

**SAHARA ENERGY LTD.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON DECEMBER 19, 2017**

**NOTICE IS HEREBY GIVEN** that an Annual General and Special Meeting ("**Meeting**") of the holders ("**Shareholders**") of common shares of Sahara Energy Ltd. ("**Corporation**") will be held at the office of MILES DAVISON LLP at Suite 900, 517 – 10 Avenue SW, Calgary, AB T2R 0A8 on DECEMBER 19, 2017, at 10:00 A.M., (Calgary time), for the following purposes:

1. To receive the audited financial statements for the year ended December 31, 2016 and the report of the auditors thereon.
2. To fix the number of directors of the Corporation to be elected at the Meeting at eight (8);
3. To elect the directors of the Corporation for the ensuing year.
4. To appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors.
5. To transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Shareholders are referred to the Information Circular for more detailed information with respect to the matters to be considered at the Meeting.

**If you are registered Shareholder** and are unable to attend to the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to Computershare Trust Company of Canada, registrar and transfer agent of the Corporation, at 100 University Avenue, 8<sup>th</sup> Floor, North Tower, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, or by facsimile, at 1-866-249-7775 by no later than 10:00 a.m. (Calgary time) on December 15, 2017. Registered Shareholders may also vote by phone or on the internet at [www.investorvote.com](http://www.investorvote.com) as detailed on the form of proxy.

**If you are an unregistered Shareholder** and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

The directors of the Corporation have fixed November 17, 2017 as the record date. Shareholders of record at the close of business on November 17, 2017 are entitled to notice of the Meeting and to vote thereat or at any adjournment(s) thereof. The transfer books will not be closed.

Dated at Calgary, Alberta this 17<sup>th</sup> day of November, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS**

signed ("Samuel Wang")  
Samuel Wang  
Vice-President

**SAHARA ENERGY LTD.**  
**INFORMATION CIRCULAR**  
**FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO**  
**BE HELD ON DECEMBER 19, 2017**

**PURPOSE OF SOLICITATION**

**This information circular ("Information Circular") is furnished in connection with the solicitation of proxies by the management of Sahara Energy Ltd. ("Corporation") for use at the Annual General and Special Meeting ("Meeting") of the holders ("Shareholders") of common shares ("Common Shares") in the capital of the Corporation.** The Meeting will be held at the office of Miles Davison LLP, at #900, 517 – 10<sup>th</sup> Avenue SW, Calgary, Alberta, on December 19, 2017 at 10:00 a.m. (Calgary time), and at any adjournments thereof for the purposes set forth in Notice of Annual and Special Meeting of Shareholders ("**Notice of Meeting**") accompanying this Information Circular. Information contained herein is given as of November 17, 2017 unless otherwise specifically stated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Corporation who will not be additionally compensated therefore. Brokers, nominees or other persons holding shares in their names for other shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by the Corporation.

**APPOINTMENT AND REVOCATION OF PROXIES**

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and officers of the Corporation. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent him at the Meeting other than the persons designated in the enclosed proxy form by inserting the name of his chosen nominee in the space provided for that purpose on the form and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be deposited with the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada at 100 University Avenue, 8<sup>th</sup> Floor, North Tower, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, or by facsimile, at 1-866-249-7775 by not later than 10:00 a.m. (Calgary Time) on December 15, 2017 or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof. Registered Shareholders may also vote by phone or on the internet at [www.investorvote.com](http://www.investorvote.com) as detailed on the form of proxy.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the office of Computershare Trust Company of Canada at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

## ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

**The Information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of Shareholders do not hold shares in their own name.** Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instruction, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers not delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provided appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge proxy cannot use that proxy to vote Common Shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

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

## VOTING OF PROXIES

All shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon. The enclosed**

**form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.**

At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

## **INFORMATION CONCERNING THE CORPORATION**

### **Voting Shares and Principal Holders Thereof**

The directors of the Corporation have fixed November 17, 2017 as the record date. Shareholders at the close of business on November 17, 2017, are entitled to receive notice of the Meeting and to vote thereat or at any adjournments thereof on the basis of one vote for each Common Share held, except to the extent that (i) a registered Shareholder has transferred the ownership of any shares, subsequent to November 17, 2017 and (ii) the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case, the transferee shall be entitled to vote his or her Common Shares at the Meeting. The transfer books will not be closed.

