



MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of VentureLink Innovation Fund Inc. (hereinafter referred to as the "Fund") to be used at the Annual and Special Meeting (the "Meeting") of the Shareholders of the Fund to be held at 1 First Canadian Place, Suite 1600, 100 King Street West, Toronto, Ontario on Tuesday, July 26, 2011 at 3:00 p.m. (Toronto time) and at any adjournment or adjournments thereof for the purposes set forth in the accompanying Notice of Meeting. It is expected that such solicitation will be primarily by mail, however, proxies may also be solicited by the directors or officers of the Fund by means of telephone, facsimile or in person. The cost of the solicitation of proxies by management will be borne by the Fund. All information set forth herein unless otherwise stated is as at May 31, 2011.

APPOINTMENT, REVOCATION AND DEPOSIT OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors or nominees of management of the Fund. **A SHAREHOLDER HAS THE RIGHT TO APPOINT ANY OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING AND MAY DO SO BY INSERTING IN THE BLANK SPACE PROVIDED IN THE SAID FORM OF PROXY THE NAME OF THE PERSON, WHO NEED NOT BE A SHAREHOLDER, WHO HE OR SHE WISHES TO APPOINT, OR BY COMPLETING ANOTHER FORM OF PROXY AND IN EITHER CASE, DELIVERING THE COMPLETED PROXY TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE FUND, NOT LATER THAN THE DAY PRECEDING THE DAY OF THE MEETING OR BY DEPOSITING IT WITH THE CHAIRMAN OF THE MEETING PRIOR TO THE COMMENCEMENT OF THE MEETING.**

Shareholders who are unable to attend the Meeting in person should complete and sign the enclosed proxy and return same in the enclosed envelope in order that it is received by CI Investments on behalf of VL Advisors Inc. at 15 York Street, 2nd Floor, Toronto, Ontario M5J 0A3 at any time up to 3:00 p.m. (Toronto time) on July 22, 2011 or 24 hours (excluding Saturday, Sunday and holidays) prior to any adjournment thereof.

A shareholder executing the enclosed form of proxy has the power to revoke it at any time before it is exercised. Section 148(4) of the *Canada Business Corporations Act* (the "CBCA") sets out the procedure for revoking proxies by the deposit of an instrument in writing at the registered office of the Fund at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of such Meeting on the day of the Meeting or any adjournment thereof or in any other manner permitted by law.

A shareholder attending the Meeting has the right to vote in person and if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

MANNER OF VOTING AND EXERCISE OF DISCRETION BY PROXIES

The Chairman of the Meeting may conduct a vote on any matter by a show of hands of the shareholders and proxy holders present at the Meeting and entitled to vote thereat unless a ballot is demanded by a shareholder present at the Meeting or by a proxy holder entitled to vote at the Meeting. Proxies in favour

of management will be voted on any ballot that may be called for and, where instructions are given with respect to a particular matter to be acted upon, such proxies will be voted in accordance with such instructions. If no instructions are given with respect to the particular matters to be acted upon, such proxies will be voted in favour of the motion described.

The form of proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting.

At the time of printing this Circular, the management of the Fund knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. **However, if other matters which are not known to the management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

A simple majority of the votes cast either in person or by proxy is sufficient to pass all the matters specified in the Notice of Meeting except for the special resolution authorizing the addition of certain amounts to the stated capital account maintained by the Fund in respect of its Class A shares. The special resolution requires that at least 66 2/3% of the votes cast either in person or by proxy to be cast in favour of the resolution in order for it to pass. In the case of an equality of votes, the Chairman of the Meeting shall not be entitled to a second or casting vote.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Fund consists of an unlimited number of shares as listed below:

Fund	Class of Shares	Authorized Number of Shares	Issued and Outstanding Number of Shares as of May 31, 2011
VentureLink Innovation Fund Inc.	Class A Series I	unlimited	3,548,160
	Class A Series II	unlimited	1,849,793
	Class A Series III	unlimited	9,025,242
	Class A Series IV	unlimited	3,921,477
	Class A Series VI	unlimited	142,235
	Class B	unlimited	400

At the Meeting, holders of all classes of shares are entitled to one vote per share.

