

2010
Mitec Telecom Inc.
Annual Information Form
For the fiscal year ended April 30, 2010
Dated July 23, 2010



TABLE OF CONTENTS

CORPORATE STRUCTURE	1
Name and Incorporation.....	1
Inter-corporate Relationships.....	1
GENERAL DEVELOPMENT OF THE BUSINESS	1
Overview	1
Three-Year History.....	2
DESCRIPTION OF THE BUSINESS	5
BUSINESS STRATEGY	6
Key Drivers.....	6
Key Objectives	6
Products	7
Customers	8
Sales and Marketing.....	8
Service and Warranty	9
Manufacturing and Quality Control	9
Research and Development.....	9
Competition.....	10
Facilities.....	11
Employees.....	11
MANAGEMENT'S DISCUSSION AND ANALYSIS	11
RISK FACTORS	11
GOING CONCERN UNCERTAINTY	12
DIVIDEND RECORD AND POLICY	13
CAPITAL STRUCTURE.....	14
MARKET FOR THE NEGOTIATION OF SECURITIES	14
Price range and trading volume	14
DIRECTORS AND OFFICERS	15
Principal Occupations of Directors and Officers.....	15
Cease Trade Orders, Bankruptcies, Penalties or Sanctions	15
Conflicts of Interest	16
AUDIT COMMITTEE INFORMATION	16
Audit Committee Members	16
Pre-approval of Policies and Procedures	17
External Auditor Service Fees.....	17
LEGAL PROCEEDINGS	18
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	18
TRANSFER AGENT AND REGISTRAR.....	18
MATERIAL CONTRACTS	18

INTERESTS OF EXPERTS.....	18
ADDITIONAL INFORMATION.....	18
DOCUMENTS INCORPORATED BY REFERENCE.....	19
DATE OF INFORMATION.....	19

CORPORATE STRUCTURE

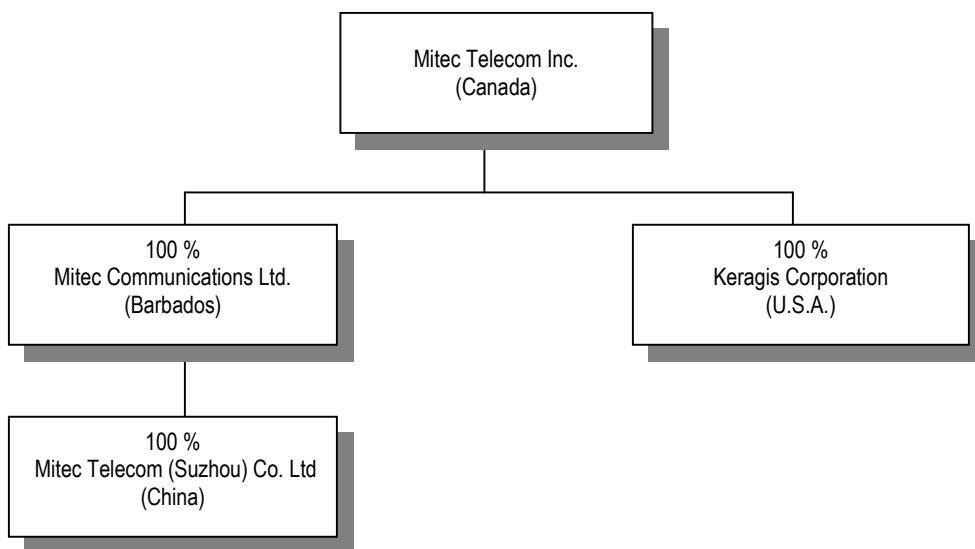
Name and Incorporation

Mitec Telecom Inc. was formed on May 1, 1996 by Articles of Amalgamation issued pursuant to the *Canada Business Corporations Act*. Its articles were amended on May 14, 1996 in order to remove the private company restrictions and subdivide its common shares into a total of 6,670,000 common shares. As of April 30, 2010, there were 220,666,756 common shares of the Corporation issued and outstanding. The head office of Mitec Telecom Inc. is located at 3299 Jean-Baptiste-Deschamps Blvd, Lachine, Quebec, H8T 3E4. The Corporation's website address is www.mitectelecom.com.

For the purposes of this annual information form, unless the context otherwise indicates, the "Corporation" or "Mitec" refers to Mitec Telecom Inc., its divisions and its material subsidiaries, Mitec Communication Ltd. (Barbados), Mitec Telecom (Suzhou) Company Ltd. (China) "Suzhou" and Keragis Corporation (U.S.A.) "Keragis", and their respective predecessors.

Inter-corporate Relationships

The following chart shows the Corporation's material subsidiaries as at April 30, 2010, and indicates their respective jurisdiction of incorporation and the percentage of voting securities of each subsidiary held or controlled by the Corporation. None of the subsidiaries indicated has any outstanding non-voting securities.



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The Corporation designs and manufactures telecommunication products and solutions in two core business segments: Telecommunications ("Telecom") and Satellite Communications ("Satcom"). The Corporation sells its products worldwide mainly to network providers for incorporation into high-performing wireless communication infrastructures that enable voice, data/Internet and ultimately multimedia communications. Mitec's customers include major global players in the telecommunications industry.

The Corporation is headquartered in Lachine, Quebec, Canada. Worldwide operations also include a location in Suzhou (China) and in Poway (U.S.A.). The global workforce on April 30, 2010, was 273 employees.

Three-Year History

On September 25, 2007, the Corporation announced the acquisition, effective September 17, 2007, of Keragis Corporation, a producer of unique, next-generation amplifier solutions for commercial and military communications and radar systems, giving Mitec an extensive product offering to key US system integrators. Keragis Corporation's President, Robert Rector, was appointed Chief Technology Officer at Mitec and joined the board of directors at the Corporation's Annual General Meeting held on October 19, 2007. Mr. Rector later resigned from the Board in 2009.

On October 19, 2007, Mitec completed a convertible debenture financing for \$2.5 million. The debentures were convertible into common shares of the Corporation at the lower of \$0.18 and market price (subject to a \$0.12 minimum), were unsecured and bore interest at 10% per annum. The debentures would mature on October 17, 2009. The subscribers also received warrants to purchase an additional 13,888,889 common shares at \$0.18 until that same date. The proceeds were used for general working capital purposes with a focus on supporting new product development.

On October 24, 2007, Robert Boisjoli and David B. Parkes were appointed to the Corporation's board of directors.

On January 9, 2008, Jeffrey Mandel was appointed as Director, Investor and Corporate Relations to create and manage an integrated communications strategy for the Corporation including communications with investors and other relevant functions such as executive communications, and analysts and public relations.

On January 23, 2008, the Corporation announced that it had reached an agreement to supply its rugged Tower Mount Amplifiers ("TMA") to a major North American wireless operator over the next two years. These TMA were manufactured at the China facilities but the research and development was conducted in Canada.

On January 31, 2008, Mitec was awarded a new contract to provide its Very Small Aperture Satellite Terminal ("VSAT") products from a major cellular network operator in Africa. Deliveries commenced in Q4 FY08 and continued into the first two quarters of fiscal 2009.

