implementing integration plans.

The pro forma financial statements are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the Transaction.

The pro forma financial statements contained in this Information Circular are presented for illustrative purposes only and may not be an indication of the combined company's financial condition or results of operations following the Transaction for several reasons. For example, the pro forma financial statements have been derived from the historical financial statements of QE2 and DistinctTech and certain adjustments and assumptions have been made regarding the combined company after giving effect to the Transaction. The information upon which these adjustments and assumptions have been made is preliminary, and these types of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by the combined company in connection with the Transaction. For example, the impact of any incremental costs incurred in integrating QE2 and DistinctTech is not reflected in the pro forma financial statements. As a result, the actual financial condition and results of operations of the combined company following the Transaction may not be consistent with, or evident from, these pro forma financial statements. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the Transaction. Any potential decline in the combined company's financial condition or results of operations may cause a significant decrease in the stock price of the combined company.

The issuance and future sale of QE2 Shares could affect the market price

The consummation of the Transaction will result in the issuance of up to a maximum of 217,218,927 additional QE2 Shares. The issuance of these shares, and the sale of QE2 Shares in the public market from time to time, could depress the market price for QE2 Shares.

SCHEDULE "D"
INFORMATION RELATING TO QE2

Name and Incorporation

QE2 was incorporated on September 19, 2012 pursuant to the ABCA under the name "Crowsnest Oilfield Services Corp.". On October 12, 2012, QE2 amended its articles to change its name to "Crowsnest Acquisition Corp." and on October 25, 2012, QE2 amended its articles to remove restrictions on share transfers. On October 21, 2014, QE2 amended its articles to change its name to "QE2 Acquisition Corp." and to change its registered office to 1600, 333 – 7th Avenue S.W., Calgary, AB T2P 2Z1. The head office of QE2 is 4034, 909 – 17th Avenue S.W., Calgary, Alberta T2T 0A4.

Documents Incorporated by Reference

Information has been incorporated by reference in this Information Circular from documents filed by QE2 with securities commissions or similar authorities in Canada. Copies of the documents of QE2 incorporated herein by reference may be obtained on request without charge from the President and Chief Executive Officer of QE2 at Suite 4034, 909 - 17th Avenue S.W., Calgary, Alberta T2T 0A4, telephone (403) 701-7299. In addition, copies of documents incorporated by reference may be obtained from the securities commissions or similar authorities in Canada and are available for review through the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com.

The following documents of QE2 are specifically incorporated by reference in this Information Circular:

- (a) the audited consolidated financial statements of QE2 (formerly Crowsnest Acquisition Corp.) as at and for the years ended January 31, 2015 and September 30, 2014, together with the notes thereto and the report of the auditors thereon;
- (b) management's discussion and analysis of the financial position and results of operations of QE2 for the year ended January 31, 2015;
- (c) the unaudited consolidated interim financial statements of QE2 as at and for the nine months ended October 31, 2014, together with the notes thereto;
- (d) management's discussion and analysis of the financial position and results of operations of QE2 (formerly Crowsnest Acquisition Corp.) for the nine months ended October 31, 2014;
- (e) the material change report dated April 20, 2015, concerning the Transaction; and
- (f) the filing statement of QE2 dated August 29, 2014 in respect of the Qualifying Transaction.

Any statement contained in this Information Circular or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Information Circular to the extent that a statement contained in this Information Circular or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into this Information Circular modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Information Circular.

History

QE2 was incorporated and listed on the TSXV as a "CPC" as such term is defined in the CPC Policy. Prior to completing its initial public offering and listing on the TSXV, QE2 issued an aggregate of 3,000,000 QE2 Shares at a price of \$0.05 per QE2 Share for gross proceeds of \$150,000.

On December 4, 2012, QE2 completed its IPO of 3,000,000 QE2 Shares at a price of \$0.10 per QE2 Share for gross proceeds of \$300,000 by way of a final CPC Prospectus dated November 16, 2012 filed in the provinces of Alberta and British Columbia. The QE2 Shares began trading on the TSXV effective December 4, 2012 under the symbol "CAW.P".

QE2 initially entered into the Letter of Intent with QE2 Holdco on February 24, 2014. The QE2 Shares were halted from trading on the TSXV on February 25, 2014, pending announcement of the Qualifying Transaction. The QE2 Shares remained halted until November 5, 2014 after issuance of the final bulletin by the TSXV in connection with the Qualifying Transaction. Following completion of the Qualifying Transaction, the QE2 Shares traded under the symbol "QE".

Prior to the completion of the Qualifying Transaction, QE2 conducted no business operations except in connection with the identification and evaluation of potential acquisitions with a view to satisfying the conditions for a qualifying transaction, including the evaluation of the Qualifying Transaction.

QE2 Holdco was founded in January 2013 to acquire and grow well-managed, profitable, asset-backed, Alberta-based businesses in the infrastructure and utility service sectors. In May 2013, QE2 acquired Boom to act as a holding company. As of the date hereof, there has been no active business conducted by Boom.

In October 2013, QE2 Holdco completed its arm's length acquisition of all of the issued and outstanding shares of Pillar, a Fort Saskatchewan based, owner-operated provider of streetlight services, painting, electrical and traffic control services to blue chip and municipal clients. The majority of the management and staff were retained, with the owner committing to a five year employment contract to continue to act as general manager and to join the QE2 Holdco management team.

In April 2014, QE2 Holco, in an arm's length transaction, acquired the Candesto Assets from Candesto, a Calgary-based, owner-operated provider of road sign and guardrail products and services to blue chip and municipal clients. The Candesto Assets were rolled into Candesto Ltd., whereby the business operations of Candesto are continued. The majority of the existing management and staff were retained, with the previous owner committing to a 5 year employment contract to continue acting as general manager of Candesto Ltd. and to join the QE2 management team.

In May 2015, QE2 completed the QE2 Private Placement. QE2 issued an aggregate of 5,225,000 QE2 Units at a price of \$0.10 per QE2 Unit for aggregate gross proceeds of \$522,500. Each QE2 Unit is comprised of one QE2 Share and one-half (1/2) of one QE2 Warrant. Each whole QE2 Warrant entitles the holder thereof to purchase one additional QE2 Share at an exercise price of \$0.20 at any time up to 36 months from date of issuance. The QE2 Warrants will be subject to a forced conversion, at the option of QE2, if the average trading price of the QE2 Shares is above \$0.30 cents per share for a period of 20 non-consecutive trading days.

In connection with the QE2 Private Placement, QE2 paid an aggregate of \$24,300 in finder's fees and issued an aggregate of 243,000 non-transferrable QE2 Finder Warrants to HBS Financial Planning Ltd. (60,000 QE2 Finder Warrants), Leede Financial Markets Inc. (60,000 QE2 Finder Warrants), PI Financial Corp. (12,000 QE2 Finder Warrants), Canaccord Genuity Corp. (51,000 QE2 Finder Warrants) and Intrysync Capital Corporation (60,000 QE2 Finder Warrants), all arm's length parties that acted as finders in connection with the QE2 Private Placement. Each QE2 Finder Warrant entitles the holder thereof to acquire one QE2 Unit at a price of \$0.10 for a period of three years from the date of issuance.

In June 2015, QE2 issued an aggregate of 1,365,333 QE2 Shares to several arm's length creditors in exchange for the cancelation of an aggregate of \$136,533 in debt owed by QE2 to the creditors.

As part of the Transaction, DistinctTech completed the DistinctTech Private Placement in April and May, 2015. An aggregate of 55,565,645 DistinctTech Units at a price of \$0.10 per DistinctTech Unit for aggregate gross proceeds of \$5,556,564.50. Each DistinctTech Unit is comprised of one DistinctTech Share and one-half (1/2) of one DistinctTech Warrant. Each whole DistinctTech Warrant entitles the holder thereof to purchase one additional DistinctTech Share at an exercise price of \$0.20 at any time up to 36 months from date of issuance. The DistinctTech Warrants will be subject to a forced conversion, at the option of DistinctTech, if the average trading price of the DistinctTech Shares is above \$0.30 cents per share for a period of 20 non-consecutive trading days.

In connection with the DistinctTech Private Placement, DistinctTech paid an aggregate of \$333,394 in commissions and issued an aggregate of 4,317,251 non-transferrable DistinctTech Private Placement Broker Warrants to the DistinctTech Private Placement Agent. Each DistinctTech Private Placement Broker Warrant entitles the holder thereof to acquire one DistinctTech Unit at a price of \$0.10 for a period of three years from the date of issuance.

It is QE2's intention to continue to acquire and grow well-run Canadian businesses that are a strategic fit for QE2's growing portfolio and which would include established businesses in the infrastructure and utility service sectors and particularly those that have an identifiable specialty or niche and that would overlap with an existing portfolio regarding types of equipment, clients, skills, growth opportunities, or a combination thereof. QE2 will also continue to build the depth of its team.

Significant Acquisitions and Dispositions

QE2 completed the Qualifying Transaction on October 20, 2014, whereby it acquired all of the issued and outstanding common shares of QE2 Holdco and warrants to purchase shares of QE2 Holdco in exchange for 21,912,766 QE2 Shares and 2,943,112 warrants to purchase QE2 Shares. As a condition of closing the Qualifying Transaction, QE2 issued an aggregate of \$1,298,000 principal amount of convertible debentures (the "**QE2 Debentures**"), the principal of which is convertible at \$0.50 per QE2 Shares until October 20, 2016.

QE2 Holdco formally completed the acquisition of Pillar on October 25, 2013. QE2 Holdco acquired all of the issued and outstanding shares of Pillar in exchange for cash consideration of \$700,000, a vendor take back loan of \$160,000, a net working capital promissory note of \$666,246 and 1,000,000 Class B common shares at a price of \$0.25 per share. Pillar specializes in the installation and maintenance of light standards and traffic control systems within the infrastructure construction industry and contributed approximately 55% of QE2's revenue on a consolidated basis in fiscal year 2015.

QE2 Holdco formally completed the acquisition of the Candesto Assets on April 25, 2014 in exchange for cash consideration of \$1,297,240, a vendor take back loan of \$850,000 and 1,000,000 Class B Shares with a put option of \$0.50 per share attached to it. Candesto is expected to contribute approximately 45% of QE2's revenue on a consolidated basis in fiscal year 2015.

Not a Non-Arm's Length Transaction

The Transaction is not a Non-Arm's Length Transaction.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Select Financial Information of QE2

Annual Information

	<u>Fiscal year ended January 31, 2015</u>	<u>Fiscal year ended January 31, 2014</u>
Sales	\$7,659,112	\$1,149,050
Total Expenses	\$9,407,597	\$1,757,602
Net income (loss) for the year	\$(3,426,229)	\$(499,740)
Total Assets	\$4,893,176	\$2,174,228
Total Liabilities	\$5,558,511	\$1,522,002

Financial Statements of QE2

The audited financial statements of QE2 for the years ended January 31, 2015 and January 31, 2014 are incorporated herein by reference.

Management Discussion and Analysis of Operating Results of QE2

QE2's management's discussion and analysis for the years ended January 31, 2015 and January 31, 2014 are incorporated herein by reference.

DESCRIPTION OF QE2 SHARES

QE2 is authorized to issue an unlimited number of QE2 Shares without nominal or par value. As at the date hereof, 35,403,099 QE2 Shares were issued and outstanding as fully paid and non-assessable, 1,500,000 QE2 Shares were reserved for issuance pursuant to the Option Plan. There are 5,763,290 QE2 Warrants and 364,500 QE2 Finder Warrants currently outstanding. There are 3,150,790 QE2 Warrants exercisable at an exercise price of \$0.50 per QE2 with expiry dates ranging from May 2016 to October 2016 and 2,612,500 at an exercise price of \$0.20 expiring 36 months from date of issuance. There are 243,000 QE2 Finder Warrants exercisable at an exercise price of \$0.10 per QE2 Share expiring 36 months from date of issuance and 121,500 at an exercise price of \$0.20 per QE2 Share expiring in May 2018. In addition the 2,612,500 QE2 Warrants are subject to a forced conversion, at the option of QE2, if the average trading price of the QE2 Shares is above \$0.30 per QE2 Share for a period of 20 non-consecutive trading days.

Shareholders of QE2 are entitled to one vote per share at the meetings of shareholders, dividends, if, as and when declared by the Board and, upon liquidation, to share equally in the assets of QE2 that are distributable to shareholders.

Preferred Shares

QE2 is authorized to issue an unlimited number of Preferred Shares without nominal or par value. The Preferred Shares may be issued in one or more series, and the directors of QE2 are authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the series or shares of each series. The Preferred Shares are entitled to priority over the QE2 Shares with respect to the payment of dividends and the distribution of assets upon the liquidation of QE2. As at the date hereof, there were no Preferred Shares issued or outstanding.

Dividends or Distributions

QE2 has not declared or paid any dividends or distributions on the QE2 Shares to date. The payments of dividends or distributions in the future are dependent on QE2's earnings, financial condition and such other factors as the Board considers appropriate. QE2 currently does not anticipate paying any dividends in the foreseeable future due to its stage of development, and in no circumstance will it pay any dividends or make any distribution until completion of the Transaction.

STOCK OPTION PLAN

QE2 currently has a 10% rolling stock option plan which was approved by the QE2 Shareholders on April 24, 2014.

The Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of QE2, or any subsidiary of QE2, the option to purchase QE2 Shares. The Stock Option Plan provides for a floating maximum limit of 10% of the issued and outstanding QE2 Shares, as permitted by the Policies of the Exchange. As at the date hereof, this represents 3,540,310 QE2 Shares available under the Stock Option Plan. As of the date hereof, options to purchase a total of 1,500,000 QE2 Shares have been issued to directors, officers, employee, consultants and persons providing investor relations activities on behalf of the Corporation.

The number of QE2 Shares reserved for any one person may not exceed 5% of the outstanding QE2 Shares or 2% in the case of a person who is a Consultant or Employee conducting Investor Relations Activities (as such terms are defined in Exchange Policies). The Board determines the price per QE2 Share and the number of QE2 Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the Exchange. The price per QE2 Share set by the directors is subject to minimum pricing restrictions set by the Exchange.

Options may be exercisable for up to five years from the date of grant, but the Board has the discretion to grant options that are exercisable for a shorter period. Options under the Stock Option Plan are non-assignable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of QE2 Shares purchasable by him immediately prior to the time of his cessation of office or employment and he shall have no right to purchase any other QE2 Shares. Other than Options issued to persons conducting investor relations activities, Options must be exercised within 12 months of termination of employment or cessation of position with QE2, provided that if the cessation of office, directorship, consulting Amalgamation or employment was by reason of death or disability, the option must be exercised within one year, subject to the expiry date.

Prior Sales

In the twelve month period preceding the date of this Information Circular the following QE2 Shares have been issued:

Date	Number of Issuer QE2 Shares	Issue Price Per Issuer QE2 Share	Aggregate Issue Price	Consideration Received
June 5, 2015	353,333 ⁽¹⁾	\$0.15	\$53,000	Cancellation of Debt
June 4, 2015	1,012,000 ⁽¹⁾	\$0.10	\$101,200	Cancellation of Debt
May 5, 2015	5,225,000 ⁽²⁾	\$0.10	\$522,500	Cash
November 26, 2014	300,000 ⁽³⁾	\$0.10	\$30,000	Cash
October 20, 2014	28,512,766 ⁽⁴⁾	\$0.15	\$4,276,915	Acquisition of securities

Notes:

- (1) Issued pursuant to the QE2 Debt Conversion
- (2) Issued pursuant to the QE2 Private Placement
- (3) Issued pursuant to the exercise of certain agent's options.
- (4) Issued pursuant to the Qualifying Transaction.

Stock Exchange Price

The QE2 Shares were listed and posted for trading on the Exchange on December 4, 2012 under the trading symbol "CAW.p". On February 25, 2014, the QE2 Shares were halted upon execution of a letter of intent in anticipation of the Qualifying Transaction and remained halted until November 5, 2014 after issuance of the final bulletin by the Exchange in connection with the Qualifying Transaction. Following Completion of the Qualifying Transaction, the QE2 Shares traded under the symbol "QE". On February 25, 2015 the QE2 Shares were halted upon execution of the Letter of Intent in anticipation of the Transaction. The trading price of the QE2 Shares on the Exchange on February 25, 2015, being the last day the QE2 Shares were available for trading was \$0.10.

Period	High (\$)	Low (\$)	Volume
Quarter ended April 30, 2015 ⁽¹⁾	-	-	-
Month ended January 31, 2015	0.18	0.09	570,000
Month ended December 31, 2014	0.175	0.085	1,629,729
Month ended November 30, 2014 ⁽²⁾	0.20	0.12	2,447,700
Quarter ended June 30, 2014 ⁽²⁾	-	-	-
Quarter ended March 31, 2014 ⁽²⁾	-	-	-

Notes:

- (1) The QE2 Shares were halted on February 25, 2015 and remain halted pending the closing of the Transaction.
- (2) The QE2 Shares were halted from February 25, 2014 to November 5, 2014 when they resumed trading following the completion of the Qualifying Transaction.

MANAGEMENT CONTRACTS

QE2 has no management contracts or other Amalgamation in place where management functions are performed by a person or company other than the directors or executive officers of QE2.

EXECUTIVE COMPENSATION

For information pertaining to executive compensation, please see "*Executive Compensation - Compensation of Named Executive Officers*".

LEGAL PROCEEDINGS

QE2 is neither a party, nor is any of its property the subject matter, of any legal proceedings deemed to be material, nor are any such proceedings known to QE2 to be contemplated by any party.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

The auditor of QE2 is MNP LLP of 1500, 640 – 5th Avenue SW, Calgary, Alberta T2P 0M6.

Transfer Agent and Registrar

The transfer agent and registrar of QE2 is Computershare Trust Company of Canada at its Calgary office located at 600, 530 – 8th Avenue S.W., Calgary, Alberta T2P 3S8.

MATERIAL CONTRACTS

QE2 has not entered into any material contracts since incorporation, other than:

1. the CPC Escrow Agreement;
2. the Indenture;
3. the Amalgamation Agreement; and
4. the Asset Purchase Agreement to purchase certain assets of Candesto Enterprises Inc. including all amendments and addendums thereto.

Copies of these contracts may be inspected without charge for a period of thirty (30) days after the Effective Date at the offices of Burstall Winger Zammit LLP, Suite 1600 Dome Tower, 333 – 7th Avenue S.W., Calgary, Alberta during ordinary business hours.

SCHEDULE "E"
INFORMATION RELATING TO DISTINCTTECH

Corporate Structure of DistinctTech Inc.

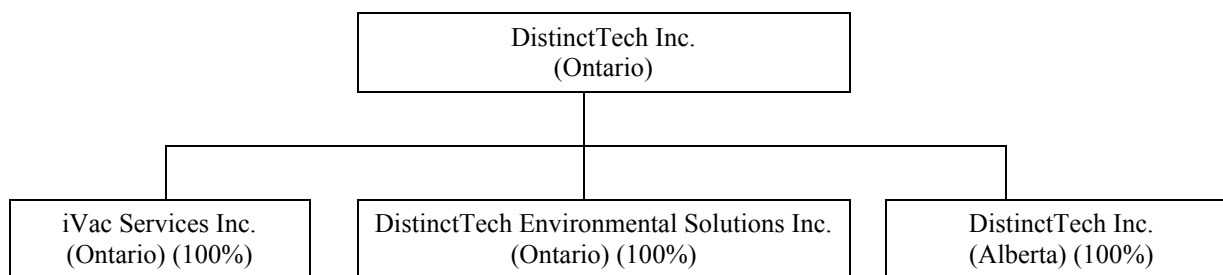
Name and Incorporation

DistinctTech is a private company that was formed pursuant to the provisions of the *Business Corporations Act* (Ontario) on April 2, 2015 by the filing of articles of amalgamation. Pursuant to an amalgamation agreement dated April 2, 2015, DistinctTech Inc., an Ontario corporation originally incorporated on April 7, 2007 amalgamated with 2210296 Ontario Inc. and 2210291 Ontario Inc.

The head and registered office of DistinctTech is located at 77 Belfield Road, Toronto, Ontario, M5W 1M3.

Intercorporate Relationships

The following chart sets out DistinctTech's corporate structure including all material subsidiaries, their respective jurisdictions of incorporation and the percentage of voting securities owned:



General Development of the Business

History

In 2007, the founders incorporated DistinctTech with a focus on (i) outside network construction, service and maintenance, (ii) wireless services, and (iii) underground and aerial engineering services for telecom. Since its inception DistinctTech has provided full turnkey services for blue-chip telecom and communication providers throughout Southern Ontario. In the last few years, DistinctTech has expanded its focus to include a broader range of segments in the utility infrastructure market. More recently a greater emphasis has been placed on providing specialized services, and reallocating resources to the hydrovacating segment.

Debt and Equity Financings

DistinctTech completed the DistinctTech Private Placement in April, May and June, 2015. An aggregate of 55,565,645 DistinctTech Units at a price of \$0.10 per DistinctTech Unit for aggregate gross proceeds of \$5,556,564.50. Each DistinctTech Unit is comprised of one DistinctTech Share and one-half (1/2) of one DistinctTech Warrant. Each whole DistinctTech Warrant entitles the holder thereof to purchase one additional DistinctTech Share at an exercise price of \$0.20 at any time up to 36 months from date of issuance. The DistinctTech Warrants will be subject to a forced conversion, at the option of DistinctTech, if the average trading price of the DistinctTech Shares is above \$0.30 cents per share for a period of 20 non-consecutive trading days.

In connection with the DistinctTech Private Placement, DistinctTech paid an aggregate of \$333,394 in commissions and issued an aggregate of 4,317,251 non-transferrable DistinctTech Private Placement Broker Warrants to the DistinctTech Private Placement Agent. Each DistinctTech Private Placement Broker Warrant entitles the holder thereof to acquire one DistinctTech Unit at a price of \$0.10 for a period of three years from the date of issuance.

Significant Acquisition

Since commencement of its operations, DistinctTech has not made any significant acquisitions.

Narrative Description of the Business

Overview

DistinctTech is currently focused on servicing the utility infrastructure industry in Ontario. The services that DistinctTech provides can be divided into two (2) areas:

A. Outside and Inside Plant and Infrastructure Services

This primarily entails the following activities:

- (i) Technical Services and Maintenance - survey and network design, building communications cabling, fiber/copper/co-axial splicing and testing
- (ii) Underground and Aerial Civil Construction –the construction and installation of underground and aerial infrastructure for major utility providers
- (iii) 3rd Party Material Management – this primarily consists of client management services in DistinctTech’s secure warehouse and gated yard.

B. Hydro Excavation Services

A specialized service utilizing capital intensive equipment that can excavate in the vicinity of existing infrastructure with minimal potential for service interruption. Quickly becoming the preferred method of excavating as it is more efficient and less intrusive. A highly fragmented and underserved market with potential for exponential growth through consolidation of smaller independent operations.

It is the intention of DistinctTech to focus more of its resources and efforts to expand its hydrovacating business and capitalize on the opportunities being presented.

Over the past years, DistinctTech has been able to achieve consistent and solid growth with revenue increasing from \$8.7 million in 2010 to \$25.6 million in 2014 (an increase of 300% since 2010) and EBITDA increasing from \$900,000 in 2010 to \$4.2 million in 2014 (an increase of 467% since 2010).

Project Process

DistinctTech is engaged and/or solicits work either: i) through a Fixed bid, which is based on a predetermined rate sheet established with a client through an MSA (Master Service Agreement) that covers all identified services to be provided, or ii) through an open tender process whereby clients will solicit a request for bid to provide an estimate for a specifically defined SOW (Scope of Work).

DistinctTech's clients generally will request an estimate for a specifically defined project. The work specifications as provided will then generate a quotation that is subject to the rates established with the clients. Once specific terms, conditions, services, quantities and rates have been finalized, a job approval or purchase order ("P.O.") is issued by the client to formally set out the scale, scope and budget for the job. The job is initiated once the P.O. has been received. The respective Project Manager will issue the technicians, equipment, request locates, coordinate municipal permits, onsite traffic services and make Amalgamations for external contractors if necessary, to fulfil the job requirements.

Once the formal project work has commenced as per the original P.O., DistinctTech is permitted to seek additional compensation from the client in the event that the "Scope of Work" alters in any way. This could be a result of a change in specifications required due to unforeseen circumstances (de-watering, incorrect locates, blockages, obstructions, access issues etc.). In either event the client is contacted immediately and the additional scope of work is identified, communicated and permission is granted by the client to continue with an increase in the value of the project. The client generates the approvals by either an onsite inspection or remotely via a pre-determined approval process. Once the client approves the changes then either the existing PO is altered to include the additional compensation or an entirely new PO is generated

Once the project has been completed by DistinctTech, the client will frequently perform final inspections to ensure the stakeholder’s requirements for SOW, quality and overall completion have been met. Inspections entail a representative of the

client to conduct a project walk-through and review of as built documentation or project closeout submissions. Once confirmation of the project scope of work completion has been approved by the client, a final invoice for the confirmed P.O. amount is prepared. In most situations, interim invoicing is accepted at predetermined milestones for projects that have not been completed in full.

Competitive Strengths

The primary competitors to DistinctTech are Trinity Communication Services Ltd., Cable Control Systems, Aecon and Expercom. Trinity Communication Services offers turnkey solutions similar to DistinctTech but the company only acts as project manager as it has to subcontract all aspects of the work to third parties. Aecon is a large company with many divisions and as such the company only undertakes large projects. Cable Control Systems and Expercom are similar to DistinctTech but are either restricted geographically to the Greater Toronto Area or only performs services for one of the telecom companies.

DistinctTech's competitive strengths include:

- Diverse Customer Relationships - DistinctTech serves a diversified customer and industry base. Its customers include two of Canada's largest wireless communication providers. The company has been able to establish longstanding relationships and strong alliances with its clients and it continues to strive to maintain these customer relationships and its status as a preferred service provider to its customers.
- Southern Ontario Footprint – Since its incorporation, DistinctTech has forged a strong presence in the GTA and surrounding areas as a company that delivers consistent, comprehensive infrastructure services to its customers. DistinctTech believes that its experience, technical expertise and size are important to its customers.
- Ability to Respond Quickly and Effectively – DistinctTech has been able to develop the necessary skills and expertise required by its customers to differentiate itself from the competitors. Extensively trained personnel are utilized across multiple projects. DistinctTech employees are experienced in different disciplines allowing them to respond quickly and effectively to industry demands and fluctuations. Employees, fleet and other assets are able to be reallocated and deployed to where they are needed, enabling it to provide cost effective and timely services to its customers.
- Reputation for Reliable Customer Service and Technical Expertise - Over the years, DistinctTech has established a reputation for quality customer service and technical expertise. Its reputation gives the company an advantage in competing for new work, both from existing as well as new potential customers.
- Experienced Management Team – DistinctTech's management team plays a significant role in establishing and maintaining long-term relationships with its customers, supporting the growth of its business, integrating acquired businesses and managing the financial aspects of its operations. DistinctTech's management team has well over 100+ years of industry experience and a thorough understanding of the company's customers and their requirements.

New competitors may emerge over time but there are major barriers to entry. these barriers include large amount of capital to purchase equipment, sourcing and hiring skilled personnel and obtaining the approval of the telecom companies to provide services.

Strategy

The key elements of our business strategy are as follows:

- Focus on Growth Opportunities - DistinctTech believes that its end markets offer compelling growth opportunities, and it expects increased spending by key customers in the industries that the company serves. DistinctTech intends to use its technical expertise, financial and operational resources, customer relationships and full range of services to capitalize on these trends and grow its business.
- Operational Excellence – DistinctTech seeks to improve its business by focusing on profitable services and projects that have high margin potential, as well as by identifying opportunities for leverage within its business, such as deploying resources across multiple projects, while maintaining strong working capital management practices. DistinctTech enhances its operating effectiveness and utilization rates through its ability to use certain resources

across multiple customers and projects. DistinctTech continues to pursue actions and programs designed to improve operating efficiencies and working capital management, such as increasing accountability throughout its organization, managing customer contract bidding procedures more effectively and increasing individual project profitability, hiring additional experienced operating and financial professionals and expanding the use of its financial and other management information systems.

- Leverage Performance and Core Expertise Through Strategic Acquisitions and/or Alliances - DistinctTech may pursue selected acquisitions, investments and strategic alliances that will allow it to expand its operations into targeted geographic areas or continue to expand its service offerings in related fields. DistinctTech's strategy includes timely and efficient integration of acquisitions to best fit into its internal control environment and to maximize the potential of acquired businesses. DistinctTech may also divest certain businesses or assets due to performance or fit within its long-term business strategy.

Properties and Equipment

Leased Properties

DistinctTech currently leases its offices and yard at 77 Belfield Road, Toronto, Ontario. The current lease expires on May 31, 2025 and requires DistinctTech to pay a monthly lease rate of \$58,363.00 or an annual aggregate of \$700,355.00.

As at November 30, 2014, DistinctTech had a total of 165 employees.

Equipment

DistinctTech owns in excess of 200 various types of vehicles and construction equipment including specialized cable placing units, cube vans, pickup trucks, mini excavators, backhoes, directional drills and hydrovac trucks.

Market

Market Overview

Currently DistinctTech focuses the majority of its operations in providing Outside and Inside Network Plant Services to two of the nation's largest telecom companies. The vast majority of DistinctTech's operations are in the Southern Ontario Area. DistinctTech intends to expand its hydrovacating operations and its client base to include other utilities throughout Ontario and into the prairies, in order to lessen its reliance on the telecom industry.

Infrastructure Investment for the Telecommunications/Communications Sector

Demand for faster and more robust fiber communications network services has increased significantly with the proliferation of high-speed internet connectivity, broadband, data transmission, video and music download services, high definition television and other advanced digital and video services. Data usage over wireless and fiber communications networks is rapidly increasing as more consumers surf the web, check email and watch video on mobile devices. Smartphones, laptops, tablets and other mobile devices have become increasingly important to consumers. In its 2014 Global Mobile Data Traffic Forecast Update, Cisco Systems, Inc. predicted that mobile data traffic will increase 11-fold by 2018. Cisco also predicted that 4G wireless service will be used for only 15 percent of connections, but will represent 51 percent of total traffic and that 4G connections will generate 6 times more traffic, on average, than non-4G connections and will grow 18-fold by 2018. Additionally, the report predicts that by 2018, mobile-connected tablets will generate double the traffic generated by the entire global mobile network in 2013.

Service providers continue to upgrade the capacity and performance of their fiber communications and wireless networks and are deploying competing networks using new technologies to serve this developing market and the ever-increasing need for more bandwidth and faster data delivery services. Additionally, declining equipment costs and expanded capabilities of wireline and wireless network equipment have incentivized investment. At the same time, major regional and rural telecommunication companies are upgrading their networks from copper line to fiber optic line in order to enhance their ability to provide customers with bundled services that include video, voice and data. Similar dynamics of providers seeking to improve their offerings are prevalent in the cable and satellite markets as well. According to the Canadian Wireless Telecommunications Association submission to the Standing Committee on Finance, pre-budget 2012 consultations, network

operators will need to invest \$100 billion in telecom infrastructure over the next ten years. This will be required in order to keep up with Canadians demand for broadband services with approximately \$35 billion to be spent in Ontario specifically.

Hydrovac Industry

Hydrovac excavation is the use of a combination of high pressure water and vacuum pumping to excavate various types of soils. This truck-mounted system is commonly used to locate buried infrastructure, for trenching and to excavate holes for poles and piles. Hydro excavation is the only non-destructive method of digging and to quickly and safely expose underground infrastructure. This method of excavation is used throughout the year because it virtually eliminates damage to underground utilities. Hydrovac excavation has found many uses in transportation, oil and gas, utilities, engineering as well as in the industrial sector. It is the preferred method of excavating around congested services.

During the hydrovac process, pressurized water is injected into the ground through a handheld wand. As the soil cover is liquefied, the resulting slurry is simultaneously extracted by a powerful vacuum and stored in a debris tank onboard the hydrovac.

Hydrovac trucks are typically used for "daylighting", the process of trenching and excavating rock and soil groundcover surrounding live utility lines and pipelines. Hydrovac trucks are used to reduce the possibility of damaging existing underground infrastructure in refineries, petro-chemical and other industrial plants and municipalities. The market for hydrovac services tends to be less seasonal.

Prior to the development of hydrovac technology, the only means of exposing underground pipelines, utility cables or lines was by hand digging or machine excavation. For small jobs, companies traditionally exposed underground lines by hand with picks and shovels. Excavation by hand is expensive, time consuming and labour intensive. For larger jobs, machines were used to excavate. Both methods pose a significant safety hazard in the event of an underground line rupture.

The hydrovac industry in North America continues to expand as companies acknowledge its safety and environmental benefits, concerning excavation near underground pipelines and utility lines. According to a National Bank analysts report more than \$90 billion annual construction spending in Canada is tied to utility expansion, of which between \$10 billion to \$40 billion represents a direct opportunity for hydrovacating. Currently only an estimated \$1 billion of revenue is realized. This translates into an extensive area of growth.

There are several barriers to entry to become a significant player in the hydrovac market, including:

- high capital cost of hydrovac units;
- reputation and customer loyalty;
- expertise and development costs; and
- operational and safety procedures and experience.

Regulatory Environment

Various regulatory bodies in Canada and the United States acknowledge that excavation around underground lines pose an inherent danger to the operator, the public and the environment. Various departments of the federal, state and provincial governments regulate the excavation procedure to be used when digging near underground lines.

Specialized Skill and Knowledge

DistinctTech provides its employees with the all necessary training to operate the hydrovac trucks. In addition to on the job training, operators of the units require industry specific tickets.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Annual and Quarterly Information

The fiscal year end of DistinctTech is November 30 in each year. The following table summarizes DistinctTech's financial results during the years ended November 30, 2014, November 30, 2013 and November 30, 2012 and the interim period ended May 31, 2015. This table should be read in conjunction with the financial statements of DistinctTech included in Schedule "I" of this Information Circular. DistinctTech is currently a private company and did not prepare quarterly financial statements

for periods prior to the interim period May 31, 2015, and, accordingly, no quarterly information is included herein with respect to such periods.

	Six Months Ending May 31, 2015 (unaudited)	Year ended November 30, 2014 (audited)	Year ended November 30, 2013 (unaudited)	Year ended November 30, 2012 (unaudited)
Total revenues	\$14,672,081	\$25,614,409	\$18,834,269	\$15,769,480
Net income	\$809,805	\$2,293,326	\$1,563,657	\$696,342
Total assets	\$27,170,416	\$21,613,583	\$8,080,546	\$6,809,319
Total liabilities	\$18,065,989	\$17,231,072	\$5,991,361	\$5,601,259
Income from continuing operations	\$1,574,586	\$3,548,934	\$2,326,428	\$1,111,489
Cash dividends declared	nil	nil	\$70,000	\$195,000

Management's Discussion and Analysis

Management's discussion and analysis of the financial condition and results of operations of DistinctTech for the years ended November 30, 2014, 2013 and 2012 and the six months ending May 31, 2015 is attached to this Information Circular as Schedule "J". This management's discussion and analysis should be read in conjunction with the financial statements of DistinctTech and the accompanying notes thereto attached to this Information Circular as Schedule "C".

Certain information included in such management's discussion and analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Information*".

Description of the Securities

The authorized capital of DistinctTech consists of an unlimited number of common shares without nominal or par value. As of the date of this Information Circular, 206,565,645 DistinctTech Shares are issued and outstanding as fully paid and non-assessable.

The holders of the DistinctTech Shares are entitled to receive notice of and attend any meeting of the DistinctTech's shareholders and are entitled to one vote for each DistinctTech Share held. The holders of the DistinctTech Shares are entitled to receive dividends, if, as and when declared by the board of directors of DistinctTech and to receive the remaining property available for distribution in the event of a liquidation, dissolution or winding-up of DistinctTech.

Consolidated Capitalization

The following table sets forth DistinctTech's share and loan capital for and as of the end of the periods indicated. This information is derived from the financial statements of DistinctTech, which are included in this Information Circular.