As November 17, 2017, 289,684,072 Common Shares were issued and outstanding as fully paid and non-assessable shares.

To the knowledge of the directors and senior officers of the Corporation, no persons, firms or corporations other than the persons set out below, beneficially own directly or indirectly, or exercise control or direction over ten percent (10%) or more of the issued and outstanding Common Shares of the Corporation.

Name	Number of Shares	Percentage of Issued and Outstanding
JK Investment (Hong Kong) Co., Limited <sup>(1)</sup>	200,000,000	69.04%
China Great United Petroleum Investment Co. Limited	48,967,029	16.90%

### **Suspension of Stock Option Plan**

The Corporation has a stock option plan (the "Stock Option Plan") to grant Options to directors, officers, employees and consultants of the Corporation and for employees of a person or company which provides management services (excluding investor relations services) to the Corporation. The Corporation has suspended the use of the Stock Option Plan. As a result, no further options will be issued under the Stock Option Plan. Currently, there are no outstanding Options.

## Indebtedness of Directors and Senior Officers

None of the directors or senior officers of the Corporation, nominees for election or associates or affiliates of such persons have been indebted to the Corporation at any time since the beginning of the last fiscal period.

## Compensation Discussion and Analysis

The Corporation's compensation program for Named Executive Officers ("NEOs") for 2016, includes a base salary or consulting arrangement and awards of stock options ("Options"). The board of directors of the Corporation (the "Board") determines the level of compensation to NEOs, reflecting the need to provide incentive and compensation for the time and effort expended by the officers while taking into account the financial and other resources of the Corporation. The process for determining the compensation relies solely on discussion by the Board.

NEOs who are not consultants are provided with extended health care, dental and insurance benefits. In addition, each NEO receives minor perquisites (such as parking) which total less than ten (10%) percent of the total compensation.

## Summary Compensation Table

The following table discloses, for each NEO in the most recently completed financial year, total compensation received during the Corporation's three most recently completed financial years.

Name & Principal Position	Year	Salary(\$)	Share- Based awards(\$)	Option- Based awards (\$) <sup>(1)</sup>	Non-equity incentive Plan compensation (\$)			All other Compensation	Total Compensation
					Annual Incentive Plans	Long- Term Incentive Plans	Pension Value (\$)		
Panwen Gao CEO <sup>(2)</sup>	2016	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
Yachao Peng CEO <sup>(2)</sup>	2016	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
Ming Zhou CFO <sup>(3)</sup>	2016	\$74,400	Nil	Nil	Nil	Nil	N/A	Nil	Nil
	2015	\$58,400	Nil	Nil	Nil	Nil	N/A	Nil	Nil
Yanfeng Liu CFO <sup>(3)</sup>	2016	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil

### Notes:

- (1) This figure does not represent cash paid to the NEO. The calculation of option-based awards includes both vested and unvested Options and is based on the Black-Scholes option valuation model based on parameters at the grant date.
- (2) Ms. Panwen Gao was appointed CEO on May 13, 2016 and Mr. Yachao Peng ceased to be CEO on May 13, 2016.
- (3) Mr. Zhou was interim CFO from September 11, 2015 to January 10, 2017 and Ms. Yanfeng Liu was appointed CFO on January 10, 2017.