In accordance with National Instrument 54-101 – *Proxy Solicitation* of the Canadian Securities Administrators, the Fund has fixed the close of business on June 1, 2011 as the record date for the purpose of determining shareholders entitled to receive the Notice of Meeting. All shareholders of record as at the close of business on the record date will be entitled to vote at the Meeting except to the extent that any such shareholder has since the record date transferred any of his or her shares. In such case, a transferee of those shares may produce properly endorsed share certificates, or otherwise establish that he or she owns the shares and provided that he or she has demanded no later than 10 days before the Meeting that the Fund recognizes the transferee as the person entitled to vote the transferred shares, such transferee will be entitled to vote his or her shares at the Meeting.

To the knowledge of management, no person or company owns of record, and management knows of no person or company who owns beneficially, directly or indirectly, more than 10% of the issued Class A Shares of the Fund. The directors and senior officers of the Fund, as a group, and the directors and senior officers of VL Advisors Inc. (the “**Manager and Investment Advisor**” or “**Advisors**”), as a group, beneficially own, directly or indirectly, less than 2% of the issued and outstanding Class A Shares of the

Fund. The Canadian Federal Pilots Association (the “**Sponsor**”) owns of record and beneficially all of the issued and outstanding Class B Shares of the Fund.

PARTICULARS OF MATTERS TO BE ACTED UPON

Items 1 through 3 below constitute the annual business and item 4 constitutes the special business to be conducted at the Meeting.

1. Presentation of Financial Statements

The financial statements for the year ended December 31, 2010, and the report of the auditors thereon, each of which is contained in the Fund’s annual report, will be placed before the Meeting. Additional copies of such financial statements may be obtained from the Manager and Investment Advisor at 3 Church Street, Suite 602, Toronto, Ontario M5E 1M2 or by telephoning the Manager and Investment Manager at 416-681-6676 in Toronto or toll free at 1-800-253-1043.

2. Election of Directors

The Articles of the Fund (the “**Articles**”) provide that the Board of Directors (the “**Board**”) shall consist of a minimum of three (3) and a maximum of nine (9) directors. The Board presently consists of seven (7) directors, all of whom are deemed to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. Management proposes that seven (7) directors be elected for the ensuing year. The Articles provide that the holders of Class A Shares, as a class, are entitled to elect two directors and the holders of Class B Shares are entitled, as a class, to elect that number of directors representing the total number of directors less the number of directors that the holders of the Class A Shares are entitled to elect as a class, provided that such number of directors which the holders of the Class B Shares are entitled to elect shall be a majority of the total number of directors. For the Meeting, the holder of the Class B Shares is entitled, as a class, to elect five (5) directors and the holders of the Class A Shares are entitled to elect two (2) directors in total.

Management does not contemplate that any of the nominees will not be able to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion. Each director elected will hold office until his or her successor is duly elected at the next annual meeting of the shareholders of the Fund unless, prior thereto, he or she resigns or his or her office becomes vacant by reason of death or other cause under applicable law.

Class A Shares

Two (2) persons will be nominated at the Meeting for election as directors by the holders of the Class A Shares of the Fund or their duly appointed proxy. Set forth below are the names of such persons, their principal occupations, their period of service as directors of the Fund and the approximate number of Class A Shares of the Fund beneficially owned or over which control or direction is exercised by them as of the date hereof.

Name and Municipality of Residence	Position with the Fund and Principal Occupation	Director Since	Class A Shares of the Fund Owned or Controlled
IAIN A. ROBB ⁽¹⁾ Toronto, Ontario	Director of the Fund, Partner of Gowling Lafleur Henderson LLP (Law Firm)	September 24, 2001	NIL
ROBERT B. FALCONER ⁽¹⁾ Toronto, Ontario	Director of the Fund, Retired	December 18, 2003	NIL

⁽¹⁾ Member of the Audit and Valuation Committee and Investment Committee.