<u>Designation of Security</u>	<u>Authorized</u>	<u>Outstanding as at May 31, 2015 (prior to giving effect to the Proposed Transaction) (unaudited)</u>
Common Shares	Unlimited	192,272,705 ⁽¹⁾
Current Liabilities		\$14,590,782
Long-term Debt		\$3,475,206

Notes:

- (1) On June 1, 2015, DistinctTech closed its third tranche of the DistinctTech Private Placement. An aggregated of 14,292,940 DistinctTech Units were issued. As of the date of this information circular, DistinctTech has an aggregate of 206,565,645 DistinctTech Shares, 27,782,823 DistinctTech Warrants and 4,317,251 DistinctTech Private Placement Broker Warrants issued and outstanding.
- (2) The retained earnings for DistinctTech as at May 31, 2015 was \$5,192,318

Prior Sales

In the twelve month period preceding the date of this Information Circular the following DistinctTech Shares have been issued:

<u>Date</u>	<u>Number of DistinctTech Shares</u>	<u>Issue Price Per share</u>	<u>Aggregate Issue Price</u>	<u>Nature of Consideration Received</u>
April 2, 2015	151,000,000 ⁽¹⁾	\$0.00000015	\$23	Issued pursuant to the Amalgamation
April 20, 2015	30,682,705 ⁽²⁾⁽³⁾	\$0.10	\$3,068,271	Cash
May 4, 2015	10,590,000 ⁽²⁾	\$0.10	\$1,034,000	Cash
June 1, 2015	14,292,940 ⁽²⁾⁽⁴⁾	\$0.10	\$1,429,294	Cash

Notes:

- (1) These shares were issued pursuant to the amalgamation of DistinctTech Inc., a predecessor company of DistinctTech and each of 2210291 Ontario Inc. and 2210291 Ontario Inc, former shareholders of DistinctTech Inc.
- (2) Issued pursuant to the DistinctTech Private Placement.
- (3) An aggregate of 360,000 DistinctTech Shares were issued to non-arm's length parties.
- (4) An aggregate of 250,000 DistinctTech Shares were issued to non-arm's length parties.

Stock Exchange Price

There is no public market for any securities of DistinctTech.

Executive Compensation

A Named Executive Officer means DistinctTech's chief executive officer (the "CEO") the chief financial officer (the "CFO"), and the chief strategy officer (the "CSO") in addition to each of DistinctTech's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers as at the end of the most recently completed financial year ended November 30, 2014, whose total compensation was, individually, more than \$150,000 or who would have qualified as a Named Executive Officer but for the fact that the individual was not serving as such an officer at the end of the most recently completed financial year ended November 30, 2014. In addition, disclosure is required for any director or officer of DistinctTech whose salary and bonus during the most recent fiscal year was \$150,000 or more, whether or not they were executive officers at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The Compensation Discussion and Analysis section sets out the objectives of DistinctTech's executive compensation Amalgamations, DistinctTech's executive compensation philosophy and the application of this philosophy to DistinctTech's executive compensation Amalgamations. DistinctTech does not have a formal compensation committee, and in establishing compensation payable to DistinctTech's NEO's, DistinctTech relied solely on a board of directors' discussion without any formal objective, criteria and/or analysis, while keeping in mind industry standards.

When determining the compensation Amalgamations for the Named Executive Officers, the board of directors considers the objectives of: (i) retaining an executive critical to the success of DistinctTech and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of DistinctTech; and (iv) rewarding performance, both on an individual basis and with respect to the business in general.

In determining the compensation level for each NEO, the board of directors looks at factors such as the relative complexity of the executive's role within the organization, the executive's performance and potential for future advancement and pay equity considerations. The board of directors take into consideration executive compensation in companies similar to DistinctTech, although no specific benchmarking policy is in place for determining compensation or any element of compensation.

During the three most recently completed fiscal years, DistinctTech awarded compensation to the NEO's in the form of base salary. Base salary or consulting fees recognizes the value of an individual to DistinctTech based on his or her role, skill, performance, contributions, leadership and potential. It is critical in attracting and retaining executive talent in the markets in which DistinctTech competes for talent. Base salaries or consulting fees for the NEO's are reviewed annually. Any change in base salary or consulting fees of a NEO is generally determined by an assessment of such executive's performance, a consideration of competitive compensation levels in companies similar to DistinctTech and a review of the performance of DistinctTech as a whole and the role such executive officer played in such corporate performance.

To date, DistinctTech has not issued any option-based awards or any other incentive awards, including bonuses, to its NEOs. The criteria used to determine eligibility for granting option-based or other incentive awards is at the discretion of the board of directors.

Directors, who are not Named Executive Officers, do receive compensation for their attendance at meetings, and are reimbursed for their reasonable expenses incurred in relation to attendance at meetings. Non NEO Directors receive the equivalent of 40,000 common shares annually or 10,000 common shares per quarter.

Summary Compensation Table

The following table provides a summary of total compensation earned during each of the twelve month periods ended November 30, 2014, 2013 and 2012, respectively, by DistinctTech's CEO and CFO, each of the three other most highly compensated executive officers of DistinctTech who were serving as such as at December 31, 2011 and whose total compensation was, individually, more than \$150,000 and each other individual who would have been a Named Executive Officer but for the fact that such individual was neither serving as an executive officer, nor acting in a similar capacity, as at December 31, 2011 for services rendered in all capacities during such period.

SUMMARY COMPENSATION TABLE							
Name and Principal Position of Named Executive Officer	Year Ended Nov. 30	Salary (\$)	Option-Based Awards (#/\$)	Non-Equity Incentive Plan Compensation		All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)		
Alex Agius Chief Executive Officer	2014	423,611	Nil	Nil	Nil	24,000	447,611
	2013	160,577	Nil	Nil	Nil	59,000	219,577
	2012	109,038	Nil	Nil	Nil	89,000	198,038
Joe Lanni Chief Executive Officer	2014	417,670	Nil	Nil	Nil	24,000	441,670
	2013	146,525	Nil	Nil	Nil	59,000	205,525
	2012	133,304	Nil	Nil	Nil	89,000	222,304
Maryam Tehranizadeh Controller	2014	40,000 ⁽¹⁾	Nil	Nil	Nil	Nil	40,000
	2013	184,113 ⁽¹⁾	Nil	Nil	Nil	Nil	184,113
	2012	160,808	Nil	Nil	Nil	Nil	160,808
Manny Bettencourt Chief Financial Officer ⁽²⁾	2014	\$82,384	Nil	Nil	Nil	Nil	\$82,384

Notes:

- (1) Ms. Tehranizadeh was terminated on July 23, 2013. The payments subsequent to her termination date represents salary continuation as per a settlement agreement between DistinctTech and Ms. Tehranizadeh.
- (2) Mr. Bettencourt was appointed Chief Financial Officer on June 30, 2014.

Incentive Plan Awards

DistinctTech does not have a stock option plan and no options have been granted.

Director Compensation

The board of directors of DistinctTech consist of two (2) directors of which both directors are officers of DistinctTech and did not receive any additional compensation for services rendered in such capacity, other than as paid by DistinctTech to such executive officers in their capacity as executive officers.

Indebtedness of Directors and Officers

No individual who is, or at any time since the incorporation of DistinctTech was, a director or senior officer of DistinctTech, nor any proposed nominee director of DistinctTech, nor any Associate or Affiliate of any one of them:

- is, or at any time since the incorporation of DistinctTech has been, indebted to DistinctTech or any of its subsidiaries; or
- was indebted to another entity, which such indebtedness is, or was at any time since the incorporation of DistinctTech the subject of a guarantee, support agreement, letter of credit or other similar Amalgamation or other understanding provided by DistinctTech or any of its subsidiaries.

Termination and Change of Control Benefits

There were no contracts, agreements or plans of Amalgamation that provide for payment to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of DistinctTech or a change in an NEO's responsibilities.

Management Contracts

Currently, DistinctTech has no employment or management contracts in place with its NEOs. The NEOs are compensated through a verbal agreement, which has been ratified by a resolution of the directors of DistinctTech, which agreement provides for a base salary of \$285,000 for each of the Co-Chief Executive Officer. The Chief Financial Officer is paid a base annual salary of \$155,000 and is eligible for a bonus equal to 30% of the base salary.

Non-Arm's Length Party Transactions

Except as set forth below or otherwise set out in this Information Circular, the directors and senior officers of DistinctTech and Associates and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since its date of incorporation to the date of this Information Circular that has materially affected or will materially affect DistinctTech or the Resulting Issuer:

- ABL Professional Management Services Inc. ("ABL") is a separate legal entity that is managed and controlled by the Co-Chief Executive Officers and majority shareholders of DistinctTech. Transactions between ABL and DistinctTech are incurred in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the respective parties. During the financial year ended November 30, 2014, DistinctTech recorded services on a pass through basis of \$464,550 to ABL (2013 - \$1,102,917). As at November 30, 2014 \$1,538,372 remains receivable. The Co-Chief Executive Officers have provided a personal guarantee for the collection of this receivable.
- DistinctTech paid management fees to its former corporate shareholders for shared services functions totalling \$255,217 (2013 - Nil). These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

Legal Proceedings

DistinctTech has not been, and nor is it presently, involved in any legal proceedings material to it and no such proceedings are, to the best of its knowledge, contemplated.

Material Contracts

DistinctTech has not entered into any material contracts outside of the ordinary course of business prior to the date hereof, other than:

1. the amalgamation agreement pursuant to which DistinctTech Inc., a predecessor company of DistinctTech and each of 2210291 Ontario Inc. and 2210291 Ontario Inc., former shareholders of DistinctTech Inc.
2. the DistinctTech Private Placement Agency Agreement; and
3. the Amalgamation Agreement.

Copies of these contracts may be inspected without charge for a period of thirty (30) days after the Effective Date at the offices of DistinctTech, 77 Belfield Road, Toronto, Ontario, M5W 1M3 during ordinary business hours.

SCHEDULE "F"
INFORMATION RELATING THE RESULTING ISSUER

CORPORATE STRUCTURE

Name and Incorporation

The proposed name of the Resulting Issuer is "DistinctTech Infrastructure Group Inc." or such other name as may be accepted by the relevant regulatory authorities and approved by the Board of the Resulting Issuer. QE2 is seeking Shareholder approval for the proposed Name Change at the Meeting. QE2 has reserved with the Exchange the stock symbol "DUG" for the Resulting Issuer. It is anticipated that the Resulting Issuer's registered office will be located at #4034, 909 – 17th Avenue S.W., Calgary, Alberta T2T 0A4 and its head office will be located on the 77 Belfield Road, Toronto, Ontario.

Intercorporate Relationships

Following Completion of the Transaction, the Resulting Issuer will own all of the issued and outstanding shares of DistinctTech and as such DistinctTech will be a wholly-owned subsidiary of the Resulting Issuer, in addition to Pillar, Candesto Ltd. and Boom Ventures Inc.

After completion of the Transaction, the DistinctTech Private Placement and QE2 Private Placement, there will be 252,622,026 Resulting Issuer Shares issued and outstanding, of which current shareholders of QE2 will own 35,403,099 Resulting Issuer Shares (14.01%) and the former DistinctTech Shareholders will own 217,218,927 Resulting Issuer Shares (85.99%). Accordingly, the Proposed Transaction will constitute a reverse asset acquisition of QE2 for accounting purposes.

NARRATIVE DESCRIPTION OF THE BUSINESS

Stated Business Objectives

Upon completion of the Transaction, the Resulting Issuer will carry on the business of QE2 and DistinctTech and the business objectives of the Resulting Issuer will be the business objectives of QE2 and DistinctTech. The Resulting Issuer's business objective is to continue to acquire and grow a diversified range of profitable, well managed, asset backed private infrastructure and utilities businesses across Canada as currently conducted by both QE2 and DistinctTech. For a narrative description of the business of the Resulting Issuer.

Milestones

The Resulting Issuer will not be required to meet any stated business objectives in order meet any business objectives. The Resulting Issuer intends to grow its business organically and through strategic acquisitions.

DESCRIPTION OF THE SECURITIES

The current authorized capital of QE2 will be the authorized capital of the Resulting Issuer, which is comprised of an unlimited number of QE2 Shares and an unlimited number of Preferred Shares.

Following Completion of the Qualifying Transaction, a maximum of 252,622,026 Resulting Issuer Shares will be issued and outstanding (without giving effect to the exercise of any convertible securities). The material attributes and characteristics of the Resulting Issuer Shares will be the material attributes and characteristics of the QE2 Shares. See "*Schedule D – Information Relating to QE2 - Description of Securities*".

PRO FORMA CONSOLIDATED CAPITALIZATION

Pro Forma Consolidated Capitalization

The following table sets forth the capitalization of the Resulting Issuer after giving effect to the Transaction, the DistinctTech Private Placement and QE2 Private Placement, as more particularly described in the Pro Forma Consolidated Balance Sheet as at January 31, 2015 attached hereto as Schedule "G".

Pro Forma Consolidated Capitalization of the Resulting Issuer

Designation of Security	Amount Authorized	Amount Outstanding Before Giving Effect to the Transaction ⁽¹⁾	Amount Outstanding After Giving Effect to the Transaction
QE2 Shares	Unlimited	35,403,099 (\$3,884,636)	252,622,026 (\$26,004,033)
Preferred Shares	Unlimited	Nil	Nil
Resulting Issuer Debentures	Unlimited	Nil	1,298 ⁽²⁾ (\$1,298,000)

Notes:

- (1) There are 1,500,000 Options outstanding pursuant to the Option Plan. See "Schedule "E" – Information Concerning the Resulting Issuer – Fully Diluted Share Capital".
- (2) Resulting Issuer Debentures are convertible at the option of the holder into Resulting Issuer Shares at a price of \$0.50 per Resulting Issuer Share. See "Schedule "E" – Information Concerning the Resulting Issuer - Fully Diluted Share Capital".
- (3) The working capital of the Resulting Issuer as of May 31, 2015 was \$6,664,849, as reflected in the pro forma financial statements for the Resulting Issuer attached hereto as Schedule "G".

Fully Diluted Share Capital

The following table sets forth the diluted share capital of the Resulting Issuer after giving effect to the Transaction.

Categories of Securities	Number of Resulting Issuer Shares	Percentage of Total Diluted Resulting Issuer Share Capital Post Closing
Resulting Issuer Shares issued and outstanding	252,622,026	77.76%
Resulting Issuer Shares upon exercise of QE2 Options	1,500,000	0.46%
Resulting Issuer Shares upon exercise of DistinctTech Warrants	27,782,823	8.56%
Resulting Issuer Shares upon exercise of QE2 Warrants	5,763,290	1.77%
Resulting Issuer Shares upon exercise of QE2 Finder Warrants	364,500	0.11%
Resulting Issuer Shares upon conversion of Resulting Issuer Debentures ⁽¹⁾	4,196,000	1.29%
Resulting Issuer Shares upon conversion of Resulting Issuer Debentures ⁽²⁾	1,660,000	0.52%
Resulting Issuer Shares for the payment of interest on the Resulting Issuer Debentures ⁽³⁾	514,933	0.16%
Resulting Issuer Shares reserved for issuance upon exercise of DistinctTech Private Placement Broker Warrants	4,317,251	1.33%
Resulting Issuer Shares reserved for issuance upon exercise of DistinctTech Warrants issuable on the exercise of the DistinctTech Private Placement Broker Warrants	2,158,626	0.66%
Resulting Issuer Shares available for future grant of stock options	23,979,696	7.38%
Total Fully Diluted	324,859,145	100%

Notes:

- (1) The holders of the QE2 Debentures have been asked to execute an extraordinary resolution, which requires 66 2/3% approval of all QE2 Debenture Holders, which will amend the QE2 Debentures as follows, among other things:
 - (i) maturity date will be extended for an additional 24 months
 - (ii) amend interest rate from 12% per annum to 8% per annum
 - (iii) amend the conversion price from \$0.50 to \$0.15 per QE2 Share at any time until Closing. After Closing, conversion price shall be \$0.25

In the event that the average closing price of the Resulting Issuer Shares exceeds \$0.30 for a minimum of 20 non-consecutive trading days (whether or not trading of the Resulting Issuer Shares occurs on such days and provided that the Resulting Issuer Shares trade on at least five of such trading days), the Resulting Issuer may, in its sole discretion, for a period of 20 days thereafter, be entitled to issue a notice in writing to the holders of the Resulting Issuer Debentures notifying that the right to convert the Resulting Issuer Debentures shall expire within 20 days following the delivery of such notice. The amendments to the QE2 Debentures is subject to QE2 receiving the requisite approvals from the QE2 Debenture holders and Exchange approval.

- (2) Certain holders of the QE2 Debentures have agreed to convert their QE2 Debentures on Closing at a price of \$0.15 per QE2 Share.
(3) The holders of the QE2 Debentures have agreed to accept the issuance of QE2 Shares at a deemed price of \$0.15 per QE2 Share in lieu of the payment of an aggregate of \$77,240 in interest. The issuance of the QE2 Shares in lieu of the interest payment is subject to Exchange approval.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Funds Available

Estimated Available Funds and Proposed Principal Uses Thereof

The Resulting Issuer would have, as at January 31, 2015, *pro forma* consolidated working capital of approximately \$6,664,849.

As at May 31, 2015, DistinctTech had working capital of \$6,187,857 and as at May 31, 2015, QE2 had a working capital deficit of (\$1,697,629). It is estimated that upon Closing, the Resulting Issuer will have \$6,164,849 in working capital after deducting the estimated issuance costs and expenses of the Transaction in the amount of \$500,000.

The following table sets forth the estimated working capital (total current assets less total current liabilities) plus the amounts and sources of other funds available to QE2 and DistinctTech prior to, or concurrently with, the Closing, after giving effect to the Transaction.

Source of Funds

QE2 working capital as at May 31, 2015	\$(1,697,629)
DistinctTech working capital at May 31, 2015	\$6,187,857
Brokered Private Placement DistinctTech June 1, 2015	\$1,429,294
DistinctTech Private Placement fee	\$(83,215)
Professional Fees related to the Transaction	\$(500,000)
QE2 Private Placement	\$522,500
QE2 Private Placement fee	\$(24,300)
Agreement to defer current debt of QE2 to long term debt	\$425,000
QE2 cancellation of debt for issuance of shares	\$154,200
Conversion of QE2 Debentures	\$249,000
Payment of interest on QE2 Debenture through issuance of QE2 Shares	\$77,240
Estimated additional working capital generated over eighteen months	\$7,800,000
Total	\$14,539,947

The following table sets out the estimated available funds after giving effect to the Transaction and the proposed principal uses for those funds:

Expenditure	Amount
General and Administrative Costs (18 months)	\$9,375,000
Unallocated Working Capital	\$5,164,947
Total:	\$14,539,947

Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds

necessary to affect the planned activities of the Resulting Issuer. For these reasons, management considers it to be in the best interests of QE2 and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. Further, the above uses of available funds should be considered estimates.

Dividends

QE2 has not paid any dividends and payment of such dividends is not contemplated in the immediate or foreseeable future.

Principal Purposes of Funds

The following table sets forth the funds anticipated to be available to the Resulting Issuer upon the completion of the Transaction and the proposed use of such funds over the next 18 months and contains forward looking information developed for this Information Circular and approved by management of QE2 on June 29, 2015:

Use of Available Funds ⁽¹⁾	Amount Assuming Completion of the Transaction
Funds Available	\$14,539,947
General and Administrative Costs (18 months)	\$(9,375,000)
Unallocated Working Capital	\$5,164,947

Notes:

- (1) Milestones for subsequent corporate acquisitions as set forth in "*Part 3 - Information Concerning the Resulting Issuer - Narrative Description of the Business*", are not listed in the table above as funding to complete them is uncertain and would consist of a mix of cash from operations, additional long term debt and additional equity. Funding for acquisitions would be a condition precedent to completing any such transactions and there is no assurance that such funding would be available and if available there is no assurance that such funding would be on terms acceptable to the Resulting Issuer.

Upon completion of the Transaction, the Resulting Issuer is expected to have sufficient cash available to pay its operating and administration costs for at least the next 18 months. The following table sets out the estimated general and administrative costs that will be incurred for the 18 months after completion of the Transaction:

General and Administrative Costs	Amount if Minimum Financing
Audit and Accounting Fees	\$80,000
Legal Fees	\$100,000
Salaries and Benefits	\$7,960,000
Annual Fees payable to the Exchange	\$35,000
Senior Management	\$1,200,000
Total	\$9,375,000

PRINCIPAL SECURITY HOLDERS

Upon completion of the Transaction, the only shareholders of record anticipated to own or beneficially, directly or indirectly, or exercise control or direction over more than 10% of the Resulting Issuer Shares are as set forth below:

Name and Municipality of Residence	Type of Ownership	Number of Resulting Issuer Shares	% of Resulting Issuer Shares
Alexander Agius Mississauga, Ontario	direct	68,000,000	26.89%
Joe Lanni Etobicoke, Ontario	direct	68,000,000	26.89%

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Security Holdings

The following table lists the name, municipality of residence, proposed office, principal occupation and anticipated shareholdings of each of the directors and officers of the Resulting Issuer.

Name and Municipality of Residence	Age	Proposed Position with Resulting Issuer	Principal Occupation and Positions Held During the last 5 years	Number of QE2 Shares Owned, Beneficially Held or Controlled on completion of the Transaction⁽⁸⁾	% of Class Held or Controlled (non-dilutive)	% of Class Held or Controlled (fully-dilutive)
Alex Agius Mississauga, Ontario	46	Co-Chief Executive Officer and Director	Co-Chief Executive Officer of DistinctTech	68,000,000	26.89%	21.31%
Joe Lanni Etobicoke, Ontario	41	Co-Chief Executive Officer and Director	Co-Chief Executive Officer of DistinctTech	68,000,000	26.89%	21.31%
Michael Newman ⁽¹⁾ Toronto, Ontario	69	Director	Managing Partner of Boardwalk Capital Inc. and Adevam Investments Inc/	260,000	0.1%	0.08%
Gary Wetsch ⁽¹⁾ St. Albert, Alberta	66	Director	General Counsel, Landrex Inc.	200,000	0.08%	0.06%
Dave O'Brien ⁽¹⁾ Mississauga, Ontario	65	Director	Retired	Nil	-	-
Manny Bettencourt Toronto, Ontario	43	Chief Financial Officer and Corporate Secretary	Chief Financial Officer of Distinct and First Global Data Limited	350,000	0.14%	0.1%
Ian Hogg Calgary, Alberta	66	Chief Operating Officer	Consultant	1,000,000	0.39%	0.31%

Name and Municipality of Residence	Age	Proposed Position with Resulting Issuer	Principal Occupation and Positions Held During the last 5 years	Number of QE2 Shares Owned, Beneficially Held or Controlled on completion of the Transaction⁽⁸⁾	% of Class Held or Controlled (non-dilutive)	% of Class Held or Controlled (fully-dilutive)
Mihalis Belantis Calgary, Alberta	39	Vice President Business Development	President of QE2	6,000,000	2.37%	1.88%

Note:

(1) Proposed members of the Audit Committee

The following are biographies of the proposed directors and officers of the Resulting Issuer.

Alexander Agius, Co-Chief Executive Officer and Director - Mr. Agius, is a seasoned infrastructure executive with over 25 years of industry experience. He began his career as a field tech fresh out of school. He rose to the level of VP Construction at Sentrex Communications, where from 1988 to 2006 he oversaw Canadian operations and was involved in identifying and assessing US acquisitions. After leaving Sentrex he was responsible for creating, since 2006 to 2009, the telecom infrastructure group of Wesbell Group of Companies Inc. In 2009, Mr. Agius joined DistinctTech as co-Chief Executive Officer.

Joe Lanni, Co-Chief Executive Officer and Director - Mr. Lanni is an entrepreneur, having started his first business in his late teens and having founded and sold several businesses over the years. He has over twenty years of industry experience in general construction and utilities, and has served in several operational roles over the years. From 2006 until 2007, he was responsible for setting up Westbell's western Canadian operations, growing it to over 60 technicians in less than eighteen months. In 2007, Mr. Lanni was one of the original founders of DistinctTech and has helped guide it to its current level of success.

Michael Newman, Director - Michael Newman, 69, is the founder, and from 1997 to 2009 was the President & CEO of InterRent Real Estate Investment Trust (IIP.UN-TSX). Prior to founding InterRent, Mr. Newman was for twenty five years an executive in the cable television and telecommunications industries in North America, having co-founded in 1972, CableTel Communications of Markham, Ontario, and served in a worldwide M&A capacity with Zenith Electronics of Chicago, Illinois from 1992 to 1997. He is the Managing Director of two family owned merchant banks, Boardwalk Capital Inc., and Adevam Investments Inc., and currently serves as the Chairman of the Board of Augustine Ventures Inc. (WAW-CNSX), and on the Boards of Directors of Quinsam Capital Inc., (QCA-CNSX), Leo Capital Corp. (LEQ.P-NEX), as well as being on the Advisory Boards of The Succession Fund, a private equity fund and AgriFood Capital Inc., a private equity advisor for food and agriculture in Canada. Mr. Newman is also a member of the Independent Review Committees (IRC) of Artemis US Capital Appreciation a TSXV listed Mutual Fund (AUF.UN-TSX), Citadel Income Fund (CTF.UN-TSX) and Energy Income Fund (ENI.UN-TSX). He is a partner in, and the CEO of KE Real Estate Holdings Inc., and 201004 Collier Holdings Inc., two private real estate companies. Over the past twenty years Mr. Newman has served on the Boards of Directors of numerous Toronto Stock Exchange and TSXV listed companies, often chairing a number of Board Committees.

Gary Wetsch, Director - Mr. Wetsch is a lawyer admitted to the Bar in Alberta in 1972. Mr. Wetsch is a founder and shareholder of a number of businesses in western Canada. He serves on a number of private company and volunteer boards. Mr. Wetsch, in his practice of law, advised corporations in a broad area that included commercial transactions, employment law, strategic planning, international transactions and finance. He has been involved in all industrial segments and is a strong supporter of innovation and science in Alberta. Mr. Wetsch is the recipient of the Queen's Golden Jubilee Commemorative Medal for his economic development accomplishments. He is currently Corporate Counsel with Landrex Inc. and its affiliates.

David O'Brien, Director - Mr. O'Brien is retired as President and Chief Executive Officer, Toronto Hydro Corporation where he served between 2004-2009. Prior to joining Toronto Hydro Corporation, Mr. O'Brien was on a six-month secondment with Ontario's Ministry of Energy from the City of Mississauga, where he initially joined as Associate Deputy Minister of Energy and was subsequently appointed Deputy Minister. Mr. O'Brien began his career 40 years ago in the City

of Sudbury where he rose to the position of City Manager. Since then he has held the position of City Manager for the Region of Ottawa Carleton, the City of Gloucester, the City of Ottawa, and most recently, the City of Mississauga where he was City Manager between 1995 - 2004. Mr. O'Brien worked with KPMG from 2012 – 2014 as the Global Head of the Cities Centre of Excellence. Mr. O'Brien has also served as President and Chief Executive Officer of Enersource Corporation, the parent company of Hydro Mississauga. After stepping down as Chief Executive Officer, he was appointed to the Board of Directors of Enersource Corporation and Chair of the Development Committee.

Manny Bettencourt , Chief Financial Officer and Corporate Secretary - Mr. Bettencourt began his career at KPMG and is a graduate of the University of Toronto. Prior to becoming CFO for DistinctTech in 2014, Mr. Bettencourt was the CFO for First Global Data Ltd., a mobile, payments and remittance company, and had previously served as the COO and CTO of First Global Data Corp., the predecessor company. Mr. Bettencourt is a Chartered Accountant and has previously served as CFO and as a Senior Executive for a number of Canadian and US companies in the information, technology and telecommunications space. He served as CFO for Navaho Networks, an online payments company, was CFO at AT&T Solutions Canada, and was the Sr. Financial Officer of several other companies. In addition Mr. Bettencourt serves as a Director, and on the Audit Committee for First Global Data Ltd (TSXV) and has served as Chairman and a Director for several not for profit organizations.

Ian Hogg , Chief Operating Officer - Mr. Hogg began his business career in the early 1970's in the securities industry and rose to run trading departments for two national firms in Canada and the United States. He moved to the Commercial Real Estate industry establishing the first branch office for the largest specialized broker in the country. In the late 1990's he was asked to establish a public real estate company, TGS Properties Inc., based in western Canada and as president from 1998 to 2000, he grew it from \$10 million in assets to over \$150 million in 4 years.

Mihalis (Mike) Belantis, VP Business Development - Mr. Belantis has more than 15 years' experience identifying opportunities, investing and consulting for companies in both the private and public sectors. Most recently, Mr. Belantis was a co-founder and Manager of Business Development for Otis Gold Corp., a company listed on the TSXV, from 2008 to 2010. Prior to that, he undertook corporate development work for Timmins Gold Corp., a company listed on the Toronto Stock Exchange, for three years. He has played a key role in developing the vision and implementing the initial foundation for many successful startups in some cases achieving market caps in excess of \$300 million. As CEO of QE2, Mr. Belantis is involved in all aspects of QE2's acquisitions, investments and new project initiatives. He also leads the team in setting the strategy and vision for the organization and articulating the road map for growth and a sustainable competitive advantage. Mr. Belantis has been involved in identifying prospective targets and market opportunities; in the case of acquisitions, conducting due diligence, determining appropriate valuation and structure, developing strategy for and conducting negotiations, driving activities to closure and coordinating with other business units.

Corporate Cease Trade Orders

None of the Resulting Issuer's directors, officers, or promoters, or a security holder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer has, within 10 years prior to the date of this Information Circular, been a director, officer, or promoter of any company, including the Resulting Issuer and any personal holding companies, that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company, except as noted below:

- Mr. Newman resigned as a director of GreenStar Agricultural Corporation ("GreenStar") on September 24, 2014. GreenStar was issued a temporary order by the Ontario Securities Commission (the "OSC") on June 3, 2014 cease trading the common shares of GreenStar. On June 16, 2014 the OSC issued a permanent order cease trading the common shares of GreenStar. The British Columbia Securities Commission issued a cease trade order dated June 4, 2014 against GreenStar. The Alberta Securities Commission issued a cease trade order dated September 15, 2014 against GreenStar. The cease trade orders were issued as a result of the failure of GreenStar in filing its audited financial statements for the year ended December 31, 2013, unaudited interim financial statements of GreenStar for the three month period ended March 31, 2014, accompanying management's discussion and analysis, and related CEO and CFO certifications, as required by applicable securities laws. The cease trade orders remain in effect. On June 3, 2014, the Exchange suspended trading of GreenStar's common shares until such time as it accepts a reinstatement application by the company.

Bankruptcies

None of the directors, officers, or promoters of the Resulting Issuer, or a shareholder holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or any personal holding companies of the foregoing, within 10 years prior to the date of this Circular has been a director, officer, or promoter of any company, as applicable, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, Amalgamation or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets.

Penalties or Sanctions

No director, officer, Insider or Promoter of the Resulting Issuer, or a shareholder of the Resulting Issuer holding a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors, proposed directors and officers of the Resulting Issuer will be subject with respect to the operations of the Resulting Issuer. Certain of the directors, proposed directors and/or officers serve as directors and/or officers of other companies or have significant shareholdings in other companies. Any conflicts of interest will be subject to and governed by the law applicable to directors and officers conflicts of interest, including the procedures prescribed by the ABCA. The ABCA requires that directors and officers of the Resulting Issuer, who are also directors or officers of a party which enters into a material contract with the Resulting Issuer or otherwise have a material interest in a material contract entered into by the Resulting Issuer, must disclose their interest and, in certain instances, refrain from voting on any resolution of the Resulting Issuer's directors to approve the contract.

Personal Bankruptcies

None of the proposed directors, officers or promoters of the Resulting Issuer, or security holders anticipated to hold a sufficient number of the securities of the Resulting Issuer to affect materially the control of the Resulting Issuer, or a personal holding company of any such Person, has, during the past ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, Amalgamations or compromise with creditors, or had a receiver, receiver manager or trustee appointed hold their assets.

Other Reporting Issuer Experience

The following directors and officers of the Resulting Issuer are, or within the past five years have been, directors, officers or promoters of the following reporting issuers (other than the Resulting Issuer).

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term
Manny Bettencourt	First Global Data Limited	TSX Venture	Director Chief Financial Officer	2011 - present 2011 - 2014
Ian Hogg	Petrowest Corp. PCG Corp.	TSX TSX Venture	Vice President, Corporate Affairs Vice President	2010 - 2014 2005 - 2010
David O'Brien	Alterra Power	TSX	Director	2010 - 2012

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term
Gary Wetsch	Winalta Inc.	TSX Venture	Officer	2008 – 2010
	PCG Group	TSX Venture	Director	2007 – 2012
	Petrowest Inc.	TSX	Director	2010 - 2012
Michael Newman	Augustine Ventures Inc.	CSE	Director	2010 – present
	Quinsam Capital Inc.	TSX Venture	Director	2013 – present
	Caldera Geothermal Inc.	TSX Venture	Interim C.E.O.	2010 – 2011
	GreenStar Agricultural Inc.	TSX Venture	Director	2014 – 2014
	InterRent REIT	TSX	Officer and Trustee	1997 – 2009
	SKOR Food Group Inc.	TSX Venture	Director	1997 – 2011

EXECUTIVE COMPENSATION

The following disclosure of executive compensation is made in accordance with the requirements of NI 51-102 and Exchange Form 3B2. For the purposes of Exchange Form 3B2, disclosure is required to be made for the Resulting Issuer's CEO and four most highly compensated executive officers regardless of the amount of their compensation (collectively, the "**Named Executive Officers**"). Under these guidelines, disclosure for Alex Agius, Joe Lanni, Manny Bettencourt and Ian Hogg is required.

The following table sets forth the expected annual and long-term compensation of the Named Executive Officers for services in all capacities to the Resulting Issuer for the twelve months following completion of the Transaction:

SUMMARY COMPENSATION TABLE							
Name and Principal Position of Resulting Issuer Named Executive Officer	Salary or Consulting Fee ⁽¹⁾	Share- Based Awards	Option Based Awards	Non-Equity Incentive Plan Compensation		All Other Compensation ⁽³⁾	Total Compensation
				Annual Incentive Plans ⁽²⁾	Long-Term Incentive Plans		
Alex Agius Co-Chief Executive Officer	\$285,000	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	\$285,000
Joe Lanni Co-Chief Executive Officer	\$285,000	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	\$285,000
Manny Bettencourt Chief Financial	\$155,000	None proposed at	None proposed	None proposed at this time	None proposed at	None proposed at this time	\$155,000

Officer		this time	at this time		this time		
Ian Hogg Chief Operating Officer	\$200,000	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	None proposed at this time	\$200,000

Notes:

- (1) The Resulting Issuer does not have a share based awards plan.
- (2) The Resulting Issuer has no immediate intention to issue option awards upon the Completion of the Qualifying Transaction. However, it is likely that the Resulting Issuer will issue options to employees, officers and/or directors pursuant to the terms and conditions of the Plan within the next twelve month period. See "*Information Concerning QE2 – Stock Option Plan.*"
- (3) The Resulting Issuer does not have a long term incentive plan.
- (4) The Resulting Issuer does not have a pension plan.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND OTHER MANAGEMENT

No proposed director or officer of the Resulting Issuer, or Associate or Affiliate of any such director or officer, will be indebted to the Resulting Issuer.

INVESTOR RELATIONS AMALGAMATIONS

No agreement or understanding has been reached, or is intended to be reached, with any person to provide any promotional or investor relations services for the Resulting Issuer.

OPTIONS TO PURCHASE SECURITIES

Option Agreements

As of the date of this Information Circular and assuming Completion of the Transaction, the following options to purchase Resulting Issuer Shares will be held:

Optionee	Number of Resulting Issuer Shares Reserved under Option	Exercise Price per Share	Expiry Date
Joe Gagliardi	400,000	\$0.20	February 6, 2020
Maria Nathanail	400,000	\$0.20	February 6, 2020
Claudio Pucci	300,000	\$0.20	February 6, 2020
Ben Leung	50,000	\$0.20	February 6, 2020
Cynthia Schantz	50,000	\$0.20	February 6, 2020
First Canadian Capital Corp.	100,000	\$0.20	February 6, 2020
P.J.K. & Associates Inc.	100,000	\$0.20	February 6, 2020
Jason Sheppard	50,000	\$0.20	February 6, 2020
Eric Balog	50,000	\$0.20	February 6, 2020
TOTAL	1,500,000		

However, upon completion of the Proposed Transaction, the Resulting Issuer will have 23,763,203 Resulting Issuer Shares available for future grant. See "*Stock Option Plan*" below.

Stock Option Plan

The Resulting Issuer will continue to use the Option Plan, pursuant to which it may grant incentive stock options, to promote the profitability and growth of the Resulting Issuer by facilitating the efforts of the Resulting Issuer to obtain and retain key individuals. The Option Plan provides an incentive for and encourages ownership of the Resulting Issuer Shares by its key individuals so that they may increase their stake in the Resulting Issuer and benefit from increases in the value of the Resulting Issuer Shares. The Option Plan reserves a maximum of ten percent (10%) of the issued and outstanding Resulting Issuer Shares which may be granted to the directors, officers, consultants and employees of the Resulting Issuer or of an Affiliate thereof pursuant to stock options agreements. The details of the Plan are set out hereafter.