On February 7, 2008, the Corporation announced a \$2.7 million contract from a major Chinese telecom provider for its mobile wireless Interference Mitigation Filters ("IMF"), deliveries of which were to take place over the next two quarters.

On February 14, 2008, Mitec announced the expansion of its manufacturing capabilities in China following the move to a newly leased 38,000 square foot facility located a few kilometers from its current location in Suzhou, China.

On February 19, 2008, the Corporation announced the installation of its next generation satellite technology in a Global System for Mobile Communications base station in the Himalayas at an elevation of 20,000 feet. This technology enabled the Beijing Olympic torch relay to be broadcast from its highest point on earth.

On February 26, 2008, Mitec introduced its next-generation amplifier solutions, developed by Keragis Corporation, at the Satellite 2008 Conference and Exhibition in Washington, D.C.

On March 5, 2008, the Corporation announced that it had received a second order from a major cellular network operator in Africa to provide its VSAT component, also known as a VSAT Block Upconverter (“BUC”).

On April 2, 2008, Mitec announced that it had received its third order from a major cellular network operator in Africa to provide its VSAT component. Manufacturing was to take place at the Corporation’s Montreal facility and deliveries were to be made over the next several months.

On May 20, 2008, the Corporation announced that it had received a \$3.0 million order for its wireless solution products from a major telecom provider. Deliveries were to take place over the next three to six months.

On May 23, 2008, the Corporation announced the nomination of Jeffrey Mandel to the position of Chairman of the board of directors.

On September 19, 2008, the Corporation announced that it had extended the expiry date of 4,650,000 of its common share purchase warrants by a further 6 months, until April 3, 2009, due to turbulent state of the capital markets.

On November 13, 2008, the Corporation announced that it had been selected to supply products from its fixed wireless product line to one of the world’s largest telecom providers. This agreement had the potential to deliver results that could equal the Corporation’s present day wireless business over the next several years.

On November 19, 2008, the Corporation announced that it had received orders exceeding \$1.6 million for mobile wireless infrastructure components from two of the world’s top five major telecom providers.

On November 27, 2008, the Corporation announced that it had received a U.S. patent for its solid state power amplifier (“SSPA”) technology from the United States Patent and Trademark Office. The technology enables use of high-powered amplifiers in compact structures.

On December 4, 2008, the Corporation announced its intention to carry out a normal course issuer bid through which it proposed to purchase up to 11,033,337 of its common shares, representing approximately 5% of its issued and outstanding common shares, effective December 8, 2008.

On January 7, 2009, the Corporation announced that it had received the first purchase agreement for fixed wireless components from a new customer and leading telecom provider. It was the first in a series of agreements that the Corporation expected to receive from this customer over a long-term period.

On February 17, 2009, the Corporation announced that it had received the first order for a network trial from one of Canada’s largest telecom operators. The order was for a coverage solution product that has proven effective for enhancing network performance of co-sited wireless services networks. It was the first order for this product from a Canadian telecom operator.

On March 16, 2009, the Corporation announced that it has extended the term of 4,650,000 common share purchase warrants that were issued as part of a private placement which closed on October 18, 2006 and the 19,289,779 common share purchase warrants that were issued as part of a private placement which closed on March 30, 2007 until October 30, 2009.

On April 20, 2009, the Corporation announced that it had received a multi-site order from a major Canadian telecom operator. This new order resulted from a successful network trial involving the Corporation’s coverage solution products which was announced in February 2009.

On May 26, 2009, Mitec launched a new Mandarin language website. This new website reflects Mitec's commitment to its China presence and allows the Corporation to service the local market more effectively.

On July 29, 2009, Mitec announced that it had received customer commitments for Keragis' patented SSPA technology which would likely amount to almost \$3.0 million in revenue, including a \$700,000 U.S. purchase order from the U.S. Department of Defense and qualification to participate in a US \$2.0 million program led by a major U.S. systems integrator also in the military industry.

On August 6, 2009, Mitec announced that it had received approximately \$1.0 million in new orders for a niche product line it had developed which enhances performance of existing networks. The project involved using some of Mitec's core solutions such as Tower Mount Boosters ("TMB") and DAS to upgrade an existing telecommunication system located in Dryden, Ontario which was suffering from performance issues. Mitec's equipment resolved these issues and along with support from Dryden Municipal Telephone System/Dryden Mobility, successfully demonstrated that existing networks can be upgraded to state-of-the-art networks demanded by today's telecom users.

On August 27, 2009, Mitec announced that it had received two new orders from a customer in Africa for equipment from the recently launched VSAT MTX BUC line which enables cellular network expansion. It also received an order for a large earth station switching network that will be used in a satellite uplink expansion program taking place in Asia.

On October 21, 2009, Mitec announced that it had extended the term of 4,650,000 common share purchase warrants that were issued as part of a private placement which closed on October 18, 2006 (originally extended on October 3, 2008 and again on March 16, 2009 at an exercise price of \$0.10) and 18,952,279 common share purchase warrants that were issued as part of a private placement which closed on March 30, 2007 (originally extended on March 16, 2009 at an exercise price of \$0.22) for a further twelve months until October 30, 2010.

On October 26, 2009, Mitec announced that it had begun deliveries of a new high-powered pulse amplifier designed for a U.S. military customer as part of a large communications program. The initial deliveries were valued at over \$400,000 and involved the Corporation's Keragis subsidiary.

On October 29, 2009, Mitec announced that it had completed a private placement of convertible debentures with both new and existing shareholders, including Mitec's largest institutional investors. Proceeds were used to redeem debt which matured on October 17, 2009, and for working capital purposes. The debentures are convertible into Mitec common shares at \$0.06 per share, and pay interest at a rate of 12 percent per annum for a period of two years.

On January 19, 2010, Mitec announced that it had been selected as the lead supplier for diplexers for one of the world's largest telecom equipment providers. As of July 23, 2010, the agreement has generated \$0.5 million of revenues and the Corporation maintains its forecasts of over \$3.0 million for the balance of this year. The Corporation has set up for volume production to manage this opportunity effectively.

On January 21, 2010, Mitec announced that it had been selected as the lead supplier for its flexible waveguide solution for one of the world's largest telecom equipment providers. The specific application in this supply agreement involved point-to-point radio diplexers ("diplexers") and subsequently generated over \$1.5 million in orders and should reach \$2.0 million, as expected.

On February 11, 2010, Mitec announced that it had received a new order for its VSAT MTX Block BUC product line. The equipment was used as part of a GSM cellular backhaul system in South America, which was part of a government mandate to expand rural cellular coverage in this region. This order represented a new territory win for Mitec's recently released MTX equipment.

On March 4, 2010, Mitec announced that it had arranged a receivables financing facility in the amount of \$2.5 million from a Canadian financial institution specializing in assisting small and medium sized businesses entering growth phases. The facility, which is subject to standard financial conditions, has been used to support Mitec's working capital requirements and growth opportunities.

On March 16, 2010, Mitec announced that it had received a major order for its latest R&D initiative, a dual band Distributed Antenna System ("DAS") network. Mitec is optimistic that follow-on orders will be received with respect to this specific project and that it will be an excellent reference point for Mitec for other applications this technology can serve. DAS resolves capacity issues in areas where existing network traffic is over capacity by providing an alternative to space and regulatory zoning challenges for operators to overlay a network solution in high traffic areas, such as metropolitan areas.