Class B Shares

Five (5) persons will be nominated at the Meeting for election as directors by the Sponsor, the holder of all of the issued Class B Shares of VentureLink Financial Services Innovation Fund Inc., or its duly appointed proxy. Set forth below are the names of such persons, other positions and offices with the Fund now held by them, their principal occupations, their period of service as directors of the Fund and the approximate number of Class A Shares of the Fund beneficially owned or over which control or direction is exercised by each of them as of the date hereof.

Name and Municipality of Residence	Position with the Fund and Principal Occupation	Director Since	Class A Shares of the Fund Owned or Controlled
DANIEL SLUNDER Ottawa, Ontario	Director of the Fund and Chairman of the Sponsor	July 1, 2009	NIL
CHRISTOPHER M. HOPPER ⁽¹⁾ Toronto, Ontario	Director of the Fund, President and Chief Executive Officer of KLQ Mechanical Limited	December 18, 2003	NIL
W. JAMES WHITAKER Toronto, Ontario	Director and CFO of the Fund, Director and Managing Partner of the Manager and Investment Advisor	December 23, 2005	Owns 1,393 Class A Shares
GEOFFREY D. HORTON Toronto, Ontario	Director and CEO of the Fund Director and Managing Partner of the Manager and Investment Advisor	July 25, 2006	Owns 1,235 Class A Shares
MICHAEL KELLY Toronto, Ontario	Director, Retired	July 25, 2007	NIL

⁽¹⁾ Member of the Audit and Valuation Committee and the Investment Committee.

The following is a brief biographical description, including a description of the principal occupations for the last five years of each of the proposed nominees:

Robert B. Falconer was most recently the Director of Community Loans Policy and Risk Control with the Ontario Infrastructure Projects Corporation. He has more than 25 years of experience in senior finance positions in the public and private sectors in Canada. His corporate finance experience began as a senior financial analyst with Shell Canada in 1980. He has since held senior management positions with Xerox Canada, Central Guaranty Trust, Ontario Clean Water Agency, and Altamira Financial Services. Mr. Falconer holds a B.Sc. in physics from the University of Manchester Institute of Science and Technology, and an MBA specializing in finance from the University of Saskatchewan.

Christopher M. Hopper is President and Chief Executive Officer of KLQ Mechanical Limited, a Mississauga based commercial heating, ventilation, air conditioning and refrigeration contracting firm. Prior to this, Mr. Hopper was the President and Chief Executive Officer of Northern Home Services, a Toronto-based residential heating and air conditioning contracting firm. He has more than 15 years of experience in management positions in several industries. He began his career as an analyst in the mergers and acquisitions department of RBC Dominion Securities, before spending five years as a strategic consultant and manager with Bain & Co. in Toronto and San Francisco. His experience also includes senior positions in the pharmaceutical and technology industries. Mr. Hopper holds a BA in philosophy from Dalhousie University, a diploma in French studies from the Université de Franch-Comte and an MBA from the University of Western Ontario.

Geoffrey D. Horton is a Director and Officer of VL Advisors Inc. and CEO and a Director of the Fund. Mr. Horton joined the former manager of the Fund in October 2001, and has been involved in management of

the portfolio investments since that time. Previously, Mr. Horton held various investment management roles at a competing labour sponsored investment fund focused on early and later stage venture capital investing, and worked as an agent to trade in the institutional fixed income market prior to that. Mr. Horton holds a Bachelor of Commerce (Honours) from Queen's University, a Diploma in Classical Animation from Vancouver Film School and is a Chartered Financial Analyst.

Michael Kelly has over 25 years experience in the financial services industry. He began his career as an investment advisor with Pitfield Mackay Ross, and has held senior sales and management positions with three major Canadian financial services companies. He was most recently a Senior Vice-President with CI Investments. He currently consults to the financial services industry.

Iain A. Robb is a partner of the law firm Gowling Lafleur Henderson LLP, where he is a member of the corporate finance group. Mr. Robb's practice is restricted to corporate and securities matters with a particular emphasis on mutual funds and structured investment products. Mr. Robb holds a Bachelor of Laws degree from the University of Toronto and a Bachelor of Arts (Industrial Relations) degree from McGill University. In addition to being a director of the Fund, Mr. Robb is a director of various other investment funds, including other labour sponsored investment funds.