Pursuant to the Option Plan, the maximum number of Resulting Issuer Shares reserved for issuance in any 12-month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding QE2 Shares at the date of the grant. The maximum number of QE2 Shares reserved for issuance in any 12 month period to consultants may not exceed 2% of the issued and outstanding QE2 Shares at the date of the grant and the maximum number of QE2 Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of QE2 Shares at the date of the grant. Incentive stock options may be exercised until the greater of 12 months after the Completion of the Qualifying Transaction and 90 days following the date the optionee ceases to be a director, officer or employee of the Resulting Issuer or its Affiliates or a consultant or a management company employee, provided that if the cessation of such position or Amalgamation was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The restrictions imposed on the Plan by the CPC Policy will be lifted when the Exchange issues the Final Exchange Bulletin (such bulletin indicating that the Resulting Issuer will not be considered a CPC).

See "*Schedule "D" – Information Relating to QE2 - Stock Option Plan*".

ESCROWED SECURITIES

The following paragraphs set out the number of securities of the Resulting Issuer which are held in escrow, assuming no Principals of the Resulting Issuer subscribe to the Private Placement. In addition to the QE2 Shares held in escrow prior to the completion of the Qualifying Transaction, certain of the QE2 Shares will be held in escrow or be subject to hold periods as set forth hereafter.

Securities Escrowed Pursuant to the Transaction

All of the Resulting Issuer Shares issued to principal securities holders will be deposited with Computershare under an Tier 1 value escrow agreement dated as of the date of closing of the Transaction (the "**Escrow Agreement**") as set out in the following table:

Name and Municipality of Residence of Security Holder	Designation of class	Prior to Giving Effect to the Proposed Transaction		After Giving Effect to the Proposed Transaction and minimum Financing	
		Number of securities held in escrow	Percentage of class	Number of securities to be held in escrow ⁽¹⁾	Percentage of class
Alex Agius Mississauga, Ontario	Common	-	-	68,000,000	26.89%
Joe Lanni Etobicoke, Ontario	Common	-	-	68,000,000	26.89%
Manny Bettencourt Toronto, Ontario	Common	-	-	350,000	0.14%

Name and Municipality of Residence of Security Holder	Designation of class	Prior to Giving Effect to the Proposed Transaction		After Giving Effect to the Proposed Transaction and minimum Financing	
		Number of securities held in escrow	Percentage of class	Number of securities to be held in escrow ⁽¹⁾	Percentage of class
Michael Newman Toronto, Ontario	Common	-	-	260,000	0.1%
Ian Hogg Calgary, Alberta	Common	-	-	1,000,000	0.39%
Gary Wetsch St. Albert, Alberta	Common	-	-	200,000	0.08%
Antoniette Lanni Etobicoke, Ontario	Common	-	-	7,500,000	2.97%
Marlene Road Mississauga, Ontario	Common	-	-	7,500,000	2.97%
Mihalis Belantis Calgary, Alberta	Common	6,000,000	17.12%	6,000,000	2.37%

Upon Completion of the Transaction, there will be an aggregate of 2,340,001 Resulting Issuer Shares held in Escrow under the CPC Escrow Agreement and the Escrow Agreement, 12,740,000 Resulting Issuer Shares held in Escrow pursuant to a Tier 1 value escrow agreement entered into in connection with the Qualifying Transaction and an aggregate of 152,810,000 Resulting Issuer Shares held in Escrow under the Escrow Agreement.

Under the Escrow Agreement and upon completion of the Proposed Transaction, the Resulting Issuer Shares held under the Escrow Agreement will be subject to release in accordance with the following timeline:

Release Dates	Percentage of Total Escrowed Securities to be Released
Date of Final Exchange Bulletin	25%
6 months following Final Exchange Bulletin	25%
12 months following Final Exchange Bulletin	25%
18 months following Final Exchange Bulletin	25%

General Information Concerning Escrowed Securities

Holders of securities of the Resulting Issuer held in escrow may generally exercise voting rights attaching to such securities. However, no holder of securities held in escrow shall vote any securities (whether in escrow or not) in support of one or more Amalgamations that would result in the repayment of capital being made on the securities prior to a winding up of the Resulting Issuer. Generally, holders of securities in escrow do not see their right to receive a dividend or other distribution on the securities impaired.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Auditor

MNP LLP of 1500, 640 – 5th Avenue SW Calgary, Alberta T2P 3G4, will continue as auditor of the Resulting Issuer after completion of the Transaction.

Transfer Agent and Registrar

Computershare (formerly Olympia), through its offices at Suite 600, 530 - 8th Avenue S.W., Calgary, Alberta T2P 3S8, will continue to be the transfer agent and registrar for the Resulting Issuer Shares.

SPONSORSHIP

QE2 and DistinctTech have obtained an exemption from the sponsorship requirements of the Exchange. Mackie Research Corporation, the Agent, has agreed to provide a due diligence letter with respect to the Qualifying Transaction.

INTEREST OF EXPERTS

MNP LLP is the external auditor of QE2. Such firm is independent of QE2 within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

RELATIONSHIPS

QE2 has not entered into an agreement with any registrant to provide sponsorship or corporate finance services, either now or in the future.

EXPERTS

Opinions

The following professional persons have prepared reports or have provided opinions that are either included or referenced within this Information Circular:

MNP LLP has provided auditor's reports on the audited financial statements of QE2 included in this Information Circular, and has provided auditor's reports on the audited financial statements in connection with the Assets included in this Information Circular.

Interests of Experts

Except as disclosed herein, as of the Effective Date, no professional person who has provided an opinion or report referenced in this Information Circular, currently holds more than 1% of the issued and outstanding QE2 Shares upon completion of the Transaction, will not hold more than 1% of the issued and outstanding QE2 Shares, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of QE2 or of its Associates or Affiliates. MNP LLP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

MATERIAL FACTS

There are no material facts about QE2 or the Transaction that are not disclosed within this Information Circular and which are necessary in order for this Information Circular to contain full, true and plain disclosure of all material facts relating to QE2 assuming completion of the Transaction.

BOARD APPROVAL

The boards of directors of QE2 and DistinctTech have approved the contents of this Joint Information Circular.

RISK FACTORS

An investment in QE2 and the Resulting Issuer is subject to various risks and should be considered highly speculative. Investors should consider the following risk factors in addition to those outlined or otherwise referred to in this Information Circular and the Appendices hereto.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this Information Circular, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of QE2 and DistinctTech consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of QE2, DistinctTech or the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline and investors may lose all or part of their investment.

Factors relating to QE2's current business will be risk factors relating to the Resulting Issuer's business and references to QE2 in these risk factors should, where the context requires, be read to include the risks to the Resulting Issuer.

An investment in the securities of the Resulting Issuer involves significant risks. Investors should carefully consider the risks described below and the other information contained in this Information Circular before making an investment in the Resulting Issuer. Additional risks and uncertainties not presently known to QE2 and DistinctTech or that QE2 and DistinctTech currently consider immaterial may also impair the business and operations of the Resulting Issuer and cause the trading price of the Resulting Issuer Shares to decline. If any of the following or other risks occurs, the Resulting Issuer's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. In that event, the trading price of the Resulting Issuer's Shares could decline and you could lose all or part of your investment. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks.

Completion of the Transaction

The Completion of the Transaction is subject to several conditions precedent. See "Schedule "C" – The Transaction". There can be no assurances that the Transaction, either on the terms of the Amalgamation Agreement or as negotiated, will be completed. In the event that any of the conditions precedent are not satisfied or waived, the Transaction may not be completed.

The completion of the proposed Transaction and Private Placement are subject to several conditions precedent, certain of which are outside the control of QE2 and DistinctTech. In addition, there is no guarantee that the Resulting Issuer will be able to satisfy the requirements of the Exchange such that it will issue the Final Exchange Bulletin. There can be no certainty, nor can QE2 provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. There can be no certainty that the proposed Transaction will be completed on the terms set out in the Amalgamation Agreement, as negotiated, or at all. In the event that any of the conditions precedent are not satisfied or waived, including the Private Placement, the proposed Transaction may not be completed.

Limited Operating History

QE2 has a relatively short period of operational history. It has only recently begun to acquire target companies and is in an early phase of development. The Resulting Issuer is subject to many risks common to such start-up enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of its success must be considered in light of the fact that limited operations have been conducted to date.

Competition

QE2 is aware of a number of Canadian companies that have achieved success through a combination of a mergers and acquisition program with a public market strategy. QE2 is not a pioneer and does not claim to be unique. QE2's focus is on execution of a robust strategy and working closely with the entrepreneurs operating the acquired businesses and assets, in order to grow them.

QE2's principal competitors fall into two categories: (a) operating companies seeking to integrate an acquisition into their existing service offering because of the specific services or skill offered; and (b) merger and acquisition companies seeking growth on an acquisition strategy or theme. Acquisition decisions of the former tend to be driven primarily by a focus on improving efficiency, effectiveness and breadth of an existing service provision. Decisions of the latter tend to be driven by the qualities of the individual acquisition secondarily by their service contribution to the existing portfolio.

Market acceptance of the Resulting Issuer's current or future products and services will depend upon the products of the Resulting Issuer and services providing benefits comparable to or greater than products available from competitors. Competition in the road maintenance and infrastructure sector includes the key competitors outlined in "*Schedule "D" - Information Concerning QE2 – Narrative Description of the Business – Competitive Conditions*" and is expected to continue, and QE2's competitors may have greater resources than QE2. **There can be no absolute assurance that developments by competitors will not render the Resulting Issuer's services non-competitive or that the Resulting Issuer will be able to keep pace with new developments.** These competitors may be able to respond more quickly to new or emerging markets and to changes in customer requirements. They may enjoy advantages in a particular market that QE2 does not have or they may have more experience or a better relationship with a particular client. Some products and services developed may be more effective and less costly than the products and services developed by the Resulting Issuer. Increased competition may result in price reductions, reduced gross margins and loss of market share, any of which could materially and adversely affect the Resulting Issuer's business. The Resulting Issuer may not be able to compete successfully against current and future competitors and the failure to do so would harm the Resulting Issuer's business.

The Resulting Issuer cannot guarantee that its products and services will remain competitive or that it can respond to all market demands and developments or new unexpected industry standards. If the Resulting Issuer is unable to identify a shift in market demand or industry standards quickly enough, it may not be able to develop products to meet those new demands or standards, or bring them to market in a timely way.

As such, there exists extensive competition in similar areas of business as QE2 which could adversely affect QE2's profit margins in the future.

Ability to Secure Work

QE2 generally secures new contracts either through a competitive bid process or through negotiation. Bids or negotiated contracts with public or private clients are generally awarded based upon price, but are also influenced by factors such as perceived level of service offered, construction schedule, project personnel and prior experience with the prospective client and the type of project. QE2 operates in markets that are competitive and there is pressure to find and maintain a competitive advantage. A large portion of QE2's construction activity relates to government-funded institutional projects. Any reduction in demand for QE2's services by the public sector whether as a result of funding constraints, changing political priorities or delays in projects caused by elections would have an adverse impact on the Resulting Issuer. Government-funded projects also typically have long and sometimes unpredictable lead times associated with government review and approval. The time delays associated with this process can constitute a risk to general contractors pursuing these projects. QE2 could experience a decrease in activity from private clients in the event that general economic conditions deteriorate or interest rates increase as the decisions of private clients to pursue projects are largely driven by economic factors. A decline in demand for QE2's services from the private sector could have an adverse impact on the Resulting Issuer if that business could not be replaced within the public sector.

Client Concentration

The Resulting Issuer has a highly concentrated distribution of clients, providing specialized services to municipalities and certain utility companies. The loss of a significant customer may negatively impact revenue. In 2014, sales to two customers represented approximately 40.77% and 35.82% (2013 - Nil and Nil) of QE2's total sales. Cancellation or termination of relationships with one or more key customers would negatively impact business.

Most of QE2's revenues are generated by government programs to build new roadways or improve existing roadways. While proposed management of the Resulting Issuer believes that government funding to support such programs will increase any reduction in government funding to support such programs could have an adverse impact on the Resulting Issuer's business and financial conditions. Furthermore, QE2's operations may be adversely affected by a reduction in infrastructure spending within Alberta.

Ability to Continue Acquiring Targets

The Resulting Issuer can make no assurance that it will be able to acquire its prospective targets in the timeline anticipated, or at all. The inability of the Resulting Issuer to successfully acquire additional and larger targets would significantly adversely affect its future revenues as its revenues are solely derived from management fees.

Acquisitions and Integration

As a direct result of QE2's growth strategy the Resulting Issuer will examine opportunities to acquire additional assets and businesses. Any acquisition that the Resulting Issuer may be of a significant size, may change the scale of the Resulting Issuer's business and operations, and may expose the Resulting Issuer to new risks. The Resulting Issuer's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Resulting Issuer. There can be no assurance, however, that the Resulting Issuer will be able to identify, acquire and integrate appropriate businesses or obtain financing for such acquisitions on satisfactory terms.

Any acquisitions would be accompanied by risks. For example, the Resulting Issuer may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; the integration of the acquired business or assets may disrupt the Resulting Issuer's ongoing business and its relationships with employees, customers, suppliers and contractors; and the acquired business or assets may have unknown liabilities which may be significant. In the event that the Resulting Issuer chooses to raise debt capital to finance any such acquisition, the Resulting Issuer's leverage will be increased. If the Resulting Issuer chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, the Resulting Issuer may choose to finance any such acquisition with its existing resources. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Additional Funding

Failure to obtain sufficient future financing may result in a delay of the Resulting Issuer's expansion strategy and could have an adverse impact on the Resulting Issuer's future cash flows, earnings, and results of operations. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Issuer. Debt financing will expose the Resulting Issuer to the risk of leverage, while equity financing may cause existing shareholders to suffer dilution. There can be no assurance that the Resulting Issuer will be successful in overcoming these risks or any other problems encountered in connection with such financings. Failure to raise capital when needed would have an adverse effect on the Resulting Issuer's business, prospects and results of operations.

Third Party Obligations

The Resulting Issuer may be exposed to third party credit risk through its contractual Amalgamations with current or future suppliers, clients and other parties. The Resulting Issuer intends to manage this credit risk by entering into sales contracts with only creditworthy entities and reviewing its exposure to individual entities on a regular basis. However, in the event such entities fail to meet their contractual obligations to the Resulting Issuer, such failures may have a material adverse effect on the business, financial condition, results of operations and prospects of the Resulting Issuer.

Volatile Market Price for the Resulting Issuer Shares

The market price for the Resulting Issuer Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Issuer's control, including the following:

- actual or anticipated fluctuations in the Resulting Issuer's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Resulting Issuer operates;

- addition or departure of the Resulting Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Resulting Issuer Shares;
- sales or perceived sales of additional Resulting Issuer Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Resulting Issuer or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Resulting Issuer; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Issuer's industry or target markets.

Financial markets tend to experience significant price and volume fluctuations that tend to affect the market prices of equity securities of companies and that can be unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Resulting Issuer Shares may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted and the trading price of the Resulting Issuer Shares may be materially adversely affected.

Dilution to Resulting Issuer Shares

During the life of QE2's outstanding QE2 Warrants and QE2 Finder Warrants, as well as the conversion of Resulting Issuer Debentures into Resulting Issuer Shares and options and other rights granted or assumed by the Resulting Issuer, if any, the holders are given an opportunity to profit from a rise in the market price of the Resulting Issuer Shares. The Resulting Issuer's ability to obtain additional financing during the period such warrants or rights are outstanding may be adversely affected and the existence of the warrants or rights may have an adverse effect on the price of the Resulting Issuer Shares. The holders of QE2 Warrants and QE2 Finder Warrants, options and other rights of QE2 may exercise such securities at a time when the Resulting Issuer would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding warrants or rights.

The increase in the number of Resulting Issuer Shares in the market and the possibility of sales of such shares may have a depressive effect on the price of the Resulting Issuer Shares. In addition, as a result of such additional Resulting Issuer Shares, the voting power of the Resulting Issuer's existing shareholders will be diluted.

Future Sales of QE2 Shares by Existing Shareholders

Sales of a large number of Resulting Issuer Shares in the public markets, or the potential for such sales, could decrease the trading price of the Resulting Issuer Shares and could impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Shares.

Future Profits/Losses and Production Revenues/Expenses

There can be no assurance that significant losses will not occur in the future or that the Resulting Issuer will be profitable in the future. The Resulting Issuer's operating expenses and capital expenditures may increase in subsequent years as it attempts to expand by acquiring additional targets. The amounts and timing of expenditures will depend on the progress of ongoing developments in emerging markets and the timing of prospective acquisitions and capital investments, if applicable, in addition to other factors, many of which are beyond the Resulting Issuer's control. The expansion of the Resulting Issuer's business will require the commitment of substantial resources. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Regulation

The infrastructure and utility service sectors are both directly and indirectly affected by government legislation and regulation which imposes responsibilities and liabilities on the Resulting Issuer's operations and on industries of the Resulting Issuer services.

While management believes that QE2 and its subsidiaries have all licenses, permits, authorizations and approvals necessary to conduct its business and that QE2 is not subject to any regulatory regime, there can be no assurance that these beliefs are accurate or that laws or regulatory regimes will not be changed in a manner that would adversely impact QE2, including by requiring it to obtain certain licenses, permits, authorizations or approvals or requiring it to operate subject to a regulatory regime.

Infrastructure and utility services are subject to environmental regulation pursuant to a variety of local, provincial and federal legislation. Environmental legislation regulates health, safety, environment and land use. Permits, authorizations or licenses are generally required for work in the infrastructure and utility service sectors.

The Resulting Issuer's operations will be subject to a variety of other federal, provincial and local laws, regulations and guidelines, including laws and regulations relating to health and safety, the conduct of operations, and the manufacture, management, transportation, storage, and disposal of certain materials used in the Resulting Issuer's operations. It is impossible for the Resulting Issuer to predict the cost or effect of such laws, regulations or guidelines on the Resulting Issuer's future operations.

A breach of such legislation or regulations may result in suspension or revocation of necessary licenses, permits or authorizations, civil liability and the imposition of fines and penalties. Local, provincial and federal governments may also, at any time, change the rights they grant to and those restrictions they impose on infrastructure and utility service companies, which changes could restrict the Resulting Issuer's operations and growth.

Environmental liability

The Resulting Issuer will be committed to meeting its responsibilities to protect the environment and it is anticipated that expenditures of both a capital and expense nature will increase as a result of increasingly stringent laws relating to the protection of the environment. The costs required to effect compliance with environmental legislation is uncertain and there can be no assurance that the Resulting Issuer will not be required, at some future date, to incur significant costs to comply with environmental laws, or that its operations, business, assets or cash flow will not be materially adversely affected by existing conditions or by the requirements or potential liability under current or future environmental laws.

QE2 is subject to numerous federal, provincial and municipal environmental laws and judicial, legislative and regulatory developments relating to environmental protection occur on an ongoing basis. QE2's projects can involve the handling of hazardous and environmentally sensitive materials, which, if improperly handled or disposed of, could subject QE2 to civil and criminal penalties. While QE2 strives to keep informed of and to comply with all applicable environmental laws, circumstances may arise and incidents may occur that are beyond the Company's control that could adversely affect QE2. Management is not aware of any pending environmental legislation that would be likely to have a material adverse impact on any of the Company's operations, capital expenditure requirements or competitive position, although there can be no assurance that future legislation will not be proposed and, if implemented, may have a material impact on the Company's operations.

Ability to establish and grow the business

The Resulting Issuer will be a new entity, upon Completion of the Qualifying Transaction. The Resulting Issuer will have no operating history, and the purchased assets have never been used in the operation of a business like the business which the Resulting Issuer proposes to conduct following Completion of the Qualifying Transaction. The Resulting Issuer's growth strategy will place significant demands on its financial, operational and management resources. The Resulting Issuer may not be able to find and train qualified personnel, or do so on a timely basis, or establish and expand operations and systems to the extent, and in the time, required. The success of the establishment of its business and future growth is generally dependent upon timing, the size and quality of opportunities, the ability to integrate complementary businesses, available debt capacity and market conditions. There can be no assurances that the Resulting Issuer will be successful in its plans or the method chosen to establish and grow its operations or that such operations will be a financial success.

Need to Manage Growth

The anticipated growth of the Resulting Issuer's business and the expansion of its products and services are expected to place significant demands on the Resulting Issuer's managerial, operational and accounting resources. Demands on the Resulting Issuer's operational and accounting information systems and controls, including its billing, accounts, accounts receivable and payable, tracking and other accounting systems, are expected to grow. Inability to properly manage such growth could have a material adverse effect on the Resulting Issuer's business, results of operations, cash flow, financial condition and prospects.

Dependence on senior management

It is expected that the Resulting Issuer will be highly dependent upon its senior management team. The availability of such experienced management personnel or how much it may cost to attract and retain such personnel as needed is not currently known. The loss of the services of any member of senior management, or the inability to hire experienced operations management personnel, could materially adversely affect the Resulting Issuer's operations and financial conditions.

Employees

The Resulting Issuer's business will require skilled personnel to conduct operations. Recruiting, training and retaining such employees will be critical to the success of the Resulting Issuer's business. There is high demand for skilled personnel in the industry in which the Resulting Issuer will operate and as such the Resulting Issuer may face difficulty in obtaining appropriate levels of skilled labour. The Resulting Issuer's inability to identify, hire, train, motivate and retain qualified managers could negatively affect its business and financial position.

Labour and Employment Matters

The Resulting Issuer's operations will be dependent upon the efforts of its employees. Relations between the Resulting Issuer and its employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in whose jurisdictions the Resulting Issuer carries on business. Changes in such legislation or in the relationship between the Resulting Issuer and its employees may have a material adverse effect on the Resulting Issuer's operations and financial condition.

Loss of Key Employees

The Resulting Issuer will depend on the business and technical expertise of a number of key personnel, including its directors, president and other executive officers and key personnel working full-time in management and administrative capacities or as consultants. The number of persons skilled in the provision of QE2's services is limited, and there is competition for such persons. As the Resulting Issuer's sales activities expand, it will require additional key personnel. QE2 currently has life insurance policies on the General Managers of both Pillar and Candesto Ltd. QE2 relies heavily on the executives of its subsidiaries to be able to effectively operate in the infrastructure and utility service sectors. QE2's executives are not skilled in such areas. The loss of key personnel, or the failure to retain such personnel, could have a material adverse effect on the Resulting Issuer's operations and financial condition.

Conflict of Interest

Certain proposed directors and officers of the Resulting Issuer may become associated with other reporting issuers or other corporations, which may give rise to conflicts of interest. In accordance with the ABCA, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Resulting Issuer are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Resulting Issuer, as the case may be. Certain of the directors have either other employment or other business or time restrictions placed on them and accordingly, these directors will only be able to devote part of their time to the affairs of the Resulting Issuer.

General market conditions

The Resulting Issuer's business will be subject to a number of general economic factors, many of which are out of the Resulting Issuer's control, which may have a material adverse effect on the business, financial condition and results of

operations of the Resulting Issuer. These include recessionary economic cycles and downturns in the business cycles of the infrastructure and utility industries in which potential clients conduct business, as well as downturns in the regional economy where operations are located.

Economy and Cyclicalities

Activity within infrastructure and utility services is tied to the general state of the economy. Thus, in periods of strong economic growth, capital spending will generally increase and there will be more and better quality opportunities available within the industry. The Resulting Issuer anticipates having up to a 12 months lead time in order to react to any significant changes in the macroeconomic landscape. Methods to insulate would include refocusing operations on to less impacted subsectors, downsizing workforce and fleet, and focusing business development activities on longer term opportunities. QE2 generally enters into contracts in duration of two years or less and in rare cases up to three years. There is no assurance that any attempts to insulate will be effective in insulating QE2 from a downturn in the economy.

Nature of Industry

Domestic economic conditions affect the infrastructure and utility service sectors. Downturns in the economy may cause the government to delay or cancel spending on infrastructure. This, in turn, may lead to longer sales cycles, delays or failures in payment and collection, and price pressures, causing the Resulting Issuer to realize lower revenues and margins.

Maintaining Safe Work Sites

It is standard within the Alberta construction industry to expect contractors to maintain their Certificates of Recognition (COR) for Safety as administered by the Alberta Construction Safety Association (ACSA). Each of the General Managers of QE2's operating subsidiaries maintain their COR certification. Furthermore, COR is subject to periodic audits and both of QE2's operating subsidiaries participating in those audit programs.

In spite of the best efforts to minimize the risk of accidents, accidents can happen. When they do, the impacts on the contractor can be significant. QE2's success as a contractor is highly dependent on its ability to keep its worksites safe. Failure to do so can have serious impacts beyond the threat to the personal safety of its employees and others. It can expose QE2 to fines, regulatory sanction or even criminal prosecution.

Completion & Performance Guarantees

Under some contracts, failure to meet a project deadline may expose QE2 to financial penalties, liquidated damages under the contract or QE2 may be held responsible for cost impacts to the client resulting from any delay. With other contracts, the work or portions thereof may be required to meet certain performance specifications. This places on QE2 the added risk of liability for flaws as well as added construction costs that may result from such flaws. If the project fails to meet performance specifications QE2 would be exposed to the costs necessary to meet the performance specifications or to rectify the error. Alternatively in some cases, QE2 may be obligated for agreed-upon liquidated damages. Where QE2 fails to meet these completion performance obligations, the total costs of the project could exceed original estimates and could result in a loss to QE2 for that project. In extreme cases, such situations could have a material negative impact on the operating results and financial position of QE2.

Quality Assurance and Quality Control

QE2 enters into contracts which specify the scope of the project to be constructed including quality standards. If all or portions of the work fail to meet these standards, QE2 would be exposed to additional costs for the correction of non-compliant work.

Estimating Costs/Assessing Contract Risks

The contract price for a significant number of the contracts performed by QE2 is based in part on cost estimates that are subject to a number of assumptions. If, as a result of faulty estimates or unforeseen circumstances, QE2's assumptions are erroneous, it inaccurately assesses the risks associated with the contract, or if its estimates of the project costs are inaccurate; profit on the job may be lower than anticipated or a loss may be incurred.

Risk of future legal proceedings

Alleged failure by the Resulting Issuer to comply with laws and regulations may lead to the imposition of fines, penalties, or the denial, revocation or delay of the renewal of permits and licenses by governmental authorities. In addition, governmental authorities as well as third parties may claim that the Resulting Issuer is liable for environmental damages. In addition, the Resulting Issuer may be the subject of litigation by clients, suppliers and other third parties. A significant judgment against the Resulting Issuer, the loss of a significant permit or other approval or the imposition of a significant fine or penalty could have a material adverse effect on the Resulting Issuer's business, financial condition and future prospects. Litigation is expensive, time consuming and may divert management's attention away from the operation of the business.

Potential Fluctuation in Quarterly Financial Results

The quarterly net income and results of operations are difficult to forecast. There may be substantial fluctuations in net income and results of operations from quarter to quarter. There is a high degree of seasonality in the infrastructure and utility service sectors.

QE2's acquisitions of Pillar and Candesto Ltd. were recent acquisitions. A full business cycle has not been experienced, therefore it is difficult to forecast with great certainty. As such, there can be no certainty as to net income and results of operation.

QE2's quarterly financial results may be impacted by a variety of factors including, without limitation: the timing of recognition of revenue from existing projects; the ability to accurately estimate costs for completion of work; the availability of, and competition for, new projects; costs or penalties associated with unanticipated delays in project completion; fluctuations in the general economic and business conditions in the markets in which QE2 operates; actions by governmental authorities including governmental demand for the services provided by QE2; governmental regulations and expenditures required to comply with them; labour unrest involving QE2's workers; seasonal weather conditions; and other conditions affecting revenue and expenses. QE2's operating expenses are incurred throughout the quarter. As a result, if expected revenues are not realized as anticipated, QE2's quarterly financial results could be materially adversely affected. Accordingly there may be significant variations in QE2's quarterly financial results.

Past Performance

The past performance of QE2 is not indicative of future performance.

Devotion of Time of Directors and Officers

Many of the directors and officers of QE2 will devote only a portion of their time to the business and affairs of QE2 and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

Additional Regulatory Burden

Prior to the Completion of the Qualifying Transaction, QE2 has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the Exchange. As described herein, several new directors and officers will become the directors and officers of the Resulting Issuer. QE2 is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to QE2's financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, internal audit, disclosure controls and procedures and financial reporting and accounting systems. QE2 has made, and will continue to make, changes in these and other areas, including QE2's internal controls over financial reporting. However, there is no assurance that these and other measures that it may take will be sufficient to allow the Resulting Issuer to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for the Resulting Issuer and will require the time and attention of management. QE2 and DistinctTech cannot predict the amount of additional costs that the Resulting Issuer may incur, the timing of such costs or the impact that management's attention to these matters will have on the Resulting Issuer's business.

Dividends

It is not currently anticipated that the Resulting Issuer will distribute dividends to its security holders. If the Resulting Issuer generates earnings in the foreseeable future, it expects that such earnings will be retained to finance growth, if any, and, when appropriate, retire debt. The directors of the Resulting Issuer will determine if and when dividends should be declared and paid in the future based on the Resulting Issuer's financial position at the relevant time.

Access to Surety Support

QE2's operating subsidiaries are required to provide surety bonds on certain contracts (typically above a threshold value pre-agreed with the customer). Pillar's surety bonding is provided by Fenchurch General Insurance. Candesto Ltd.'s surety bonding is currently out for quotation, and is expected to be in place imminently. Until bonding is in place, Candesto Ltd. is unable to provide services which require surety bonds. If surety bonding is not obtained, it could have an adverse effect on cash flow.

Potential for Non-Payment

Before signing any contract, QE2 goes to considerable lengths to satisfy itself that the potential client has adequate resources to pay as work is completed. Because of the nature of QE2's contracts and occasionally because of delays in customer payments, QE2 may be required to utilize its working capital to fund operation costs temporarily. Payment default by a client could result in a financial loss to QE2 that could have a material effect on QE2's operating results and financial position.

Speculative Nature of Investment

An investment in the QE2 Shares should be considered highly speculative due to the nature of the Resulting Issuer's business. Neither QE2 nor DistinctTech has paid dividends nor is it expected that dividends will be paid in the immediate or foreseeable future. QE2 is in an expansionary stage of its business and its operations are not of sufficient scale and diversification to mitigate the risks associated with its planned activities. QE2 has modest cash available and other assets and is relatively small.

Availability of insurance

QE2 has a full range of insurance in place including, but not limited to, key man insurance, health and safety insurance, and directors and officers insurance.

Pricing Models

The competitive market in which the Resulting Issuer operates may require that prices be reduced. If competitors offer low bids on certain services in an effort to recapture or gain market share, the Resulting Issuer may be required to lower prices or offer other favourable terms to compete successfully. Any such changes would be likely to reduce margins and could adversely affect operating results. These practices could, over time, limit the prices that the Resulting Issuer can charge for its services. If the Resulting Issuer cannot offset price reductions with a corresponding increase in the number of sales or service revenues with lower costs, then the reduced revenue resulting from lower prices would adversely affect margins and operating results.

Variations in Interest Rates

QE2 has a term loan with RoyNat Capital and working lines of credit with ATB Financial. All of these loans are subject to a floating rate based on prime or bank advisory. QE2 anticipates sufficient cash flow from operations to cover realistic fluctuations in these interest rates. However, this cannot be guaranteed and in the event of significant increase in the floating rate of any loan, QE2 anticipates taking corrective action which could include retiring or refinancing the debt.

RISK FACTORS RELATING TO THE RESULTING ISSUER

See "*Risk Factors Relating to QE2*" and "*Risk Factors Relating to DistinctTech*", above, for a description of the risk factors relating to the Resulting Issuer.

SCHEDULE "G"
PRO FORMA FINANCIAL STATEMENTS

QE2 Acquisition Corp.
Pro Forma Consolidated Financial Statements
As at January 31, 2015
(Unaudited- In Canadian Dollars)

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QE2 Acquisition Corp.
Pro Forma Consolidated Statement of Financial Position
January 31, 2015
(Unaudited)

	QE2 Jan 31 2015 Audited	Distinctech May 31 2015 Unaudited		Adjustments DR	Adjustments CR	Resulting Issuer Jan 31 2015
ASSETS						
Current						
Cash	\$ 48,723	\$ 54,387	b e	1,429,294 522,500	83,215 24,300 500,000	1,447,389
Accounts receivable	1,954,874	12,743,191				14,698,065
Inventories	79,569	151,541				231,110
Work in progress	-	5,474,081				5,474,081
Prepaid expenses and deposits	29,648	589,955				619,603
Advances to corporate shareholders	-	195,951				195,951
Due from related parties	-	1,569,534				1,569,534
	<u>2,112,814</u>	<u>20,778,640</u>				<u>\$ 24,235,733</u>
Non Current						
Property, plant and equipment	1,334,085	1,057,758				2,391,843
Goodwill	1,446,277	15,295				1,461,572
Assets under capital leases	-	5,318,723				5,318,723
	<u>2,780,362</u>	<u>6,391,776</u>				<u>9,172,138</u>
TOTAL ASSETS	\$ 4,893,176	\$ 27,170,416				\$ 33,407,871
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current						
Accounts payable and accrued liabilities	\$ 1,853,766	5,189,431	i j l	101,200 53,000 77,240	-	\$ 6,811,757
Bank loan	488,802	7,049,779				7,538,581
Income taxes payable	-	964,786				964,786
Notes payable to related party	521,983	-	h	425,000		96,983
Current portion of notes payable	-	248,134				248,134
Current portion of long term debt	1,020,990	-	k	249,000		771,990
Current portion of obligations under capital lease	-	1,138,653				1,138,653
	<u>3,885,541</u>	<u>14,590,783</u>				<u>17,570,884</u>
Non Current						
Notes payable	362,091	44,278				406,369
Long term debt	1,310,879	-			475,000	1,785,879
Obligation under capital lease	-	3,430,928				3,430,928
	<u>1,672,970</u>	<u>3,475,206</u>				<u>5,623,176</u>
	5,558,511	18,065,989				23,194,060
Shareholders' Equity						
Share capital	3,225,603	2,497,382	a c f a a mn	3,225,603 83,215 24,300 498,200 430,440 704,734	1,429,294 77,240 101,200 53,000 522,500 249,000	b l i l e k
Contributed Surplus	35,039	-	a	35,039		-
Warrants	-	1,414,727			490,248	n
Other comprehensive income	-	-			214,486	m
Retained earnings	(3,925,977)	5,192,318	h d g	50,000 500,000 3,494,498	3,925,977 3,757,803 -	a a g
	<u>(665,335)</u>	<u>9,104,427</u>				<u>4,905,623</u>
	(665,335)	9,104,427				10,213,811
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,893,176	\$ 27,170,416				\$ 33,407,871

QE2 Acquisition Corp.
Reference Schedule to the pro Forma Financial Statements
(Unaudited)

<u>Annotated Notes- See full note disclosure</u>		<u>CDN \$</u>	<u>Legend</u>
a	Assumes RTO accounting under IFRS elimination entries		a
b	Brokered Private Placement Distincttech June 1, 2015	1,429,294	b
c	Broker Fee- Private Placement Max 6% (DTI)	83,215	c
d	Professional Fees related to Transaction	500,000	d
e	Non-Brokered Private Placement QE2	522,500	e
f	Fee- Private Placement Max 6% (QE2)	24,300	f
g	Value of PubCo Acquisition-Listing Expense	3,494,498	g
h	Agmt to Defer Shortterm debt to Longterm (Fee of \$50,000) QE2	475,000	h
i	Shares for Debt Exchange PubCo (#1) @\$0.10	101,200	i
j	Shares for Debt Exchange PubCo (#2) @\$0.15 including (\$3K in interest)	53,000	j
k	Debenture Exchange for Shares @ \$0.15	249,000	k
l	Debenture Interest payment June,30 2015 Exchange for Shares @ \$0.15	77,240	l
m	Value of Warrants Issued on Private Placement QE2	214,486	m
n	Value of Warrants Issued on Private Placement Distincttech	490,248	n

QE2 Acquisition Corp.
Pro Forma Consolidated Statement of Income
January 31, 2015
(Unaudited)

<i>(Unaudited)</i>	<i>Audited</i> 31-Jan-15	<i>Audited</i> 30-Nov-14		
	<i>QE2</i> FY 2015	<i>Distincttech</i> FY 2014	Adjustments RTO	<i>Resulting Issuer</i> 2014
Revenue	7,659,112	\$ 25,614,409		\$ 33,273,521
Operating Expenses				
Cost of services	5,926,598	16,958,149		22,884,747
Selling, General and Administrative Expenses	2,742,452	4,497,756	500,000	7,740,208
Depreciation expense	387,564	609,570		997,134
Earnings (loss) from operating	<u>(1,397,502)</u>	<u>3,548,934</u>	(500,000) (i)	<u>1,651,432</u>
Other income and expenses				
Financing expense	350,983	535,223		886,206
Loss (gain) on disposal of equipment	(40,062)	-		(40,062)
Listing expense	1,166,042	-	3,494,498 (ii)	4,660,540
Impairment	435,000	-		435,000
Other Income and Expense(Loss on Business combination)	200,000	-		200,000
Earnings (Loss) before taxes	(3,509,465)	3,013,711	(3,994,498)	(4,490,252)
Other Income Expenses				
Income taxes	(83,236)	720,385		637,149
Net Income (loss)	<u>(3,426,229)</u>	<u>2,293,326</u>	(3,994,498)	<u>(5,127,401)</u>
Other comprehensive income (loss)	-	-		-
Total comprehensive income/(loss), net of tax	<u>\$ (3,426,229)</u>	<u>\$ 2,293,326</u>	<u>\$ (3,994,498)</u>	<u>\$ (5,127,401)</u>
Earnings(loss) per share				
Basic	(0.29)	0.02		(0.27)
Diluted	(0.29)	0.02		(0.27)
Basic weighted average number of shares outstanding	<u>11,754,775</u>	<u>151,000,000</u>		<u>162,754,775</u>

Notes

- (i) Costs of Transaction (see note 2(d))
(ii) Listing Expense (see note 2(a))

**QE2 Acquisition Corp.
Notes to the Pro Forma Consolidated Financial Statements
January 31, 2015
(UNAUDITED)**

1. Basis of Presentation

The accompanying unaudited pro forma consolidated statement of financial position and consolidated statement of comprehensive income of QE2 Acquisition Corp. ("QE2" or "the Company") and Distincttech Inc. ("Distincttech") has been prepared in accordance with International Financial Reporting Standards from information derived from the financial statements of QE2 and Distincttech. The unaudited pro forma consolidated financial statements have been prepared for inclusion in the Information Circular of the Company in relation to its acquisition of 100% of the issued and outstanding common shares Distincttech. Completion of the acquisition is subject to customary closing conditions, including all necessary regulatory approvals and consents. In the opinion of the Company's management, the unaudited pro forma consolidated financial statements include all adjustments necessary for fair presentation of the transactions contemplated in the Agreement.

