

AFRICA HYDROCARBONS INC.

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JANUARY 4, 2018

NOTICE OF MEETING AND MANAGEMENT PROXY AND INFORMATION CIRCULAR

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF AFRICA HYDROCARBONS INC. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF AFRICA HYDROCARBONS INC. TO BE HELD ON THURSDAY, JANUARY 4, 2018.

TO BE HELD AT:

The offices of Gowling WLG (Canada) LLP
Suite 1600, 421 - 7 Avenue SW
Calgary, Alberta
at 10:00 a.m. (Calgary Time)

Dated: December 6, 2017

AFRICA HYDROCARBONS INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the "**Meeting**") of holders of common shares ("**Common Shares**") of **AFRICA HYDROCARBONS INC.** (the "**Corporation**") will be held at the offices of Gowling WLG (Canada) LLP, Suite 1600, 421 - 7 Avenue SW, Calgary, Alberta, on Thursday, January 4, 2018 at 10:00 a.m. (Calgary Time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the financial year ended September 30, 2016 and the report of the auditor thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at three (3);
3. to elect the Board of Directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditor's remuneration;
5. to consider and, if thought advisable, to approve, with or without variation, an ordinary resolution, as more particularly set forth in the accompanying Management Information Circular, relating to the re-approval of the stock option plan of the Corporation for the ensuing year;
6. to consider and, if thought advisable, to approve, with or without variation, a special resolution approving an amendment to the articles of the Corporation to change the name of the Corporation to "BlockchainK2 Corp.", or such other name as the Board of Directors of the Corporation, in its sole discretion, deems appropriate, as more fully described in accompanying Management Information Circular;
7. to consider and, if thought advisable, to approve, with or without variation an ordinary resolution approving the adoption of a fixed number stock option plan for the Corporation ("**New Stock Option Plan**"), conditional upon the completion of the COB Transaction (as defined in the accompanying Management Information Circular) and subject to approval of the TSX Venture Exchange (the "**TSXV**") as more fully described in accompanying Management Information Circular;
8. to consider and, if thought advisable, to pass, by ordinary resolution of disinterested shareholders, the approval of a grant by the Corporation of up to 15% of the options to be granted under the New Stock Option Plan (if implemented) to Douglas Wu (or such lesser number as permitted by the TSXV), such grant representing more than 5% of the total issued and outstanding Common Shares at the completion of the COB Transaction, reserved for issuance to any one optionee within a 12 month period, as more fully described in the accompanying Management Information Circular;
9. to consider and, if thought advisable to pass, by ordinary resolution of disinterested shareholders, and subject to TSXV approval, the approval of grants of up to 20% of the options to be granted pursuant to the New Stock Option Plan to Insiders (or such lesser number as permitted by the TSXV), such grants representing more than 10% of the total issued and outstanding Common Shares outstanding at the completion of the COB Transaction reserved for issuance to all Insiders (as such term is defined in the policies of the TSXV) (as a group) of the Corporation, as more fully described in the accompanying Management Information Circular; and

10. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

DATED this 6th day of December, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Douglas Wu*"

Douglas Wu, Chief Executive Officer

NOTES:

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be received by Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

Alternatively, shareholders may vote through the internet at www.investorvote.com or by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America). Shareholders will require the 15 digit control number that may be found on the instrument of proxy in order to vote through the internet or by telephone.

AFRICA HYDROCARBONS INC.
MANAGEMENT INFORMATION CIRCULAR
SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR ("MANAGEMENT INFORMATION CIRCULAR") IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF AFRICA HYDROCARBONS INC. (THE "CORPORATION") of proxies from the holders of common shares (the "**Common Shares**") for the annual general and special meeting of the shareholders of the Corporation (the "**Meeting**") to be held on January 4, 2018 at 10:00 a.m. (Calgary Time) at the offices of Gowling WLG (Canada) LLP, Suite 1600, 421 - 7 Avenue SW, Calgary, Alberta, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting ("**Notice of Meeting**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the "Management Designees") in the enclosed instrument of proxy ("Instrument of Proxy") have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at least 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

Alternatively, shareholders may vote through the internet at www.investorvote.com or by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America). Shareholders will require the 15 digit control number that may be found on the instrument of proxy in order to vote through the internet or by telephone. In order to be valid and acted upon at the Meeting, instruments of proxy as well as votes by internet and telephone must be received in each case not less than 48 hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or at any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder's name. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such 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) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their 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 substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend 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 form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

VOTING OF PROXIES

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favor of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favor of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

QUORUM

The Articles of the Corporation provide that quorum for the transaction of business at a meeting of shareholders is one (1) person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least five percent (5%) of the issued shares entitled to be voted at the meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. As at the effective date of this Management Information Circular (the "**Effective Date**"), which is December 6, 2017, the Corporation has 12,546,291 Common Shares issued and outstanding.