### Outstanding Share-Based and Option-Based Awards – Named Executive Officers

The following table sets forth information with respect to the outstanding awards granted under the Stock Option Plan issued to the NEOs as at December 31, 2016.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup>	Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
Panwen Gao CEO <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	N/A	N/A
Yachao Peng CEO <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	N/A	N/A
Ming Zhou CFO <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	N/A	N/A
Yanfeng Liu CFO <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	N/A	N/A

Note:

- (1) Calculated based on the difference between the market value of the Common Shares at December 31, 2016, which was \$0.03, and the exercise price of the Option.
- (2) Ms. Panwen Gao was appointed CEO on May 13, 2016 and Mr. Yachao Peng ceased to be CEO on May 13, 2016.
- (3) Mr. Zhou was interim CFO from September 11, 2015 to January 10, 2017 and Ms. Yanfeng Liu was appointed CFO on January 10, 2017.

### Incentive Plan Awards – Value Vested or Earned During the Year – Named Executive Officers

The following table sets forth information in respect of the value of awards granted pursuant to the Stock Option Plan to the NEOs of the Corporation that vested during the period ending December 31, 2016.

Name	Option-Based Awards Value Vested During Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During Year (\$)
Panwen Gao CEO <sup>(2)</sup>	Nil	Nil	Nil
Yachao Peng CEO <sup>(2)</sup>	Nil	Nil	Nil
Ming Zhou CFO <sup>(3)</sup>	Nil	Nil	Nil
Yanfeng Liu CFO <sup>(3)</sup>	Nil	Nil	Nil

Note:

- (1) Calculated based on the difference between the market value of the Common Shares on the application date of vesting and the applicable exercise price of the Option which vested.
- (2) Ms. Panwen Gao was appointed CEO on May 13, 2016 and Mr. Yachao Peng ceased to be CEO on May 13, 2016.
- (3) Mr. Zhou was interim CFO from September 11, 2015 to January 10, 2017 and Ms. Yanfeng Liu was appointed CFO on January 10, 2017.

### Other Plans

The Corporation has no retirement plans, pension plans or other forms of retirement or deferred compensation for its officers.

### Compensation of Directors

The following table summarizes compensation for directors who are not NEOs of the Corporation during the fiscal year ended December 31, 2016.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Quingshou Gao	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tao Gao	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Liqun Hao	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Panwen Gao	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fan (Rose) Gong	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kingston Kwek	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Outstanding Shares-Based and Option-Based-Awards – Directors

The following table sets forth information with respect to the outstanding awards granted under the Stock Option Plan issued to the directors who are not NEOs of the Corporation as at December 31, 2016.

Name	Option-Based Awards			Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)	Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date		Number of Shares or Units of Shares that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)
Qingshou Gao	Nil	N/A	N/A	N/A	Nil	N/A
Tao Gao	Nil	N/A	N/A	N/A	Nil	N/A
Liqun Hao	Nil	N/A	N/A	N/A	Nil	N/A
Gary Chang	Nil	N/A	N/A	N/A	Nil	N/A
Fan (Rose) Gong	Nil	N/A	N/A	N/A	Nil	N/A
Kingston Kwek	700,000 <sup>(2)</sup>	\$0.10	March 12, 2017	N/A	Nil	N/A

Notes:

- (1) Calculated based on the difference between the market value of the Common Shares at December 31, 2016, which was \$0.03, and the exercise price of the Option.
- (2) The Corporation has suspended the Stock Option Plan. See "Suspension of Stock Option Plan" above. Currently, there are no outstanding options.

### Incentive Plan Awards - Value Vested or Earned During the Year – Directors

The following table sets forth information in respect of the value of awards granted pursuant to the Stock Option Plan to the directors who are not NEOs of the Corporation that vested during the period ending December 31, 2016.

Name	Option-Based Awards Vested Year <sup>(1)</sup> (\$)	Value During	Share-Based Awards – Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During Year (\$)
Qingshou Gao	Nil		Nil	Nil
Tao Gao	Nil		Nil	Nil
Liqun Hao	Nil		Nil	Nil
Gary Chang	Nil		Nil	Nil
Fan (Rose) Gong	Nil		Nil	Nil
Kingston Kwek	Nil		Nil	Nil

Notes:

- (1) Calculated based on the difference between the market value of the Common Shares on the applicable date of vesting and the applicable exercise price of the Options which vested.