The Company and Distincttech have entered into an Amalgamation Agreement ("Agreement") dated June 29, 2015. Pursuant to the terms of the Agreement, the Company intends to issue 1 common share for each issued and outstanding common share of Distincttech (the "Acquisition").

The unaudited pro forma consolidated financial statements should be read in conjunction with the January 31, 2015 audited financial statements of QE2 and the November 30, 2014 audited financial statements of Distincttech as well as the unaudited financials for the six months ended May 31, 2015.

The unaudited pro forma consolidated statement of financial position of the Company has been compiled from and includes:

- a) the audited consolidated statement of financial position of the Company as at January 31, 2015
- b) the audited consolidated statement of financial position of Distincttech as at November 30, 2014
- c) the unaudited consolidated statement of financial position of Distincttech as at May 31, 2015
- d) the additional information and assumptions set out in Note 2

The unaudited pro forma consolidated financial statements are not intended to reflect the financial position of the Company which would have actually resulted had the proposed transactions been effected on the date indicated. Actual amounts recorded upon consummation of the agreement will differ from those recorded in the unaudited pro forma consolidated financial statements.

QE2 Acquisition Corp.
Notes to the Pro Forma Consolidated Financial Statements
January 31, 2015
(UNAUDITED)

2. Pro Forma Assumptions and Adjustments

The unaudited pro forma consolidated statement of financial position is prepared as if the transaction described below occurred on January 31, 2015.

The Acquisition is subject to the satisfaction of all closing conditions and receipt of regulatory and shareholder approvals.

(a) QE2 Acquisition

Legally Distincttech will amalgamate with a wholly owned subsidiary of QE2 and become a wholly owned subsidiary of the Company. As per the IFRS guidance the acquirer is the entity that obtains control of the acquiree. The definition of control is provided in IAS 27 and results in Distincttech being the acquirer, and the transaction being treated as a reverse asset acquisition (RAA) in accordance with IFRS 3.

In accordance with RAA accounting:

- The assets and liabilities of QE2 are included in the unaudited pro forma consolidated statement of financial position and are presented at their fair value, which is deemed to be equal to their carrying value;
- The net assets/liabilities of the Company of (\$665,335) are being deducted from the share capital of the Company;
- Share capital, contributed surplus and the deficit of the Company are eliminated upon consolidation.
- Due to the fact that the QE2 audited financials for the year ended January 31, 2015 used for purposes of the unaudited pro forma are dated prior to the additional capital raise of QE2 as set form in note (e), further adjustments for purposes of the consolidation must be made to account for the QE2 private placement as well as several debt forgiveness transactions outlined in the following notes: (h),(i),(j),(k) and (l) ;

QE2 Capital Corp.
Notes to the Pro Forma Consolidated Financial Statements
January 31, 2015
(UNAUDITED)

The total purchase price of QE2 is as follows:

QE2 shares outstanding as per FS Jan 31, 2015		28,812,766
Add :		
Non Brokered Private Placement	522,500 e	5,225,000
Shares for Debt Exchange PubCo (#1) @ \$0.10	101,200 i	1,012,000
Shares for Debt Exchange PubCo (#2) @ \$0.15	53,000 j	353,333
Conversion of Debentures @ \$0.15	249,000 k	1,660,000
Conversion of Debenture Interest payment June30 @ \$0.15	77,240 l	514,933
Total outstanding QE2 shares at close of Transaction		37,578,032
Price per share on current financing	\$ 0.10	
Price paid for acquisition of QE2		\$ 3,757,803
Fair Value of Net Assets after adjustments for additional raise and debt settlements		263,305
Excess paid over Net Assets (=Listing Expense)		<u>\$ 3,494,498</u>

Fair Value Asset Calculation QE2:

Assets per January 31, 2015 Audit		\$ 4,893,176
Liabilities per January 31, 2015 Audit		\$ 5,558,511
Adjustments		
Add:		
Non Brokered Private Placement	498,200	
Shares for Debt Exchange PubCo (#1) @ \$0.10	101,200	
Shares for Debt Exchange PubCo (#2) @ \$0.15	53,000	
Conversion of Debentures @ \$0.15	249,000	
Conversion of Debenture Interest payment June30 @ \$0.15	77,240	
Costs of postponing QE2 Current to Long term debt	(50,000)	
Net Adjustments		\$ 928,640
Fair Value of Net Assets Purchased		<u>\$ 263,305</u>

QE2 Acquisition Corp.
Notes to the Pro Forma Consolidated Financial Statements
January 31, 2015
(UNAUDITED)

The purchase price is recorded as the cost to acquire the share capital at the fair value at the time of the transaction. The excess of the amount paid over the fair value of the assets is treated as a listing expense and recorded to the deficit account. Accordingly, share capital is increased by \$3,757,803 being the fair value of common shares issued for the acquisition.

(b) Distincttech Private Placement \$1,429,294

On June 1, 2015, Distincttech completed a private placement of 14,292,940 Units, at a purchase price of CDN\$0.10 per Unit, for gross proceeds of \$1,429,294. Each Unit consists of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a purchase price of \$0.20 for a period of 36 months from the date of the issue. However, if, at any time until the Maturity Date, the simple average closing price of the Common Shares on the TSXV, if the Common Shares are listed on the TSXV, exceeds \$0.30 at the Conversion Price for a minimum of twenty (20) non-consecutive trading days (whether or not trading of Common Shares occurs on such days, provided that the Common Shares trade on at least five of such trading days), the Corporation may, in its sole discretion, for a period of twenty (20) days thereafter, be entitled to issue a notice in writing whereupon the Warrant Holders will be forced to convert at the date that is twenty (20) days following delivery of such notice; if undelivered the warrants expire. The warrants (7,146,470) have been valued at \$490,248 using the Black-Scholes option pricing model (see note m).

(c) Private Placement Costs

The costs related to the CDN \$1,429,294 private placement were \$83,215 in cash broker commissions based on the private placement broker agreement with Mackie Research Capital Corp.

(d) Transaction Costs

The transaction costs related to the acquisition are estimated at CDN \$500,000 for legal and professional services.

(e) QE2 Private Placement \$522,500

On June 1, 2015, QE2 completed a private placement of 5,225,000 Units, at a purchase price of CDN\$0.10 per Unit, for gross proceeds of \$522,500. Each Unit consists of one common share and one half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a purchase price of \$0.20 for a period of 36 months from the date of the issue. However, if, at any time until the Maturity Date, the simple average closing price of the Common Shares on the TSXV, if the Common Shares are listed on the TSXV, exceeds \$0.30 at the Conversion Price for a minimum of twenty (20) non-consecutive trading days (whether or not trading of Common Shares occurs on such days, provided that the Common Shares trade on at least five of such trading days), the Corporation may, in its sole discretion, for a period of twenty (20) days thereafter, be entitled to issue a notice in writing whereupon the Warrant Holders will be forced to convert at the date that is twenty (20) days following delivery of such notice, or

the warrants will expire. The warrants (2,612,500) have been valued at \$214,486 using the Black-Scholes option pricing model (see note n).

QE2 Acquisition Corp.
Notes to the Pro Forma Consolidated Financial Statements
January 31, 2015
(UNAUDITED)

(f) Private Placement Costs

The costs related to the \$522,500 private placement was \$24,300 in cash finder's fees and 243,000 finders options (Units).

(g) Listing Expense

See note (a) for complete description.

(h) Agreement to extend Debt (QE2)

The Holder of a VTB Debt listed as current at QE2's year-end has agreed to extend on closing of the transaction, the current and long term debt portions by two years in exchange for a onetime fee of \$50,000 at the time of maturity. As a result the current portion of this debt has been reclassified to long term and increased by \$50,000 with the offset to interest expense and retained earnings in the pro forma.

(i) Shares Exchanged for Debt (QE2) #1

QE2 has done a debt for share exchange approved by the TSXV and press released on June 4, 2015. The company issued 1,012,000 in exchange for \$101,200 of debt. As part of this transaction \$37,175 of debt was also forgiven. The company issued the shares at \$0.10 per share.

(j) Shares Exchanged for Debt (QE2) #2

QE2 has done a debt for share exchange approved by the TSXV on June 11, 2015. The equivalent of \$53,000 of debt (\$50,000 debt plus \$3,000 in accrued interest), was exchanged for a total of 353,333 shares issued at \$0.15 per share.

QE2 Acquisition Corp.
Notes to the Pro Forma Consolidated Financial Statements
January 31, 2015
(UNAUDITED)

(k) Debenture conversion

Certain debenture holders (holding an aggregate of \$249,000 in debentures) have agreed to exchange their debentures for common shares of QE2 at a deemed price of \$0.15 per common share. This will result in the issuance of 1,660,000 common shares of QE2.

Note that the extraordinary resolution of debenture holders (conditional approval from the TSXV has been received subject to receiving approval of 66 2/3% of debenture holders which is expected to be received before June 30) is required to be approved by 66 2/3% of debenture holders to allow for the change of control that will occur as a result of this transaction. In addition the debenture holders have the option at the time of the approval of the resolution as a one time option to convert at the \$0.15 conversion rate, in exchange the debenture holders will modify the terms of the debenture as follows:

- (i) Maturity date of debentures will be extended for 24 months
- (ii) Interest rate will decrease from 12% per annum to 8%
- (iii) Conversion price will decrease from \$0.50/common share during the term, to \$0.25/common share, but will be subject to:

if, at any time until the Maturity Date, the simple average closing price of the common shares on the TSXV, if the common shares are listed on the TSXV, exceeds \$0.30 at the Conversion Price for a minimum of twenty (20) non-consecutive trading days (whether or not trading of common shares occurs on such days, provided that the common shares trade on at least five of such trading days), the Corporation may, in its sole discretion, for a period of twenty (20) days thereafter, be entitled to issue a notice in writing whereupon the Warrant Holders will be forced to convert at the date that is twenty (20) days following delivery of such notice, or the conversion right will expire.

(l) Debenture interest share exchange

The Debenture holders have agreed verbally (and will formally approve shortly) to exchange their interest payment (\$77,240) due on June 30, 2015, for shares in QE2 at \$0.15 per share. As a result of this agreement which will be formalized by resolution of the debenture holders. Upon approval by the TSXV and a majority of debenture holders 514,933 shares will be issued for full and final settlement of this interest payment.

QE2 Acquisition Corp.
Notes to the Pro Forma Consolidated Financial Statements
January 31, 2015
(UNAUDITED)

(m) Warrant Valuation QE2

All Warrant have been valued using the Black-Scholes option pricing model with the following assumptions unless otherwise denoted:

Stock Price:	CDN \$0.10
Strike Price:	CDN \$0.20
Risk-free interest rate	0.71%
Dividend Yield	Nil
Volatility factor	174.78%
Expected Life	3 years
Value per Warrant	CDN \$0.0821

Summary of Warrant valuations: (all figures below in CDN\$)

QE2 Private Placement Warrants (2,612,500)	\$214,486
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(n) Warrant Valuation Distincttech

All Warrant have been valued using the Black-Scholes option pricing model with the following assumptions unless otherwise denoted:

Stock Price:	CDN \$0.10
Strike Price:	CDN \$0.20
Risk-free interest rate	0.68%
Dividend Yield	Nil
Volatility factor	192%
Expected Life	3 years
Value per Warrant	CDN \$0.0686

Summary of Warrant valuations: (all figures below in CDN\$)

Distincttech Private Placement Warrants pre June 1, 2015 (20,636,353)	\$1,414,727
Distincttech Private Placement Warrants post June 1, 2015 (7,146,470)	\$ 490,248

All Distincttech warrants will be converted on close into warrants of QE2. Distincttech has no outstanding options.

QE2 Capital Corp.

Notes to the Pro Forma Consolidated Financial Statements

3. Share Capital Account Pro forma Resulting Issuer at January 31, 2015

Pro Forma Capital as at January 31, 2015	Number Shares	Note	Amount \$ CDN
PubCo Shares (after rollback)	28,812,766	a	(665,335)
Non-Brokered Private Placement QE2 (Costs Net)	5,225,000	e	498,200
Shares for Debt Exchange PubCo (#1) @\$0.10	1,012,000	i	101,200
Shares for Debt Exchange PubCo (#2) @\$0.15 including (\$3K in interest)	353,333	j	53,000
Value of Warrants Issued		m	(214,486)
Debt Exchange for Shares @ \$0.15 249,000	1,660,000	k	249,000
Debt Interest payment June,30 2015 Exchange for Shares @ \$0.15	514,933	l	77,240
Distincttech Shares (DTI)	192,272,705	a	2,497,382
Elimination of DTI and PubCo Capital	(192,272,705)	a	(263,305)
Issuance of Shares on close of Transaction	192,272,705	a	-
Shares Issued Private Placement DTI (Costs Net) June 1, 2015	14,292,940	b	1,346,079
Value of Warrants Issued		n	(490,248)
Finders Fee Issuance	10,653,282		-
	254,796,959		3,188,727
Transaction Costs Acquisition		d	(500,000)
ProForma Balance January 31, 2015	254,796,959		2,688,727
Shares to be issued upon exercise of DTI Warrants	27,782,823	b	1,904,975
Private Placement Agent Options-DTI	4,317,251	c	
Private Placement Agent Warrants-DTI	2,158,626	c	
Shares to be issued upon exercise of QE2 PP Warrants	2,612,500	e	214,486
Private Placement Options-Company	243,000	e	
Private Placement Warrants-Company	121,500	e	
Shares to be issued upon exercise of Company Warrants	3,150,790		
Shares to be issued upon exercise of Company Director Options	1,500,000		
Shares issuable upon Conversion of Debentures (\$1,049,000 @ \$0.25)	4,196,000	k	
ProForma Balance Fully Diluted May 31, 2015	300,879,449		4,808,188

4. Income Tax

The effective consolidated pro forma tax rate is expected to be approximately 35% (Consolidated) statutory tax rate. The company has approximately \$3.9 million in income tax losses carry forwards that will be used in the coming years.

SCHEDULE "H"
SECTION 185

1. Subject to subsection (3) and to Sections 186 and 248, if a corporation resolves to,
 - (a) amend its articles under Section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
 - (b) amend its articles under Section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
 - (c) amalgamate with another corporation under Sections 175 and 176;
 - (d) be continued under the laws of another jurisdiction under Section 181; or
 - (e) sell, lease or exchange all or substantially all its property under subsection 184 (3), a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

2. If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under Section 168 or 170 may dissent, except in respect of an amendment referred to in,
 - (a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or
 - (b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

- 2.1. The right to dissent described in subsection (2) applies even if there is only one class of shares.

Exception

3. A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,
 - (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by Section 277; or
 - (b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

4. In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

5. A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

6. A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

7. The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

8. The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

9. A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

10. A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,
 - (a) the shareholder's name and address;

- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

- 11. Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11).

Idem

- 12. A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

- 13. A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

- 14. On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,
 - (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);
 - (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or
 - (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8), in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee. R.S.O. 1990, c. B.16, s. 185 (14).

Offer to pay

- 15. A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

- (a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

- 16. Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

- 17. Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

- 18. Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

- 19. If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

- 20. A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

- 21. If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

- 22. Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice

is given,

- (a) has sent to the corporation the notice referred to in subsection (10); and
- (b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made, of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

- 23. All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

- 24. Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

- 25. The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

- 26. The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

- 27. The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

- 28. Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

29. Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,
- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or
 - (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

30. A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,
- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or
 - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

31. Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

32. The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).

SCHEDULE "I"
DISTINCTTECH FINANCIAL STATEMENTS

DISTINCTTECH INC.

Condensed Consolidated Interim Financial Statements
(Unaudited, expressed in Canadian Dollars)

May 31, 2015

Distincttech Inc.

Table of contents

	Page
Condensed Consolidated Interim Financial Statements:	
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Cash Flows	5
Statement of Changes in Equity	6
Notes to the financial statements	7 - 17

Distincttech Inc.
Condensed Consolidated Interim Statement of Financial Position
As At May 31, 2015
(Unaudited)

	Notes	May 31, 2015 (unaudited)	November 30, 2014 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 54,387	\$ 13,939
Accounts receivable	6	12,743,191	9,435,153
Work in progress		5,474,081	4,956,581
Inventory		151,541	147,791
Prepaid expenses and Deposits	7	589,955	108,442
Advances to corporate shareholders	18	195,951	192,067
Due from related party	18	1,569,534	1,538,372
		20,778,640	16,392,345
Non-current Assets			
Goodwill	9	15,295	-
Property , plant and equipment	8	1,057,758	691,997
Assets under capital lease	8	5,318,723	4,529,241
TOTAL ASSETS		\$27,170,416	\$21,613,583
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	11	\$ 5,189,431	\$ 5,339,699
Bank Loan	10	7,049,779	7,088,274
Notes payables	12	248,134	53,133
Income taxes payable		964,786	540,119
Current portion of obligation under capital lease	13	1,138,653	1,120,227
		14,590,783	14,141,452
Non-current Liabilities			
Note payable	12	44,278	44,278
Obligation under capital lease	13	3,430,928	3,045,342
TOTAL LIABILITIES		18,065,989	17,231,072
Shareholders' Equity			
Share capital	14	2,497,382	3
Warrants	15	1,414,727	-
Retained earnings		5,192,318	4,382,508
TOTAL SHAREHOLDERS' EQUITY		9,104,427	4,382,511
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		\$27,170,416	\$21,613,583

Contingent liabilities – Note 22

Subsequent events – Note 24

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

These Financial Statements are authorized for issue by the Board of Directors on June 28, 2015.

“Alexander Agius”
Director

“Joe Lanni”
Director

Distincttech Inc.
Condensed Consolidated Interim Statements of Comprehensive Income
For the Six Months Period Ended May 31, 2015

(Unaudited)

	Notes	For the three months ended		For the six months ended	
		2015	May 31 2014	2015	May 31 2014
Revenue		<u>\$8,507,528</u>	<u>\$6,549,228</u>	<u>\$14,672,081</u>	<u>\$11,534,438</u>
Expenses					
Direct cost		5,821,589	4,648,824	10,122,969	8,341,814
Selling, general and administrative		1,226,539	801,407	2,371,894	1,545,812
Depreciation		474,920	139,675	602,632	259,517
Total expenses		<u>7,523,048</u>	<u>5,589,906</u>	<u>13,097,495</u>	<u>10,147,143</u>
Earnings from operations		984,480	959,322	1,574,586	1,387,295
Net finance charges					
Interest expense		114,676	167,372	254,370	261,935
Interest on capital leases		33,250	27,565	85,744	47,017
Income before taxes		<u>836,554</u>	<u>764,385</u>	<u>1,234,472</u>	<u>1,708,343</u>
Income tax		<u>232,667</u>	<u>183,436</u>	<u>424,667</u>	<u>323,147</u>
Total loss and comprehensive loss, net of tax		<u>\$603,887</u>	<u>\$580,949</u>	<u>\$809,805</u>	<u>\$755,196</u>
Earnings per share		\$ 0.00	\$ 0.00	\$ 0.01	\$ 0.01
Weighted number of common shares outstanding					
Basic		<u>165,447,195</u>	<u>151,000,00</u>	<u>158,302,978</u>	<u>151,000,000</u>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Distincttech Inc.
Condensed Consolidated Interim Statements of Cash Flows
For the Six Months Period Ended May 31, 2015

(Unaudited)

	May 31, 2015	May 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net and comprehensive income	\$809,805	755,196
Adjustments to net loss for non cash items:		
Depreciation of property and equipment	602,632	259,517
Operating loss before working capital changes	1,412,437	1,014,713
Working capital adjustments:		
Accounts receivable	(3,308,038)	(984,157)
Work in progress	(517,500)	(2,697,634)
Inventory	(3,750)	(19,901)
Prepaid expenses and deposit	(481,512)	(49,122)
Accounts payable and accrued liabilities	(150,269)	404,857
Income taxes payable	424,667	323,147
Net cash flows from (used in) operating activities	(2,623,965)	(2,008,097)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advances (to) from shareholders	(3,884)	(62,363)
Purchase of property and equipment, net (includes Capital assets under lease)	(1,773,166)	(771,281)
Net cash flows used in investing activities	(1,777,050)	(833,644)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Bank Loan	(38,495)	1,949,782
Increase in due from related party	(31,162)	(240,985)
(Decrease) in note payable	195,001	(53,133)
Issuance of shares, net of issuance costs	3,912,106	-
Increase in obligations under capital lease	404,012	1,135,686
Net cash flows generated from financing activities	4,441,463	2,844,483
NET INCREASE IN CASH AND CASH EQUIVALENTS	40,448	2,742
Cash at the beginning of the period	13,939	1,257
Cash at the end of the period	\$54,387	\$3,999

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Distincttech Inc.
Condensed Consolidated Interim Statements of Changes in Equity
For the Six Months Period Ended May 31, 2015
(Unaudited)

Particulars	Issued share	Capital	Warrants	Retained Earning	Total equity
	Number of shares	Share Capital			
Balance, December 1, 2013	150	\$3	\$-	\$2,089,182	\$2,089,185
Net and comprehensive income	-	-	-	\$2,293,326	\$2,293,326
Balance, November 30, 2014	150	\$3	\$-	\$4,382,508	\$4,382,511
Corporate re-organization	(150)	(\$3)	-	-	-
Issuance of shares on re-organization (note 14)	151,000,000	\$3	-	-	-
Issuance of shares private placement	41,272,705	3,912,106	-	-	3,912,106
Issuance of warrants private placement	-	(1,414,727)	1,414,727	-	-
Net and comprehensive income	-	-	-	\$809,805	\$809,805
Balance, May 31, 2015	192,272,705	\$2,497,382	\$1,414,727	\$5,192,318	\$9,104,427

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

Distincttech Inc. (“Distincttech”, the “Company” and or the “Group”) is a privately held design, engineering, construction, services and maintenance organization. It predominantly services the telecommunications sector in southern Ontario, but has begun to service other utilities in Ontario. The Company was incorporated under the laws of the province of Ontario on April 25, 2007, and its name was subsequently changed by way of Articles of Amendment from Distinct Technical Services Inc. to Distincttech Inc. on October 9, 2013.

On April 2, 2015, Distincttech Inc. amalgamated with two Ontario numbered holding companies (2210291 Ontario Ltd & 2210296 Ontario Ltd) owned by at that time the sole shareholders of Distincttech for tax planning purposes.

The head office, principal address and registered records office of the Company is located at 77 Belfield Road, Toronto, Ontario, M9W 1G6.

2. BASIS OF PREPARATION

Statement of Compliance

These financial statements of the Corporation have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as at November 30, 2014.

Basis of Measurement

The financial statements have been prepared on a historical cost basis.

Presentation Currency

The financial statements are presented in Canadian dollars which is also the Corporation’s functional currency.

Use of Estimates and Judgements

The preparation of financial statements in compliance with International Financial Reporting Standards (“IFRS”) requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Corporation’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Corporation in its Financial Statements for the year ended November 30, 2014.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The critical accounting estimates and judgements applied by the Company in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Company in its Financial Statements for the year ended November 30, 2014.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financials Reporting. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at November 30, 2014.

5. ACQUISITIONS

Acquisition of DC Connections

On May 1, 2015, the Company acquired all the issued and outstanding shares of DC Connections Inc. ("DC"), a small telecom construction company similar in nature to Distincttech. The net amount due to the former owners of DC have been recorded as a note payable, and will be paid as per the installment schedule agreed to as part of the purchase agreement. The final price is subject to customary holdbacks and adjustments, which shall be adjusted on the final payment due November 2, 2015. The net purchase price for DC was \$221,567.

DC is an operating company in Alberta and as such met the definition of a business under IFRS 3 and the assets and liabilities of DC are included in the consolidated statement of financial position at their book values which approximate their fair market value on closing of the transaction. Share capital and retained earnings of the acquired company are eliminated on consolidation.

At May 31, 2015, the entire purchase price was \$221,567 owing to the shareholders of DC, and accounted for in Accounts payable.

The payments are to be made as follows:

(1) June 2, 2015	\$59,892
(2) September 1, 2015	69,875
(3) November 2, 2015	69,875
(4) Final holdback (subject to final closing adjustments)	<u>21,925</u>
Total	<u>\$221,567</u>

The DC acquisition was an arm's length transaction. There were no related parties to the Company involved in the transaction.

The total purchase price has been allocated as follows:

Purchase Price Net	<u>\$221,567</u>
Allocated as:	
Cash	12,208
Accounts Receivable (Net)	30,923
Capital Assets	184,347
Accounts payable and accrued liabilities	<u>(21,207)</u>
	206,272
Goodwill on acquisition	<u>\$ 15,295</u>

Goodwill arose in the acquisition of DC because the cost of the combination included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of DC.

Distincttech Inc.
Notes to Condensed Consolidated Interim Financial Statements
May 31, 2015
Unaudited

6. RECEIVABLES

	May 31, 2015	November 30, 2014
Trade receivables	12,743,191	9,435,153
	<u>12,743,191</u>	<u>9,435,153</u>

The company has analyzed its historical collections history from its prior periods as well as customers data and determined that due to historical trends, current market and economic conditions no provision is required.

7. PREPAIDS AND DEPOSITS

	May 31, 2015	November 30, 2014
Prepaid expenses	304,944	108,442
Deposits	285,011	-
	<u>589,955</u>	<u>108,442</u>

8. PROPERTY, PLANT AND EQUIPMENT

	COMPUTER SOFTWARE	COMPUTER EQUIPMENT	FURNITURE & OFFICE EQUIPMENT	VEHICLES	MACHINERY & EQUIPMENT	LEASEHOLD IMPROVEMENTS	TOTAL PROPERTY, PLANT & EQUIPMENT	CONSTRUCTION EQUIPMENT UNDER CAPITAL LEASE	TOTAL
COST									
Balance, November 30, 2014	-	128,639	152,797	70,195	815,672	-	1,167,304	6,491,721	7,659,025
Additions during the period	27,960	28,661	11,469	16,547	321,861	89,248	495,746	1,262,128	1,757,874
Disposals during the period	-	-	-	-	-	-	-	-	-
Balance, May 31, 2015	27,960	157,300	164,266	86,742	1,137,533	89,248	1,663,049	7,753,849	9,416,899
ACCUMULATED DEPRECIATION									
Balance, November 30, 2014	-	81,993	44,697	15,914	332,702	-	475,306	1,962,481	2,437,786
Depreciation expense	5,830	9,147	9,322	5,830	94,900	4,957	129,986	472,646	602,632
Disposals during the period	-	-	-	-	-	-	-	-	-
Balance, May 31, 2015	5,830	91,139	54,019	21,744	427,602	4,957	605,291	2,435,126	3,040,418
NET BOOK VALUE									
Balance, May 31, 2014	-	46,646	108,099	54,280	482,971	-	691,996	4,529,241	5,221,237
Balance, May 31, 2015	22,130	66,161	110,247	64,998	709,932	84,291	1,057,758	5,318,723	6,376,481

Distincttech Inc.
Notes to Condensed Consolidated Interim Financial Statements
May 31, 2015
Unaudited

9. INTANGIBLES

	Note	May 31, 2015	November 30,, 2014	Nov 30 2014
Goodwill	4	\$ 15,295	\$ -	
		<u>\$ 15,295</u>	<u>\$ -</u>	

Impairment testing of goodwill and intangible assets with indefinite lives

The Group performs annual impairment test at year-end. The recoverable amount of the operating unit will be determined using a discounted cash flow approach, based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. Management will also use prior year's performance to determine impairment of goodwill and other intangible assets.

10. BANK LOAN

The Company has negotiated a demand operating loan with the Royal Bank of Canada for a maximum of \$7,500,000. The bank loan is due on demand, bears interest at Royal Bank's prime lending rate plus 2% per annum and is secured by a general security agreement, an assignment of insurance, and guarantee postponement of claim in the amount of \$750,000 each by the two directors. As of May 31, 2015, the bank loan had a balance outstanding of \$7,049,779.

11. ACCOUNTS PAYABLE AND OTHER LIABILITIES

	2015	May 31, 2015	November 30, 2014
Accounts payable		\$ 4,212,123	\$4,581,693
Accrued liabilities		622,065	417,688
Payroll taxes payable		257,936	88,298
Due to government agencies		97,307	252,020
		<u>\$5,189,431</u>	<u>\$5,339,699</u>

Distincttech Inc.
Notes to Condensed Consolidated Interim Financial Statements
May 31, 2015
Unaudited

12. NOTES PAYABLE

	May 31, 2015	November 30, 2014
On September 30, 2013, the Company repurchased its common shares from a former shareholder of the Company for a purchase price of \$212,533. The purchase price was paid as follows: (i) payment of \$53,333 issued September 30, 2013, and (ii) \$159,400 by promissory note, non-interest bearing and payable in thirty-six (36) equal monthly payments of \$4,428 with maturity date of October 1, 2016.	\$ 70,844	\$97,411
On May 1, 2015, the Company acquired all the issued and outstanding shares of DC Connections Inc. ("DC"). The net amount due to the former owners of DC have been recorded as a non-interest bearing note payable, and will be paid in full by November 2, 2015.	221,567	-
	<u>292,411</u>	<u>97,411</u>
Less current portion	248,134	53,133
	<u>\$44,278</u>	<u>\$44,278</u>

13. OBLIGATIONS UNDER CAPITAL LEASE

	May 31, 2015	November 30, 2014
Present value of minimum net lease payments	4,569,581	4,165,569
Less: current portion	1,138,653	1,120,227
	<u>\$ 3,430,928</u>	<u>\$ 3,045,342</u>

Interest charges to the accounts of the Company on the above during the period amounts to \$85,744 (2014 - \$47,017).

The capital leases have interest rates that range from 0-7% interest and have an average interest rate of 5% (4.75% for 2014).

Distincttech Inc.
Notes to Condensed Consolidated Interim Financial Statements
May 31, 2015
Unaudited

14. SHARE CAPITAL

Authorized
Unlimited common shares (no par value)

	Issued	Amount
Issued		
Common shares (net of issuance costs)	192,272,705	\$ 3,912,106

During the prior fiscal year (2014) the Company had two shareholders and 150 shares outstanding with a common share value of \$3.

On April 2, 2015, Distincttech Inc. amalgamated with two Ontario numbered holding companies (2210291 Ontario Ltd & 2210296 Ontario Ltd) owned by at that time the sole shareholders of Distincttech for tax planning purposes. The 150 common shares of Distincttech along with all the shares of the numbered companies were returned to treasury for cancellation and 151,000,000 common shares were issued as replacement to the existing shareholders.

On April 27, 2015, the Company closed its first round brokered private placement, issuing 30,682,705 units at \$0.10 per unit for gross proceeds of \$3,068,270.50. Each Unit consists of one common share and one-half common share warrant.

On May 4, 2015, the Company closed its second round of its brokered private placement, issuing 10,590,000 units at \$0.10 per unit for gross proceeds of \$1,059,000. Each Unit consists of one common shares and one-half common share warrant.

The brokered private placement was led by Mackie Research Capital Corporation, and the agreement provided for a 6% cash commission and an 8% commission in the form of broker options.

15. WARRANTS

In 2015, as part of the Units issued through private placement, a total of 20,636,353 warrants were issued. Each Warrant shall entitle the holder thereof to purchase one additional common share of the Company at an exercise price of \$0.20 at any time up to 36 months from Closing (as defined herein). The warrants are subject to a forced conversion ("Forced Conversion"), at the option of the Company, if the common shares trade at or above \$0.30 per share for a period of 20 non-consecutive trading days. The warrants will expire on the 20th business day following the date that notice of the Forced Conversion is sent to the warrant holders.

Balance, November 30, 2014	-
Issuance of warrants through private placement	1,414,727
Balance as of May 31, 2015	\$ 1,414,727

The weighted average exercise price for broker warrants during the period ended May 31, 2015 was \$0.20 (2013- \$NIL) per warrant.

The Black-Scholes option-pricing model, with the following assumptions, was used to estimate the fair value of warrants on the grant dates. No warrants were issued during the three month period ended May 31, 2015:

Distincttech Inc.
Notes to Condensed Consolidated Interim Financial Statements
May 31, 2015
Unaudited

	<u>May 31, 2015</u>
Risk-free interest rate	0.68%
Expected lives (years)	3
Expected volatility	192%
Dividend per share	\$nil
Share price fair value - warrant	\$0.0686

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect fair values, and therefore, the existing models do not necessarily provide a reliable measure of the fair values of the Corporation's warrants.

The expected share price volatility is based on the historical volatilities of comparable companies.

The Corporation's share price fair value used in the warrants valuation, was based on the share price of the Corporation's shares issued to non-related parties in private placements for cash.

16. BASIC EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2015	2014
Earnings used in the calculation of basic earnings per share	<u>809,805</u>	<u>755,196</u>
Weighted average number of ordinary shares for the purposes of basic earnings per share	<u>158,302,978</u>	<u>151,000,000</u>
Earnings per share (Basic)	\$ 0.01	\$ 0.01

17. MAJOR CUSTOMERS

Approximately 97% (May 31, 2014 - 98%) of the Company's sales are made to three customers in the communication industry sector. As at May 31, 2015, accounts receivable balance from these customers is \$11,987,901 (May 31, 2014: \$5,594,467).

18. RELATED PARTY TRANSACTIONS

(a) ABL Professional Management Services Inc. ("ABL") is a separate legal entity that is managed by the common shareholders that control the Company. Transactions between the parties are incurred in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the respective parties. During the period, the Company has recorded services on a pass through basis of \$127,609 to their related party (2014: \$101,721). As at May 31, 2015, \$1,569,534 (2014: \$1,538,372) remains receivable. The common shareholders have provided a personal guarantee for the collection of this receivable.

(b) The Company pays its Senior Management and majority shareholders by way of a management services agreement(s) with companies controlled by these individuals. Payments totalling \$300,510 was paid for the period ending May 31, 2015 (2014-\$nil).

Distincttech Inc.

Notes to Condensed Consolidated Interim Financial Statements

May 31, 2015

Unaudited

(c) The Company has a receivable outstanding from Shareholders (Senior Management and majority shareholders) of \$195,951 (2014: \$192,067), this receivable will be repaid over the next twenty four months, is personally guaranteed by the shareholders and does not bears interest.

(d) The Company pays its Other Senior Management (outside the control group) by way of management services agreement(s) with companies controlled by these individuals. Payments totalling \$126,626 was paid for the period ending May 31, 2015 (2014-nil).

19. COMMITMENTS

The Company leases its premises, vehicles and other related equipment under operating lease(s) that expire on various dates. The Company's total commitments, under a property lease agreement exclusive of occupancy cost and other equipment leases, are as follows:

2015 (remainder of the year)	\$ 697,049
2016	1,012,065
2017	914,740
2018	625,302
2019	202,597
<u>Total</u>	<u>\$3,451,753</u>

The company signed an offer to lease on a new property effective June 1, 2015. The existing lease on the company's former office and warehouse facilities were subleased to a third party though the remaining lease period. The net impact to the company for the prior lease will be zero over the remaining three and a half years, after cost of subletting. The new lease will be for ten years, and have a a basic rent of \$37,542 per month, an increase of \$16,960 per month.