Daniel R. Slunder is the National Chairman of the Sponsor. He began representing his fellow pilots in this role on July 1, 2009. Between 1997 and 2009, Mr. Slunder was a Civil Aviation Inspector responsible for the Approved Check Pilot Program with Transport Canada in Ottawa, Ontario. Prior to that Mr. Slunder served as a pilot with the Canadian Forces for 23 years, retiring at the rank of Major.

W. James Whitaker is a Director and Officer of VL Advisors Inc. and CFO and a Director of the Fund. Mr. Whitaker joined Skylon, the former manager of the Fund, in March 2003. Mr. Whitaker was at Working Ventures from 1994 to February 2003, most recently as Senior Vice-President, Investments. While at Working Ventures, Mr. Whitaker led the information technology team, led investments and served as a member of the board of directors of approximately twenty venture investments and was a member of the management investment committee. Prior to such time, Mr. Whitaker worked at Ernst & Young LLP providing financial advisory services to mid-market companies in a wide range of industries. Mr. Whitaker is a Chartered Accountant and a Chartered Business Valuator. Mr. Whitaker holds a Bachelor of Commerce degree from McGill University.

The Fund does not have an Executive Committee of its Board. The members of the audit and valuation committee and the investment committee are Robert B. Falconer, Christopher M. Hopper and Iain A. Robb. The members of the independent review committee are Robert B. Falconer, Christopher M. Hopper and Michael Kelly.

The Sponsor has entered into a number of agreements between the Fund, the Sponsor and CFP Sponsor Inc. (the "**Sponsor Agreements**"), in which it was agreed, as it relates to the Fund, that the Sponsor will elect one nominee who will be the representative of the Sponsor and four nominees nominated from time to time by the Manager who will be the representatives of the Manager on the board of directors of the Fund. Any further nominee directors will be nominated jointly by the Manager and the Sponsor.

3. Appointment of Auditors

The persons designated in the enclosed form of proxy intend to vote for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, P.O. Box 82, Royal Trust Tower, Suite 3000, Toronto-Dominion Centre, 77 King Street West, Toronto, Ontario M5K 1G8, as auditors of the Fund and to authorize the directors to fix the auditors' remuneration. PricewaterhouseCoopers LLP was first appointed as auditor of the Fund in June 2004.

4. Increase to Stated Capital of the Fund

On the Manager and Investment Advisor's recommendation the Fund intends to capitalize annually

sufficient amounts of its capital gains and interest and other investment income to permit the Fund to minimize taxes payable by it. The Fund proposes to effect the capitalization by increasing the stated capital of each series of its Class A shares. For tax purposes this will increase the paid up capital of the shares of the series. The Fund has made an election to have subsection 84(1) of the Tax Act apply, so that the increase of the paid up capital of its Class A shares will result in a deemed dividend entitling the Fund to a refund of all or part of any refundable tax otherwise payable on its interest and other investment income or realized capital gains, as the case may be.

On the Manager and Investment Advisor's recommendation, the Fund proposes to capitalize income prior to December 31, 2011 in an aggregate amount equal to an estimate of the amount that would allow the Fund, pursuant to subsection 129(1) of the *Income Tax Act* (Canada) (the "**Tax Act**"), to obtain a refund up to the maximum refund of tax otherwise payable on its investment income (other than capital gains) income for the taxation year ended December 31, 2011. On the recommendation of the Manager and Investment Advisor, the Fund proposes to capitalize further amounts at appropriate intervals on or before February 28, 2011 which in the aggregate equal an estimate of the amount which would allow the Fund, pursuant to subsection 131(2) of the Tax Act, to obtain the maximum refund in respect of tax payable or realized capital gains for its taxation year ending December 31, 2011. The Chief Financial Officer of the Fund will estimate the amounts to be capitalized and these amounts will be approved by the Manager and Investment Advisor of the Fund.

The maximum amount of the refund to which a Fund may be entitled under subsection 129(1) of the Tax Act is an amount equal to the lesser of : (i) 33 1/3% of taxable dividends paid in the year, and (ii) the Fund's refundable dividend tax on hand at the end of the year. A Fund's refundable dividend tax on hand is a cumulative amount generally equal to a portion of the tax paid on the Fund's interest and investment income, other than capital gains. Detailed rules in the Tax Act govern the calculation of a Fund's refundable dividend tax on hand.