On June 15, 2010, Mitec announced that it had begun initial shipments for components designed for next generation Long Term Evolution (LTE) 4G wireless networks to a major global telecom company. This shipment, which is expected to generate approximately \$1.7 million in revenue over the next months, is part of a larger initiative and is expected to continue for the balance of fiscal 2011 and onward. It is anticipated that this product line will represent a significant source of revenue for Mitec over the next several years. The components are being produced at the Corporation's China facility.

On July 7, 2010, Mitec announced that it had received an initial order for one of its innovative coverage solution products for delivery by July 31, 2010. The customer, a Canadian telecom company was a new customer to Mitec. This Mitec 3G network solution enables an operator to reduce operational costs while allowing delivery of next generation services at a lower cost than present network architectures.

On July 15, 2010, Mitec announced that it had received an order worth approximately \$1.5 million to support a European telecom provider's network upgrade. The equipment is being manufactured at the Corporation's China facility and will be delivered in the second quarter of fiscal year 2011.

On July 20, 2010, Mitec announced that it had received initial orders for high performance filters from a leading provider of satellite radio services in North America for a series of trials in their mobile broadcast network. Upon successful completion of these trials, the Corporation expects to receive follow-on orders in early 2011, which will be manufactured in the Corporation's China facility.

DESCRIPTION OF THE BUSINESS

General: In the broad sense, wireless telecommunications refers to the transmission of voice, data or multimedia content between two points without the use of wires, facilitated by a transmitter sending signals to a receiver most often using radio waves. This segment of the telecommunications industry can be further divided into sub-segments which are identified by the underlying technology employed by each. Mitec is involved in wireless and satellite telecommunications.

Telecom: Wireless telecommunications employs a technology by which large geographic areas are divided into smaller subdivisions known as "cells". Each cell contains base stations which communicate with the various wireless devices, such as cellular phones, notebook personal computers, or pagers within that particular cell using microwave frequencies. As the devices pass from one cell to another, they communicate with a new base station dedicated to the new cell in which they are situated. The base stations act as relay points re-sending all signals either to other base stations via millimetre microwave links or to a traditional wire-based public telephone network and ultimately on to the intended receiver.

Satcom: Satellite telecommunications is similar to microwave telecommunications in that microwave signals are used to communicate between ground stations. However, satellite telecommunications differs from microwave telecommunications in that a satellite is used as a relay point in order to avoid earth-

based obstructions, thereby enabling communication between fixed or mobile ground stations placed at greater distances from one another, such as across an ocean or a continent.

BUSINESS STRATEGY

Mitec's core competence in the design and manufacture of leading Radio Frequency ("RF") hardware remains key as the world increasingly moves towards wireless as the preferred connection medium at network edges. With the launch of many new products during the course of the year, Mitec will continue to focus on niche opportunities that will contribute high gross margins.

Key Drivers

Market diversification:

- Introduce portfolio based on Original Equipment Manufacturer ("OEM") products to operators such as DAS, Personal Communication Systems ("PCS") and Advanced Wireless Services band, TMA to improve their coverage or network performance and increase the capacity.
- Promote IMF technology to increase the operators' usable spectrum by reducing guard band required between two interfering services and to allow operators to overlay existing technology with a new technology networks and have a smooth user transition.
- Develop BUC and SSPA products for the military markets leveraging new amplifier technology from Keragis.
- Enter the broadcast arena with specific mobile TV networks products.
- Operator based network coverage and expansion products.

Optimizing value for the customers:

- Service-focused problem resolution using Mitec's current Telecom products and solutions to reduce operational costs and capital expenditures expenses both at the OEM and Operators level.
- Recognize cost and performance improvements and eliminate inefficiencies by decreasing the number of antenna and cable pulls in the Wireless segment, and expanding networks through customized interference (IMF) or enhancement solutions (DAS, TMA, TMB) all across the globe.

Focusing R&D on active products and technologies such as PA, SSPA and BUC:

- Higher gross margin in PA markets.
- High commonality of design resources within the development team.
- Reduce time to market for new designs.
- Expand Keragis' high efficiency SSPA technology portfolio of products to better service the military market and replace the traveling-wave tube technology.

Customer diversification:

- New customers that require specialized niche filter products with higher average selling prices.
- Continue developing sales channels into up and coming Chinese network OEM's introduced operator product portfolio based on OEM products.
- Introduce new technologies and solutions to operators by leveraging upfront consultative expertise, that combine in-depth market, engineering and design know-how to quickly assess and resolve niche problems.

Key Objectives

Focus on the Growing Telecommunication Market: Mitec intends to apply the technological expertise it has developed over the past 38 years in RF products by continuing to develop products for the Telecom and Satcom infrastructure equipment markets.

Achieve Technological Leadership: Mitec intends to continue its efforts to achieve performance leadership in RF products through the design and timely commercialization of ongoing advances in amplifiers, multi-carrier amplifiers, RF subsystems, filters, flexible waveguides, redundancy switching systems and other related products and technologies. R&D investment is key to maintaining Mitec's technology leadership. R&D investment will continue as Telecom technologies and challenges are constantly evolving. Mitec will continue to be a leader in innovation, efficient design and solution-provider. The acquisition of Keragis was part of this strategy, providing the latest high efficiency amplifier technology which is expected to establish Mitec as a technology leader in existing markets and offer entry into military markets.

Create New Value-Added Products: Mitec intends to further enhance its position in the base station market by expanding the capabilities of its subsystems and multi-function subsystems ("MFS"s) to encompass a greater portion of the base station functionality. For example, within the Telecom segment, there is an increasing need for monitoring, alarm and control products, which oversee the functioning of the various equipment in satellite earth stations and broadcast transmission sites. Mitec has developed a capability for such products and, over the past eight years, Mitec's activities in this field have progressed to become a distinct department with its own firmware and software engineering capabilities.

Maintain Price Competitiveness: Mitec intends to remain price competitive by enhancing and increasing its use of manufacturing and test automation. This could include the outsourcing of those functions. In addition, management believes that the Corporation's capabilities in integrating numerous functions into single units will enable the Corporation to continue to produce high performance products at competitive prices. Mitec will continue to use disruptive technologies to become a trendsetter in achieving performance and price leadership.

Products

Mitec designs and manufactures telecommunication products addressing the wireless and satcom markets. The Corporation sells its components worldwide mainly to network providers for incorporation into high-performance wireless communication infrastructures that enable voice, data/Internet and ultimately multimedia communications. Mitec's equipment is integrated into telecommunications systems and then sold to telecommunications service providers, including telephone, cellular, paging, data and broadcast companies, who use it in constructing their communications networks.

Over the past 38 years, Mitec has developed an expertise in designing and manufacturing wireless, microwave and satellite transmission system products such as amplifiers, duplexers, filters and isolators/circulators and in integrating these components into MFSs. Mitec has designed, produced and supplied wireless infrastructure equipment in the following areas:

- VSAT uplink networks;
- Components, subsystems and MFSs used in the construction of base stations for existing cell-based networks as well as for the new PCS/Personal Communications Network ("PCN") cell-based networks;
- Uplink and downlink network MFSs to be integrated into earth stations for satellite communications.