Holders of Common Shares of record at the close of business on November 30, 2017 (the "**Record Date**") are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than 10 days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, only the following beneficially own, directly or indirectly, or control or direct, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares:

<u>Name and Municipality of Residence</u>	<u>Type of Ownership</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares</u>
Sergei Stetsenko Dubai, UAE	Indirect through CRG Finance AG	1,283,750	10.2%

The above information is based on information supplied by the Corporation's registrar and transfer agent, Computershare Investor Services Inc., and information publicly available information available at www.sedi.ca.

As at the date of this Management Information Circular, the current directors and senior officers of the Company as a group beneficially owned, directly or indirectly 1,658,750 Common Shares constituting approximately 13.2% of the issued and outstanding Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation's business performance and share value. The philosophy of the Corporation is to maintain a close monitoring over costs during its start-up phase and then to pay the management a total compensation amount that is competitive with other junior oil and gas companies in Canada and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long term basis.

The Board of Directors of the Corporation (the "**Board**") has adopted a compensation program that covers three (3) key elements: (i) a base amount of salary and benefits; (ii) a performance based cash bonus; and (iii) stock options. A description of the criteria used in each element of compensation is set forth below.

Base Salary

The objective of base salary compensation is to reward and retain Named Executive Officers (defined below). The program is designed to reward Named Executive Officers for maximizing shareholder value in a volatile commodity based business in a safe, environmentally responsible, regulatory compliant and ethical manner. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Corporation. Subjective factors such as leadership, commitment and attitude are also considered. The Corporation pays base salary compensation to retain the Named Executive Officers and has historically tried to pay base salary in the range of competitors.

Bonus Plan

The Corporation's compensation philosophy will be to encourage the maximization of shareholder value at all levels of the organization by making cash bonuses a component of compensation, taking into consideration performance by both the Corporation and the respective executive officer.

Although no formal bonus plan has been implemented, all executive officers are eligible to receive a bonus. Bonus levels, if any, will be established by the Board or the Compensation Committee, if applicable. Bonus awards for executive officers are discretionary.

Stock Options

The maximization of shareholder value is encouraged by the granting of stock options at all levels. The Corporation has in place a stock option plan under which awards have been made to executive officers in amounts relative to positions, performance, and what is considered competitive in the industry. The objective of the stock option plan is to reward and retain Named Executive Officers. The program is designed to reward Named Executive Officers for maximizing shareholder value in a volatile commodity based business in a safe, environmentally responsible, regulatory compliant and ethical manner.

The Chief Executive Officer makes recommendations to the Board with respect to stock option awards. The recommendations do not generally take into account awards made in the previous year. The Board assesses the Chief Executive Officer's recommendations. In general, stock options are granted under the stock option of the Corporation to executive officers upon their commencement of service. Additional grants are made periodically to recognize the exemplary performance of or the special contribution by eligible individuals. An annual grant may be made to eligible individuals based on individual performance and performance of the Corporation during the most recently completed financial year in relation to performance expected.

The Corporation's stock option plan (the "**Current Plan**") was previously re-approved by the shareholders of the Corporation on August 11, 2015. The details of the Current Plan are described under "*PARTICULARS OF MATTERS TO BE ACTED UPON – Re-Approval of Stock Option Plan*".

Risk Implications Associated with Compensation Policies and Practices

The Board is satisfied that there were not any identified risks arising from the Corporation's compensation plans or policies that would have had any negative or material impact on the Corporation.

Restrictions on Purchase of Financial Instruments

The Corporation's Insider Trading Policy provides that the practice of selling "short" securities of the Corporation and the practice of buying or selling a "call" or "put" or any other derivative security in respect of any securities of the Corporation is not permitted at any time by the directors, officers and employees of the Corporation.

Named Executive Officer and Director Compensation, Excluding Compensation Securities

The following table sets forth summarizes all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, excluding Compensation Securities (as defined below), for the financial years ended September 30, 2017 and 2016 for services in all capacities to the Corporation and its subsidiaries, if any, in respect of each individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three (3) most highly compensated individuals whose total compensation exceeded \$150,000 per annum for the year ended September 30, 2017 (the "**Named Executive Officers**" or "**NEOs**"), and director.