20. CAPITAL MANAGEMENT

The company's primary objectives when managing capital are to (a) safeguard the Company's ability to develop and market services, and (b) provide a sound capital structure for raising capital at a reasonable cost for the funding of ongoing development of its products and new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the business.

The Company includes equity, comprised of issued share capital, and Retained earnings, in the definition of capital. The company is dependent on cash flow from services and external financing to fund its activities. In order to carry out planned development of its products and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change to the Company's capital management in 2015 or 2014.

21. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Company is a going concern and thus expects to fully repay the outstanding amounts.

Distincttech Inc.
Notes to Condensed Consolidated Interim Financial Statements
May 31, 2015
Unaudited

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency transactions and therefore is not exposed to currency risk.

(c) Market risk Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is minimally exposed to interest rate risk.

(d) Credit risk

Credit risk is the risk of financial loss if a client fails to meet its contractual obligations, and arises primarily from the Corporation's trade accounts receivable and work in progress. The carrying amount of accounts receivables and work in progress totaling \$18,212,272 (November 30, 2014 - \$14,391,734) represents the maximum credit exposure. A significant portion of the trade accounts receivable are from the tele-communications industry and as such, the Corporation is exposed to all the risks associated with that industry. However, the majority of these receivables are from well-established, Canadian clients, whose creditworthiness is of the highest level, thereby reducing the risk of material payment default.

The Corporation has an established credit policy under which each new client is analyzed individually for creditworthiness. The review includes external ratings where available, credit reference checks and, in some cases, bank references. Creditworthiness of existing clients is monitored on an ongoing basis, along with monitoring the amount and age of balances outstanding.

(e) Concentration risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At May 31, 2015, receivables from 3 customers comprised approximately 99% of the total outstanding receivables. One particular customer's account represents 39% of the total outstanding receivables at May 31, 2015. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances.

(f) Liquidity risk

The Company does have a liquidity risk in the bank loan of \$7,049,779, (2014: \$7,088,274), accounts payable and accrued liabilities of \$5,189,431 (2014: \$5,339,699) and current portion of obligations under capital leases of \$1,138,653 (2014: \$1,120,227). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due.

(g) Cash flow risk Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low and not material.

(h) Interest rate risk The Company is exposed to interest rate risk due to the variable rate interest on their bank loan. Changes in the lending rates may cause fluctuations in cash flows and interest expense.

(i) Price risk

The Company is exposed to price risk. Price risk is the risk that the commodity prices that the Company charges are significantly influenced by its competitors and the commodity prices that the Company must charge to meet its competitors may not be sufficient to meet its expenses. The Company reduces its exposure to price risk by ensuring

Distincttech Inc.
Notes to Condensed Consolidated Interim Financial Statements
May 31, 2015
Unaudited

that it obtains information regarding the commodity prices that are set by the competitors in the region to ensure that its prices are appropriate. In addition, management closely monitors expenses and matches capital outlays to its revenue stream. In the opinion of management the price risk exposure to the Company is low and is not material.

22. CONTINGENT LIABILITIES

The Company is defending a claim from two former suppliers regarding disputed payment amounts. These proceedings are being contested and it is not possible at this time to predict their ultimate outcome. It is the opinion of management that final determination of these proceedings will not materially affect the financial position or the results of the Company. The Company will vigorously defend itself and has fully accrued for the maximum potential exposure in its financial statements.

23. SUBSIDIARIES

Name of subsidiary	Principal activity	Place of Business and operation	Proportion of ownership interest and voting rights held	
			2015	2014
iVac Services Inc	Hydrovac services	Toronto, ON	100%	100%
Distinct Environmental Solutions Inc.	Inactive	Toronto, ON	100%	100%
Distincttech Inc. (Alberta) (Formerly DC Connections Inc.)	Civil light Construction	Albertsville, AB	100%	-

24. SUBSEQUENT EVENTS

On June 1, 2015 the Company closed third tranche of financing for gross proceeds of \$1,429,294 (net \$1,323,788). The financing resulted in a total of 14,292,940 Units being issued at \$0.10 per unit. Each Unit consisted of one common share of the Company and one-half common share warrant. See note 10 for additional information on the warrant.

On April 16th, 2015, the Company entered into a Share Exchange agreement with QE2 Acquisition Corp. ("QE2"), a TSXV listed company that upon completion would result in reverse takeover of QE2, by the shareholders of Distincttech. This agreement is subject to the standard TSXV and shareholder approvals as well as customary closing conditions. As a result of the private placements completed by Distincttech in late April 2015 and May 2015, an Amalgamation agreement was required to complete the transaction contemplated in the Share Exchange agreement, under the same or similar terms and conditions. The Amalgamation agreement was signed June 29, 2015. It is expected that the transaction would be completed before the end of the third quarter of 2015.

On June 1, 2015, the Company completed the final tranche of its Private placement with Mackie Research Capital Corp. The final closing resulted in gross proceeds to the company of \$1,429,294, for a total of 14,292,940 Units at the same price as the previous two tranches and on the same terms and conditions (see note 14 & 15 for details).

25. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

CONSOLIDATED FINANCIAL STATEMENTS

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES &
CONSTRUCTION LTD.)

November 30, 2014 and 2013

DISTINCTTECH INC.

CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

	<u>Page</u>
Independent Auditor's Report	
Consolidated Financial Statements	
Statement of Financial Position	1
Statement of Changes in Equity	3
Statement of Operations and Comprehensive Income	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-21



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Distincttech Inc.

We have audited the accompanying consolidated financial statements of **Distincttech Inc.** (Formerly: Distinct Technical Services & Construction Ltd.), and its subsidiaries, which comprise the consolidated statement of financial position as at November 30, 2014 and November 30, 2013 and the consolidated statements of changes in equity, operations and comprehensive income and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Distincttech Inc., and its subsidiaries as at November 30, 2014 and November 30, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

CQK Chartered Accountants LLP

Mississauga, Ontario
March 9, 2015

CHARTERED ACCOUNTANTS
Licensed Public Accountants

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at November 30	2014	2013
Assets		
Current		
Cash	\$ 13,939	\$ 1,257
Accounts receivable	9,435,153	3,688,220
Work in progress	4,956,581	1,053,051
Inventory	147,791	127,890
Prepaid expenses and deposits	108,442	142,775
Advances to corporate shareholders (note 4)	192,067	3,865
Due from related party (note 15)	1,538,372	1,102,917
	16,392,345	6,119,975
Property, plant and equipment (note 5)	691,997	623,132
Assets under capital lease (note 6)	4,529,241	1,337,439
	\$ 21,613,583	\$ 8,080,546

The accompanying notes are an integral part of these consolidated financial statements.

Approved:

Director Signed: "Joe Lanni"

Director Signed: "Alex Agius"

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at November 30	2014	2013
Liabilities and shareholders' equity		
Current		
Bank loan (note 7)	\$ 7,088,274	\$ 2,596,372
Accounts payable and accrued liabilities (note 8)	5,339,699	2,198,251
Note payable (note 9)	53,133	53,133
Income taxes payable	540,119	254,662
Current portion of obligations under capital lease (note 10)	1,120,227	368,705
	14,141,452	5,471,123
Note payable (note 9)	44,278	97,411
Obligations under capital lease (note 10)	3,045,342	422,827
	17,231,072	5,991,361
Shareholders' equity		
Share capital (note 11)	3	3
Retained earnings	4,382,508	2,089,182
	4,382,511	2,089,185
	\$ 21,613,583	\$ 8,080,546

Contingent liabilities (note 19)

The accompanying notes are an integral part of these consolidated financial statements.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended November 30, 2014

	Shares	Share capital	Retained earnings	Total
Balance, December 1, 2012	225	\$ 2.25	\$ 1,208,058	\$ 1,208,060
Net and comprehensive income	-	-	1,563,657	1,563,657
Purchase of common shares for cancellation	40	40	-	40
Dividends paid	-	-	(70,000)	(70,000)
Purchase of common shares for cancellation	(115)	(39.75)	(612,533)	(612,573)
Balance, November 30, 2013	150	2.50	2,089,182	2,089,185
Net and comprehensive income	-	-	2,293,326	2,293,326
Balance, November 30, 2014	150	\$ 2.50	\$ 4,382,508	\$ 4,382,511

The accompanying notes are an integral part of these consolidated financial statements.

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
**CONSOLIDATED STATEMENT OF OPERATIONS AND
COMPREHENSIVE INCOME**

Year ended November 30	2014	2013
Revenue	\$ 25,614,409	\$ 18,834,269
Expenses		
Selling, general and administrative	4,497,756	2,048,438
Depreciation and amortization	609,570	377,941
Direct costs	16,958,149	14,081,462
	22,065,475	16,507,841
Income from operations	3,548,934	2,326,428
Net finance charges		
Interest expenses	450,372	334,823
Interest on capital leases	84,851	48,206
	535,223	383,029
Income before income taxes	3,013,711	1,943,399
Income taxes (note 12)	720,385	379,742
Net and comprehensive income	\$ 2,293,326	\$ 1,563,657
Earnings per share	15,228.84	10,424.38
Weighted average number of shares outstanding	150	150

The accompanying notes are an integral part of these consolidated financial statements.

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended November 30	2014	2013
Cash flows provided by (used in):		
Operating		
Net and comprehensive income	\$ 2,293,326	\$ 1,563,657
Adjustment for		
Amortization	609,570	377,941
	2,902,896	1,941,598
Change in non-cash working capital items		
Accounts receivable	(5,746,933)	985,705
Work in progress	(3,903,530)	(868,870)
Inventory	(19,901)	(92,864)
Prepaid expenses and deposit	34,333	(58,810)
Unearned revenue	-	(283,166)
Accounts payable and accrued liabilities	3,141,449	222,953
Income taxes payable	285,457	204,440
	(3,306,229)	2,050,986
Investing		
Advances (to) from shareholders	(188,202)	7,540
Purchase of property, plant and equipment	(3,870,238)	(981,040)
	(4,058,440)	(973,500)
Financing		
Bank loan	4,491,902	57,233
Advances to related party	(435,455)	(823,878)
(Decrease) increase in note payable	(53,133)	150,544
Increase in obligations under capital lease	3,374,037	38,096
Issuance of share capital	-	1
Dividends paid	-	(70,000)
Purchase of common shares for cancellation	-	(612,533)
	7,377,351	(1,260,537)
Increase (decrease) in cash	12,682	(183,051)
Cash, beginning of year	1,257	184,308
Cash, end of year	\$ 13,939	\$ 1,257

The accompanying notes are an integral part of these consolidated financial statements.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2014

1. Nature of operations

Distincttech Inc. (the "Company") is a privately held design, engineering, construction, services and maintenance company. It predominantly services the telecommunications sector in southern Ontario. The Company was incorporated under the laws of the province of Ontario on April 25, 2007, and its name was subsequently changed by way of Articles of Amendment from Distinct Technical Services Inc. on October 9, 2013.

On September 1, 2014, the Company acquired all issued and outstanding shares of IVAC Services Inc. for a purchase price of \$100. IVAC Services Inc. commenced its operations subsequent to this acquisition. IVAC Services Inc. provides hydro excavation services.

On September 1, 2014, the Company acquired all issued and outstanding shares of Distinct Environmental Solutions Inc. for a purchase price of \$100. Distinct Environmental Solutions Inc. was dormant as of November 30, 2014 and commenced its operations subsequent to the year end.

The Company holds 100% of the issued and outstanding share capital of IVAC Services Inc. and Distinct environmental Solutions Inc.

The head office, principal address and registered and records office of the Company are located at 87 Disco Road, Toronto Ontario M9W 1M3.

These consolidated financial statements are authorized for issue by the Board of Directors on March 5, 2015.

2. Basis of preparation

(a) Statement of compliance

These financial statements of the Company have been prepared in accordance with international Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended November 30, 2014. The policies set out below are based on IFRS issued and outstanding as of March 5, 2015 the date the Board of Directors approved the statements.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis. The comparative figures presented in these consolidated financial statements are in accordance with IFRS.

(c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. These financial statement are presented in Canadian Dollars, which is the Company's functional currency and presentation currency. The functional currency determinations were conducted through and analysis of the consideration factors identified in IAS 21, "The Effects of Changes in Foreign Exchange Rates".

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Basis of preparation (continued)

(d) Basis of consolidation

The Consolidated financial statements comprise the financial statements of the company and its wholly owned subsidiaries controlled by the Company as at November 30, 2014. Control exists when the Company is exposed to, or has the rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balance, transactions, unrealized gains and losses resulting from inter-group transactions and dividends, if any, are eliminated in full.

3. Significant accounting policies

(a) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Accrual basis of accounting

Revenue and expenditures are recorded on the accrual basis of accounting under which they are recorded in the financial statements in the period they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

(c) Inventory

Inventory consists of raw materials used by the Company in normal course of business. Raw materials inventory is stated at the lower of cost on a first in, first out basis and net realizable value determined by reference to replacement costs. Raw materials are not written down unless the goods in which they are incorporated are expected to be sold for less than cost, in which case they are written down by reference to replacement cost of the raw materials, as this the best indicator of net realizable value. Net realizable value refers to the amount the company expect to realize from the sales of the inventory in the ordinary course of business less direct costs to sell. Cost of sales includes all costs of inventory recognized as expense in the period.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

(d) Work in progress

Work in progress is accounted for under the percentage of completion method. According to this method, work in progress, is recognized pro rata with the degree of completion of the work. Work in progress represents the gross unbilled amount expected to be collected from clients for work performed to the reporting date. It is measured at cost plus profit recognized to date less progress billings and quantified losses, if any. Cost includes all expenditures related directly to the completion of the work.

Work in progress is reported separately on the Statement of Financial Position. If progress billings exceed costs incurred plus recognized profits, then the difference is presented as unearned revenue on the Statement of Financial Position

(e) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer accounting policy). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. non refundable tax, transport and the costs of dismantling and removing the items and restoring the site on which they are located, if applicable). The cost of a self-constructed asset is determined using the same principles as for an acquired asset.

Subsequent expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. All other costs are expensed as incurred.

Amortization

The amortization amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually. Amortization is calculated from the date the asset is available for use. The annual amortization rates and methods are as follows:

Vehicles	20% Declining balance
Furniture and fixtures	20% Declining balance
Computer equipment	20% Declining balance
Computer software	20% Declining balance
Machinery and equipment	20% Declining balance

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

(f) Assets under capital lease

Assets under capital leases are recorded at cost. The Company provides for amortization using the following methods at rates designed to amortize the cost of the assets under capital lease over their estimated useful lives. The annual amortization rates and methods are as follows:

Construction and other related equipment	20% Declining balance
--	-----------------------

Leased assets are recorded as Assets under capital leases in the statements of financial position, when, in substance, the terms of the lease transfer to the Company the majority of the risks and rewards associated with the ownership of the asset. The asset is recorded for an amount that corresponds to the lower of fair value and the discounted value of future lease payments. The assessment of the level of risks transferred is based on an analysis of the lease agreement. The financial debt associated with the leased asset is recorded as a liability in the balance sheet.

(g) Impairment of long-lived assets

The Company's property and equipment are reviewed for an indication of impairment at each balance sheet date. If indication of impairment exists, the assets's recoverable amount is estimated. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized when the carrying amount of asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Revenue recognition

Contracts for services are undertaken on either "cost plus fee" or "fixed fee" basis. In either case, revenue is recognized as services are rendered. Deferred revenue, included in current liabilities, represents billings rendered in excess of revenue earned.

Revenue from construction contracts is recognized on the percentage of completion basis whereby revenue is measured by the proportion of construction costs incurred to date as a percentage of estimated total construction costs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

(i) Investment tax credits

Investment tax credits are in the nature of tax allowances are typically accounted for by analogy to IAS 12. Therefore, investment tax credits are recognized as a current asset (with a corresponding reduction to current tax expense) to the extent that they can be claimed in the current reporting period. Any unused investment tax credits are recognized as a deferred tax asset to the extent that it is probable that future taxable profit will be available for using up those credits.

(j) Related party transactions

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(k) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

(l) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in the statement of comprehensive loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary difference arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the company reassesses unrecognized deferred tax assets. The Company has no deferred tax assets.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

(m) Financial instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: fair value through profit and loss ("FVTPL"); held to maturity; loans and receivables; and available for sale or other liability.

Financial assets

FVTPL assets are subsequently measured at fair value with the change in the fair value recognized in net income during the period.

Held to maturity assets are subsequently measured at amortized cost using the effective interest rate method.

Loans and receivable are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income, except for equity instruments without a quoted market price which are measured at cost.

Financial liabilities

Held for trading liabilities are subsequently measured at fair value with the change in the fair value recognized in net income during the period.

Other liabilities are subsequently measured at amortized cost using the effective interest rate method, transaction costs are expensed as incurred.

The Company has classified its financial instruments as follows:

Financial instrument	Classification
Cash	FVTPL
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Loan payable	Other liabilities

The Company's financial instruments measured at fair value on the balance sheet consist of cash, which is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

(n) Change in accounting policy

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after December 31, 2012. Many are not applicable to, or do not have a significant impact on, the Company and have been excluded from the table below. The following were adopted by the Company.

IFRS 10 - Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard that identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control consists of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. At December 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

IFRS 11 - Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard that focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. At December 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

IFRS 12 - Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard that provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and of balance sheet vehicles. At December 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

IFRS 13 - Fair value measurement ("IFRS13") was issued by the IASB in May 2011. IFRS 13 is a new standard that provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs.

At December 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

IAS 1 - Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. At December 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

(n) Change in accounting policy (continued)

IAS 27 - Separate financial statements ("IAS 27") has the objective of setting standards to be applied in accounting for investments in subsidiaries, joint ventures, and associates when and entity elects, or is required by local regulations, to present separate (non-consolidated) financial statements. This standard is effective for annual periods beginning on or after January 1, 2013 with application permitted. At December 1, 2013, the Company adopted this pronouncement and there was no material impact on the Company's financial statements.

IAS 28 - Investments in Associates and Joint Ventures ("IAS 28") prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. IAS 28 applies to all entities that are investors with joint control of, or significant influence over, an investee (associate or joint venture). At December 1, 2013, the Company adopted this pronouncement and there was no material impact on the company's financial statements.

(o) Recent accounting pronouncements

The accounting pronouncements detailed in this note have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its consolidated financial statements.

IFRS 9 was issued by the IASB in October 2010 and will replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

The effective date of IFRS 9 was deferred to years beginning on or after January 1, 2018. Earlier application is permitted.

IAS 32 Financial Instruments: Presentation was amended by the IASB in December 2011. Offsetting financial Assets and financial Liabilities amendment addresses inconsistencies identified in applying some of the offsetting criteria. The amendment is effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted.

IAS 36 Impairment of Assets was amended by the IASB in June 2013. Recoverable Amount disclosures for Non-Financial Assets amendment modifies certain disclosure requirements about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment is effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted when the entity has already applied IFRS 13.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the financial statements.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. Significant accounting policies (continued)

(p) Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities and contingent liabilities, revenues and expenses at the date of the financial statements and during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- Determination of functional and presentation currency
- Determination of impairment loss
- Recognition of provisions and contingent liabilities.
- Income taxes

Revenue recognition and work in progress:

The Corporation applies the percentage-of-completion method of revenue recognition to determine periodic revenue allocations for certain projects in progress at the end of each reporting period. This methodology requires the use of estimates based on the historical knowledge and experience of management, the specific circumstances of the project, and the anticipation of future events in order to determine factors such as the stage of project completion, future costs to be incurred to complete the project, and an estimate of the final gross margin to be earned. These estimates are continually evaluated and could change based on significant or unanticipated changes in future events; the cost and availability of labour; the cost, availability, and timing of the delivery of materials or components; or unexpected difficulties in the completion of a project.

Allowance for doubtful accounts:

The Company makes allowances for the doubtful accounts based on the recoverability of receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable.

4. Advances to corporate shareholders

The amounts advanced to corporate shareholders are non-interest bearing, unsecured and have no specified terms of repayment.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. Property, plant and equipment

	Computer equipment	Furniture & office equipment	Vehicle	Machinery and equipment	Total
Cost,					
December 1, 2012	\$ 84,204	\$ 38,148	\$ 5,000	\$ 300,057	\$ 427,409
Additions	23,568	59,358	22,000	423,088	528,014
Balance, November 30, 2013	107,772	97,506	27,000	723,145	955,423
Additions	20,867	55,291	43,195	92,527	211,880
Balance, November 30, 2014	\$ 128,639	\$ 152,797	\$ 70,195	\$ 815,672	\$ 1,167,303
Accumulated depreciation					
December 1, 2012	\$ 47,379	\$ 16,607	\$ 3,542	\$ 164,554	\$ 232,082
Change for the year	16,819	10,243	3,737	69,410	100,210
Balance, November 30, 2013	64,198	26,850	7,279	233,964	332,292
Change for the year	17,795	17,847	8,635	98,738	143,015
Balance, November 30, 2014	\$ 81,993	\$ 44,697	\$ 15,914	\$ 332,702	\$ 475,307
Net carrying value, November 30, 2013	\$ 43,574	\$ 70,655	\$ 19,720	\$ 489,182	\$ 623,132
Net carrying value, November 30, 2014	\$ 46,646	\$ 108,099	\$ 54,280	\$ 482,971	\$ 691,997

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. Assets under capital lease

	2014	2013
Construction and other related equipment	\$ 6,491,721	\$ 2,833,364
Less accumulated amortization	1,962,480	1,495,925
	\$ 4,529,241	\$ 1,337,439

7. Bank loan

The Company has negotiated a demand operating loan with the Royal Bank of Canada for a maximum of \$7,500,000. The bank loan is due on demand, bears interest at Royal Bank's prime lending rate plus 2% per annum and is secured by a general security agreement, an assignment of insurance, and guarantee postponement of claim in the amount of \$750,000 each by the two directors. As of November 30, 2014, the bank loan had a balance outstanding of \$7,088,274. (2013 - Nil).

In 2013 and early 2014, the company had negotiated a revolving loan with Receivable Purchase Group "RPG" to a maximum of \$2,000,000 and bears interest at the bank of Montreal Prime Rate plus 4%. A general security agreement covering all assets of the Company had been pledged as security. \$Nil (2013-\$2,539,139) is outstanding on the receivable loan as at the year end. The revolving loan balance was repaid in full and the security was removed in July 2014.

8. Accounts payable and accrued liabilities

	2014	2013
Trade payable	\$ 4,581,693	\$ 1,972,949
Accrued liabilities	417,688	2,203
Payroll taxes payable	88,298	125,345
Other taxes payable	252,020	97,754
	\$ 5,339,699	\$ 2,198,251

9. Note payable

On September 30, 2013, the Company purchased thirty five (35) common shares from a shareholder of the Company for a purchase price of \$212,533. The purchase was paid as follows: (i) payment of \$53,333 issued September 30, 2013, and (ii) \$159,400 by promissory note, non interest bearing and payable in thirty-six (36) equal monthly payments of \$4,428 commencing October 1, 2013. The lump-sum payments and the monthly payments are reflected as a reduction in share capital and retained earnings of the Company. The shares were returned to treasury and cancelled in 2013.

	2014
2015	\$ 53,133
2016	44,278
Less: Current portion of note payable	(53,133)
	\$ 44,278

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Obligations under capital lease

The following is a schedule of the future minimum lease payments of the capital leases expiring on various dates, ranging between November 30, 2015 and November 30, 2020 together with the balance of the obligation:

Estimated lease payments are as follows:

	2014	2013
2014	\$ -	\$ 422,393
2015	1,319,012	227,012
2016	998,683	140,260
2017	910,282	91,278
2018	710,203	-
2019	707,164	-
Subsequent years	64,239	-
Total future minimum lease payments	4,709,583	880,943
Less amount representing interest	544,014	89,411
Present value of minimum net lease payments	4,165,569	791,532
Less current portion	1,120,227	368,705
	\$ 3,045,342	\$ 422,827

Interest charges to the accounts of the Company on the above during the year amounts to \$84,851 (2013 - \$48,206).

The capital leases have interest rates that range from 0-7% interest and have an average interest rate of 5% (4.75% for 2013). Payments including interest and principal made on capital lease for the year ended was \$685,250 (2013 - \$523,600).

11. Share capital

Authorized
Unlimited common shares with no par value

	Issued	Amount
Issued		
Common shares	150	\$ 3.00

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Income taxes

(a) The provision for income taxes recorded in the consolidated financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 38% (2014 - 38%) to the income for the years as follows:

	2014	2013
Income for the year before income taxes	\$ 3,013,711	\$ 1,943,399
Anticipated income tax	\$ 1,145,210	\$ 738,000
Tax effect of the following:		
CCA in excess of amortization	54,828	86,173
Small business deduction	(120,000)	(120,000)
Capitalized lease payments	(260,395)	(198,968)
Non-deductible expenses	50,005	8,608
Permanent income differences	45,222	23,894
Other	(14,733)	(34,281)
Research and development tax credit	(179,752)	(123,684)
Income tax expense	\$ 720,385	\$ 379,742

(b) The effective tax rate for the year is 23.9% (2013: 19.5%). This effective tax rate takes into consideration all available tax credits including scientific research and experimental development program.

13. Research and development tax credit

The company has applied for a research and development tax credit of \$179,752. This credit is recorded in the account as an tax reduction of current year provision for income tax. (2013 - \$123,684).

14. Major customers

Approximately 99% (2013 - 84%) of the Company's sales are made to three customers in the communication industry sector. As at November 30, 2014, accounts receivable balance from these customers is \$9,313,493 (2013: \$3,469,437).

15. Related party transactions

(a) ABL Professional Management Services Inc. is a separate legal entity that is managed by the common shareholders that own 100% of the Company. Transactions between the parties are incurred in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the respective parties. During the year, the Company has recorded services on a pass through basis of \$464,550 to the related party (2013 - \$1,102,917). As at November 30, 2014 \$1,538,372 remains receivable. The common shareholders have provided a personal guarantee for the collection of this receivable.

(b) The Company pays its senior management and majority shareholders by way of management services agreement(s) with corporations controlled by these individuals. The arrangements with regards to management services agreements went into effect on July 1, 2014. Payments totalling \$841,281 were paid during the course of fiscal 2014 to related parties as compensation (2013: \$307,102). There are no additional liabilities or agreements with regards post-employment benefits, termination provisions or payments, long-term benefits or any share or securities based

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Related party transactions (continued)

compensation.

(c) The Company has a receivable outstanding from its shareholders of \$192,067 (2013: \$3,865). These amounts are non interest bearing and will be repaid over the next twenty four months, and are personally guaranteed by the shareholders.

(d) The Company pays its other senior management (outside the control group) by way of management services agreement(s) with corporations controlled by these individuals. Payments totalling \$82,384, was paid for the period ending November 30, 2014 (2013: \$184,113).

16. Commitment

The Company leases its premises, vehicles and other related equipments under an operating lease that expires on various dates. The Company's total commitments, under a property lease agreement exclusive of occupancy cost and other equipment leases, are as follows:

2015	\$ 1,394,098
2016	1,012,065
2017	914,740
2018	625,302
2019	202,597
	<hr/>
	\$ 4,148,802

17. Capital management

The company's primary objectives when managing capital are to (a) safeguard the Company's ability to develop and market services, and (b) provide a sound capital structure for raising capital at a reasonable cost for the funding of ongoing development of its products and new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the business.

The Company includes equity, comprised of issued share capital, and Retained earnings, in the definition of capital. The company is dependent on cash flow from services and external financing to fund its activities. In order to carry out planned development of its products and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change to the Company's capital management in 2013 or 2014.

18. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Financial instruments (continued)

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Company is a going concern and thus expects to fully repay the outstanding amounts.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency transactions and therefore is not exposed to currency risk

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is minimally exposed to interest rate risk.

(d) Credit risk

Credit risk is the risk of financial loss if a client fails to meet its contractual obligations, and arises primarily from the Corporation's trade accounts receivable and work in progress. The carrying amount of accounts receivables and work in progress totaling \$14,391,734 (November 30, 2013 - \$4,741,271) represents the maximum credit exposure. A significant portion of the trade accounts receivable are from the tele-communications industry and as such, the Corporation is exposed to all the risks associated with that industry. However, the majority of these receivables are from well-established, Canadian clients, whose creditworthiness is of the highest level, thereby reducing the risk of material payment default.

The Corporation has an established credit policy under which each new client is analyzed individually for creditworthiness. The review includes external ratings where available, credit reference checks and, in some cases, bank references. Creditworthiness of existing clients is monitored on an ongoing basis, along with monitoring the amount and age of balances outstanding.

(e) Concentration risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At November 30, 2014, receivables from 3 customers comprised approximately 99% of the total outstanding receivables. One particular customer's account represents 58% of the total outstanding receivables at November 30, 2014. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Financial instruments (continued)

(f) Liquidity risk

The Company does have a liquidity risk in the bank loan of \$7,088,274, (2013 - \$2,596,372), accounts payable and accrued liabilities of \$5,339,699 (2013 - \$2,198,251) and current portion of obligations under capital leases of \$1,120,227 (2013: 368,705). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due.

(g) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low and not material.

(h) Interest rate risk

The Company is exposed to interest rate risk due to the variable rate interest on their bank loan and long-term debt. Changes in the lending rates may cause fluctuations in cash flows and interest expense.

(i) Price risk

The Company is exposed to price risk. Price risk is the risk that the commodity prices that the Company charges are significantly influenced by its competitors and the commodity prices that the Company must charge to meet its competitors may not be sufficient to meet its expenses. The Company reduces its exposure to price risk by ensuring that it obtains information regarding the commodity prices that are set by the competitors in the region to ensure that its prices are appropriate. In addition, management closely monitors expenses and matches capital outlays to its revenue stream. In the opinion of management the price risk exposure to the Company is low and is not material.

19. Contingent liabilities

The Company is defending a claim from two former suppliers regarding disputed payment amounts. These proceedings are being contested and it is not possible at this time to predict their ultimate outcome. It is the opinion of management that final determination of these proceedings will not materially affect the financial position or the results of the Company. The Company will vigorously defend itself and has fully accrued for the maximum potential exposure in its financial statements.

20. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

FINANCIAL STATEMENTS

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES &
CONSTRUCTION LTD.)

November 30, 2013 and 2012

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

FINANCIAL STATEMENTS

CONTENTS

	<u>Page</u>
Independent Auditor's Report	
Financial Statements	
Statement of Financial Position	1
Statement of Changes in Equity	3
Statement of Operations and Comprehensive Income	4
Statement of Cash Flows	5
Notes to the Financial Statements	6



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Distincttech Inc.

We have audited the accompanying financial statements of Distincttech Inc. (Formerly: Distinct Technical Services & Construction Ltd.), which comprise the statement of financial position as at November 30, 2013 and 2012 and the statements of changes in equity, operations and comprehensive income and cash flows for the year then ended November 30, 2013 and 2012 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Distincttech Inc. as at November 30, 2013 and 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

CQK Chartered Accountants LLP

Mississauga, Ontario
February 14, 2014

CHARTERED ACCOUNTANTS
Licensed Public Accountants

DISTINCTTECH INC.
 (FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
STATEMENT OF FINANCIAL POSITION

As at November 30	2013	2012
Assets		
Current		
Cash	\$ 1,257	\$ 184,308
Accounts receivable (note 6)	3,688,220	4,673,925
Inventory (note 7)	1,180,940	219,206
Prepaid expenses and deposits	142,775	83,965
Advances to corporate shareholders (note 8)	3,865	11,405
Due from related party (note 20)	1,102,917	279,039
	6,119,974	5,451,848
Non-Current		
Property, plant and equipment (note 9)	623,131	195,327
Assets under capital lease (note 10)	1,337,439	1,162,144
	\$ 8,080,544	\$ 6,809,319

See accompanying notes to financial statements

Approved:

Director _____

Director _____

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
STATEMENT OF FINANCIAL POSITION

As at November 30	2013	2012
Liabilities and shareholders' equity		
Current		
Accounts payable and accrued liabilities (note 11)	\$ 2,198,249	\$ 1,975,296
Unearned revenue	-	283,166
Revolving loan (note 12)	2,596,372	2,539,139
Note payable (note 13)	53,133	-
Income taxes payable	254,662	50,222
Current portion of obligations under capital lease (note 14)	368,705	412,427
	5,471,121	5,260,250
Non-Current		
Note payable	97,411	-
Obligations under capital lease (note 14)	422,827	341,009
	5,991,359	5,601,259
Shareholders' equity		
Share capital (note 15)	3	2
Retained earnings	2,089,182	1,208,058
	2,089,185	1,208,060
	\$ 8,080,544	\$ 6,809,319

Contingent liabilities (note 25)

See accompanying notes to financial statements

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
STATEMENT OF CHANGES IN EQUITY

	Shares	Share capital	Retained Earnings	Total
Balance, November 30, 2011	225	\$ 2.25	\$ 706,716	\$ 706,718
Net and comprehensive income	-	-	696,342	696,342
Dividends paid	-	-	(195,000)	(195,000)
Balance, November 30, 2012	225	2.25	1,208,058	1,208,060
Net and comprehensive income	-	-	1,563,657	1,563,657
Purchase for cancellation of common shares	40	40	-	40
Dividends paid	-	-	(70,000)	(70,000)
Purchase of common shares for cancellation	(115)	(39.75)	(612,533)	(612,573)
Balance, November 30, 2013	150	\$ 2.50	\$ 2,089,182	\$ 2,089,185

See accompanying notes to financial statements

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME

Year ended November 30	2013	2012
Revenue	\$ 18,834,269	\$ 15,769,480
Expenses		
Direct costs (note 16)	14,081,462	12,895,574
Selling, general and administrative (note 16)	2,048,438	1,448,619
Depreciation and amortization (note 16)	377,941	313,798
	16,507,841	14,657,991
Income from operations	2,326,428	1,111,489
Net finance charges		
Interest expenses	334,823	307,114
Interest on capital leases	48,206	57,811
	383,029	364,925
Income before income taxes	1,943,399	746,564
Income taxes (note 17)	379,742	50,222
Net and comprehensive income	\$ 1,563,657	\$ 696,342

See accompanying notes to financial statements

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
STATEMENT OF CASH FLOWS

Year ended November 30	2013	2012
Cash flows provided by (used in):		
Operating		
Net income	\$ 1,563,657	\$ 696,342
Adjustment for Amortization	377,941	313,798
	1,941,598	1,010,140
Change in non-cash working capital items		
Accounts receivable	985,705	(867,467)
Inventory	(961,734)	22,334
Prepaid expenses and deposit	(58,810)	(14,299)
Accounts payable and accrued liabilities	222,953	(137,474)
Unearned revenue	(283,166)	283,166
Income taxes payable	204,440	(36,809)
	2,050,986	259,591
Investing		
Advances (to) from shareholder	7,540	(7,500)
Purchase of property, plant and equipment	(981,040)	(195,544)
	(973,500)	(203,044)
Financing		
Advances to related party	(823,878)	(279,039)
Increase (decrease) in note payable	150,544	(6,500)
Proceeds of revolving loan	57,233	900,524
Repayment of obligations under capital lease	38,096	(351,332)
Issuance (redemption) of share capital	1	(1)
Dividends paid	(70,000)	(195,000)
Purchase of common shares for cancellation	(612,533)	-
	(1,260,537)	68,652
(Decrease) increase in cash	(183,051)	125,199
Cash, beginning of year	184,308	59,109
Cash, end of year	\$ 1,257	\$ 184,308
Other information		
Interest paid	\$ 341,674	\$ 319,759
Income taxes paid	50,222	66,031
Dividends paid	70,000	195,000

See accompanying notes to financial statements

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

1. Nature of operations

Distincttech Inc. (the "Company") is a privately held design, engineering, construction, services and maintenance company. It predominantly services the telecommunications sector in southern Ontario. The Company was incorporated under the laws of the province of Ontario on April 25, 2007, and its name was subsequently changed by way of Articles of Amendment from Distinct Technical Services Inc. on October 9, 2013.

The head office, principal address and registered and records office of the Company are located at 87 Disco Road, Toronto Ontario M9W 1M3.

2. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities and contingent liabilities, revenues and expenses at the date of the financial statements and during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- * Determination of functional and presentation currency
- * Determination of impairment loss
- * Income taxes

3. Basis of Preparation

(a) Statement of compliance

These financial statements of the Company have been prepared in accordance with international Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International financial Reporting Interpretations Committee ("IFRIC"). November 30, 2012 are the Company's first annual financial statements prepared in accordance with IFRS.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis. The comparative figures presented in these financial statements are in accordance with IFRS and no changes from figures previously reported under Canadian GAAP.