The maximum amount of the refund to which a Fund may be entitled under subsection 131(2) of the Tax Act is an amount equal to the lesser of: (i) 14% of capital gains dividends paid during the period commencing 60 days after the beginning of the year and ending 60 days after the end of the year, plus the Fund's capital gains redemptions for the year, and (ii) the Fund's refundable capital gains tax on hand at the end of the year. A Fund's refundable capital gains tax on hand is a cumulative amount generally equal to the unrefunded federal tax paid on the Fund's net realized capital gains. Detailed rules in the Tax Act govern the calculation of a Fund's refundable capital gains tax on hand.

Each separate increase in paid up capital will be deemed to be a dividend paid on the Class A shares for tax purposes. If you are an individual holding Class A shares directly, rather than in a registered retirement savings plan ("**RRSP**") or registered retirement income fund ("**RRIF**"), your proportionate share of the amount capitalized will (unless it is designated as a capital gains dividend as described below) be included in your income and subject to the gross-up and dividend tax credit rules in the Tax Act. An enhanced gross-up and dividend tax credit will be available to the extent, if any, that the Fund designates dividends to be eligible dividends. A Fund may make an election that will cause a deemed dividend on the Class A shares to be a capital gains dividend. The election must be made in respect of the full amount of the deemed dividend. The dividend will be deemed to be a capital gains dividend to the extent that it does not exceed the Fund's capital gains dividend account at that time. Your proportionate share of the capital gains dividend will be taxed in your hands as a capital gain from the disposition of capital property.

You will not receive any cash distribution in respect of the increase in stated capital of our Class A shares. Accordingly, you may be liable to pay tax in respect of the deemed dividend or the capital gains dividend even though you have not received a cash distribution from the applicable Fund with which to pay the tax.

In general, a shareholder's adjusted cost base of Class A shares of a Fund will be increased by the amount of any dividend deemed to have been received on such shares.

A holder of a Class A share which is a RRSP or a RRIF is generally exempt from tax on the amount of any deemed dividend, including a capital gains dividend.

For the purpose of the CBCA, the capitalization of income results in a corresponding increase in the stated capital account maintained by the Fund in respect of each series of its Class A shares. Under that Act, a Fund is required to obtain the approval of its shareholders by way of a special resolution to any increase in the stated capital account in respect of its Class A shares. For the purpose of satisfying this requirement, it is proposed that a special resolution be passed by the shareholders of the Fund in the form attached as Schedule A to this Circular. The special resolution must be passed by at least two-thirds of the votes cast by the holders of the Class A shares and the holder of the Class B shares of the Fund who voted on the proposed resolutions at the Meeting for that Fund. It is expected that shareholders of the Fund will be asked to approve such special resolution on an annual basis.

The foregoing summary is not intended to be, nor should it be construed to be legal or tax advice. You should consult your own tax advisors for your individual circumstances.

Assuming all necessary shareholder approvals are given at the Meeting, this special resolution will become effective and the Fund will to the extent determined appropriate by its management, increase the paid-up capital of each series of its Class A shares, on or before February 28, 2012 by an amount determined in respect of its taxation year ending December 31, 2011.

MANAGEMENT OF THE FUND

Executive Compensation

Remuneration of Executive Officers

The executive officers of the Fund will receive no direct compensation or benefits, in cash or otherwise, from the Fund. The services of the Chief Executive Officer and the Chief Financial Officer are to be provided by the Manager and Investment Advisor under the Management and Investment Advisory Agreement at the expense of the Manager.

Remuneration of Directors

Directors of the Fund, other than directors who are members of the Sponsor or directors, officers or shareholders of the Manager or the Investment Advisor are entitled to receive an annual fee of \$36,000. There is no fee payable to directors for attending meetings of the board of directors or regular committees. The Board has the authority to award additional compensation to directors participating on any special committees as required from time to time. In 2011, Directors received an additional \$52,500 in aggregate for participation with a special committee. Directors of the Fund who are members of the Sponsor or are directors, officers or shareholders of the Manager and Investment Advisor will receive no compensation for attendance at meetings. All directors are entitled to be reimbursed for expenses incurred in attending meetings of the board of directors or any committee thereof.