Management expects continued growth in the demand for earth stations in order to accommodate VSAT hubs as a wireless backhaul solution for wireless networks and the growth of broadcast applications such as mobile TV broadcast, both domestically and internationally. Emerging countries also need Satcom teleports and VSAT equipment to continue developing their telecommunications infrastructures.

The following is a list of Mitec's products and the business segment that produces them:

PRODUCT

MARKET SEGMENT

Amplifiers	Telecom
Multi-Carrier amplifiers	Telecom
Masthead amplifiers	Telecom
Booster amplifiers	Telecom
Duplexers	Telecom
Filters	Telecom
Tower Top receivers	Telecom
Receiver multi-couplers	Telecom
Coaxial duplexers and filters	Telecom
Integrated LNA duplexer assemblies	Telecom
Filters-subsystems	Telecom
Circulators, isolator, couplers and flexible waveguides	Telecom, Satcom
Wave guides (rigid/flexible)	Satcom
BUC	Satcom
Redundancy switching networks	Satcom
Monitoring and control systems	Satcom
Output arms	Satcom
SSPA	Satcom
VSAT products	Satcom

Customers

The Corporation's products are sold to network providers, system integrators and system operators worldwide. Certain customers are active in each of the wireless, microwave and Satcom segments of the market, thereby enhancing the Corporation's ability to strengthen strategic alliances and broaden its product mix.

The Corporation's customers include many of the world's largest network providers and systems integrators, including Huawei, GDNT, Globecom, Alcatel-Lucent, CommScope, Ericsson, Datapath, Viasat, Ceragon Networks, Xicom, RFS, Echostar, EADS Astrium, PAX River, Naval Research Laboratories and L3 Communications.

As Mitec's customers include the dominant players in the telecommunications industry, a large proportion of its revenues are derived from repeat customers. Moreover, the vast majority of Mitec's revenues are derived from sales outside of Canada, namely from sales to the United States, Europe and from Asia.

Sales and Marketing

The sales and marketing efforts in support of Mitec's products are carried out through its own North and South American, European and Asian network of regional sales personnel, each of whom possess a strong understanding of Mitec's product line and customer base. Independent technical representatives in major European countries such as France, Italy and Germany are also engaged. In addition, the Corporation has independent technical representatives in Israel and Australia. As of April 30, 2010, the Corporation had a direct sales and marketing staff of 10 people, 7 of whom were located in Canada, 2 in China, and 1 in the US.

Mitec sells its products primarily through on-site visits with its customers and through its participation in trade shows followed by visits to potential customers. Sales for larger subsystems typically involve the Corporation responding to a customer's specified requirements and are concluded with a signed letter of intent establishing specifications, price, quantity, and delivery schedules. This is supported by a supply

agreement and subsequent purchase orders. Mitec is also establishing value-added resellers as a means of providing global coverage in the sale of its products.

Service and Warranty

Mitec offers warranties of various lengths which differ by customer and product type and typically cover defects in materials and workmanship. The Corporation performs warranty obligations and other maintenance services for its products produced at its facilities in Lachine (Canada), Poway (USA) and Suzhou (China).

Manufacturing and Quality Control

Mitec designs, manufactures, assembles, tests, packages and ships its products from its facilities located in Lachine (Canada), Suzhou (China), and Poway (USA), depending on the location of the ultimate customer and the nature of the product itself. The Corporation has established design and manufacturing capabilities, thereby achieving a local presence in each of its major markets.

<u>Locations / Facilities</u>	<u>Activities</u>	<u>Markets / Products</u>
Lachine (Canada)	Design and manufacturing	Wireless and Satcom
Pointe-Claire (Canada)	Design and manufacturing	Satcom
Suzhou (China)	Design and manufacturing	Wireless
Poway (USA)	Design and manufacturing	Satcom

Mitec's manufacturing process begins with either the procurement or manufacture of subcomponents, depending on the product or the facility. Subcomponents range from base metals to fully populated printed circuit boards. These subcomponents are then assembled into components and products and tested. In some cases, these components and products are then shipped directly to the customer while in other cases they are integrated with other components to form subsystems and value-added products. Raw materials and subcomponents used in the Corporation's manufacturing process are generally purchased from various local suppliers, it being the Corporation's policy to use redundant sourcing to assure a continuous and reliable flow of supplies. However, for one of its subcomponents there may exist only one source of supply. Furthermore, certain key suppliers have entered into stocking agreements with the Corporation whereby they undertake to maintain adequate supplies of subcomponents based on estimates given by Mitec. Raw materials and subcomponents are ordered from suppliers under master purchase agreements with deliveries timed to meet the Corporation's production schedules.

Every Mitec product is inspected and tested prior to shipment to assure that it conforms with the customer's needs and specifications and with industry standards. For some products, testing is performed through the use of automatic test equipment developed by Mitec. The Corporation warrants new products against defects in design, materials and workmanship. Presently, the Lachine and Pointe-Claire are certified ISO 9001:2008 and the Suzhou facility is certified ISO 9001:2000.

Research and Development

The Corporation's R&D program is focused on designing and developing new products for the wireless telecommunications industry and enhancing existing product lines, in terms of both performance and cost of production. R&D is also dedicated to improving the Corporation's manufacturing process through the use of new materials and processes and through the development and use of product design software enabling Mitec to determine limiting factors in a design approach. The Corporation is also actively exploring enhanced testing techniques such as Automated Test Equipment ("ATE"). The Corporation uses a Computer Assisted Design ("CAD") environment employing networked workstations to model and test new circuits. This design environment, together with the Corporation's experience in

modular product architecture, allows the Corporation to rapidly define, develop and deliver new and enhanced products and subsystems sought by its customers.

Mitec has historically devoted a significant portion of its resources to R&D and expects to continue to allocate significant resources to these efforts in the future. As at April 30, 2010, the Corporation employed 51 people in R&D. The Corporation's R&D expenses in the fiscal years 2008, 2009 and 2010 were \$4.5 million, \$4.4 million and \$3.6 million respectively, representing 12.4%, 10.8%, and 14.0% respectively, of total revenues. Management expects R&D expenses to decrease in absolute value and in terms of percentage of sales.

The Corporation does not have a policy of seeking patents on inventions resulting from its ongoing R&D and manufacturing activities. However, Keragis' technologies registered 5 patents; while 6 more are still patent-pending. The Corporation believes that the success of its business depends more on the collective strength of its manufacturing processes, and its employees' expertise, as opposed to patent protection.

Competition

The ability of the Corporation to successfully compete and sustain its growth and profitability depends in part upon the rate at which network providers and system integrators build and improve their networks. The Corporation's future success in the wireless telecommunications industry is partially dependent upon the extent to which the large network providers continue to purchase components from outside sources rather than manufacture their own components, subsystems and products. However, the Corporation's strategy has been to sell its products not only to network providers, but also directly to the system operators thereby diminishing its dependence on any single market segment. In addressing the requirements of its customers, the Corporation competes on the basis of product functionality, price, technical performance, delivery capability, product time-to-market and product quality and reliability. Management believes that overall the Corporation competes favourably with respect to the foregoing elements.