(c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. These financial statement are presented in Canadian Dollars, which is the Company's functional currency and presentation currency. The functional currency determinations were conducted through and analysis of the consideration factors identified in IAS 21, "The Effects of Changes in Foreign Exchange Rates".

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

3. Basis of Preparation (continued)

4. Recent Accounting Pronouncements

The following pronouncements issued by the IASB and interpretations published by IFRIC will become effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. IFRS 10, IFRS 11 and IFRS 12 permit early adoption if all of the standards are collectively adopted.

IFRS 10 - Consolidated Financial Statements establishes principle for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. A new definition of "control" has been established. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation- Special Purpose Entities and IAS 27 consolidated and Separate Financial Statements.

IFRS 11 - Joint arrangements establishes the principles for joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. Joint Ventures will be accounted for using the equity method whereas for a joint operation the venture will be accounted for using the proportionate consolidation method.

IFRS 12 - Disclosure of interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

IFRS 13 - Fair Value Measurement defined fair value, requires disclosure about fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

IAS 19 - Employee Benefits amends the existing standard to eliminate options to defer the recognition of gains and losses in defined benefit plans, requires remeasurement of a defined benefit plan's assets and liabilities to be presented in other comprehensive income and increases the disclosure.

The IASB also amended the following standard which is effective as per the date identified.

IAS 1 - Presentation of Financial Statements was amended and requires companies to group items presented within Other Comprehensive Income based on whether they may be subsequently reclassified to profit or loss. This amendment is effective for annual periods beginning on or after July 1, 2012, with earlier adoption permitted.

IFRS 9 - Financial Instruments addresses the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The new standard also requires a single impairment method to be used. The IASB has extended the effective date to January 1, 2015.

The Company has not yet completed its evaluations of the effect of adopting the above standards and the impact it may have on its financial statements.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies

(a) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Accrual basis of accounting

Revenue and expenditures are recorded on the accrual basis of accounting under which they are recorded in the financial statements in the period they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

(c) Cash

Cash comprises cash on hand, demand deposits and investments with an original maturity at the date of purchase of three months or less. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

(d) Inventories

Inventories consists of raw materials and work in progress. Cost includes all costs of conversions including materials, direct labour and production overheads. Raw materials inventory is stated at the lower of cost on a first in, first out basis and net realizable value determined by reference to replacement costs. Raw materials are not written down unless the goods in which they are incorporated are expected to be sold for less than cost, in which case they are written down by reference to replacement cost of the raw materials, as this the best indicator of net realizable value. Work in progress are recorded at percentage of estimated market value of time incurred. Net realizable value refers to the amount the company expect to realize from the sales of the inventory in the ordinary course of business less direct costs to sell. cost of sales includes all costs of inventory recognized as expense in the period.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (continued)

(e) Financial instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: fair value through profit and loss ("FVTPL"); held to maturity; loans and receivables; and available for sale or other liability.

Financial assets

FVTPL assets are subsequently measured at fair value with the change in the fair value recognized in net income during the period.

Held to maturity assets are subsequently measured at amortized cost using the effective interest rate method.

Loans and receivable are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income, except for equity instruments without a quoted market price which are measured at cost.

Financial liabilities

Held for trading liabilities are subsequently measured at fair value with the change in the fair value recognized in net income during the period.

Other liabilities are subsequently measured at amortized cost using the effective interest rate method, transaction costs are expensed as incurred.

The Company has classified its financial instruments as follows:

Financial instrument	Classification
Cash	FVTPL
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Loan payable	Other liabilities

The Company's financial instruments measured at fair value on the balance sheet consist of cash, which is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (continued)

(f) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer accounting policy). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. non refundable tax, transport and the costs of dismantling and removing the items and restoring the site on which they are located, if applicable). The cost of a self-constructed asset is determined using the same principles as for an acquired asset.

Subsequent expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. all other costs are expensed as incurred.

Amortization

The amortization amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually, Amortization is calculated from the date the asset is available for use, The annual amortization rates and methods are as follows:

Computer equipment	20% Declining balance
Furniture and office equipment	20% Declining balance
Machinery and equipment	20% Declining balance
Security equipment	20% Declining balance
Vehicle	20% Declining balance

(g) Assets under capital lease

Assets under capital leases are recorded at cost. The Company provides for amortization using the following methods at rates designed to amortize the cost of the assets under capital lease over their estimated useful lives. The annual amortization rates and methods are as follows:

Construction and other related equipment	20% Declining balance
--	-----------------------

Leased assets are recorded as Assets under capital leases assets in the statements of financial position, when, in substance, the terms of the lease transfer to the Company the majority of the risks and rewards associated with the ownership of the asset. The asset is recorded for an amount that corresponds to the lower of fair value and the discounted value of future lease payments. The assessment of the level of risks transferred is based on an analysis of the lease agreement. The financial debt associated with the leased asset is recorded as a liability in the balance sheet.

Interest relating to funds borrowed to finance the cost of construction of property, plant and equipment during the period prior to their being put into operation is considered to be an integral part of the cost price of the property, plant and equipment.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (continued)

(h) Impairment of Long-lived assets

The Company's property and equipment are reviewed for an indication of impairment at each balance sheet date. If indication of impairment exists, the assets's recoverable amount is estimated. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized when the carrying amount of asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Revenue recognition

Contracts for services are undertaken on either "cost plus fee" or "fixed fee" basis. In either case, revenue is recognized as services are rendered. Deferred revenue, included in current liabilities, represents billings rendered in excess of revenue earned.

Revenue from construction contracts is recognized on the percentage of completion basis whereby revenue is measured by the proportion of construction costs incurred to date as a percentage of estimated total construction costs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined

(j) Future income taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount and their tax bases. Future income tax assets are recognized for the benefit of any deductions or losses available to be carried forward to future periods for tax purposes that are likely to be realized. These amounts are measured using enacted or substantively enacted tax rates and are re-measured annually for changes in these rates. Any future income tax assets are reassessed each year to determine if a valuation allowance is required. Any effect of the re-measurement or reassessment is recognized in the period of the change.

The Company has no significant temporary differences and accordingly has no future tax assets or liabilities.

(k) Investment tax credits

Investment tax credits are in the nature of tax allowances are typically accounted for by analogy to IAS 12. Therefore, investment tax credits are recognized as a current asset (with a corresponding reduction to current tax expense) to the extent that they can be claimed in the current reporting period. Any unused investment tax credits are recognized as a deferred tax asset to the extent that it is probable that future taxable profit will be available for using up those credits.

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (continued)

(l) **Related party transactions**

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

6. Accounts receivable

	2013	2012
Trade receivable	\$ 3,409,181	\$ 4,348,485
Receivable from related party	279,039	325,440
	\$ 3,688,220	\$ 4,673,925

7. Inventory

	2013	2012
Work in progress	\$ 1,053,050	\$ 184,180
Raw material	127,890	35,026
	\$ 1,180,940	\$ 219,206

8. Advances to corporate shareholders

The amounts advanced to corporate shareholders are non-interest bearing, unsecured and have no specified terms of repayment.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

9. Property, plant and equipment

	Computer equipment	Furniture & office equipment	Vehicle	Machinery and equipment	Total
Cost, November 30, 2011	\$ 51,927	\$ 38,148	\$ 5,000	\$ 266,127	\$ 361,202
Additions	32,277	-	-	33,930	66,207
Balance, November 30, 2012	84,204	38,148	5,000	300,057	427,409
Additions	23,568	39,356	22,000	423,088	528,012
Balance, November 30, 2013	\$ 107,772	\$ 77,504	\$ 27,000	\$ 723,145	\$ 955,421
Accumulated depreciation, November 30, 2011	\$ 27,332	\$ 11,222	\$ 2,918	\$ 134,919	\$ 176,391
Change for the year	20,046	5,384	625	29,635	55,690
Accumulated depreciation, November 30, 2012	47,378	16,606	3,543	164,554	232,081
Change for the year	16,819	10,243	3,737	69,410	100,209
Accumulated depreciation, November 30, 2013	\$ 64,197	\$ 26,849	\$ 7,280	\$ 233,964	\$ 332,290
Net carrying value, November 30, 2011	\$ 24,595	\$ 24,924	\$ 2,083	\$ 131,208	\$ 184,810
Net carrying value, November 30, 2012	36,826	21,539	1,458	135,504	195,327
Net carrying value, November 30, 2013	43,574	70,655	19,720	489,182	632,131

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
NOTES TO THE FINANCIAL STATEMENTS

10. Assets under capital lease

	2013	2012
Construction and other related equipment	\$ 2,833,364	\$ 2,380,338
Less accumulated amortization	1,495,925	1,218,194
	\$ 1,337,439	\$ 1,162,144

11. Accounts payable and accrued liabilities

	2013	2012
Trade payable	\$ 1,972,947	\$ 1,358,048
Accrued liabilities	2,203	427,602
Payroll taxes payable	125,345	116,716
Other taxes payable	97,754	72,930
	\$ 2,198,249	\$ 1,975,296

12. Revolving loan

The Company has negotiated a revolving loan against its receivables with Receivable Purchase Group "RPG" to a maximum of \$3,000,000. The revolving loan bears interest at the Bank of Montreal Prime Rate plus four (4%) per annum and is secured by a General security agreement covering all assets of the Company. As of November 30, 2013, \$2,596,372 (2012 - \$2,539,139) was outstanding on the revolving loan. The effective interest rate based on interest and associated fees is equal to 12% annually.

13. Note payable

On September 30, 2013, the Company purchased thirty five (35) common shares from a shareholder of the Company for a purchase price of \$212,533. The purchase was paid as follows: (i) payment of \$53,333 issued September 30, 2013, and (ii) \$159,400 by promissory note, non interest bearing and in the form of thirty-six (36) equal monthly posted-dated cheques \$4,427.78 commencing October 1, 2013. The lump-sum payments and the monthly payments are reflected as a reduction in share capital and retained earnings of the Company.

	2013
2014	\$ 53,133
2015	53,133
2016	44,278
Less: Current portion of note payable	(53,133)
	\$ 97,411

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

14. Obligations under capital lease

The following is a schedule of the future minimum lease payments of the capital leases expiring on various dates, ranging between November 30, 2013 and November 30, 2016 together with the balance of the obligation:

Estimated lease payments are as follows:

	2013	2012
2013	\$ -	\$ 447,810
2014	422,393	231,194
2015	227,012	102,058
2016	140,260	26,685
2017	91,278	-
Total future minimum lease payments	880,943	807,747
Less amount representing interest	89,411	54,311
Present value of minimum net lease payments	791,532	753,436
Less current portion	368,705	412,427
	\$ 422,827	\$ 341,009

Interest charges recorded to the above capital leases during the year amounts to \$48,206 (2012 - \$57,811).

The capital leases have interest rates that range from 0-7% interest and have an average interest rate of 4.75% for 2013. Payments including interest and principal made on capital lease for the year ended was \$523,600.

15. Share capital

Authorized
Unlimited common shares with no par value

	Issued	Amount
Issued		
Common shares	225	\$ 2.25
Issued	40	40
CancelledéBuyback	(115)	(39.75)
Balance, November 30, 2013	150	\$ 2.50

During the year, the Company issued 40 common shares and within the same year cancelled the same shares. In addition, the Company purchased 75 common shares, Total consideration for all repurchases totalled \$612,533 for the year. As a result of this transaction, the stated capital of the company remains unchanged, while the share buybacks resulted in a charge to retained earnings of \$612,533. The repurchased shares were cancelled. During the 2011 fiscal year the Company repurchased and cancelled 75 common shares for \$300,000, which was charged to retained earnings.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

16. Expenses

	2013	2012
Direct labour	\$ 5,844,309	\$ 5,492,538
Sub-contracts	4,000,056	3,243,367
Construction costs	1,622,056	1,793,929
Vehicles	1,133,982	1,075,892
Equipment rentals	1,135,476	1,017,038
Overhead	164,335	179,707
Amortization	347,141	287,742
Repairs and maintenance	107,887	58,178
Supplies	73,361	34,925
Direct costs and expenses	14,428,603	13,183,316
Administration salaries	846,852	679,004
Office and general	174,602	127,881
Consulting fees	196,413	127,237
Telephone	125,022	101,779
Advertising	167,106	93,381
Insurance	70,429	77,017
Rent	69,423	68,360
Utilities	57,830	47,594
Bank charges and interest	39,118	44,585
Vehicle	44,563	36,834
Professional fees	184,060	32,680
Travel	9,897	7,690
(Gain) loss on disposal assets	(1,396)	4,577
Bad debts	64,519	-
Amortization	30,800	26,056
Selling, general and administrative expenses	2,079,238	1,474,675
Total expenses	\$ 16,507,841	\$ 14,657,991
Recorded as:		
	2013	2012
Direct costs and expenses	\$ 14,081,462	\$ 12,895,574
Selling, general and administrative expenses	2,048,438	1,448,619
Depreciation and amortization	377,941	313,798
Total expenses	\$ 16,507,841	\$ 14,657,991

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
NOTES TO THE FINANCIAL STATEMENTS

17. Income taxes

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 38% (2012 - 38%) to the income for the years as follows:

	2013	2012
Income for the year before income taxes	\$ 1,943,399	\$ 746,564
Tax on accounting income	\$ 738,000	\$ 284,000
Tax effect of the following:		
CCA in excess of amortization	86,173	39,049
small business deduction	(120,000)	(120,000)
Capitalized lease payments	(198,968)	(84,096)
Non-deductible expenses	8,608	17,792
Permanent income differences	23,894	19,166
Other	(34,281)	19,549
Research and development tax credit	(123,684)	(125,238)
Income tax expense	\$ 379,742	\$ 50,222

18. Research and development tax credit

The company has applied for an SR&ED tax credit of \$123,684. This credit is recorded in the account as an tax reduction of current year's income tax expenses. (2012 - \$125,238).

19. Major customer

Approximately 66% (2012: 65%) of the Company's sales are made to one customer in the communication industry sector. As at November 30, 2013, accounts receivable balance of this customer is \$2,983,020 (2012: \$2,720,413).

20. Related party transactions

ABL Professional Management Services Inc. is a separate legal entity that is managed by the common shareholders that own 100% of the company. Transactions between the parties are incurred in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the respective parties. During the year, the Company has recorded services on a pass through basis of \$1,140,733 to the related party (2012: \$419,860) of which \$1,102,917 remains receivable as at November 30, 2013. Subsequent to year end the common shareholders agreed to guarantee the outstanding receivable to the company.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

21. Lease commitment

The Company leases its premises under an operating lease that expires on August 31, 2019. The Company's total commitments, under a property lease agreement exclusive of occupancy cost and other equipment leases, are as follows:

2014	\$	246,980
2015		246,980
2016		249,346
2017		252,658
2018		252,658
Subsequent years		189,493
		<hr/>
		\$ 1,438,115
		<hr/>

22. Capital Management

The company's primary objectives when managing capital are to (a) safeguard the Company's ability to develop and market services, and (b) provide a sound capital structure for raising capital at a reasonable cost for the funding of ongoing development of its products and new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the business.

The Company includes equity, comprised of issued share capital, and Retained earnings, in the definition of capital. The company is dependent on cash flow from services and external financing to fund its activities. In order to carry out planned development of its products and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change to the Company's capital management in 2011 or 2012.

23. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Company is a going concern and thus expects to fully repay the outstanding amounts.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency transactions and therefore is not exposed to currency risk

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

23. Financial instruments (continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The company is minimally exposed to interest rate risk.

(d) Credit risk

The Company does have credit risk in accounts receivable of \$3,688,220 (2012 - \$4,673,925). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Company maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Company is low and is not material.

(e) Concentration risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At November 30, 2013, receivables from 3 customers comprised approximately 93% of the total outstanding receivables. One particular customer's account represents 29% of the total outstanding receivables at November 30, 2013. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances. In the opinion of management the concentration risk exposure to the Company that is associated with their customers is low and is not material.

(f) Liquidity risk

The Company does have a liquidity risk in the accounts payable and accrued liabilities of \$2,198,249 (2012 - \$1,975,296). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Company is low and is not material.

(g) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low and not material.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

23. Financial instruments (continued)

(h) Interest rate risk

The Company is exposed to interest rate risk due to the variable rate interest on their long-term debt. Changes in the lending rates may cause fluctuations in cash flows and interest expense.

(i) Price risk

The Company is exposed to price risk. Price risk is the risk that the commodity prices that the Company charges are significantly influenced by its competitors and the commodity prices that the Company must charge to meet its competitors may not be sufficient to meet its expenses. The Company reduces its exposure to price risk by ensuring that it obtains information regarding the commodity prices that are set by the competitors in the region to ensure that its prices are appropriate. In addition, management closely monitors expenses and matches capital outlays to its revenue stream. In the opinion of management the price risk exposure to the Company is low and is not material.

24. Contingent liabilities

The Company has two wrongful dismissal suits issued against it by two individuals previously associated with the Company.

The Company in consultation with its legal advisors and has taken the position that these lawsuits have no merit and will be defended vigorously. The management estimates that there will be no material impact to the Company from either lawsuit.

Subsequently to the year end both these claims have been settled and the impact is not material.

25. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

FINANCIAL STATEMENTS

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES &
CONSTRUCTION LTD.)

November 30, 2012, 2011 and 2010

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

FINANCIAL STATEMENTS

CONTENTS

	<u>Page</u>
Independent Auditor's Report	
Financial Statements	
Statements of Financial Position	1
Statements of Changes in Equity	3
Statements of Operations and Comprehensive Income	4
Statements of Cash Flows	5
Notes to the Financial Statements	6



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Distincttech Inc.

We have audited the accompanying financial statements of Distincttech Inc. (Formerly: Distinct Technical Services & Construction Ltd.), which comprise the statements of financial position as at November 30, 2012, November 30, 2011 and December 1, 2010, and the statements of changes in equity, operations and comprehensive income and cash flows for the years then ended November 30, 2012 and 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Distincttech Inc. as at November 30, 2012, November 30, 2011 and December 1, 2010, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

CQK Chartered Accountants LLP

Mississauga, Ontario
January 8, 2014

CHARTERED ACCOUNTANTS
Licensed Public Accountants

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
STATEMENTS OF FINANCIAL POSITION

	November 30 2012	November 30 2011 (Note 26)	December 1 2010 (Note 26)
Assets			
Current			
Cash	\$ 184,308	\$ 59,109	\$ -
Accounts receivable (note 6)	4,952,964	3,806,458	2,126,287
Inventory (note 7)	219,206	241,540	399,611
Prepaid expenses and deposits	83,965	69,666	60,121
Income taxes receivable	-	-	60,632
Advances to corporate shareholders (note 8)	11,405	3,905	83,580
	5,451,848	4,180,678	2,730,231
Non-Current			
Property, plant and equipment (note 9)	195,327	184,812	197,900
Assets under capital lease (note 10)	1,162,144	1,290,915	1,504,258
	\$ 6,809,319	\$ 5,656,405	\$ 4,432,389

See accompanying notes to financial statements

Approved:

Director _____

Director _____

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
STATEMENTS OF FINANCIAL POSITION

	November 30 2012	November 30 2011 (Note 26)	December 1 2010 (Note 26)
Liabilities and shareholders' equity			
Current			
Bank indebtedness	\$ -	\$ -	\$ 323,045
Accounts payable and accrued liabilities (note 11)	1,975,296	2,112,772	1,855,958
Unearned revenue	283,166	-	-
Revolving loan (note 12)	2,539,139	1,638,615	-
Note payable	-	6,500	26,500
Income taxes payable	50,222	87,031	-
Current portion of obligations under capital lease (note 13)	412,427	520,395	464,200
	5,260,250	4,365,313	2,669,703
Non-Current			
Obligations under capital lease (note 13)	341,009	584,373	1,011,256
	5,601,259	4,949,686	3,680,959
Shareholders' equity			
Share capital (note 14)	2	2	3
Retained earnings	1,208,058	706,717	751,427
	1,208,060	706,719	751,430
	\$ 6,809,319	\$ 5,656,405	\$ 4,432,389

Contingent liabilities (note 25)

See accompanying notes to financial statements

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
STATEMENTS OF CHANGES IN EQUITY

	Shares	Share capital	Retained Earnings	Total
Balance, December 1, 2010	300	\$ 3	\$ 751,427	\$ 751,430
Net and comprehensive income	-	-	510,365	510,365
Dividends paid	-	-	(255,075)	(255,075)
Purchase of common shares for cancellation	(75)	(0.75)	(299,999)	(300,000)
Balance, November 30, 2011	225	2.25	706,718	706,720
Net and comprehensive income	-	-	696,341	696,341
Dividends paid	-	-	(195,000)	(195,000)
Balance, November 30, 2012	225	\$ 2.25	\$ 1,208,058	\$ 1,208,060

See accompanying notes to financial statements

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

Years ended November 30	2012	2011 (Note 26)
Revenue	\$ 15,769,480	\$ 9,863,747
Expenses		
Direct costs (note 15)	12,895,574	7,217,844
Selling, general and administrative (note 15)	1,448,619	1,464,523
Depreciation and amortization (note15)	313,798	357,599
Income from operations	1,111,489	823,781
Net finance charges		
Interest expenses	307,115	160,898
Interest on capital leases	57,811	86,487
	364,926	247,385
Income before income taxes	746,563	576,396
Income taxes (note 16)	50,222	66,031
Net and comprehensive income	\$ 696,341	\$ 510,365

See accompanying notes to financial statements

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

STATEMENTS OF CASH FLOWS

Years ended November 30	2012	2011 (Note 26)
Cash flows provided by (used in):		
Operating		
Net income	\$ 696,341	\$ 510,365
Adjustment for Amortization	313,798	357,599
	1,010,139	867,964
Change in non-cash working capital items		
Accounts receivable	(1,146,506)	(1,680,278)
Inventory	22,334	158,071
Prepaid expenses and deposit	(14,299)	(9,545)
Accounts payable and accrued liabilities	(137,474)	256,813
Unearned revenue	283,166	-
Income taxes payable	(36,809)	147,663
	(19,449)	(259,312)
Investing		
Purchase of property, plant and equipment	(195,544)	(131,167)
Advances to corporate shareholders	(7,500)	(220,325)
	(203,044)	(351,492)
Financing		
Note payable	(6,500)	(20,000)
Proceeds of revolving loan	900,524	1,638,615
Repayment of obligations under capital lease	(351,332)	(370,582)
Dividends paid	(195,000)	(255,075)
	347,692	992,958
Increase in cash (bank indebtedness)	125,199	382,154
Cash (bank indebtedness), beginning of year	59,109	(323,045)
Cash, end of year	\$ 184,308	\$ 59,109
Other information		
Interest paid	\$ 319,759	\$ 220,429
Income taxes paid	66,031	-
Dividends paid	195,000	255,075

See accompanying notes to financial statements

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

1. Nature of operations

Distincttech Inc. (the "Company") is a privately held design, engineering, construction, services and maintenance company. It predominantly services the telecommunications sector in southern Ontario. The Company was incorporated under the laws of the province of Ontario on April 25, 2007, and its name was subsequently changed by way of Articles of Amendment from Distinct Technical Services Inc. on October 9, 2013.

The head office, principal address and registered and records office of the Company are located at 87 Disco Road, Toronto Ontario M9W 1M3.

2. Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities and contingent liabilities, revenues and expenses at the date of the financial statements and during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- * Determination of functional and presentation currency
- * Determination of impairment loss
- * Income taxes

3. Basis of Preparation

(a) Statement of compliance

These financial statements of the Company have been prepared in accordance with international Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International financial Reporting Interpretations Committee ("IFRIC"). These are the Company's first annual financial statements prepared in accordance with IFRS. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the company is provided Note 26.

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis. The comparative figures presented in these financial statements are in accordance with IFRS and any changes from figures previously reported under Canadian GAAP have been discussed in Note 26.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

3. Basis of Preparation (continued)

(c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. These financial statement are presented in Canadian Dollars, which is the Company's functional currency and presentation currency. The functional currency determinations were conducted through and analysis of the consideration factors identified in IAS 21, "The Effects of Changes in Foreign Exchange Rates".

4. Recent Accounting Pronouncements

The following pronouncements issued by the IASB and interpretations published by IFRIC will become effective for annual periods beginning on or after January 1, 2013, with earlier adoption permitted. IFRS 10, IFRS 11 and IFRS 12 permit early adoption if all of the standards are collectively adopted.

IFRS 10 - Consolidated Financial Statements establishes principle for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. A new definition of "control" has been established. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation- Special Purpose Entities and IAS 27 consolidated and Separate Financial Statements.

IFRS 11 - Joint arrangements establishes the principles for joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. IFRS 11 requires a venture to classify its interest in a joint arrangement as a joint venture or joint operation. Joint Ventures will be accounted for using the equity method whereas for a joint operation the venture will be accounted for using the proportionate consolidation method.

IFRS 12 - Disclosure of interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities.

IFRS 13 - Fair Value Measurement defined fair value, requires disclosure about fair value measurements and provides a framework for measuring fair value when it is required or permitted within the IFRS standards.

IAS 19 - Employee Benefits amends the existing standard to eliminate options to defer the recognition of gains and losses in defined benefit plans, requires remeasurement of a defined benefit plan's assets and liabilities to be presented in other comprehensive income and increases the disclosure.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

4. Recent Accounting Pronouncements (continued)

The IASB also amended the following standard which is effective as per the date identified.

IAS 1 - Presentation of Financial Statements was amended and requires companies to group items presented within Other Comprehensive Income based on whether they may be subsequently reclassified to profit or loss. This amendment is effective for annual periods beginning on or after July 1, 2012, with earlier adoption permitted.

IFRS 9 - Financial Instruments addresses the classification and measurement of financial assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The new standard also requires a single impairment method to be used. The IASB has extended the effective date to January 1, 2015.

The Company has not yet completed its evaluations of the effect of adopting the above standards and the impact it may have on its financial statements.

5. Significant accounting policies

(a) Use of estimates

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(b) Accrual basis of accounting

Revenue and expenditures are recorded on the accrual basis of accounting under which they are recorded in the financial statements in the period they are earned or incurred respectively, whether or not such transactions have been settled by the receipt or payment of money.

(c) Cash

Cash comprises cash on hand, demand deposits and investments with an original maturity at the date of purchase of three months or less. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

(d) Inventories

Inventories consists of raw materials and work in progress. Cost includes all costs of conversions including materials, direct labour and production overheads. Raw materials inventory is stated at the lower of cost on a first in, first out basis and net realizable value determined by reference to replacement costs. Raw materials are not written down unless the goods in which they are incorporated are expected to be sold for less than cost, in which case they are written down by reference to replacement cost of the raw materials, as this the best indicator of net realizable value. Work in progress are recorded at percentage of estimated market value of time incurred. Net realizable value refers to the amount the company expect to realize from the sales of the inventory in the ordinary course of business less direct costs to sell. cost of sales includes all costs of inventory recognized as expense in the period

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (continued)

(e) Financial instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: fair value through profit and loss ("FVTPL"); held to maturity; loans and receivables; and available for sale or other liability.

Financial assets

FVTPL assets are subsequently measured at fair value with the change in the fair value recognized in net income during the period.

Held to maturity assets are subsequently measured at amortized cost using the effective interest rate method.

Loans and receivable are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income, except for equity instruments without a quoted market price which are measured at cost.

Financial liabilities

Held for trading liabilities are subsequently measured at fair value with the change in the fair value recognized in net income during the period.

Other liabilities are subsequently measured at amortized cost using the effective interest rate method, transaction costs are expensed as incurred.

The Company has classified its financial instruments as follows:

Financial instrument	Classification
Cash	FVTPL
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Loan payable	Other liabilities

The Company's financial instruments measured at fair value on the balance sheet consist of cash, which is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (continued)

(f) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses (refer accounting policy). Cost includes the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. non refundable tax, transport and the costs of dismantling and removing the items and restoring the site on which they are located, if applicable). The cost of a self-constructed asset is determined using the same principles as for an acquired asset.

Subsequent expenditure

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. all other costs are expensed as incurred.

Amortization

The amortization amount is the cost of an asset less its residual value. Residual values, if not insignificant, are reassessed annually, Amortization is calculated from the date the asset is available for use, The annual amortization rates and methods are as follows:

Computer equipment	20% Declining balance
Furniture and office equipment	20% Declining balance
Machinery and equipment	20% Declining balance
Security equipment	20% Declining balance
Vehicle	20% Declining balance

(g) Assets under capital lease

Assets under capital leases are recorded at cost. The Company provides for amortization using the following methods at rates designed to amortize the cost of the assets under capital lease over their estimated useful lives. The annual amortization rates and methods are as follows:

Construction and other related equipment	20% Declining balance
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Leased assets are recorded as Assets under capital leases assets in the statements of financial position, when, in substance, the terms of the lease transfer to the Company the majority of the risks and rewards associated with the ownership of the asset. The asset is recorded for an amount that corresponds to the lower of fair value and the discounted value of future lease payments. The assessment of the level of risks transferred is based on an analysis of the lease agreement. The financial debt associated with the leased asset is recorded as a liability in the balance sheet.

Interest relating to funds borrowed to finance the cost of construction of property, plant and equipment during the period prior to their being put into operation is considered to be an integral part of the cost price of the property, plant and equipment.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (continued)

(h) Impairment of Long-lived assets

The Company's property and equipment are reviewed for an indication of impairment at each balance sheet date. If indication of impairment exists, the assets's recoverable amount is estimated. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognized when the carrying amount of asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(i) Revenue recognition

Contracts for services are undertaken on either "cost plus fee" or "fixed fee" basis. In either case, revenue is recognized as services are rendered. Deferred revenue, included in current liabilities, represents billings rendered in excess of revenue earned.

Revenue from construction contracts is recognized on the percentage of completion basis whereby revenue is measured by the proportion of construction costs incurred to date as a percentage of estimated total construction costs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined

(j) Future income taxes

Future income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount and their tax bases. Future income tax assets are recognized for the benefit of any deductions or losses available to be carried forward to future periods for tax purposes that are likely to be realized. These amounts are measured using enacted or substantively enacted tax rates and are re-measured annually for changes in these rates. Any future income tax assets are reassessed each year to determine if a valuation allowance is required. Any effect of the re-measurement or reassessment is recognized in the period of the change.

The Company has no significant temporary differences and accordingly has no future tax assets or liabilities.

(k) Investment tax credits

Investment tax credits are in the nature of tax allowances are typically accounted for by analogy to IAS 12. Therefore, investment tax credits are recognized as a current asset (with a corresponding reduction to current tax expense) to the extent that they can be claimed in the current reporting period. Any unused investment tax credits are recognized as a deferred tax asset to the extent that it is probable that future taxable profit will be available for using up those credits.

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
NOTES TO THE FINANCIAL STATEMENTS

5. Significant accounting policies (continued)

(l) **Related party transactions**

Related party transactions are in the normal course of operations and have been measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

(m) **Comprehensive income**

Comprehensive income measures net earnings for the period plus other comprehensive income. Other comprehensive income consists of changes in equity from non-owner sources, such as unrealized gains and losses on available for sale financial assets, changes to unrealized gain and losses on the effective portion of cash flow hedges and changes to foreign currency translation adjustments of foreign operations during the period. Amounts reported as other comprehensive income are accumulated in a separate component of shareholders' equity as Accumulated Other Comprehensive Income.

6. Accounts receivable

	November 30 2012	November 30 2011 (Note 26)	December 1 2010 (Note 26)
Trade receivable	\$ 4,673,925	\$ 3,481,018	\$ 2,126,287
Receivable from related party	279,039	325,440	-
	\$ 4,952,964	\$ 3,806,458	\$ 2,126,287

7. Inventory

	November 30 2012	November 30 2011 (Note 26)	December 1 2010 (Note 26)
Work in progress	\$ 184,180	\$ 193,570	\$ 399,611
Raw material	35,026	47,970	-
	\$ 219,206	\$ 241,540	\$ 399,611

8. Advances to corporate shareholders

The amounts advanced to corporate shareholders are non-interest bearing, unsecured and have no specified terms of repayment.

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
NOTES TO THE FINANCIAL STATEMENTS

9. Property, plant and equipment

	Computer equipment	Furniture & office equipment	Vehicle	Machinery and equipment	Total
Cost, December 1, 2010	\$ 51,927	\$ 22,903	\$ 5,000	\$ 247,703	\$ 327,533
Additions	-	15,245	-	18,424	33,669
Balance, November 30, 2011	51,927	38,148	5,000	266,127	361,202
Additions	32,277	-	-	33,930	66,207
Balance, November 30, 2012	\$ 84,204	\$ 38,148	\$ 5,000	\$ 300,057	\$ 427,409
Accumulated depreciation, December 1, 2010	\$ 16,791	\$ 6,397	\$ 2,025	\$ 104,420	\$ 129,633
Change for the year	10,541	4,825	893	30,499	46,758
Balance, November 30, 2011	27,332	11,222	2,918	134,919	176,391
Change for the year	20,046	5,384	625	29,635	55,691
Balance, November 30, 2012	\$ 47,378	\$ 16,606	\$ 3,543	\$ 164,554	\$ 232,082
Net carrying value, December 1, 2010	\$ 35,136	\$ 16,505	\$ 2,975	\$ 143,283	\$ 197,900
Net carrying value, November 30, 2011	24,595	24,924	2,083	131,208	184,810
Net carrying value, November 30, 2012	36,826	21,539	1,458	135,504	195,326

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

10. Assets under capital lease

	November 30 2012	November 30 2011 (Note 26)
Construction and other related equipment	\$ 2,380,338	\$ 2,307,916
Less accumulated amortization	1,218,194	1,017,001
	\$ 1,162,144	\$ 1,290,915

At December 1, 2010, Assets under capital lease cost \$ 2,223,489 and accumulated amortization totalled \$ 719,231 with net book value of \$1,504,258.

11. Accounts payable and accrued liabilities

	November 30 2012	November 30 2011 (Note 26)	December 1 2010 (Note 26)
Trade payable	\$ 1,358,048	\$ 1,571,631	\$ 1,173,420
Accrued liabilities	427,602	345,504	294,519
Payroll taxes payable	116,716	51,339	361,135
Other taxes payable	72,930	144,298	26,884
	\$ 1,975,296	\$ 2,112,772	\$ 1,855,958

12. Revolving loan

The Company has negotiated a revolving loan against its receivables with Receivable Purchase Group "RPG" to a maximum of \$3,000,000. The revolving loan bears interest at the Bank of Canada Prime Rate plus four (4%) per annum and is secured by a General security agreement covering all assets of the Company. As of November 30, 2012 \$2,539,139 was outstanding on the revolving loan. The effective interest rate based on interest and associated fees is equal to 12% annually.

13. Obligations under capital lease

The following is a schedule of the future minimum lease payments of the capital leases expiring on various dates, ranging between November 30, 2012 and November 30, 2016 together with the balance of the obligation:

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
NOTES TO THE FINANCIAL STATEMENTS

13. Obligations under capital lease (continued)

Estimated lease payments are as follows:

	November 30 2012	November 30 2011 (Note 26)
2012	\$ -	\$ 578,976
2013	447,810	369,389
2014	231,194	202,378
2015	102,058	57,734
2016	26,685	-
Total future minimum lease payments	807,747	1,208,477
Less amount representing interest	54,311	103,709
Present value of minimum net lease payments	753,436	1,104,768
Less current portion	412,427	520,395
	\$ 341,009	\$ 584,373

Interest charges to the accounts of the Company on the above during the year amounts to \$57,811 (2011 - \$86,487).