Remuneration of Members of the Independent Review Committee)

Members of the IRC are entitled to receive an annual fee of \$12,000.

Manager and Investment Advisor

VL Advisors Inc. was incorporated under the laws of the Province of Ontario on August 23, 2005 and is a wholly-owned subsidiary of VentureLink LP. VentureLink LP acted as the manager and VL Advisors Inc. acted as investment advisor to each of VentureLink Balanced Fund Inc., VentureLink Brighter Future Fund Inc., VentureLink Diversified Income Fund Inc. and VentureLink Financial Services Innovation Fund Inc. VentureLink LP assigned to VL Advisors Inc. the management agreements with each of those funds as of September 10, 2010 and the Fund and VL Advisors Inc. have entered into a new Management and Investment Advisory Agreement dated October 26, 2010 effective as of September 10, 2010. The Management and Investment Advisory Agreement replaced, in its entirety, the respective management

agreements between VentureLink LP and the predecessor funds and the investment advisory agreements between VL Advisors Inc, VentureLink LP and the predecessor funds.

VL Advisors Inc. is responsible for developing and implementing all aspects of the Fund's sales, marketing, distribution and communications strategies, developing, refining and implementing the investment strategy for the Fund, including managing all investments on behalf of the Fund. VL Advisors Inc. is also responsible for organizing the retention and supervision of various service providers of the Fund. VL Advisors Inc. will be responsible for managing the relationships with registered dealers selling Class A Shares of the Fund and paying or arranging for the payment of a 10% or a 6% sales commission to dealers originating the sales of the Class A Shares, Series III and Class A Shares, Series IV, respectively of the Fund. Such sales commission costs will not be charged to nor amortized by the Fund. See "Purchases of Securities". VL Advisors Inc. has arranged for a third party to provide the financing for sales contributions for which that third party will be paid an annual Distribution Services Fee of up to 1.65% and 1.15% of the net asset value of the Class A Shares, Series III and Class A Shares, Series IV, respectively. The Distribution Services Fee is intended to reimburse the third party for financing and administrative costs incurred to fund the payment of the sales commissions. See "Purchases of Securities".

VL Advisors Inc.'s sole business is managing the Fund. The principals of VL Advisors Inc. who have primary responsibility for the affairs of the Fund are W. James Whitaker and Geoffrey D.Horton, biographies for whom are set out above.

The Manager and Investment Advisor has approximately \$178 million in assets under management all of which is with the Fund. Under the *Securities Act* (Ontario), VL Advisors Inc. is regarded as a promoter of the Fund. VL Advisors Inc. carries on business at 3 Church Street, Suite 602, Toronto, Ontario M5E 1M2.

Officers and Directors

The officers and directors of Advisors are as follows:

Name and Municipality of Residence	Position with Advisors	Principal Occupation
W. JAMES WHITAKER Toronto, Ontario	Chief Executive Officer and Managing Partner	Managing Partner, VL Advisors Inc.
GEOFFREY D. HORTON Toronto, Ontario	Chief Financial Officer and Managing Partner	Managing Partner, VL Advisors Inc.
DAVID FORSYTH Toronto, Ontario	Vice President Investments	Vice President Investments, VL Advisors Inc.

For brief biographical description of W. James Whitaker and Geoffrey D. Horton, please see "Particulars of Matters to be Acted Upon - Election of Directors" above.

The following is a brief biographical description of David Forsyth.

David Forsyth joined VentureLink LP in October 2004. Prior to this he spent over 3 years as Analyst then Senior Analyst for OMERS Private Placements group which invested in various industries including infrastructure, financial services, energy, oil & gas, distribution and manufacturing. His previous experience also includes Arthur Andersen's Real Estate Advisory Group, EPCOR and Intrawest. Mr. Forsyth has an M.B.A. from the University of Alberta.