Management believes that, although competition exists for the Corporation's components and subsystems for Satcom markets, notably from Apollo Microwaves, Advantech, AMT, and Wavestream Corporation, none of the Corporation's competitors offers as full a range of products as is offered by Mitec. Competition in the wireless market segment exists from RF Cellwave, a division of Alcatel, Andrew Corporation and Powerwave Technology among others. The Corporation competes with these other manufacturers based on price, performance and product availability.

Facilities

The Corporation owns a 20,000 square foot facility in Pointe-Claire (Canada), which is used for manufacturing its Satcom and Wireless segments. The Corporation leases a 32,000 square foot facility in Lachine (Canada), which will expire in 2012. This facility has 20,624 square feet for manufacturing and 13,355 square feet for R&D and administration. This facility is used by both revenue segments. The Corporation also leases the following premises:

<u>Location</u>	<u>Area</u> (in square feet)	<u>Purpose</u>	<u>Expiry Date</u>	<u>Segment</u>
China Suzhou	38,000	R&D, Manufacturing, Sales, and Administration	March 3, 2011	Wireless
Canada Pointe-Claire	3,200	R&D, Manufacturing, Sales, and Administration	November 30, 2012	Satcom
USA Poway	6,429	R&D, Manufacturing, Sales, and Administration	June 30, 2012	Satcom

Employees

As at April 30, 2010, the Corporation had a total of 273 employees worldwide, including 36 employed in management and administration, 51 employed in R&D, 176 employed in manufacturing, production, engineering and testing, and 10 employed in sales and marketing.

The Corporation is non-unionized and Management views its relations with employees as being very good. The Corporation has a policy of entering into confidentiality and non-disclosure agreements with its employees and limiting access to and dissemination of its proprietary technology. In addition, the Corporation has adopted a Code of Ethics, Disclosure Policy and Whistle Blower Policy designed to promote good governance, transparency and effective communication between employees, management and the public. In particular, the Corporation now requires that its managers provide certification to the Chief Executive Officer and Chief Financial Officer on a quarterly basis as to the reliability of certain information used in the preparation of the Corporation's financial statements. To assist in attracting and retaining skilled and motivated employees, the Corporation has established a stock option plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis for the year ended April 30, 2010 is incorporated herein by reference.

RISK FACTORS

Mitec operates in industry segments that have a variety of risk factors and uncertainties. The Corporation's business could be materially and adversely affected by any of the risks and uncertainties described below. Additional risks and uncertainties not presently known to Mitec or presently or currently immaterial may also adversely affect its business in the future.

The key risks identified by the Corporation, and the key elements of the Corporation's strategy for minimizing these risks are set out on pages 27 to 32 of the Corporation's Management and Discussions and analysis ("MD&A") for fiscal 2010, under the heading "Risks and Uncertainties" which is specifically incorporated herein by reference. The MD&A is filed on SEDAR and may be accessed under the Corporation's profile at www.sedar.com.

GOING CONCERN UNCERTAINTY

The accompanying consolidated financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Corporation has a history of losses over the past nine years and currently does not have the necessary financing in place to support continuing losses. The Corporation has accumulated a deficit of \$131,427,000 as at April 30, 2010. Historically, the Corporation has financed its operating and capital requirements mainly through issuances of debt and equity. The Corporation's continuation as a going concern is dependent upon, among other things, attaining a satisfactory revenue level, the support of its customers, a return to profitable operations and the generation of cash from operations as well as the ability to secure new financing arrangements and new capital. These matters are dependent on a number of items outside of the Corporation's control and there is uncertainty about the Corporation's ability to continue as a going concern.

The consolidated financial statements do not reflect any adjustments that would be necessary if the going concern basis was not appropriate. If the going concern basis was not appropriate for these consolidated statements, significant adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used.

As of July 23, 2010, the following transactions, aimed at addressing the uncertainties described above, occurred:

- a. The Corporation launched a new Mandarin-language website to reflect the commitment of doing business in China and to allow service of the local market more effectively;
- b. The Corporation received customer commitments of almost \$3.0 million for its Keragis' patented SSPA technology, including a purchase order from the U.S. Department of Defense and qualification to participate in a program led by a systems integrator also in the military industry;
- c. The Corporation developed a coverage solution strategy for telecom companies in remote areas of North America who are looking to enhance their network bandwidth and reduce operating costs;
- d. The Corporation received two new orders for equipment in the VSAT MTX BUC line which enables network expansion as well as an order for a large earth station switching network that will be used in a satellite uplink expansion program taking place in Asia;
- e. The Corporation extended the term of 4,650,000 common share purchase warrants and 18,952,279 common share purchase warrants for a further twelve months until October 30, 2010;
- f. The Corporation announced that its Keragis subsidiary had begun deliveries of a new high-powered pulse amplifier designed for a U.S. military customer as part of a large communications program;
- g. The Corporation announced that it had completed a private placement of convertible debentures. Proceeds were used to redeem \$1.4 million of convertible debt which matured on October 17, 2009, and for working capital purposes;
- h. The Corporation has been selected as the lead supplier for diplexers for one of the world's largest telecom equipment providers;
- i. The Corporation has been selected as the lead supplier for its flexible waveguide solution for the equipment provider noted above;
- j. The Corporation agreed on terms and conditions of a receivables financing facility in the amount of \$2.5 million from a Canadian financial institution specializing in servicing the needs of small and medium sized businesses entering growth phases;
- k. The Corporation received a major order for its latest R&D initiative, a dual band DAS network. The Corporation is optimistic that follow-on orders will be received for many times greater than this initial order and that it will be an excellent reference point for Mitec for other applications this technology can serve;

- i. The Corporation began initial shipments for components designed for next generation, LTE 4G wireless networks to the same major telecom company as indicated above, which is expected to generate approximately \$1.7 million in revenue over the next several months and is expected to continue for the balance of fiscal 2011 onward;
- m. The Corporation received an initial order for one of its innovative coverage solutions, which combines existing hardware with boosters and amplifiers to enhance bandwidth, for delivery by the first quarter of fiscal 2011;
- n. The Corporation received an order worth approximately \$1.5 million for its low noise amplifiers to support a European telecom provider's network upgrade. The equipment will be delivered in the second quarter of fiscal year 2011;
- o. The Corporation received initial orders for high performance filters from a leading provider of satellite radio services in North America for a series of trials. The Corporation expects to receive a series of higher volume, follow-on orders in early 2011.

Management's plans with respect to the uncertainties described are as follows:

1. Approaching potential lenders and investors to secure additional debt and/or equity financing;
2. Exploring, under the guidance of its Mergers and Acquisitions Committee (comprised of management, directors and advisors of the Corporation), potential opportunities relating to the sale of selected business segments, divestiture of certain assets or the acquisition of complementary and synergetic assets or businesses;
3. Investigating a range of alternatives to streamline its Telecom and Satcom business units and focus its efforts towards selected niche markets with the objective of ensuring the Corporation can generate sustainable, long-term profitability.