14. Share capital

Authorized
Unlimited common shares with no par value

	November 30 2012		November 30 2011 (Note 26)	
	Issued	Amount	Issued	Amount
Issued				
Common shares	225	\$ 2.25	300	\$ 3
Cancelled	-	-	(75)	(0.75)
	225	\$ 2.25	225	\$ 2.25

In 2011, the Company purchased for cancellation 75 common shares, representing all shares held by 2210294 Ontario Inc., in the Company for total consideration of \$300,000. As a result of this transaction, the stated capital has been reduced by \$25.00 with the remaining \$299,975 being reflected as a charge to retained earnings.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

15. Expenses

	2012	2011
Direct labour	\$ 5,287,460	\$ 3,412,921
Sub-contracts	3,243,367	1,565,688
Construction costs	1,793,929	729,807
Vehicles	1,075,892	687,525
Equipment rentals	1,017,038	370,257
Overhead	384,785	405,354
Amortization	313,798	357,599
Repairs and maintenance	58,178	18,872
Supplies	34,925	27,421
Direct costs and expenses	13,209,372	7,575,444
Administration salaries	679,004	669,202
Office and general	127,881	93,188
Consulting fees	127,237	55,529
Telephone	101,779	75,615
Advertising	93,381	26,916
Insurance	77,017	69,368
Rent	68,360	81,165
Utilities	47,594	57,843
Bank charges and interest	44,585	139,334
Vehicle	36,834	37,498
Professional fees	32,680	94,122
Travel	7,690	57,938
Loss on disposal of assets	4,577	6,804
Selling, general and administrative expenses	1,448,619	1,464,522
Total expenses	\$ 14,657,991	\$ 9,039,966
Recorded as:		
	2012	2011
Direct costs and expenses	\$ 12,895,574	\$ 7,217,845
Selling, general and administrative expenses	1,448,619	1,464,522
Depreciation and amortization	313,798	357,599
Total expenses	\$ 14,657,991	\$ 9,039,966

DISTINCTTECH INC.
(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)
NOTES TO THE FINANCIAL STATEMENTS

16. Income taxes

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 15.5% (2011 - 15.5%) to the income for the years as follows:

	November 30 2012	November 30 2011 (Note 26)
Income for the year before income taxes	\$ 746,563	\$ 576,396
Tax on accounting income	\$ 115,717	\$ 89,341
Tax effect of the following:		
Holdback receivable	-	50,685
CCA in excess of amortization	39,049	43,892
Capitalized lease payments	(84,096)	(87,297)
Non-deductible expenses	17,792	33,981
Permanent income differences	19,166	22,546
Other	19,549	25,863
R & D tax credit	(76,955)	(112,980)
Income tax expense	\$ 50,222	\$ 66,031

17. Research and development tax credit

The company has applied for an SR&ED tax credit of \$76,955. This credit is recorded in the account as an tax reduction of current year's income tax expense. (2011 - \$112,980).

18. Major customer

Approximately 44% (2011: 51%) of the Company's sales are made to one customer in the communication industry sector. As at November 30, 2012, accounts receivable balance of this customer is \$1,107,086 (2011: \$1,744,591).

19. Related party transactions

ABL Professional Management Services Inc. is a separate legal entity that is managed by the common shareholders that own 100% of the company. Transactions between the parties are incurred in the normal course of business and are measured at the exchange amount, which is the consideration established and agreed to by the respective parties. During the year, the Company has recorded services on a pass through basis of \$419,860 to the related party (2011: \$793,811) of which \$279,039 remains receivable as at November 30, 2012. Subsequent to year end the common shareholders agreed to guarantee the outstanding receivable to the company.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

20. Lease commitment

The Company leases its premises under an operating lease that expires on June 30, 2015. The Company's total commitments, under a property lease agreement exclusive of occupancy cost and other equipment leases, are as follows:

2013	\$	204,433
2014		205,893
2015		120,106
		<hr/>
	\$	530,432
		<hr/>

21. Capital Management

The company's primary objectives when managing capital are to (a) safeguard the Company's ability to develop and market services, and (b) provide a sound capital structure for raising capital at a reasonable cost for the funding of ongoing development of its products and new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the company's management to sustain future development of the business.

The Company includes equity, comprised of issued share capital, and Retained earnings, in the definition of capital. The company is dependent on cash flow from services and external financing to fund its activities. In order to carry out planned development of its products and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There has been no change to the Company's capital management in 2011 or 2012.

22. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Company is a going concern and thus expects to fully repay the outstanding amounts.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has no foreign currency transactions and therefore is not exposed to currency risk

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

22. Financial instruments (continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The company is minimally exposed to interest rate risk.

(d) Credit risk

The Company does have credit risk in accounts receivable of \$4,952,964 (2011 - \$3,806,458). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The Company maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the Company is low and is not material.

(e) Concentration risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At November 30, 2012, receivables from 3 customers comprised approximately 77% of the total outstanding receivables. One particular customer's account represents 38% of the total outstanding receivables at November 30, 2012. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances. In the opinion of management the concentration risk exposure to the Company that is associated with their customers is low and is not material.

(f) Liquidity risk

The Company does have a liquidity risk in the bank indebtedness and accounts payable and accrued liabilities of \$1,975,296 (2011 - \$2,112,772). Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Company is low and is not material.

(g) Cash flow risk

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount, such as a debt instrument held with a floating interest rate. In the opinion of management, the cash flow risk exposure to the Company is low and not material.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

22. Financial instruments (continued)

(h) Interest rate risk

The Company is exposed to interest rate risk due to the variable rate interest on their long-term debt. Changes in the lending rates may cause fluctuations in cash flows and interest expense.

(i) Price risk

The Company is exposed to price risk. Price risk is the risk that the commodity prices that the Company charges are significantly influenced by its competitors and the commodity prices that the Company must charge to meet its competitors may not be sufficient to meet its expenses. The Company reduces its exposure to price risk by ensuring that it obtains information regarding the commodity prices that are set by the competitors in the region to ensure that its prices are appropriate. In addition, management closely monitors expenses and matches capital outlays to its revenue stream. In the opinion of management the price risk exposure to the Company is low and is not material.

23. Subsequent events

On July 1, 2013, the Company purchased seventy five (75) common shares from one of its shareholders for total consideration of \$400,000. The share repurchase will be reflected in the Company's Shareholders Equity section as a reduction in share capital and retained earnings.

On September 30, 2013, the Company purchased thirty five (35) common shares from a shareholder of the Company for a purchase price of \$212,533. The purchase was paid as follows: (i) payment of \$53,133.33 issued September 30, 2013, and (ii) thirty-six (36) equal monthly payments of \$4,427.78 commencing October 1, 2013. The lump-sum payment and the monthly payments are reflected as a reduction in share capital and retained earnings of the Company.

Subsequent to the year end, the Company signed a lease for its premises at 87 Disco Road, Toronto, Ontario for a term of six years with minimum lease payment of \$20,581.66 per month plus HST from October 1, 2013 to June 30, 2016 and \$21,054.80 per month plus HST from July 1, 2016 to August 31, 2019.

24. Contingent liabilities

The Company has two wrongful dismissal suits issued against it by two individuals previously associated with the Company.

The Company in consultation with its legal advisors and has taken the position that these lawsuits have no merit and will be defended vigorously. The management estimates that there will be no material impact to the Company from either lawsuit.

Subsequently to the year end both these claims have been settled and the impact is not material.

25. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO THE FINANCIAL STATEMENTS

26. Explanation of transition to IFRS

The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended November 30, 2012 and 2011 and the preparation of an opening IFRS balance sheet on December 1, 2010, the Transition Date. An explanation of how the transition from GAAP to IFRS has affected the Company's statement of financial position and statement of comprehensive income is set out in the following statements.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO FINANCIAL STATEMENTS

Reconciliation of Assets, Liabilities and equity
The December 1, 2010 Canadian GAAP balance
sheet has been reconciled to IFRS at the
Transition Date as follows:

	As at December 1, 2010	
	CGAAP	IFRS
	\$	\$
Assets		
Current		
Accounts and receivable	\$ 2,126,287	\$ 2,126,287
Inventory	399,611	399,611
Prepaid and deposit	60,121	60,121
Income taxes receivable	60,632	60,632
Advances to corporate shareholders	83,580	83,580
	2,730,231	2,730,231
Non- Current		
Property, plant and equipment (b)	1,702,158	1,702,158
	\$ 4,432,389	\$ 4,432,389
Liabilities and shareholders' equity		
Current		
Bank indebtedness	\$ 323,045	\$ 323,045
Accounts payable and accrued liabilities	1,855,958	1,855,958
Note payable	26,500	26,500
Current portion of obligations under capital lease	464,200	464,200
	2,669,703	2,669,703
Non-Current		
Obligations under capital lease	1,011,256	1,011,256
	3,680,959	3,680,959
Shareholders' equity		
Share capital	100	100
Retained earnings	751,330	751,330
	751,430	751,430
	\$ 4,432,389	\$ 4,432,389

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO FINANCIAL STATEMENTS

Reconciliation of Assets, Liabilities and equity
The November 30, 2011 Canadian GAAP balance sheet has been reconciled to IFRS at the Transition Date as follows:

	As at November 30, 2011		
	CGAAP	Effect of	IFRS
	\$	Transition	\$
Assets			
Current			
Cash	\$ 59,109		\$ 59,109
Accounts and receivable	3,806,458		3,806,458
Inventory	241,540		241,540
Prepaid and deposit	69,666		69,666
Advances to corporate shareholders	3,905		3,905
	4,180,678		4,180,678
Non- Current			
Property, plant and equipment (b)	1,475,727		1,475,727
	\$ 5,656,405		\$ 5,656,405
Liabilities and shareholders' equity			
Current			
Accounts payable and accrued liabilities	\$ 2,112,772		\$ 2,112,772
Revolving loan (e)	1,638,615		1,638,615
Note payable	6,500		6,500
Income taxes payable	87,031		87,031
Current portion of obligations under capital lease	520,395		520,395
	4,365,313		4,365,313
Non-Current			
Obligations under capital lease	584,373		584,373
	4,949,686		4,949,686
Shareholders' equity			
Share capital	2		2
Retained earnings	706,717		706,717
	706,719		706,719
	\$ 5,656,405		\$ 5,656,405

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO FINANCIAL STATEMENTS

Reconciliation of Equity

The following reconciliation provides a quantification of the effect, after taxation, of the transition to IFRS

	December 1, 2010	November 30, 2011
Reconciliation of equity		
Equity previously reported under Canadian GAAP	\$ 751,430.00	\$ 706,719.00
Equity reported under IFRS	\$ 751,430.00	\$ 706,719.00

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO FINANCIAL STATEMENTS

Reconciliation Equity

The Canadian GAAP statement of comprehensive income for the year ended November 30, 2011 has has been reconciled to IFRS at the Transition Date as follows:

	Year Ended November 30, 2011		
	CGAAP	Effect of	IFRS
	\$	Transition	\$
Revenue	\$ 9,863,747		\$ 9,863,747
Expenses			
Direct Costs	7,575,444		7,575,444
Administration salaries	669,202		669,202
Bank charges and interest	300,231	(160,898)	139,333
Office and general	93,190		93,190
Consulting fees	55,529		55,529
Telephone	75,615		75,615
Advertising	26,916		26,916
Insurance	69,368		69,368
Rent	81,165		81,165
Interest on capital leases	86,487	(86,487)	-
Utilities	57,843		57,843
Vehicle	37,498		37,498
Professional fees	94,122		94,122
Travle	57,938		57,938
Loss on disposal of assets	6,804		6,804
	9,287,352	(247,385)	9,039,967
Income from operations	576,395	247,385	823,780
Net finance charges			
Interest expense (e)		160,898	160,898
Interest on capital leases		86,487	86,487
	-	247,385	247,385
Income before income taxes	576,395		576,395
Income tax expense	66,031		66,031
Net and comprehensive income	510,364		510,364

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO FINANCIAL STATEMENTS

26. Explanations of transition of IFRS (cont'd)

Restatement of statement of cash flows from Canadian GAAP to IFRS

The restatement from Canadian GAAP to IFRS had no significant effect on the reported cash flows generated by the Company. The reconciling items between Canadian GAAP and IFRS presentation have no net effect on the cash flows generated.

Notes to reconciliation

IFRS 1 – First- time Adoption of International Financial Reporting Standards (“IFRS”) sets forth guidance for the initial adoption of IFRS. Under IFRS 1, the standards are applied retrospectively at the transitional statement of financial position date with all adjustment to assets and liabilities taken to retained earnings unless certain exemptions are applied. The company has applied the following exemptions to its opening statement of financial positions dated December 1, 2010:

a) Basis of consolidation and business combinations

The company has applied the business combinations exemption in IFRS 1. It has not restated business combinations that took place prior to the December 1, 2010 transition date.

b) Functional currency and foreign operations

IFRS requires that the functional currency of each entity in the consolidated Company be determined separately in accordance with the indicators as per IAS 21 – Foreign exchange and should be measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). Under IFRS, the results and financial position of all the group entities (none of which has the currency of a hyper- inflationary) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange difference is recognized as a separate component of equity.

As a result of the application of the translation rules contained in IAS 21, for the year ended November 30, 2011 has no adjustment was recorded.

c) Cumulative translation difference exemption

The Company has elected not to apply retrospective treatment to certain aspects of IAS 21, The Effect of Changes in Foreign Exchange Rates, and deem the cumulative translation differences for all foreign operations to be zero at the transition date.

DISTINCTTECH INC.

(FORMERLY: DISTINCT TECHNICAL SERVICES & CONSTRUCTION LTD.)

NOTES TO FINANCIAL STATEMENTS

d) Transaction cost related to financial instruments

Under Canadian GAAP, the Company expensed transaction costs related to financial instruments measured at amortized cost. Under IFRS, transaction costs in respect of financial instruments at fair value through profit or loss are recognized in profit or loss immediately, and transaction costs in respect of other financial instruments are included in the initial measurement of the financial statement. Accordingly, the company has no adjusted transaction costs to its loans payable at November 30, 2011.

e) Reclassification

In the reconciliation of income and comprehensive income for 2011, \$160,898 was reclassified to conform to the current year's presentation.

SCHEDULE "J"
DISTINCTTECH MANAGEMENT DISCUSSION AND ANALYSIS

DISTINCTTECH INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX-MONTH PERIOD ENDED MAY 31, 2015

Dated June 28, 2015

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Distincttech Inc. Management's Discussion and Analysis Table of Contents

Overview	4
Selected Annual Information	5
Highlights of the Period.....	6
Results of Operations	7
Liquidity and Capital Resources.....	9
Balance Sheet Variations.....	10
Capital Resources	10
Off Balance Sheet Arrangements	10
Transactions with Related Parties.....	11
Subsequent Events.....	11
Critical Accounting Estimates	12
Changes in Accounting Policies.....	12
Financial Instruments and Other Instruments.....	12
Capital Structure.....	14
Other MD&A Requirements.....	14

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS FOR THE SIX-MONTH PERIOD ENDED MAY 31, 2015

Notice to Reader

Management has compiled the consolidated interim financial statements of Distincttech Inc., ("Distincttech" or the "Company" or the "Group") consisting of the Condensed Consolidated Interim Statement of Financial Position as at May 31, 2015 and the Condensed Consolidated Interim Statements of Comprehensive Income, Changes in Equity, and Cash Flows for the period ended May 31, 2015. All amounts are stated in Canadian Dollars unless specified.

The following Management Discussion and Analysis ("MD&A") of Distincttech's financial condition and results of operations, prepared as of June 28, 2015, should be read in conjunction with the Condensed Consolidated Interim Financial Statements of the Company for the period ended May 31, 2015, which are incorporated by reference herein and form an integral part of this MD&A.

Our MD&A is intended to enable readers to gain an understanding of Distincttech's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current period to those of the same period in the preceding year. We also provide analysis and commentary that we believe is required to assess the Company's future prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on future prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future plans and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may," "will," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ from current expectations is contained in the "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A. Unless otherwise indicated, all references to "**Dollar**" or the use of the symbol "\$" are to the CDN

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dollar in this Management's Discussion and Analysis (the "**MD&A**").

The preparation of the financial statements are in conformity with International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. Distincttech Inc. bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

Overview of Distincttech Inc.

Distincttech is design, engineering, construction, service and maintenance company that services the leading telecom and utility sector in southern Ontario. The Company was incorporated under the laws of the province of Ontario on April 25, 2007, and its name was subsequently changed by way of Articles of Amendment from Distinct Technical Services Inc. on October 9, 2013. On May 1, 2015, the Company acquired DC Connections Inc., a small Alberta company similar to Distincttech, to use as its base for western expansion. Distincttech corporate structure

Name of subsidiary	Principal activity	Place of Business and operation	Proportion of ownership interest and voting rights held	
			2015	2014
iVac Services Inc	Hydrovac services	Toronto, ON	100%	100%
Distinct Environmental Solutions Inc.	Inactive	Toronto, ON	100%	100%
Distincttech Inc. (Alberta) (Formerly DC Connections Inc.)	Civil light Construction	St. Albert, AB	100%	-

Selected Financial Information

The Company was incorporated on April 25, 2007 and has a November 30th fiscal year end.

Six month period ended, May 31	2015	2014
Revenue	14,672,081	11,534,438
Net Income	809,805	755,196
Earnings per Share, Basic	\$0.01	\$0.01
Total Assets	27,170,416	12,418,546
Working Capital	6,187,857	1,768,455
Cash (Used In)/Provided By Operations	(2,623,96550)	(2,008,097)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Six months ended, May 31	2015	2014
Revenue	14,672,081	11,534,438
Expense - Direct Costs	10,122,969	8,341,814
Margin	4,549,112	3,192,624
Margin %	31%	28%

Financial Highlights of the Six-Month Period

- The revenue for the six months period ended May 31, 2015 increased to \$14,672,081 versus \$11,534,438 for the same period in 2014. The increase of 27% on a year-over-year basis was driven primarily by increase in scale and volume of business with the existing client base.
- There is significant pent up demand in our existing client base of Telecom companies and Utilities in southern Ontario, as many ramp up capital infrastructure programs over the next few years.
- The Company increased its headcount by 18 field technicians and other skilled field employees versus the same period a year ago. The increased staff will service the increased demand

Results of Operations:

Revenue

For the six months ended May 31 30, 2015, the company recorded revenues of \$14,672,081 compared to \$11,534,438 the same period a year ago. The increase of 27% was due to primarily to increase in scale and scope of work and projects with the existing client base.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses

Six Months period ended, May 31	2015	2014
Direct labour	4,979,618	3,582,694
Sub-contracts	1,815,554	2,058,837
Construction costs	1,030,710	828,266
Vehicles	769,415	725,069
Equipment rentals	610,165	715,923
Other direct costs	917,505	431,025
Total Direct Costs	10,122,968	8,341,814
<i>Selling, General and Administrative Expenses:</i>		
Administrative salaries	575,689	613,306
Office and general	77,772	85,835
Consulting fees	441,136	26,645
Bad debt expense	-	20,157
Travel	23,651	64,259
Insurance	60,536	34,233
Occupancy costs	130,161	64,903
Professional fees	237,967	175,721
Advertising and promotion	306,235	160,472
Corporate finance and marketing	207,084	-
Telecommunications & IT	166,578	63,387
Other	145,085	236,894
Total Selling, General and Administrative Expense	2,371,894	1,545,812

Direct Costs

Labour:

Direct labour costs for the period ended May 31, 2015 was \$4,979,618 which increased from the same period in 2014 by \$1,396,924 due to significant increase in direct labour headcount additions to address the growth in job scale and scope versus the previous year. It takes approximately two quarters to bring on and train a crew to be fully effective in the field. The investment in human resources must be made in advance of the requirement in order to continue to grow.

Sub-Contracts:

Sub-contractor expense is the use of third party organizations to provide services. In the period ended May 31, 2015 sub-contractor expense decrease to \$1,815,554 from the prior period. The reduction of \$243,283 approximately 12% reflects the additional hydrovac trucks added to our fleet, allowing us to provide those services with our own people and equipment. The Company will continue to focus on its value added and higher margin businesses (i.e hydrovac excavation and directional drilling) in the coming quarters, and continue to reduce its reliance on sub-contractors.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Construction Costs

Construction costs including matter, supplies and disposal charges, increased to \$1,030,710 from \$828,266 in the same period one year ago due to increased volume, as well as increased disposal fees due to an increased number of hydrovacs in service.

Vehicle Expense

Include all vehicle related expenses including fuel and other operating costs. Vehicle expenses have increased to \$769,415, approximately 6%, which is very moderate given the growth in revenue and expenses, during the current six month period ending May 31, 2015. A significant portion of the savings comes from lower fuel costs in first two quarters of 2014 versus same period in prior year.

Equipment Rentals

The company rents equipment and small tools required, in operations, but has moved to buying these tools and equipment to reduce its intermediate costs. The equipment rental expense for the period was \$610,165 versus \$715,923 a decrease of 15%.

Selling, General and Administrative Expenses:

Selling, General and Administrative Expenses for the six month period ended May 31, 2015 was \$2,371,894 versus \$1,545,812 for the same period in 2014, an increase of \$826,082 due to increases in headcount (combination of salaries and consulting) as well as other associated overheads and supports service. The company has continued to invest in human resources both in the field and in the back office to support the growth (such as control centre personnel - manage communication and project flow with customers) and expanded client advertising and promotional initiatives. The sub categories below have been selected as the major categories of SG&A for this MD&A.

Administration Salaries

Administration salaries for the period ended May 31, 2015 was \$575,689 a decrease of \$37,617. This was due to the movement of some staff to the consulting fee line. Net between both line there is increase due to additional staffing.

Consulting Fees

Consulting fees for period ended May 31, 2015 was \$441,136 a significant increase over the same period in prior year. The Company has added addition of senior management to move the companies financing and acquisition activity forward. We continue to invest in our human resources both in the field, in the back office as well as at the management level, to allow us to support our existing revenue and our expected growth. Consulting also includes expanded business development initiatives to secure new client initiatives both within existing client base as well as incremental new opportunities.

Office and General Expenses

Office and general expenses for the six months period ended May 31, 2015 in relation to the same period in the prior year decreased by \$8,063. In 2014 the expenses were \$85,835 versus \$77,772 for 2015. This is a timing issue on consumables.

Bad Debt Expense

Bad debt expense for 2015 was nil compared to \$20,157 for the same period in the prior year. The prior year expense was related to client job related disputes that extended beyond the purchase order deadlines and thus became state-dated and uncollectible. The company has had an exceptional collection history with less than a 1% bad debt over its history.

Telecommunications & IT Expense

Telecommunications and Information Technology expense for the six month period ending May 31, 2015 was \$166,578 compared to \$63,387 the same period in 2014. This was mainly due to increase in wireless mobility in-field units, internal corporate computing capacity increases both server based and equipment refresh requirements. The Company also invested significantly in IT resources and infrastructure capacity build-out

MANAGEMENT'S DISCUSSION AND ANALYSIS

as it moved into a new larger head office location. Also included are fees for ERP systems implementation, in design phase, that is expected to be implemented before the end of the year. Additional costs on the ERP system will be expensed in the following two quarters.

Advertising and Promotion

Advertising for the period ended May 31, 2015 increased significantly \$306,235 from \$160,472 in the same period in prior year. The increase in costs is due to client entertainment initiatives, and overall increase in attendance and participation at industry, networking and marketing events.

Occupancy Costs

Occupancy costs have increased due to the addition of a second site in the first two quarters of 2015, that the company did not have in the same period of the prior year. An additional site was required to store the hydrovac units. This is month to month rental with the option to convert to a five year lease and gain a break on the rental/lease charges.

Professional Fees

Professional fees increased from \$175,721 in 2014 to \$237,967 in 2015. This increase was primarily driven by additional legal, accounting and other fees as the company moved to close its private placement and begin the process of going public.

Depreciation

Depreciation costs have increased as the company has added various assets to its property plant and equipment as well as Construction equipment under capital leases.

Interest and Finance Charges:

Interest cost have come down slightly as the company switch its primary lender on its bank loan in the second half of 2014, and realized savings even though the amounts financed increased. The Company's current Bank loan which revolves is tied to Bank prime and as such will increase as interest rates rise.

Interest on Capital leases increased due to the number of lease and the total value of Construction Equipment under capital lease. The company expects to continue to acquire assets under lease as its business and fleet requirements increase.

Net Income:

The Company net income for the six month period ended May 31, 2015 increased slightly to \$809,805 as compared to net income of \$755,196 for the same period in 2014. The increase was due primarily to significant increase in revenues offset by significant one time costs associated with the private placement undertaken by the company as well as the costs incurred to begin the process of listing the company on a public exchange.

Liquidity and Capital Resources

As at May 31, 2015, the Company had cash and cash equivalents of \$54,387 compared to \$13,939 at the end of 2014. Current accounts receivable of \$12,743,191 were outstanding at May 31, 2015 compared to \$9,435,153 at November 31, 2014, due to continued increase in client revenue growth versus prior year as well as an increase in receivables aging. Total current assets amounted to \$ 20,778,640, (November 30

MANAGEMENT'S DISCUSSION AND ANALYSIS

2014 - \$16,392,345) with current liabilities of \$14,590,783, (Nov 2014 - \$14,141,452) resulting in working capital balance of \$6,187,857 (November 30, 2014 – \$2,250,893).

The Company plans on raising additional equity through private placement financings, at some point in the future as business and market conditions permit, in an effort to finance its growth plans and expansion into new markets as well as acquisitions.

On June 1, 2015, the Company completed the final tranche of its Private placement with Mackie Research Capital Corp. The final closing resulted in gross proceeds to the company of \$1,429,294, for a total of 14,292,940 Units at the same price as the previous two tranches and on the same terms and conditions (see note 14 & 15 for details).

Balance Sheet Variations

Current Assets

Current Assets which includes Cash, Accounts receivable, Inventory, Advance to corporate shareholders, due from related party, and Prepaid Expenses increased by \$4,386,295 from the end of the prior year. The increase is due almost entirely to the increase in business volume resulting in an increase to accounts receivable and work-in-progress of \$18,217,272, an increase of \$3,825,538 versus last year end (Nov 14 - \$14,391,734). The remaining increase is in prepaids and deposits and is attributed to the rental deposits made prior to commencement of the new real estate lease (\$297,000) representing the initial two months plus the last month's rent.

Non Current Assets

Non-Current Assets which includes: Property, Plant and Equipment, and Assets under capital lease increased by \$1,155,243 net from the end of the prior year. The increase is due to continued investment in key capital assets during the current year (hydrovac trucks) that have and will continue to offset related service sub-contractors and expense as well as to enhance service levels previously outsourced to 3rd party service providers.

Current Liabilities

Current Liabilities which includes Accounts Payable and Accrued Liabilities, Revolving bank loan, Notes Payable, Income taxes Payable. The increase from \$14,141,452 at year end to \$14,590,783 is primarily attributable to the increase in notes payable associated with the DC Connections purchase, as well as the increase in income taxes payable due to the net income earned in prior year.

Non Current Liabilities

Non Current Liabilities which includes Long Term Notes Payable, and Obligations under finance leases increased by \$385,586 from the end of the prior year. The increase is due to additional equipment and related financing requirements to support the growth in job volumes specifically investment in hydrovac units. The company will continue to invest in personnel and equipment.

Capital Resources

The Corporation, in order to finance future developments and expansion may seek to raise additional funds until such time as cash flow from its operations and acquisitions are sufficient to fund the expected material internal growth. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets, as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities, or other instruments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Commitments

The Company leases its premises, vehicles and other related equipment under operating lease(s) that expire on various dates. The Company's total commitments, under a property lease agreement exclusive of occupancy cost and other equipment leases, are as follows:

2015 (remainder of the year)	\$ 697,049
2016	1,012,065
2017	914,740
2018	625,302
2019	202,597
<u>Total</u>	<u>\$3,451,753</u>

The company signed an offer to lease on a new property effective June 1, 2015. The existing lease on the company's former office and warehouse facilities were subleased to a third party through the remaining lease period. The net impact to the company for the prior lease will be zero over the remaining three and a half years, after cost of subletting. The new lease will be for ten years, and have a basic rent of \$37,542 per month, an increase of \$16,960 per month.

Transactions With Related Parties

- ABL Professional Management Services Inc. (ABL)*
The company provided financial support to a related-party that is owned by the same shareholder control group as Distincttech. ABL makes intermittent repayments based on its own cash-flow, but remains reliant on Distincttech. The current amount owed and receivable to the Company at May 31, 2015 is \$1,569,534, (May 31 2014: \$1,102,917). The Company charges on a pass through basis for certain shared services/back office support. For the period ended May 31, 2015, pass through charges amounted to \$97,500, (May 31, 2014 - \$101,000).
- The Company paid management fees to its corporate shareholders for shared services totaling \$300,500 for the period ending May 31, 2015. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.
- During the year two members of senior management, who are also shareholders were paid a total of \$145,500 in management compensation. These individuals are new to the company.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Share Capital

The following represents the Company's share continuity through June 30, 2015.

	Shares	Warrants
May 31, 2015	192,272,705	20,636,353
June 1, 2015 Private Placement	14,292,940	7,146,470
Balance at June 30, 2015	206,565,645	27,782,823

Subsequent Events

On June 1, 2015 the Company closed its third tranche of financing for gross proceeds of \$1,429,294 (net \$1,323,788). The financing resulted in a total of 14,292,940 Units being issued at \$0.10 per unit. Each Unit consisted of one common share of the Company and one-half common share warrant. See note 14 & 15 for additional information.

On April 16th, 2015, the Company entered into a Share Exchange agreement with QE2 Acquisition Corp. ("QE2"), a TSXV listed company, that upon completion would result in reverse takeover of QE2, by the shareholders of Distincttech. This agreement is subject to the standard TSXV and shareholder approvals as well as customary closing conditions. As a result of the private placements completed by Distincttech in late April 2015 and May 2015, an Amalgamation agreement was required to complete the transaction contemplated in the Share Exchange agreement, under the same or similar terms and conditions. The Amalgamation agreement was signed June 29, 2015. It is expected that the transaction would be completed before the end of the third quarter of 2015.

Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described within the financial statements.

Changes in Accounting Policies

The Company made no significant changes to its accounting policies in 2015 or in 2014. As mandated by the new accounting standards, International Financial Reporting Standards (IFRS), the Corporation has prepared the 2015 unaudited Condensed Consolidated Interim Financial Statements as per IFRS with prior year comparison. The company has had its previous three fully years (2014, 2013 and 2012) audited as per IFRS.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Instruments and Other Instruments

The Company is not a party to any financial instruments and other instruments as defined in item 1.14 of National Instrument 51-102F1 — Management's Discussion and Analysis.

Fair values

The estimated fair value of cash, accounts receivable, other receivables, borrowings and finance leases approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of accounts payables and accrued liabilities approximates their fair values due to the requirement to extinguish the liabilities on demand.

Financial risk management objectives and policies

The financial risk arising from the Group's operations are currency risk, credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Group's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Credit risk

Credit risk is the risk of financial loss if a client fails to meet its contractual obligations, and arises primarily from the Corporation's trade accounts receivable and work in progress. The May 31, 2015 carrying amount of accounts receivables and work in progress totaling \$18,217,272 (Nov 2014 - \$14,391,734) represents the maximum credit exposure.

A significant portion of the trade accounts receivable are from the tele-communications industry and as such, the Corporation is exposed to all the risks associated with that industry. However, the majority of these receivables are from well-established, Canadian clients, whose creditworthiness is of the highest level, thereby reducing the risk of material payment default.

The Corporation has an established credit policy under which each new client is analyzed individually for creditworthiness. The review includes external ratings where available, credit reference checks and, in some cases, bank references. Creditworthiness of existing clients is monitored on an ongoing basis, along with monitoring the amount and age of balances outstanding.

Liquidity risk

The Company manages its liquidity risk by preparing and monitoring forecasts of cash expenditures to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable and accrued liabilities generally have maturities of less than 90 days. At November 30, 2014, the Company had cash of \$13,939 to settle current liabilities of \$14,141,452.

Undiscounted cash flows of financial liabilities based on maturity date are as follows:

	1 year	2 to 5 years	>5 years	Total
Accts Payable and Accrued Liabilities	5,189,431	-	-	5,189,431

MANAGEMENT'S DISCUSSION AND ANALYSIS

Obligations under finance lease	1,138,653	3,430,928	-	4,569,581
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Fair value hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two includes inputs that are observable other than quoted prices included in level one.

Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in IFRS.

Concentration Risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At May 31, 2015, receivables from 3 customers comprised approximately 97% of the total outstanding receivables. One particular customer's account represents 58% of the total outstanding receivables at May 31, 2015. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances.

CAPITAL MANAGEMENT

The Company's primary objectives when managing capital are to continue the development of the business and support new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business, and continued growth.

Capital Structure

During the period ended May 31, 2015, the company issued 41,272,705 units at a price of \$0.10 per Unit. Each unit is comprised of one common share and one half common share purchase warrant. Gross proceeds to the Company were \$4,127,270. In the prior fiscal year (Nov 30, 2014) the company did not issue or cancel any shares. In 2015 the Company did not issue any dividends (2014: \$nil) to its shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other MD&A Requirements

As defined in National Instrument 52-109 — Certification of Disclosure in Issuer's Annual and Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Approval

The directors of Distincttech have approved the disclosure contained in these Management Discussion and Analysis.

DISTINCTTECH INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED NOVEMBER 30, 2014

Dated February 28, 2015

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Distincttech Inc. Management's Discussion and Analysis Table of Contents

Overview	4
Selected Annual Information	5
Highlights of the Period.....	6
Results of Operations	7
Liquidity and Capital Resources.....	9
Balance Sheet Variations.....	10
Capital Resources	10
Off Balance Sheet Arrangements	10
Transactions with Related Parties.....	11
Subsequent Events.....	11
Critical Accounting Estimates	12
Changes in Accounting Policies.....	12
Financial Instruments and Other Instruments.....	12
Capital Structure.....	14
Other MD&A Requirements.....	14

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED NOVEMBER 30, 2014

Notice to Reader

Management has compiled the audited consolidated financial statements of Distincttech Inc., ("Distincttech" or the "Company" or the "Group") consisting of the Consolidated Statement of Financial Position as at November 31, 2014 and the Consolidated Statements of Comprehensive Income, Changes in Equity, and Cash Flows for the period ended November 31, 2014. All amounts are stated in Canadian Dollars unless specified.

The following Management Discussion and Analysis ("MD&A") of Distincttech's financial condition and results of operations, prepared as of February 28, 2015, should be read in conjunction with the Consolidated Financial Statements of the Company for the period ended November 31, 2014, which are incorporated by reference herein and form an integral part of this MD&A.

Our MD&A is intended to enable readers to gain an understanding of Distincttech's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current period to those of the same period in the preceding year. We also provide analysis and commentary that we believe is required to assess the Company's future prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on future prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future plans and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may," "will," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ from current expectations is contained in the "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A. Unless otherwise indicated, all references to "**Dollar**" or the use of the symbol "\$" are to the CDN

MANAGEMENT'S DISCUSSION AND ANALYSIS

Dollar in this Management's Discussion and Analysis (the "**MD&A**").

The preparation of the financial statements are in conformity with International Financial Reporting Standards ("**IFRS**") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. Distincttech Inc. bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

Overview of Distincttech Inc.

The current business of Distincttech is design, engineering, construction, and maintenance services. It predominantly services the telecommunications sector in southern Ontario. The Company was incorporated under the laws of the province of Ontario on April 25, 2007, and its name was subsequently changed by way of Articles of Amendment from Distinct Technical Services Inc. on October 9, 2013.

Selected Financial Information

The Company was incorporated on April 25, 2007 and has a November 30th fiscal year end.

Twelve months ended, November 30	2014	2013
Revenue	25,614,409	18,834,269
Net Income	2,293,326	1,563,657
Total Assets	21,613,583	8,080,395
Working Capital/(Deficit)	2,250,893	648,852
Cash (Used In)/Provided By Operations	(3,306,229)	2,050,986

	2014	2013
Revenue	25,614,409	18,834,269
Expense - Direct Costs	16,958,149	14,081,462
Margin	8,656,260	4,752,807
Margin %	33%	25%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights of the Year

Revenue

- The revenue for the year ended November 30, 2014 increased to \$25,614,409 versus \$18,834,269 for the same period in 2013. The increase of 36% on a year-over-year basis was driven primarily by increase in scale and volume of business with the existing client base.
- There was a significant contribution of one key client during the current year that drove the majority of the incremental increase during the current year, an amount approximately \$12.1 million, more than offsetting the material reduction from another client, as was anticipated.
- The Company increased its headcount by 31 field technicians and other skilled field employees versus the same period a year ago.

Results of Operations:

Revenue

For the year ended November 30, 2014, the company recorded revenues of \$25,614,409 compared to prior year revenues of \$18,834,269 for the same period a year ago. The increase was due to primarily to increase in scale and scope of work and projects with the existing client base. The addition of a key client in the previous year generated approximately \$12.1 million in revenue in the current year and provides a significant increase that more than offset reduced volume from another material client that reduced jobs due to its reduced capital spend budget as originally projected.

Expenses

Particulars	2014	2013
Direct labour	7,501,313	6,185,320
Sub-contracts	4,579,476	3,697,599
Other direct costs	4,877,360	4,198,543
<i>Selling, General and Administrative Expenses:</i>		
Administrative salaries	1,195,548	902,592
Office and general	272,836	149,970
Consulting fees	248,363	196,413
Bad debt expense	35,706	64,519
Travel	71,119	27,338
Insurance	256,338	234,764
Occupancy costs	165,895	83,881
Vehicle	154,768	54,359
Professional fees	491,345	173,731
Loss on disposal of assets	-	-
Advertising and promotion	445,589	168,776
Telecommunications	190,444	168,235

MANAGEMENT'S DISCUSSION AND ANALYSIS

Direct Labour and Sub-Contracts:

Direct labour cost for 2014 was \$7,501,313 which increased from 2013 by \$1,315,994 due to significant increase in direct labour headcount additions to address the growth in job scale and scope increases versus the previous year. Sub-contract expenses increased by \$881,877 in the current year to \$4,579,476 year versus a year ago (Nov 2013 - \$3,697,599). This increase was directly related to increased volume and provided capacity increase to handle the additional load.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses for 2014 was \$4,497,756 versus \$2,048,438 for 2013, an increase of \$2,449,318 due to increases in headcount driving telecommunications, indirect administrative salaries build-out of client control centre and expanded client advertising and promotional initiatives. The sub categories below have been selected as the major categories of SG&A for this MD&A.