Summary of the Management and Investment Advisory Agreement

The Management and Investment Advisory Agreement outlines the services VL Advisors Inc. has to provide to the Fund, along with the terms of consideration the Fund pays VL Advisors Inc. for those services. The agreement will expire, unless terminated earlier by either party thereto in accordance with the terms of such agreement, upon the dissolution, winding-up or termination of the Fund. VL Advisors Inc. as the manager and investment advisor may terminate the agreement in the event that: (i) the Fund is in breach or default of any material provision thereof and such breach or default has not been cured within twenty business days of written notice of such breach or default to the Fund; (ii) there is a fundamental change in the investment objective, strategy or restrictions applicable to the Fund; (iii) the Fund ceases to carry on business; or (iv) the Fund becomes bankrupt or insolvent. The Fund may terminate the agreement in the event that: (i) VL Advisors Inc. is in breach or default of any material provision thereof and such breach or default has not been cured within twenty business days of written notice of such breach or default to VL Advisors Inc.; (ii) VL Advisors Inc. ceases to carry on business; or (iii) VL Advisors Inc. becomes bankrupt or insolvent. In the event that the agreement is terminated, the board of directors shall promptly appoint a successor manager to carry out the activities of VL Advisors Inc. for the Fund until a meeting of shareholders of the Fund is held to confirm such appointment.

Management and Investment Advisory Fees

As compensation for the services provided for and on behalf of the Fund by the Manager and Investment Advisor, the Fund pays an annual management fee of 1.25% and an investment advisory fee of 2.0% of the net asset value of the Fund, which fee is calculated and paid monthly in arrears. For the year ended December 31, 2010, the management fee and investment advisory fees were paid separately to the time of the amalgamation on September 10, 2010 and as one Management and Investment Advisory fee thereafter. Total such fees paid during the year were approximately \$4,692,000.

Performance Bonus

The Investment Advisor is entitled to a performance bonus (the "**Performance Bonus**") based on realized gains and cumulative performance of the investments of the Fund, other than reserves made with capital raised from the sale of Class A Shares as outlined in the prospectus documents of this Fund.

For the year ended December 31, 2010, performance fees paid were \$73,000.

Sponsorship Fee

The Sponsor was retained by the Fund to act as sponsor to the Fund. The Sponsor holds all of the Class B Shares. The Sponsor is entitled to receive an annual fee of 0.25% of the net asset value of the Fund, which fee is paid by the Fund monthly in arrears based on the net asset value of the Fund calculated as at the end of the preceding month. For the year ended December 31, 2010, the Fund paid an aggregate sponsorship fee of \$361,000.

GENERAL

Management knows of no other matters to come before the Meeting other than the matters referred to in the notice of Meeting. **HOWEVER, IF ANY OTHER MATTERS WHICH ARE NOT NOW KNOWN TO MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE PROXY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSON OR PERSONS VOTING THE PROXY.**

Shareholders' Proposals

A shareholder intending to submit a proposal at an annual general meeting of shareholders of the Fund must comply with the applicable provisions of the CBCA. The Fund will include a shareholder proposal in the information management circular prepared for the 2012 annual general meeting of shareholders

provided that such proposal is received by the Fund at the Manager's head office on or before at least 90 days prior to the anniversary date of the notice of meeting that accompanies this Circular and provided that such proposal is required by the CBCA to be included in the Fund's information circular.

BOARD APPROVAL

The contents and sending of this Circular have been approved by the directors of the Fund.

**BY ORDER OF THE BOARD OF DIRECTORS OF
VENTURELINK INNOVATION FUND INC.**

"W. James Whitaker"

W. James Whitaker
Chief Financial Officer and Director
of the Fund

Toronto, Ontario
June 3, 2011

SCHEDULE "A"

RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF VENTURELINK INNOVATION FUND INC. THAT:

1. if required, the Fund add on or before February 28, 2012 to the stated or paid up capital account maintained by the Fund in respect of each series of its Class A shares an amount of the Fund's capital gains, interest and other income earned in respect of such series for the 2011 financial year as the directors of the Fund, in their discretion, determine shall be added to such series of Class A shares;
2. any director or officer of the Fund is hereby authorized to sign all documents and do all things necessary or desirable to give effect to this resolution.