Given extreme challenges that face the Corporation internally as a growth technology company and externally as forces, such as the unprecedented worldwide financial crisis have impacted all facets of business around the globe, management and the board of directors of Mitec continually evaluate ways to ensure that the Corporation is able to continue to have the financial strength to stay competitive and to achieve long-term profitability. Such explorations include developing niche product lines that generate solutions demanded by its growing customer base through R&D and marketing efforts, mergers and acquisitions activities, divestitures, joint ventures and strategic initiatives with both industry and financial partners.

The Corporation continues to evaluate several opportunities consistent with these objectives and expects that several milestones will be achieved in fiscal 2011 as it executes on one or more of them.

Management believes that should the Corporation be successful at securing additional funding and/or realigning its Telecom and Satcom business units and with the continued support of the Corporation's current shareholders and customers, the Corporation will be able to continue operating as a going concern in the foreseeable future. There can, however, be no assurance that such plans will be sufficient to permit the Corporation to continue to operate as a going concern.

DIVIDEND RECORD AND POLICY

The Corporation intends to retain its earnings to finance growth and does not expect to pay dividends on its common shares in the foreseeable future. The board of directors of the Corporation will review this policy from time to time having regard to the Corporation's financial condition, its financing requirements and other factors it considers relevant. No cash dividend was paid by the Corporation in each of the three most recently completed fiscal years.

CAPITAL STRUCTURE

The authorized share capital of the Corporation is comprised of an unlimited number of common shares without par value of which 220,666,756 are outstanding as at April 30, 2010. Each common share entitles the holder to one vote per share. The holders of common shares are entitled to receive notice of meetings of shareholders of the Corporation and to vote at such meetings. The holders of common shares are entitled to receive, as and when declared by the board of directors, dividends in such amounts as shall be determined by the Corporation's board of directors. The holders of common shares have the right to receive the remaining property of the Corporation in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary.

MARKET FOR THE NEGOTIATION OF SECURITIES

The common shares of the Corporation are listed and posted for trading on the Toronto Stock Exchange and are traded under the symbol MTM.

Price range and trading volume

The following table sets forth, for the periods indicated, price ranges and volume of average daily trading of the common shares of the Corporation on the Toronto Stock Exchange in fiscal 2010:

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
April 2010	0.05	0.04	305,700
March 2010	0.06	0.05	123,300
February 2010	0.06	0.05	107,900
January 2010	0.07	0.05	344,800
December 2009	0.06	0.04	182,200
November 2009	0.06	0.04	190,900
October 2009	0.07	0.05	489,300
September 2009	0.07	0.06	483,000
August 2009	0.08	0.07	330,100
July 2009	0.08	0.06	160,400
June 2009	0.09	0.07	189,500
May 2009	0.10	0.07	298,400

DIRECTORS AND OFFICERS

Listed below is certain information concerning the directors and executive officers of the Corporation. Each director is elected at the annual meeting of shareholders to serve until the next annual meeting or until a successor is elected or appointed. Executive officers are appointed annually and serve at the discretion of the board of directors. This information is given as at July 23, 2010:

<u>Name and Municipality of Residence</u>	<u>Position or Office with the Corporation</u>	<u>Principal Occupation</u>	<u>Director Since</u>
Robert Boisjoli, CA ^{(1), (2), (3)} Montreal, Quebec	Director and Chairman of the Audit Committee	President, Atwater Financial Group	2007
Bruno Dumais, CA Beaconsfield, Quebec	Vice President, Finance and Chief Financial Officer	Vice President, Finance and Chief Financial Officer of the Corporation	N/A
Jeffrey A. Mandel ⁽³⁾ Toronto, Ontario	Director and Executive Chairman	President of AMR Securities Services Inc.	2006
Hubert R. Marleau ^{(1), (2)} Montreal, Quebec	Director	President, Palos Capital Corporation	1996
David B. Parkes ^{(1), (2), (3)} Toronto, Ontario	Director and Chairman of the Corporate Governance and Compensation Committee	President, David Parkes and Associates Inc.	2007
Daniel Piergentili Longmont, Colorado	Director, President and Chief Executive Officer	President and Chief Executive Officer of the Corporation	2006
Charles R. Spector Westmount, Quebec	Director	Partner, Fraser Milner Casgrain LLP	1996

(1) Member of the Audit Committee.

(2) Member of the Corporate Governance and Compensation Committee.

(3) Member of the Mergers & Acquisitions Committee.

The directors and officers of the Corporation as a group beneficially own, directly or indirectly, or exercise control over 1,723,625 common shares or 0.78% of the Corporation's common shares.

Principal Occupations of Directors and Officers

During the past five years, all of the directors and officers whose names appear above have held the positions shown or held management responsibilities in the same or related companies.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation and based on information provided by the directors, executive officer and shareholders holding a sufficient number of securities that affect materially the control of the Corporation, with the exception of the facts disclosed below with respect to Mr. Boisjoli, no director, executive officers or shareholders holding a sufficient number of securities that affect materially the control of the corporation:

- a) is, at the date of the Annual Information Form, or has been within the 10 years before the date of the Annual Information Form, a director or executive officer of any company 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, arrangement 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 the Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or

instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Boisjoli was a Director of Mistral Pharma Inc. which made a proposal to its creditors in June 2008 that was accepted by them and ratified by the Superior Court of Québec in September 2008.

To the knowledge of the Corporation, with the exception of the facts disclosed below with respect to Mr. Marleau and based on information provided by the directors, executive officers and shareholders holding a sufficient number of securities that affect materially the control of the Corporation, no director, executive officers and shareholders holding a sufficient number of securities that affect materially the control of the Corporation 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 making an investment decision.

In August 2003, Mr. Marleau sought registration as a Financial Advisor with the Commission des valeurs mobilières du Québec (“CVMQ”), and duly filed an application for said purpose at that time. On November 13, 2003, Mr. Marleau and Gestion Palos Inc. undertook with the CVMQ to cease acting as dealers or advisors until such time as Gestion Palos Inc. was registered with the CVMQ as an advisor. Such registrations were granted by the CVMQ on December 15, 2003.

Conflicts of Interest

The Corporation is not aware of any existing or potential material conflicts of interest between the Corporation and a director or officer of the Corporation other than the fact that Charles R. Spector, a director of the Corporation, is a partner of Fraser Milner Casgrain LLP, counsel to the Corporation.

AUDIT COMMITTEE INFORMATION

The Corporation’s Audit Committee is appointed by the board of directors to assist the board in fulfilling its oversight responsibilities. All Audit Committee members are financially literate, meaning they are able to read and understand financial statements of a complexity level comparable to that of the financial statements of Mitec. The Audit Committee’s charter is appended hereto as Appendix “A”.