### Equity Compensation Plan Information as at December 31, 2016

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by securityholders <sup>(1)</sup>	700,000 <sup>(2)</sup>	0.1	27,268,407 <sup>(1)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	700,000 <sup>(2)</sup>	0.1	27,268,407 <sup>(1)</sup>

Notes:

- (1) The Corporation has suspended this equity compensation plan. See "Suspension of Stock Option Plan" above.  
(2) All of these options expired on March 12, 2017. Currently, there are no outstanding options.

### Interest of Informed Persons in Material Transactions

There were no material interests, direct or indirect, of directors and senior officers of the Corporation, nominees for director, any shareholder who beneficially owns more than 10% of the shares of the Corporation, or any known associate or affiliate of such persons in any transaction since the commencement of the Corporation's last completed financial period or in any proposed transaction which has materially affected or would materially affect the Corporation and which is not otherwise disclosed herein.



### **Interest of Certain Persons in Matters to Be Acted On**

Management of the Corporation is not aware of any material interest of any director or nominee for director, or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial period or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than as disclosed in this Information Circular in the discussion of each such matter.

## **ANNUAL MEETING BUSINESS**

### **Financial Statements and Auditor's Report**

Audited financial statements for the fiscal year ended **December 31, 2016** and the report of the auditors thereon have been sent to registered shareholders. The presentation of such audited financial statements to the shareholders at the Meeting will not constitute a request for approval or disapproval.

### **Fixing Number of Directors**

The Articles of the Corporation provide that the Board shall consist of a minimum of three and a maximum of fifteen directors to be elected annually. There are presently eight (8) directors of the Corporation. At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass an ordinary resolution fixing the number of directors to be elected at the Meeting at eight (8). In order for such ordinary resolution to pass, it must be approved by a simple majority of the votes cast at the Meeting by Shareholders who vote in person or by proxy at the Meeting. It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR fixing the number of directors to be elected at the Meeting at eight (8).

### **Election of Directors**

The term of office for each director is from the date of the meeting at which he is elected until the annual meeting next following or until his successor is elected or appointed.

The Board currently consists of eight (8) directors. At the Meeting, eight (8) directors are to be elected

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the election of the nominees specified below as directors of the Corporation. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Corporation and FOR the remaining proposed nominees. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following table states the names of all persons proposed to be nominated for election as directors, the position or office now held by them, if applicable, their principal occupation or employment for the past five years, the date on which they became directors of the Corporation and the number of shares in the capital of the Corporation beneficially owned directly or indirectly or over which they exercise control or direction.

Name and Municipality of Residence	Office Held	Principal Occupation for the Past Five Years	Director Since	Number of Shares Held
Qingshou Gao Wuhan, China	Director	Chairman of the board of directors from 2002 to 2017 of Hubei Guochuang Hitech Material Co., Ltd. (" <b>Guochuang Hitech</b> "), a company listed on the Shenzhen Stock Exchange.	August 12, 2014	Nil <sup>(1)</sup>
Tao Gao Wuhan, China	Director	Director and General Manager of Guochuang Hitech from 2010 to 2017. Prior thereto, director of a research institute for Guochuang Hitech from 2002- to 2005	August 12, 2014	Nil <sup>(1)</sup>
Liqun Hao Wuhan, China	Director	Director of Guochuang Hitech from 2002 to 2017.	August 12, 2014	Nil <sup>(1)</sup>
Yachao Peng <sup>(2)</sup> Wuhan, China	Director & Chief Executive Officer	CEO of the Corporation from September 11, 2015 to May 13, 2016. Vice General Manager of Guochuang Hitech from 2011-2016, and Director of Guochuang Hitech from 2012-2017. CEO of the corporation from September 11, 2015. Prior thereto, Department Manager and then Vice-President of the Hubei branch of Agricultural Bank of China.	August 12, 2014	Nil <sup>(1)</sup>
Panwen Gao New York, USA	Director & Chief Executive Officer	CEO of the Corporation since March 13, 2016. Investment Analyst with a global asset manager based in New York City. Obtained a Master of Science in 2012 from Worcester Polytechnic Institute and a Bachelors of Science from the University of Kent in 2009.	August 12, 2014	Nil
Gary Chang British Columbia, Canada	Director	President, Canadian Royal Potash Inc. since 2010; Vice-President, Great United Petroleum Holding Co. Ltd. from 2005 to 2009.	September 3, 2010	Nil
Fan (Rose) Gong <sup>(2)</sup> Ontario, Canada	Director	Manager, Global Financial Services Industry, of Deloitte in Beijing until August 2012; from 2007 to 2017, Senior Research Analyst, Royal Bank of Canada	November 5, 2012	Nil
Kingston Kwek <sup>(2,3,4)</sup> Singapore, Singapore	Director	Assistant Vice-President, Investments, of Hong Leong Management Services, a subsidiary of Hong Leong Group Singapore, since 2010; Regional Manager of Starwood Hotels and Resorts during 2009; prior thereto, Research Intern for various entities.	February 10, 2012	12, 000,000