Administration Salaries

Administration salaries for 2014 was \$1,195,548 an increase of \$292,956 or 32%. This increase was due to administrative positions being added during the current year versus same period a year ago, creating the client control centre adding six administrative headcount, plus additions in accounting (2).

Consulting Fees

Consulting fees for 2014 was \$272,836 an increase of \$122,866 from 2013 or 26%. This increase was due to fees issued to secure funding and expand business development initiatives to secure new client initiatives both within existing client base as well as incremental new opportunities.

Office and General Expenses

Office and general expenses in 2014 in relation to the prior year increased by \$122,866. In 2014 the expenses were \$272,836 versus \$149,970 for 2013. This was due to overall increase in headcount and administrative requirements specifically increased stationary, copier supplies and other client related consumables driven by increased administrative requirements. Also included were significant health and safety training on a company wide scale which totaled \$108,693 (Nov 2013 - \$0).

Bad Debt Expense

Bad debt expense for 2014 was \$35,706 compared to \$64,519 for 2013. The expense was related to client job related disputes that extended beyond the purchase order deadlines and thus became state-dated and uncollectible.

Telecommunications Expense

Telecommunications expense for 2014 was \$190,444 compared to \$168,235 for 2013. This was mainly due to increase in wireless mobility in-field units, internal corporate computing capacity increases both server based and equipment refresh requirements. The Company also invested significantly in IT resources and infrastructure capacity build-out as it moved into a new larger head office location.

Advertising and Promotion

Advertising for 2014 increased significantly by \$276,813 to \$445,813 due to increase client entertainment initiatives, and overall increase in attendance and participation at industry related conventions. Included was significant rebadging of all company vehicles and equipment to new logo and corporate colour scheme.

Professional Fees

Professional fees increased from \$173,731 in 2013 to \$491,345 in 2014. This increase was primarily driven by management fees of \$255,000 (Nov 13 - \$0), as well as services for process engineering/re-engineering to validate internal systems of approximately \$50,000 (Nov 13 - \$0).

Net Income:

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company net income for the year ended November 30, 2014 increased significantly to \$2,293,326 as compared to net income of \$1,563,657 for 2013. The increase was due primarily to significant increase in revenues offset by enhanced utilization of resources, focused cost reduction and control measures and corporate investment in capital assets to reduce more expensive sub-contractor services.

Liquidity and Capital Resources

As at November 30, 2014, the Company had cash and cash equivalents of \$13,939 compared to \$1,257 at the end of 2013. Current accounts receivable of \$9,435,153 were outstanding at November 30, 2014 compared to \$3,688,220 in 2013, due to significant increase in client revenue growth versus prior year. Total current assets amounted to \$ 16,392,345, (Nov 2013 - \$6,119,975) with current liabilities of \$14,141,452, (Nov 2013 - \$5,471,123) resulting in working capital balance of \$2,250,893 (Nov 2013 – \$648,852).

The Company plans on raising additional equity through private placement financings, at some point in the future as business and market conditions permit, in an effort to finance its growth plans and expansion into new markets.

Balance Sheet Variations

Current Assets

Current Assets which includes Cash, Accounts receivable, Inventory, Advance to corporate shareholders, due from related party, and Prepaid Expenses increased by \$10,272,370 from the end of the prior year. The increase is due almost entirely to the increase in business volume resulting in an increase to accounts receivable and work-in-progress of \$14,391,734, an increase of \$9,650,463 versus the previous year (Nov 13 - \$4,741,271).

Non Current Assets

Non-Current Assets which includes: Property, Plant and Equipment, and Assets under capital lease increased by \$3,870,238 on gross acquisition costs from the end of the prior year. The increase is primarily due to material investment in key capital assets during the current year (hydrovac trucks) that has and will continue to offset related service sub-contractors and expense as well as to enhance service levels previously outsourced to 3rd party service providers.

Current Liabilities

Current Liabilities which includes Accounts Payable and Accrued Liabilities, Bank loan, Note Payable, Income taxes Payable, Current position of Obligations under capital leases; increased by \$8,670,329 from the end of the prior year due primarily to increase in line-of-credit facility of \$4,491,902 (Nov 13 - \$2,596,372), and material increase in accounts payable and accrued liabilities of \$5,339,699, (Nov 13 - \$2,198,251).

Non Current Liabilities

Non Current Liabilities which includes Long Term Notes Payable, and Obligations under finance leases increased by \$2,569,382 from the end of the prior year. The increase is due to additional equipment and related financing commitments to support the growth in job volumes specifically investment in hydrovac units.

Capital Resources

The Corporation, in order to finance future developments and expansion may seek to raise additional funds until such time as cash flow from its operations and acquisitions are sufficient to fund internal growth. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets, as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions With Related Parties

1. *ABL Professional Management Services Inc. (ABL)*
The company provided financial support to a related-party that is owned by the same shareholder group as Distincttech. ABL makes intermittent repayments based on its own cash-flow, but remains reliant on Distincttech. The current amount owed and receivable to the Company at Nov 30, 2014 is \$1,538,372, (Nov 30 2013 - \$1,102,917). The Company charges on a pass through basis for certain shared services/back office support. For the year ended Nov 30, 2014, pass through charges amounted to \$464,550, (Nov 30, 2013 - \$527,500).
2. The Company paid management fees to its corporate shareholders for shared services totaling \$255,217. These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.
3. During the year two members of senior management, who are also shareholders were paid a total of \$178,885 in management compensation. In addition a total of \$407,179 was paid to other related parties for services rendered.

Subsequent Events

The Company had no subsequent events to report at the year-end date.

Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described within the financial statements.

Changes in Accounting Policies

The Company made no significant changes to its accounting policies in 2014. For 2014 as mandated by the new accounting standards, International Financial Reporting Standards (IFRS), the Corporation has prepared the 2014 Audited Financial Statements as per IFRS with prior year comparison.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Instruments and Other Instruments

The Company is not a party to any financial instruments and other instruments as defined in item 1.14 of National Instrument 51-102F1 — Management's Discussion and Analysis.

Fair values

The estimated fair value of cash, accounts receivable, other receivables, borrowings and finance leases approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of accounts payables and accrued liabilities approximates their fair values due to the requirement to extinguish the liabilities on demand.

Financial risk management objectives and policies

The financial risk arising from the Group's operations are currency risk, credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Group's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Credit risk

Credit risk is the risk of financial loss if a client fails to meet its contractual obligations, and arises primarily from the Corporation's trade accounts receivable and work in progress. The November 30, 2014 carrying amount of accounts receivables and work in progress totaling \$14,391,734 (Nov 2012 - \$4,741,271) represents the maximum credit exposure.

A significant portion of the trade accounts receivable are from the tele-communications industry and as such, the Corporation is exposed to all the risks associated with that industry. However, the majority of these receivables are from well-established, Canadian clients, whose creditworthiness is of the highest level, thereby reducing the risk of material payment default.

The Corporation has an established credit policy under which each new client is analyzed individually for creditworthiness. The review includes external ratings where available, credit reference checks and, in some cases, bank references. Creditworthiness of existing clients is monitored on an ongoing basis, along with monitoring the amount and age of balances outstanding.

Liquidity risk

The Company manages its liquidity risk by preparing and monitoring forecasts of cash expenditures to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable and accrued liabilities generally have maturities of less than 90 days. At November 30, 2014, the Company had cash of \$13,939 to settle current liabilities of \$14,141,452.

Undiscounted cash flows of financial liabilities based on maturity date are as follows:

MANAGEMENT'S DISCUSSION AND ANALYSIS

	1 year	2 to 5 years	>5 years	Total
Accts Payable and Accrued Liabilities	5,339,699	-	-	5,339,699
Obligations under finance lease	1,120,227	3,045,342	-	4,165,569

Fair value hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two includes inputs that are observable other than quoted prices included in level one.

Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in IFRS.

Concentration Risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At November 30, 2014, receivables from 3 customers comprised approximately 96% of the total outstanding receivables. One particular customer's account represents 56% of the total outstanding receivables at November 30, 2014. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances.

CAPITAL MANAGEMENT

The Company's primary objectives when managing capital are to continue the development of the business and support new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business, and continued growth.

Capital Structure

During the fiscal year ended November 30, 2014, the company had no share issuance or redemptions. In the prior (2013) fiscal year the company issued forty (40) common shares for \$40, and later that same year repurchased all the outstanding shares of two shareholders, representing a total of 115 shares with a cost base of \$41. The shares were repurchased for \$612,533 in notes payable. As at November 30, 2014 a total of \$97,411 remained outstanding. In 2014 the Company did not issue any dividends (2013: \$70,000) to its shareholders. There were 150 shares outstanding at the end of 2014, the same amount as was outstanding at the end of 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other MD&A Requirements

As defined in National Instrument 52-109 — Certification of Disclosure in Issuer's Annual and Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Approval

The directors of Distincttech have approved the disclosure contained in these Management Discussion and Analysis.

DISTINCTTECH INC.

(formerly Distinct Technical Services Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED NOVEMBER 30, 2013

Dated April 30, 2014

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Distincttech Inc. Management's Discussion and Analysis Table of Contents

Overview	4
Selected Annual Information	5
Highlights of the Period.....	6
Results of Operations	7
Liquidity and Capital Resources.....	9
Balance Sheet Variations.....	10
Capital Resources	10
Off Balance Sheet Arrangements	10
Transactions with Related Parties.....	11
Subsequent Events.....	11
Critical Accounting Estimates	12
Changes in Accounting Policies.....	12
Financial Instruments and Other Instruments.....	12
Capital Structure.....	14
Other MD&A Requirements.....	14

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED NOVEMBER 30, 2013

Notice to Reader

Management has compiled the audited financial statements of Distincttech Inc. ("Distincttech" or the "Company") consisting of the Statement of Financial position as at November 30, 2013 and the Statements of Comprehensive Income, Changes in Equity, and Cash Flows for the year ended November 30, 2013. All amounts are stated in Canadian Dollars unless specified.

The following Management Discussion and Analysis ("MD&A") of Distincttech's financial condition and results of operations, prepared as of April 30, 2014, should be read in conjunction with the Audited Financial Statements of the Company for the year ended November 30, 2013 which are incorporated by reference herein and form an integral part of this MD&A.

Our MD&A is intended to enable readers to gain an understanding of Distincttech's current results and financial position. To do so, we provide information and analysis comparing the results of operations and financial position for the current period to those of the preceding year. We also provide analysis and commentary that we believe is required to assess the Company's future prospects. Accordingly, certain sections of this report contain forward-looking statements that are based on current plans and expectations. These forward-looking statements are affected by risks and uncertainties that are discussed in this document and that could have a material impact on future prospects. Readers are cautioned that actual results could vary.

Cautions Regarding Forward-Looking Statements

This MD&A contains certain forward-looking statements, which reflect management's expectations regarding the Company's results of operations, performance, growth, and business prospects and opportunities.

Statements about the Company's future plans and intentions, results, levels of activity, performance, goals or achievements or other future events constitute forward-looking statements. Wherever possible, words such as "may," "will," "should," "could," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including: general economic and market segment conditions, competitor activity, product capability and acceptance, international risk and currency exchange rates and technology changes. More detailed assessment of the risks that could cause actual results to materially differ from current expectations is contained in the "Quantitative and Qualitative Disclosures of Market Risk" section of this MD&A. Unless otherwise indicated, all references to "**Dollar**" or the use of the symbol "\$" are to the CDN Dollar in this Management's Discussion and Analysis (the "**MD&A**").

MANAGEMENT'S DISCUSSION AND ANALYSIS

The preparation of the financial statements are in conformity with International Financial Reporting Standards ("IFRS") and requires management to make assumptions that affect the reported amounts of assets, liabilities and expenses in addition to the disclosure of contingent liabilities at the date of the financial statements and reporting amounts. Distincttech Inc. bases its estimates on historical experience, current trends and various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ and will most likely differ from those estimates.

Overview of Distincttech Inc.

The current business of Distincttech is design, engineering, construction, and maintenance services. It predominantly services the telecommunications sector in southern Ontario. The Company was incorporated under the laws of the province of Ontario on April 25, 2007, and its name was subsequently changed by way of Articles of Amendment from Distinct Technical Services Inc. on October 9, 2013.

Selected Financial Information

The Company was incorporated on April 25, 2007 and has a November 30th fiscal year end.

Twelve months ended, November 30	2013	2012
Revenue	18,834,269	15,769,480
Net Income	1,563,657	595,451
Total Assets	8,080,395	6,801,820
Working Capital/(Deficit)	2,609,423	4,296,516
Cash (Used In)/Provided By Operations	(240,433)	(775,140)

	2013	2012
Revenue	18,834,269	15,769,480
Expense - Direct Costs	14,081,462	12,673,796
Margin	4,752,807	3,095,684
Margin %	25%	20%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights of the Year

Revenue

- The revenue for the year ended November 30, 2013 increased to \$18,834,269 versus \$15,769,480 for the same period in 2012. The increase of 19.4% on a year-over-year basis was driven primarily by increase in scale and volume of business with the existing client base.
- There was a significant addition of one key client during the previous year that drove the majority of the incremental increase during the current year, an amount approximately \$7.5 million, more than offsetting a reduction in one of the Company's other significant clients.
- The Company increased its headcount by 22 field technicians and other skilled field employees versus the same period a year ago.

Results of Operations:

Revenue

For the year ended November 30, 2013, the company recorded revenues of \$ 18,834,269 compared to prior year revenues of \$15,769,480 for the same period. The increase was due to primarily to increase in scale and scope of work and projects with the existing client base. The addition of a new key client generated approximately \$7.5 million in revenue in the current year and provides a significant increase that more than offset reduced volume from another material client that reduced jobs due to its reduced capital spend budget as originally projected. This addition is strategically important to the Company to fuel its growth model as well as to alleviate the concentration risk by adding a material client to offload the risk, to some varying degree.

Expenses

Particulars	2013	2012
Direct labour	5,620,320	5,363,472
Sub-contracts	3,697,599	2,867,427
Other direct costs	4,763,544	4,366,271
<i>Selling, General and Administrative Expenses:</i>		
Administrative salaries	902,592	787,175
Office and general	149,970	110,489
Consulting fees	196,413	127,237
Bad debt expense	64,519	-
Travel	27,338	77,930
Insurance	234,764	256,724
Occupancy costs	83,881	80,258
Vehicle	54,359	70,408
Professional fees	173,731	32,440
Depreciation and amortization	377,941	313,798
Loss on disposal of assets	-	4,577
Advertising and promotion	168,776	23,506
Telecommunications	168,235	105,274

MANAGEMENT'S DISCUSSION AND ANALYSIS

Direct Labour and Sub-Contracts:

Direct labour cost for 2012 was \$6,185,320 which increased from 2012 by \$821,848 due to significant increase in direct labour headcount increase to address the growth in job scale and scope increases versus the previous year. Sub-contract expenses increased by \$830,172 in the current year versus a year ago (Nov 30, 2012 - \$2,867,427). This increase was directly related to increased volume and provided capacity increase to handle the additional load.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses for 2013 was \$2,048,438 versus \$2,020,209 for 2012, an increase of \$28,229 due to increases headcount driven in telecommunications, indirect administrative salaries and expanded client advertising and promotional initiatives. The sub categories below have been selected as the major categories of SG&A for this MD&A.

Administration Salaries

Administration salaries for 2013 was \$902,592 an increase of \$115,417 or 15%. This increase was due to administrative positions being added during the current year versus same period a year ago. There were also enhancements in overall employee benefit coverages.

Consulting Fees

Consulting fees for 2013 was \$196,413 an increase of \$127,237 from 2012 or 54%. This increase was due to fees issued to secure private equity investment opportunities and expanded business development initiatives to secure new client initiatives both within existing client base as well as incremental new opportunities.

Office and General Expenses

Office and general expenses in 2013 in relation to the prior year by \$39,481. In 2013 the expenses were \$149,970 versus \$110,489 for 2012. This was due to overall increase in headcount and administrative requirements specifically increased stationary, copier supplies and other client related consumables driven by increased administrative requirements.

Bad Debt Expense

Bad debt expense for 2013 was \$64,519 compared to \$0 for 2012. The expense was related to client work related disputes that extended beyond the purchase order deadlines and thus became state-dated and uncollectible.

Telecommunications Expense

Telecommunications expense for 2013 was \$168,235 compared to \$23,506 for 2012. This was mainly due to increase in wireless mobility in-field units, internal corporate computing capacity increases both server based and equipment refresh requirements. The Company also invested significantly in IT resources and infrastructure capacity build-out.

Advertising and Promotion

Advertising for 2013 increased significantly by \$145,270 to \$168,776 due to increase client entertainment initiatives, and overall increase in attendance and participation at industry related conventions.

Professional Fees

Professional fees increased from \$32,440 in 2012 to \$173,731 in 2013. This was due to corporate restructuring of the Company, switch-over to full external audits and recruiting fees for key managerial hirings.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Income:

The Company net income for the year ended November 30, 2013 increased significantly to \$1,563,657 as compared to net income of \$595,451 for 2012. The increase was due primarily to significant increase in revenues offset by direct costs and administrative expenses incurred in the previous year to facilitate the capacity to handle increased business volumes in the current year.

Liquidity and Capital Resources

As at November 30, 2013, the Company had cash and cash equivalents of \$1,107 compared to \$184,308 at the end of 2012. Current accounts receivable of \$3,688,220 were outstanding at November 30, 2013 compared to \$4,952,964 in 2012, due to significant increase in cash receipt turnover versus prior year. Total current assets amounted to \$ 6,119,825, (Nov 2012 - \$6,801,820) with current liabilities of \$5,470,972, (Nov 2012 - \$5,044,444) resulting in working capital balance of \$648,853 (Nov 2011 – \$1,757,376).

The Company plans on raising additional equity through private placement financings, at some point in the future as business and market conditions permit, in an effort to finance its growth plans and expansion into new markets.

Balance Sheet Variations

Current Assets

Current Assets which includes Cash, Accounts receivable (short term), Inventory, Advance to corporate shareholders, due from related party, and Prepaid Expenses increased by \$675,477 from the end of the prior year. The increase is due almost entirely to the increase in business volume resulting in an increase to work-in-progress of \$868,870 versus the previous year.

Non Current Assets

Non-Current Assets which includes: Property, Plant and Equipment, and Assets under capital lease increased by \$981,220 on gross acquisition costs from the end of the prior year. The increase is primarily due to material investment in key capital assets during the current year (hydrovac trucks) that has and will continue to offset related service sub-contractors and expense as well as to enhance service levels previously outsourced to 3rd party service providers.

Current Liabilities

Current Liabilities which includes Accounts Payable and Accrued Liabilities, Unearned revenue, Revolving loan, Note Payable, Income taxes Payable, Current position of Obligations under capital leases; increased by \$426,529 from the end of the prior year due primarily to increase in line-of-credit facility increase in accounts payable.

Non Current Liabilities

Non Current Liabilities which includes Long Term Notes Payable, and Obligations under finance leases increased by \$265,360 from the end of the prior year. The increase is due to additional equipment requirements to support the growth in job volumes specifically investment in hydrovac units.

Capital Resources

The Corporation, in order to finance future developments and expansion may seek to raise additional funds until such time as cash flow from its operations and acquisitions are sufficient to fund internal growth. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets, as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions With Related Parties

1. *ABL Professional Management Services Inc. (ABL)*
The company provided financial support to a related-party that is owned by the same shareholder group as Distincttech. ABL makes intermittent repayments based on its own cash-flow, but remains reliant on Distincttech. The current amount owed and receivable to the Company at Nov 30, 2013 is \$1,102,917, (Nov 30 2012 - \$279,039). The Company charges on a pass through basis for certain shared services/back office support. For the year ended Nov 30, 2013, pass through charges amounted to \$527,500, (Nov 30, 2012- \$101,000).
2. During the year four members of senior management, who are also shareholders were paid a total of \$497,152 in management compensation. In addition a total of \$65,948 was paid to other related parties for services rendered.

Subsequent Events

The Company had no subsequent events to report at the year-end date.

Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described within the financial statements.

Changes in Accounting Policies

The Company made no significant changes to its accounting policies in 2013. For 2013 as mandated by the new accounting standards, International Financial Reporting Standards (IFRS), the Corporation has prepared the 2013 Audited Financial Statements as per IFRS with prior year comparison.

Financial Instruments and Other Instruments

The Company is not a party to any financial instruments and other instruments as defined in item 1.14 of National Instrument 51-102F1 — Management's Discussion and Analysis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fair values

The estimated fair value of cash, accounts receivable, other receivables, borrowings and finance leases approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of accounts payables and accrued liabilities approximates their fair values due to the requirement to extinguish the liabilities on demand.

Financial risk management objectives and policies

The financial risk arising from the Group's operations are currency risk, credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Group's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Credit risk

Credit risk is the risk of financial loss if a client fails to meet its contractual obligations, and arises primarily from the Corporation's trade accounts receivable and work in progress. The November 30, 2013 carrying amount of accounts receivables and work in progress totaling \$4,741,271 (Nov 2012 - \$5,137,145) represents the maximum credit exposure.

A significant portion of the trade accounts receivable are from the tele-communications industry and as such, the Corporation is exposed to all the risks associated with that industry. However, the majority of these receivables are from well-established, Canadian clients, whose creditworthiness is of the highest level, thereby reducing the risk of material payment default.

The Corporation has an established credit policy under which each new client is analyzed individually for creditworthiness. The review includes external ratings where available, credit reference checks and, in some cases, bank references. Creditworthiness of existing clients is monitored on an ongoing basis, along with monitoring the amount and age of balances outstanding.

Liquidity risk

The Company manages its liquidity risk by preparing and monitoring forecasts of cash expenditures to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable and accrued liabilities generally have maturities of less than 90 days. At November 30, 2013, the Company had cash of \$1,107 to settle current liabilities of \$5,470,972.

Undiscounted cash flows of financial liabilities based on maturity date are as follows:

	1 year	2 to 5 years	>5 years	Total
Accts Payable and Accrued Liabilities	2,874,600	-	-	2,874,600
Obligations under finance lease	368,705	520,238	-	888,943

Fair value hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The measurements are subjective in nature, involve

MANAGEMENT'S DISCUSSION AND ANALYSIS

uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two includes inputs that are observable other than quoted prices included in level one.

Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in IFRS.

Concentration Risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At November 30, 2013, receivables from 3 customers comprised approximately 86% of the total outstanding receivables. One particular customer's account represents 38% of the total outstanding receivables at November 30, 2013. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances.

CAPITAL MANAGEMENT

The Company's primary objectives when managing capital are to continue the development of the business and support new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business, and continued growth.

Capital Structure

During the fiscal year ended November 30, 2013, the company issued forty (40) common shares for \$40. Later during the year the company repurchased all the outstanding shares of two shareholders, representing a total of 115 shares with a cost base of \$41. The shares were repurchased for \$612,533 in notes payable. As at November 30, 2013 a total of \$150,544 remained outstanding and would be paid out over thirty four monthly installments. The company paid dividends totaling \$70,000 (2012: \$195,000) to its shareholders during the year. In the prior (2012) fiscal year the company had no share issuance or redemptions.

Other MD&A Requirements

As defined in National Instrument 52-109 — Certification of Disclosure in Issuer's Annual and Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Approval

The directors of Distincttech have approved the disclosure contained in these Management Discussion and Analysis.

DISTINCTTECH INC.

(formerly Distinct Technical Services Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED NOVEMBER 30, 2012

Dated April 30, 2014

Disclosure Regarding Forward-Looking Statements

This Management's Discussion and Analysis contains forward-looking statements that include risks and uncertainties that are disclosed under the section Risk Factors. Other factors that could affect actual results are uncertainties pertaining to government regulations, both domestic as well as foreign, and the changes within the capital markets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Distincttech Inc. Management's Discussion and Analysis Table of Contents

Overview	4
Selected Annual Information	5
Highlights of the Period.....	6
Results of Operations	7
Liquidity and Capital Resources.....	9
Balance Sheet Variations.....	10
Capital Resources	10
Off Balance Sheet Arrangements	10
Transactions with Related Parties.....	11
Subsequent Events.....	11
Critical Accounting Estimates	12
Changes in Accounting Policies.....	12
Financial Instruments and Other Instruments.....	12
Capital Structure.....	14
Other MD&A Requirements.....	14

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS FOR THE YEAR ENDED NOVEMBER 30, 2012

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Selected Financial Information

The Company was incorporated on April 25, 2007 and has a November 30th fiscal year end.

Twelve months ended, November 30	2012	2011
Revenue	15,769,480	9,863,747
Net Income	696,341	510,365
	-	-
Total Assets	6,809,319	5,656,405
Working Capital/(Deficit)	191,598	(184,635)
Cash (Used In)/Provided By Operations	125,199	382,154

	2012	2011
Revenue	15,769,480	9,863,747
Expense - Direct Costs	12,895,574	7,217,844
Margin	2,873,906	2,645,903
Margin %	18%	27%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Highlights of the Year

Revenue

- The revenue for the year ended November 30, 2012 increased to \$15,769,480 versus \$9,863,747 for the same period in 2011. The increase of 59.9% on a year-over-year basis was driven primarily by increase in scale and volume of business with the existing client base.
- There was a significant addition of one key client during the year that drove the majority on the incremental increase during the current year, an amount approximately \$3.3 million.
- The Company increased its headcount by 20 field technicians and other skilled field employees versus the same period a year ago.

Results of Operations:

Revenue

For the year ended November 30, 2012, the company recorded revenues of \$ 15,769,480 compared to prior year revenues of \$9,863,747 for the same period. The increase was due to primarily to increase in scale and scope of work and projects with the existing client base. The addition of a new key client generated approximately \$3.3 million in revenue in the current year and provides a solid opportunity to increase significantly in future fiscal years. This addition is strategically important to the Company to fuel its growth model as well as to alleviate the concentration risk by adding a material client to offload the risk, to some varying degree.

Expenses

Particulars	2012	2011
Direct labour	5,287,460	3,412,921
Sub-contracts	3,243,367	1,565,388
Other direct costs	4,678,545	2,597,135
<i>Selling, General and Administrative Expenses:</i>		
Administrative salaries	679,004	669,202
Office and general	127,881	93,188
Consulting fees	127,237	55,529
Bad debt expense	-	-
Bank charges and interest	44,585	139,334
Travel	7,690	57,938
Insurance	77,017	69,368
Occupancy costs	115,954	139,008
Vehicle	36,834	37,498
Professional fees	32,680	94,122
Loss on disposal of assets	4,577	6,804
Advertising and promotion	93,381	26,916
Telecommunications	101,779	75,615

MANAGEMENT'S DISCUSSION AND ANALYSIS

Direct Labour and Sub-Contracts:

Direct labour cost for 2012 was \$5,287,460 which increased from 2011 by \$1,874,539 due to significant increase in direct labour headcount increase to address the growth in job scale and scope increases versus the previous year.

Selling, General and Administrative Expenses

Selling, General and Administrative Expenses for 2012 was \$1,448,619 versus \$1,464,522 for 2011, a decrease of \$15,903 due to reductions in travel expenses, professional fees and occupancy costs. The sub categories below have been selected as the major categories of SG&A for this MD&A.

Administration Salaries

Administration salaries for 2012 were \$679,004 a slight increase of \$9,802 or 1%. This increase was due to administrative positions annual wage increases based on performance based evaluations. No headcount additions were incurred during the current year.

Consulting Fees

Consulting fees for 2012 was \$127,237 an increase of \$71,708 from 2011 or 129%. This increase was due to fees issued to secure private equity investment opportunities and in business development to secure new client initiatives both within existing client base as well as incremental new opportunities.

Office and General Expenses

Office and general expenses increased in 2012 in relation to the prior year. In 2012 the expenses were \$127,881 versus \$93,188 for 2011. This was due to significant increase in overall internal consumables to facilitate increased administrative volumes and processes.

Bad Debt Expense

Bad debt expense for 2012 was \$0 compared to \$0 for 2011 as there were no collection issues or client work related disputes in either year.

Telecommunications Expense

Telecommunications expense for 2012 was \$ 101,779 compared to \$75,615 for 2012. This was mainly due to increase in wireless mobility in-field units, internal corporate computing capacity increases both server based and equipment refresh requirements.

Advertising and Promotion

Advertising for 2012 increased by \$66,465 to \$93,381 due to increased client entertainment initiatives, and overall increase in attendance at industry related conventions specifically in the United States and Western Canada.

Professional Fees

Professional fees decreased from \$94,122 in 2011 to \$32,680 in 2012. This was due to a one-time fee issued to external service providers for scientific research and experimental development initiatives for the 2011 fiscal year not incurred in the current year.

Net Income:

The Company net income for the year ended November 30, 2012 increased to \$696,341 as compared to net income of \$510,365 for 2011. The increase was due primarily to significant increase in revenues offset by direct costs and administrative expenses incurred in the current year. These investments in indirect and overhead expenses provide significant capacity increases to facilitate the growth in volume and related administrative functions to properly support the company in the current and future fiscal years.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Liquidity and Capital Resources

As at November 30, 2012, the Company had cash and cash equivalents of \$184,308 compared to \$59,109 at the end of 2011. Current accounts receivable of \$4,952,964 were outstanding at November 30, 2012 compared to \$3,806,458 in 2011, due to significant growth in business with existing clients and one significant addition of a new key account. Total current assets amounted to \$5,451,848, (Nov 2011 - \$4,180,678) with current liabilities of \$5,260,250, (Nov 2011 - \$4,365,313) resulting in working capital balance of \$191,598 (Nov 2011 – (\$184,635)).

The Company plans on raising additional equity through private placement financings, at some point in the future as business and market conditions permit, in an effort to finance its growth plans and expansion into new markets.

Balance Sheet Variations

Current Assets

Current Assets which includes Cash, Accounts receivable (short term), Inventory, Advance to corporate shareholders, due from related party, and Prepaid Expenses increased by \$1,271,170 from the end of the prior year. The increase is due almost entirely to the increase in business volume resulting in an increase to accounts receivable of \$1,146,506, versus the previous year.

Non Current Assets

Non-Current Assets which includes: Property, Plant and Equipment, and Assets under capital lease decreased by \$118,255 from the end of the prior year. The decrease is primarily due to immaterial investment in capital assets during the current year that was more than offset by the depreciation and amortization of the existing asset base during the course of the current year.

Current Liabilities

Current Liabilities which includes Accounts Payable and Accrued Liabilities, Unearned revenue, Revolving loan, Note Payable, Income taxes Payable, Current position of Obligations under capital leases; increased by \$894,937 from the end of the prior year due primarily to increase in line-of-credit facility and proceeds drawn on a year-over-year basis.

Non Current Liabilities

Non Current Liabilities which includes Long Term Notes Payable, and Obligations under finance leases decreased by \$243,364 from the end of the prior year. The decrease reflects no additional long term debt or financing initiatives added during the current year, with the decrease reflecting repayment of long term commitments from the start of the fiscal year.

Capital Resources

The Corporation, in order to finance future developments and expansion may seek to raise additional funds until such time as cash flow from its operations and acquisitions are sufficient to fund internal growth. The timing and ability of the Corporation to fulfill this objective will depend on the liquidity of the financial markets, as well as the willingness of investors to finance such a business. Such future financing may be completed by the issuance of the Corporation's securities.

Off-Balance Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are

MANAGEMENT'S DISCUSSION AND ANALYSIS

reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions With Related Parties

1. *ABL Professional Management Services Inc. (ABL)*
The Company provided financing support to a related-party that is owned by the same shareholder group as Distincttech. ABL make intermittent repayments based on its own cash-flow, but remains reliant on Distincttech. The current amount owed and receivable to the Company at Nov 30, 2012 is \$279,039, (Nov 30 2011 - \$325,440). The Company charges on a pass through basis for certain shared services/back office support. For the year ended Nov 30, 2012, pass through charges amounted to \$101,000, (Nov 30, 2011 - \$97,500).
2. During the year three members of senior management, who are also shareholders were paid a total of \$302,114, in management compensation.

Subsequent Events

The Company had no subsequent events to report at the year-end date.

Critical Accounting Estimates

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described within the financial statements.

Changes in Accounting Policies

The Company made no significant changes to its accounting policies in 2012. For 2013 as mandated by the new accounting standards, International Financial Reporting Standards (IFRS), the Corporation has prepared the 2013 Audited Financial Statements as per IFRS with prior year comparison.

Financial Instruments and Other Instruments

The Company is not a party to any financial instruments and other instruments as defined in item 1.14 of National Instrument 51-102F1 — Management's Discussion and Analysis.

Fair values

The estimated fair value of cash, accounts receivable, other receivables, borrowings and finance leases approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of accounts payables and accrued liabilities approximates their fair values due to the requirement to extinguish the liabilities on demand.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial risk management objectives and policies

The financial risk arising from the Group's operations are currency risk, credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Group's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Credit risk

Credit risk is the risk of financial loss if a client fails to meet its contractual obligations, and arises primarily from the Corporation's trade accounts receivable and work in progress. The November 30, 2012 carrying amount of accounts receivables and work in progress totaling \$4,952,964 (November 30, 2011 - \$3,806,458) represents the maximum credit exposure.

A significant portion of the trade accounts receivable are from the tele-communications industry and as such, the Corporation is exposed to all the risks associated with that industry. However, the majority of these receivables are from well-established, Canadian clients, whose creditworthiness is of the highest level, thereby reducing the risk of material payment default.

The Corporation has an established credit policy under which each new client is analyzed individually for creditworthiness. The review includes external ratings where available, credit reference checks and, in some cases, bank references. Creditworthiness of existing clients is monitored on an ongoing basis, along with monitoring the amount and age of balances outstanding.

Liquidity risk

The Company manages its liquidity risk by preparing and monitoring forecasts of cash expenditures to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's accounts payable and accrued liabilities generally have maturities of less than 90 days. At November 30, 2012, the Company had cash of \$187,308 to settle current liabilities of \$5,260,250.

Undiscounted cash flows of financial liabilities based on maturity date are as follows:

	1 year	2 to 5 years	>5 years	Total
Accts Payable and Accrued Liabilities	1,975,296	-	-	1,975,296
Obligations under finance lease	412,427	341,009	-	753,436

Fair value hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Company's financial instruments where measurement is required. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS.

Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level two includes inputs that are observable other than quoted prices included in level one.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Level three includes inputs that are not based on observable market data.

All of the Company's cash is a level one as per the fair value hierarchy included in IFRS.

Concentration Risk

The Company does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At November 30, 2012, receivables from 3 customers comprised approximately 92% of the total outstanding receivables. One particular customer's account represents 45% of the total outstanding receivables at November 30, 2012. The Company reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances.

CAPITAL MANAGEMENT

The Company's primary objectives when managing capital are to continue the development of the business and support new growth initiatives. The Board of Directors does not establish quantitative capital criteria for management, but rather relies on the expertise of the Group's management to sustain future development of the business, and continued growth.

Capital Structure

During the fiscal year ended November 30, 2012, the company did not issue, buyback or cancel any shares, The company paid dividends totaling \$195,000 to its shareholders during the year. In the prior (2011) fiscal year the company repurchased and cancelled seventy (75) common shares, representing one-quarter of all shares outstanding for \$300,000.

Other MD&A Requirements

As defined in National Instrument 52-109 — Certification of Disclosure in Issuer's Annual and Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Approval

The directors of Distincttech have approved the disclosure contained in these Management Discussion and Analysis.

CERTIFICATE OF QE2 ACQUISITION CORP.

Dated: June 29, 2015

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of QE2 Acquisition Corp. assuming the completion of the Transaction.

(Signed) "*Mihalis Belantis*"

Mihalis Belantis
Chief Executive Officer

(Signed) "*Ben Leung*"

Ben Leung
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*Maria Nathanail*"

Maria Nathanail
Director

(Signed) "*Joe Gagliardi*"

Joe Gagliardi
Director

CERTIFICATE OF FIRST DISTINCTTECH INC.

Dated: June 29, 2015

The foregoing as it relates to DistinctTech Inc. constitutes full, true and plain disclosure of all material facts relating to the securities of DistinctTech Inc.

(Signed) "*Alex Agius*"

Alex Agius
Co-Chief Executive Officer

(Signed) "*Manny Bettencourt*"

Manny Bettencourt
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "*Alex Agius*"

Alex Agius
Director

(Signed) "*Joe Lanni*"

Joe Lanni
Director