Audit Committee Members

Robert Boisjoli (Montreal, Quebec) (Chair): Mr. Boisjoli, a member of the Mitec Board since 2007, is President of the Atwater Financial Group. Prior to this, Mr. Boisjoli was the Chief Financial Officer of Topigen Pharmaceuticals Inc. He was also Chief Financial Officer and co-founder of Xanthus Pharmaceuticals, Inc. as well as was head of Investment Banking in Quebec for various Canadian securities firms, where most of his activities involved raising equity for emerging companies in the biotech and information technology fields. Mr. Boisjoli is also a Board member and Chairman of the audit committee of Aptilon Corporation (TMX:APZ), and is Chief Financial Officer of Brionor Resources Inc. (TMX:BNR). Prior to his career in investment banking, Mr. Boisjoli spent ten years as an independent business valuator with two leading firms specializing in business valuation. During his career, Mr. Boisjoli has valued over 500 businesses for general corporate finance purposes and has assisted numerous enterprises in their pursuit of strategic mergers and or acquisitions. Mr. Boisjoli has also lectured at the graduate level at McGill University and on behalf of the Order of Chartered Accountants. He serves on the board of various companies and professional organizations. Mr. Boisjoli is a Chartered Accountant

and Chartered Business Valuator. He also holds a Bachelor of Commerce Degree and a Graduate Diploma in Accountancy from Concordia University

Hubert R. Marleau (Montreal, Quebec): Mr. Marleau is currently President and Managing Partner of Palos Capital Inc., a private investment corporation, has extensive expertise in corporate finance and business operations, and is well versed in the breadth and complexity raised in the financial statements and accompanying documents of public companies. With over 40 years of experience in the business and financial community, Mr. Marleau has raised funds privately and publicly for hundreds of emerging and mature companies, structured many mergers and acquisitions as well as designed and created numerous financial deals in Canada. Mr. Marleau has worked at the executive level of several large investment firms notably, Nesbitt Thomson Inc., Levesque Beaubien Inc. as well as his own publicly-traded brokerage firm, Marleau, Lemire Inc. Throughout his career, Mr. Marleau has been a board member for a multitude of publicly traded companies. These companies currently include: A.I.S. Resource Limited (TMX:AIS-V), Buzz Telecom (TMX:BZZ), CanAlaska Uranium Ltd (TMX:CVV), Gobimin Inc. (TMX:GMN), Huntington Exploration Inc. (TMX:HEI), Maudore Minerals Ltd. (TMX:MAO), MCO CAPITAL INC. (TMX:MCO), Niocan Inc. (TSX:NIO), Uni-Sélect Inc. (TSX:UNS) and Warnex Pharmaceuticals Inc. (TSX:WNX).

David B. Parkes (Toronto, Ontario): Mr. Parkes owns and operates David Parkes and Associates Inc., an executive consulting firm specializing in turnarounds and fast growth management challenges. He has served on the Mitec Board since 2007. Mr. Parkes serves as Chairman of Datex Technologies Corporation (TMX:DTC). He served as Chairman of SelectCore (TMX: SCG) and as a director of Envoy Capital Group (TSX and NDAQ:ECG) and was previously President and CEO of Sprint Canada, Look Communications (TMX:LOK) and Telespectrum Canada. Mr. Parkes entered the telecommunications industry as a founding executive of Cantel Inc. (now Rogers Wireless TSX and NYSE:RCI). Mr. Parkes holds a BSc and an MBA from York University and has been active in such organizations such as the Canadian Special Olympics, Junior Achievement Metro Toronto, Junior Achievement Canada and the Georgian Bay Forever Foundation.

Pre-approval of Policies and Procedures

The Audit Committee has instituted a policy to pre-approve audit and non-audit services. The Chair of the Audit Committee is given limited delegatory authority from time to time by the Audit Committee to pre-approve permitted non-audit services. The Audit Committee also considers on a continuing basis whether the provision of non-audit services is compatible with maintaining the independence of the external auditors.

External Auditor Service Fees

The following table discloses fees billed to the Corporation in 2010 by its auditors BDO Canada LLP/s.r.l.:

<u>Type of Service Provided</u>	<u>2010</u>	<u>2009</u>
Audit Fees	\$130,000	\$120,000
Audit Related Fees	\$72,253	\$45,156
Tax Fees	\$16,998	\$41,520
Other Fees	\$13,830	\$48,000

Fees for audit services include fees associated with the annual audit and fees associated with regulatory filings. Audit-related fees are for services provided by BDO Canada LLP/s.r.l. that are reasonably related to its role as auditor, and consist principally of advice on accounting standards and other specific transactions. Tax fees include tax compliance, tax advice and tax planning, including expatriate tax services. All other fees would principally include all other support and advisory services.

LEGAL PROCEEDINGS

The Corporation is subject to various claims and contingencies related to lawsuits and other matters arising in the normal course of operations. Management believes that the ultimate liability, if any, arising from such claims or contingencies, is not likely to have a material adverse effect on the results of the Corporation's operations or its financial condition.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the Corporation's directors or executive officers, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Corporation's outstanding voting securities, and no associate or affiliate of any of the persons or companies referred to above, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares of the Corporation is CIBC Mellon Trust Company, at its principal offices located in Montreal and Toronto.

MATERIAL CONTRACTS

The Corporation currently has no material contract that was entered into during the most recently completed financial year outside of the normal course of business.

INTERESTS OF EXPERTS

The Corporation's auditors are BDO Canada LLP/s.r.l., Montreal, Canada. As of July 23, 2010, the partners, associates and employees of BDO Canada LLP/s.r.l., as a group, did not beneficially own, directly or indirectly, more than one percent of any class of the Corporation's outstanding securities.

In addition, none of BDO Canada LLP/s.r.l.'s directors, officers or employees is or is expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

ADDITIONAL INFORMATION

When the Corporation's securities are in the course of a distribution pursuant to a short form prospectus, the Corporation will provide copies of the following documents to any person or company upon request to the Secretary, Mitec Telecom Inc., 3299 Jean-Baptiste-Deschamps, Lachine, Quebec H8T 3E4:

- the Annual Information Form, together with a copy of any document, or the pertinent pages of any document, incorporated by reference in this Annual Information Form;
- the comparative financial statements of the Corporation for the most recently completed financial year for which financial statements have been filed together with the accompanying report of the auditor and management's discussion and analysis as well as one copy of the most recent interim financial statements that have been filed, if any, for any period after the end of the Corporation's most recently completed financial year;
- the Corporation's most recent information circular in respect of the most recent annual meeting of shareholders that involved the election of directors or one copy of any annual filing prepared instead of that information circular; and

- any other document that is incorporated by reference into the preliminary short form prospectus or the short form prospectus.

At any other time, a copy of any documents referred to in the paragraphs above may be obtained upon request to the Secretary, provided that the Corporation may require the payment of a reasonable charge if the request is made by a person or company who is not a security holder.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interests of insiders in material transactions, if applicable, is contained in the Corporation's information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is provided in the Corporation's comparative financial statements for its most recently completed financial year. Copies of these documents and additional information relating to the Corporation are available on SEDAR at www.sedar.com.