## Notes:

- (1) Qingshou Gao, Tao Gao, Liqun Hao and Yachao Peng are directors of Guochang Group which indirectly holds, through JK Investments (Hong Kong) Co., Limited, 200,000,000 Common Shares.
- (2) Member of the Audit Committee.
- (3) Member of the Reserves Committee.
- (4) Member of the Compensation Committee.

Penalties or Sanctions

None of the proposed directors of the Corporation have, within the ten years prior to the date of the Information Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading and securities, promotion or management of a publicly traded issuer, or theft or fraud.

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Corporation has, within the ten years prior to the date of the Information Circular, been a director or executive officer of any reporting issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the reporting issuer access to any statutory exemption for a period of more than 30 consecutive days or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or institute any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

Personal Bankruptcies

None of the proposed directors of the Corporation have, within the ten years preceding the date of the Information Circular, become bankrupt, made a proposal under any legislation relation to bankruptcy or insolvency, or been 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 that person.

**Appointment of Auditor**

The Corporation recommends that MNP LLP, Chartered Accountants ("**MNP**"), be appointed as auditors of the Corporation, to hold office until the close of the next annual meeting of the Shareholders and at such remuneration as may be fixed by the Board of Directors. MNP were first appointed auditors of the Corporation on September 14, 2015. The persons named in the enclosed form of proxy intend to vote for the appointment of MNP as auditors of the Corporation.

**OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting of Shareholders. If any other business properly comes before the Meeting, it is the intention of the persons named in the instrument of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

**CORPORATE GOVERNANCE**

In establishing its corporate governance practices, the Board has been guided by Canadian securities legislation, including National Policy 58-201 *Corporate Governance Guidelines* and other regulatory requirements such as National Instrument 52-110 *Audit Committees*.

**Board of Directors**

The Board is comprised of eight individuals, four of whom are independent (Qingshou Gao, Liqun Hao, Fan (Rose) Gong and Kingston Kwek). Three of the directors, Gary Chang, Panwen Gao and

Yachao Peng, have served as members of management within the last three years and, accordingly, are not independent within the meaning of that term set out in National Instrument 52-110 *Audit Committees*. One of the directors, Tao Gao is not independent by virtue of his actions as management with Guochuang Hitech.

### **Directorship**

The following table set out the directors or proposed directors of the Corporation who are currently directors of other reporting issuers or companies that are equivalent to reporting issuers:

Name	Other Reporting Issuers
Gary Chang	Anterra Energy Inc.
Qingshou Gao	Hubei Guochuang Hitech Material Co., Ltd.
Tao Gao	Hubei Guochuang Hitech Material Co., Ltd.
Liquan Hao	Hubei Guochuang Hitech Material Co., Ltd.
Yachao Peng	Hubei Guochuang Hitech Material Co., Ltd.