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Douglas Wu, CEO and Director ⁽¹⁾	2017	50,478 ⁽²⁾	nil	nil	nil	nil	50,478
John Nelson, former President and CEO ⁽³⁾	2017	15,000 ⁽⁴⁾	nil	nil	nil	nil	15,000
	2016	90,000 ⁽⁴⁾	nil	nil	nil	nil	90,000
Charidy Lazorko, former CFO ⁽⁵⁾	2017	nil	nil	nil	nil	nil	nil
	2016	9,000 ⁽⁶⁾	nil	nil	nil	nil	9,000
Kari Wilkie, CFO ⁽⁷⁾ ⁽⁸⁾	2017	nil	nil	nil	nil	nil	nil
	2016	nil	nil	nil	nil	nil	nil
Sergei Stetsenko, Director ⁽⁹⁾	2017	50,478 ⁽¹⁰⁾	nil	nil	nil	nil	50,478
Pam White, Corporate Secretary and former Director ⁽¹¹⁾	2017	10,000 ⁽¹²⁾	nil	nil	nil	nil	10,000
Binh Vu, former Director ⁽¹³⁾	2017	nil	nil	nil	nil	nil	nil
	2016	9,150 ⁽¹⁴⁾	nil	nil	nil	nil	9,150
David Antony, former Director ⁽¹⁵⁾	2017	nil	nil	nil	nil	nil	nil
	2016	10,000 ⁽¹⁴⁾	nil	nil	nil	nil	10,000
Gordon McKay, former Director ⁽¹⁶⁾	2017	nil	nil	nil	nil	nil	nil
	2016	10,000 ⁽¹⁴⁾	nil	nil	nil	nil	10,000
Andrew Male, former Director ⁽¹⁷⁾	2017	15,211 ⁽¹⁴⁾	nil	nil	nil	nil	15,211
	2016	nil	nil	nil	nil	nil	nil

Notes:

- (1) Mr. Wu has served as CEO and a director since June 1, 2017.
- (2) Mr. Wu's compensation was paid in connection with his position as a director and represent directors fees.
- (3) Mr. Nelson served as CEO and a director until December 12, 2016.
- (4) Represents compensation paid to Tracker Resource Management Inc. ("**Tracker Resource Management**"), a company which is wholly-owned by Mr. Nelson, for services provided to the Corporation. The Corporation paid no salary directly to Mr. Nelson.
- (5) Ms. Lazorko served as CFO until January 1, 2016.
- (6) Represents compensation paid to FCross Consulting Inc., a company which is wholly-owned by Ms. Lazorko, for services provided to the Corporation. The Corporation paid no salary directly to Ms. Lazorko.
- (7) Ms. Wilkie has served as CFO since January 1, 2016.
- (8) Effective January 1, 2016, the Corporation entered into an accounting services agreement with Energy Accounting Services Inc. ("**EAS**") whereunder EAS provided certain accounting support services to the Corporation. On January 1, 2016, in connection with such agreement, the Corporation retained Ms. Wilkie, as its CFO. Ms. Wilkie is a consultant of EAS. During the 2017 and 2016 financial years, the Corporation paid \$27,103 and \$15,507, respectively in fees to EAS under the accounting services agreement.
- (9) Mr. Stetsenko has served as a director since June 1, 2017.
- (10) Mr. Stetsenko's compensation was paid in connection with his position as a director and represents directors fees.
- (11) Ms. White served as a director of the Corporation from June 30, 2017 to November 20, 2017. Ms. White has acted as corporate secretary since June 1, 2017.

- (12) Represents compensation paid to PJW Consulting Services Ltd., a company which is controlled by Ms. White, for services provided to the Corporation. The Corporation paid no salary directly to Ms. White.
- (13) Binh Vu served as a director until August 30, 2016.
- (14) Represents compensation paid in connection with position as a director and represents directors fees.
- (15) Mr. Antony served as a director until August 30, 2016.
- (16) Mr. McKay served as a director until December 12, 2016.
- (17) Mr. Male served as a director until June 1, 2017.

Stock Options and Other Compensation Securities

The following table sets out Compensation Securities (defined to include stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted share units granted or issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries) granted or issued to each NEO and director during the fiscal year ended September 30, 2017:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Douglas Wu, CEO and Director ⁽¹⁾	Stock Options	410,274 ⁽³⁾	July 6, 2017	\$0.16	\$0.30	\$0.98	July 6, 2027
	Stock Options	217,040 ⁽³⁾	Nov. 8, 2017	\$0.52	\$0.92	\$0.98	Nov. 8, 2027
Sergei Stetsenko, Director ⁽²⁾	Stock Options	410,275 ⁽³⁾	July 6, 2017	\$0.16	\$0.30	\$0.98	July 6, 2027
	Stock Options	217,040 ⁽³⁾	Nov. 8, 2017	\$0.52	\$0.92	\$0.98	Nov. 8, 2027

Notes:

- (1) As at September 30, 2017 Mr. Wu held 410,274 options.
- (2) As at September 30, 2017 Mr. Stetsenko held 410,275 options.
- (3) Options to vest immediately upon grant.