Additional information, including information on the remuneration of senior executives, indebtedness of senior executives, the principal holders of securities of the Corporation, as well as the interests of insiders in material transactions, as the case may be, is presented in the Corporation's information circular prepared for the solicitation of proxies pertaining to the annual meeting of the shareholders of the Corporation to be held on October 28, 2010. Additional financial information, in particular, the audited consolidated financial statements, are included in the annual report to the shareholders of the Corporation for the financial year ended April 30, 2010.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents of the Corporation, or excerpts there from, filed with various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated herein by reference and form an integral part of this annual information form:

- The consolidated financial statements of the Corporation and the notes thereto as at and for the year ended April 30, 2010 with the auditor's report thereon; and
- The Management Discussion and Analysis of the Corporation for the year ended April 30, 2010.

DATE OF INFORMATION

Unless otherwise specified, the information contained in this annual information form is given as at April 30, 2010.

APPENDIX “A”

MITEC TELECOM INC. AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee (“the Committee”) is appointed by the board of directors (the “Board”) of Mitec Telecom Inc. (the “Corporation”). Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to shareholders and others, the systems of internal controls that management and the Board have established, and the Corporation’s audit process. In carrying out its purpose, the Audit Committee shall at all times comply with all relevant laws and regulations.

Composition

The Committee shall consist of at least three directors who satisfy the independence, financial literacy, expertise and experience requirements of the law governing the Corporation and the applicable rules of the Toronto Stock Exchange. Each member shall be free of any relationship that, in the opinion of the Board, would interfere with his or her independent judgment. Each member may be removed or replaced at any time by the Board, and each shall hold office until the earlier of the close of the next annual meeting of shareholders of the Corporation or the member’s resignation, removal or replacement. A Chair shall be appointed annually by the Board from among the members.

Meetings

The Committee shall meet at least four times annually and shall meet in separate private sessions at least every quarter with management, the internal auditor, and the independent auditor to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.

A simple majority of the Committee members shall constitute a quorum. The internal auditor shall be given notice of and have the right to be heard at every meeting of the Committee. Any representative from the external or internal auditors, management, or legal counsel may be required by the Committee to appear before it.

If all members consent, any member may participate in a meeting by such telephonic or electronic means as will permit all persons participating in the meeting to communicate adequately with each other and a member participating by such means is deemed to be present at that meeting. Minutes of all Committee meetings shall be provided to the Board and any information reviewed by the Committee shall be made available to any Board member upon request.

Review and Reporting Procedures

The Committee shall:

Review the adequacy of this Charter and its own performance annually and recommend any proposed changes to the Board.

Review and/or investigate any financial, internal control, or risk management related issue or activity of the Corporation and report to the Board at its next regular meeting all such actions taken since its last report.

In consultation with the independent and the internal auditors, review the adequacy and integrity of the organization’s financial reporting processes and consider the independent auditor’s opinions about the quality and appropriateness of the Corporation’s accounting practices.

Review and approve for recommendation to the Board the Corporation's annual financing plan, any amendments thereto, and details of specific proposed financings.

Financial Reporting

In order to ensure that the Corporation's annual and interim financial statements are fairly presented in accordance with generally accepted accounting principles, that these statements and any related press release are in form and content sufficient for the Committee to recommend that they be approved by the Board, and that the financial statements contained in any financial disclosure documents is complete and accurate in all material respects, the Committee shall:

Review periodically and satisfy itself that adequate procedures are in place for the systematic review of the Corporation's Financial Information.

Review significant accounting and reporting issues, including recent professional and regulatory pronouncements to understand their impact on the financial statements and assess the quality and appropriateness of the Corporation's accounting and reporting principles and policies.

Review and evaluate the reasonableness, accuracy, underlying assumptions, and significance of all matters relevant to the annual audited financial statements and the quarterly financial statements, including any discussion or analysis of these statements and any matters relating thereto that are required to be discussed under applicable laws or regulations.

Review the financial information included in any prospectus or information circular prior to its release and, as appropriate, recommend to the Board whether such prospectus or information circular should be approved by the Board.

Internal Controls and Risk Management Processes

To ensure that the Corporation has appropriate processes in place to manage the principal risks of its business, the Committee shall:

Review internal processes for assessing and managing the principal risks of the Corporation's business with the independent auditor, the internal auditor, management and appropriate personnel.

Review with management, the independent auditor and the internal auditor the adequacy of the Corporation's internal controls including computerized information systems, controls and security, and any related significant internal control findings and recommendations of the independent auditor or internal auditor together with management's responses thereto.

Independent Audit

To ensure that the external audit function has been effectively carried out and that any matters that the independent auditor considers appropriate to bring to the attention of the Audit Committee (to which the independent auditor shall report directly) have been addressed, the Committee shall :

Be directly responsible for the appointment, compensation, oversight, retention and replacement of the independent auditor, including the resolution of any disagreements between management and the independent auditor, and review all issues and steps to be taken to ensure an orderly transition to a new independent auditor when applicable.

Review the independent auditor's audit plan and engagement letter with management and the independent auditor, including audit scope and approach, and the review the report of the independent auditor.

Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

On an annual basis:

- a) review and discuss all material relationships between the auditor or its accountants and the Corporation that could affect the objectivity and independence of the independent auditor; and specifically confirm the auditor's independence;
- b) review non-audit services and related fees as well as planned non-audit services and related fees of the independent auditor. Any changes in such services and related fees must be reviewed and approved by the Committee;
- c) assess the performance of the independent auditor, considering independence, effectiveness, demonstrated external audit judgment and application and adherence to accounting policy and standards.
- d) Pre-approve all non-audit services to be provided to the Corporation or any of its subsidiaries by the Corporation's auditors.

Internal Audit

To ensure that the internal audit function has been effectively carried out and that any matters that the external auditors consider appropriate to bring to the attention of the Board have been addressed, the Committee shall:

Be advised of and concur with the appointment, replacement, reassignment or dismissal of the chief internal auditor.

Review the proposed internal audit plans annually for the coming year and review jointly with the internal auditor and the independent auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.

Receive notification of material adverse findings of internal audits and a progress report on the proposed internal audit plan, as appropriate, with explanations of changes from the original plan.

Review significant internal audit reports together with management's response and follow-up actions, including any problems or issues encountered in the course of an audit.

Review and assess the performance and assure the independence of the internal auditor.

Legal and Regulatory Compliance / Investigations

The Committee shall :

Review, with the Corporation's counsel, compliance with applicable laws, regulations and internal policies.

Discuss with the Corporation's counsel any legal matter that could have a material impact on the Corporation's financial statements or risk profile and make inquiries of management, internal and independent auditor to ensure that all material legal matters have been brought to the attention of the Committee.

Investigate any matter brought to its attention within the scope of its duties to the extent and in such manner as it considers appropriate and discuss with management and the independent auditor any correspondence, complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies. In particular, the Committee shall ensure that there are established procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

The Committee may obtain advice and assistance from outside legal, accounting or other advisors as it deems appropriate. It may retain these advisors without seeking Board approval. The Corporation shall provide appropriate funding, as determined by the Committee, for payment of the compensation of any advisors engaged by the Committee.

Officer's Expenses

The Committee shall :

Review policies and procedures with respect to the Chair of the Board and the President and Chief Executive Officer's expense accounts and perquisites, including their use of corporate assets and, periodically, review a summary of major expenses incurred by the Chair of the Board and the President and Chief Executive Officer.

Other duties

The Committee will perform such other functions as assigned by law or regulation or as required by the Board.