### **Orientation and Continuing Education**

New directors to the Board are provided with pertinent information about the Corporation. Members of the Board are provided with ongoing education respecting the Corporation's operations by way of management presentations. In addition, directors are encouraged to attend industry workshops respecting the responsibilities of directors.

### **Ethical Business Conduct**

The Board encourages and promotes a culture of ethical business conduct by actively overseeing the management of the business.

### **Nomination and Assessment of Directors**

The members of the Board share responsibility for proposing new nominees to the Board and for assessing directors on an ongoing basis.

### **Board Committees**

To facilitate its exercise of independent supervision over management, the Board has established the Audit Committee, the Reserves Committee, and the Compensations Committee.

#### Audit Committee

The Audit Committee reviews the annual financial statements and related financial reporting of the Corporation and meets with the external independent auditors to review and consider auditor procedures and to assess the appropriateness and effectiveness of the Corporation's policies, business practices and internal controls. The members of the Audit Committee have direct access to the external auditors of the Corporation. The Audit Committee also reviews the unaudited quarterly financial statements and management's discussion and analysis of financial results. The

charter of the Corporation's Audit Committee is set out in Appendix A to the Corporation's Information Circular for the 2012 shareholders' meeting, filed on SEDAR on October 11, 2012, and is hereby incorporated by reference.

The Audit Committee is comprised of three directors, all of whom are financially literate. The members of the Audit Committee have the following relevant education and experience for performing their responsibilities on the Committee:

Mr. Yachao Peng is the Vice-General Manager of Hubei Guochuang Hitech Materials Co. Ltd. ("Guochuang Hitech") and had held this position from 2011-2016. From 2012-2016, Mr. Peng was a Director of Guochuang Hitech. Prior to this, he worked as a Department Manager and then Vice-President of the Hubei Branch of the Agricultural Bank of China. Mr. Yachao Peng obtained an MBA from Wuhan University of Technology in 2007, his Bachelor Degree in Finance from Zhongnan University of Economics and Law in 1999 and his Certified Public Accountant designated in 1995.

Fan (Rose) Gong holds a Bachelor's degree in Accounting and Finance from Lancaster University (United Kingdom) and a Master degree in Finance from Cambridge University (United Kingdom). Ms. Gong has nine years' experience in the investment banking and financial services industries.

Kingston Kwek holds a Bachelor of Science degree in business, concentrating in finance, from Wharton School at the University of Pennsylvania and a Master of Arts degree from Columbia University. Mr. Kwek has been a private investor in the equity and debt markets for over 10 years turned venture capitalist, and has worked for a number of government-linked organizations, NGOs, and for profit corporations. He has experience in investment management, primarily in Asian markets.

As a company listed on the Exchange, the Corporation is exempt from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of National Instrument 52-110 *Audit Committees*, but is subject to Part 6 (Venture Issuers).

#### *Fees Charged by External Auditors*

The following table sets out the aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for the category of fees described.

	<u>2016</u>	<u>2015</u>
Audit Fees	23,540	25,200
Audit-Related Fees	Nil	Nil
Tax Fees	1,177	1,260
All Other Fees	<u>Nil</u>	<u>Nil</u>
Total	\$24,717	\$26,460

#### Reserves Committee

The Reserves Committee is currently comprised solely of Mr. Kwek. The Reserves Committee is responsible for (i) reviewing estimates of reserves prepared by management and evaluated by independent petroleum engineers; and (ii) assuring the independence of the independent petroleum engineers.

### Compensation Committee

The Compensation Committee is currently comprised solely of Mr. Kwek. No terms of reference have been established for this committee.

All matters outside the mandates of the Audit Committee, the Reserves Committee and the Compensation Committee are considered by the full Board. The Board has considered this appropriate in light of the size of the Corporation and its stage of development.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is contained in the Corporation's financial statements and Management's Discussion and Analysis for the year ended December 31, 2016. If you wish to request copies of the Corporation's financial statements and Management's Discussion and Analysis, please contact Samuel Wang, Vice-President, at Suite 610, 700 – 4<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3J4, Tel:(403) 232-1359.

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