There were no Compensation Securities exercised by any NEO or director during the fiscal year ended September 30, 2017.

Employment, Consulting and Management Agreements

Management functions of the Corporation are not, to any substantial degree, performed other than by directors or NEO's.

During the most recently completed financial year, the significant terms of each NEO's employment agreement or arrangement were as follows:

- There is no employment agreement in place for the Corporation's CEO and director, Mr. Douglas Wu. Mr. Wu has been paid US\$10,000 (CAD\$12,695 as at December 4, 2017 and converted at the Bank of Canada daily exchange rate on such date of 1 USD = 1.2695 CAD) per month beginning June 2017 as a director fee.

- There is no employment agreement in place for the Corporation's director, Mr. Sergei Stetsenko. Mr. Stetsenko has been paid US\$10,000 (CAD\$12,695 as at December 4, 2017 and converted at the Bank of Canada daily exchange rate on such date of 1 USD = 1.2695 CAD) per month beginning June 2017 as a director fee.
- Until his resignation on December 12, 2016, Mr. Nelson was employed as President and CEO of the Corporation pursuant to executive management agreement effective March 1, 2012 between the Corporation and a holding company of Mr. Nelson, Tracker Resource Management. In consideration for acting as the President and Chief Executive Officer, Mr. Nelson was paid, indirectly through Tracker Resource Management, consulting fees pursuant to the terms of the agreement. The agreement contains terms and provisions relating to consulting fees, expenses, indemnification and other terms customary of agreements of this nature. In addition, the agreement provides that in the event that the agreement is terminated without cause or Mr. Nelson terminates the agreement for Good Reason (as defined in the agreement), Mr. Nelson will be entitled to the payment of a payout amount equal to \$98,000. The agreement also provides that in the event the agreement is terminated other than pursuant to expiration of its term, for cause or incapacity in the 12 month period following the date of any "change of control", Mr. Nelson would have been entitled to the payment of a payout amount equal to \$98,000.
- Effective January 1, 2016, the Corporation entered into an accounting services agreement with EAS, whereunder EAS provided certain accounting support services to the Corporation. On January 1, 2016, in connection with such agreement, the Corporation retained Ms. Wilkie, as its CFO. Ms. Wilkie is a consultant of EAS. During the 2017 and 2016 financial years, the Corporation paid \$27,103 and \$15,507, respectively in fees to EAS under the accounting services agreement.
- Effective June 1, 2017, the Corporation agreed to pay to PJW Consulting Services Ltd., a company which is controlled by Ms. White, Corporate Secretary of the Corporation, \$2,500 plus taxes per month, for consulting services provided to the Corporation.

Pension Disclosure

At this time, the Corporation does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

Termination and Change of Control Benefits

The details of the termination and change of control benefits for the Named Executive Officers are described under "*EXECUTIVE COMPENSATION – Summary Compensation Table – Narrative Discussion*".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights⁽¹⁾	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans⁽¹⁾
Equity compensation plans approved by securityholders	820,549	\$0.16	nil ^{(1) (2)}
Equity compensation plans not approved by securityholders	nil	Not applicable	nil
Total	820,549	\$0.16	nil ^{(1) (2)}

Notes:

- (1) The aggregate number of Common Shares that may be reserved for issuance under the Current Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares.
- (2) As at the date of this Management Information Circular, the Corporation has 12,546,291 Common Shares issued and outstanding, and therefore there are 1,254,629 options to acquire Common Shares available for issuance under the Current Plan. Also, at the date of this Circular, the Corporation has granted options to acquire 1,254,629, resulting in nil Common Shares remaining available for future issuance under the Current Plan

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or any subsidiary of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or any subsidiary of the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation or any subsidiary of the Corporation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below and herein, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer of the Corporation or of any subsidiary of the Corporation, proposed nominee for election as a director, any shareholder holding more than 10% of the Common Shares or any director or executive officer of any shareholder holding more than 10% of the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

AUDIT COMMITTEE

The Audit Committee is a committee of the Board to which the Board delegates its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the shareholders, the relationship between the Corporation and the external auditor.

Pursuant to National Instrument 52-110 — *Audit Committees* ("**NI 52-110**") the Corporation is required to disclose certain information with respect to its Audit Committee, as summarized below.

Audit Committee Terms of Reference

The Corporation must, pursuant to NI 52-110, have a written charter which sets out the duties and responsibilities of its Audit Committee. The written charter of the Audit Committee is attached hereto as Schedule "A".

Audit Committee Composition

The following are the members of the Audit Committee.

Douglas Wu	Not independent ⁽¹⁾	Financially Literate ⁽¹⁾
Sergei Stetsenko	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Andri Stytsenko	Independent ⁽¹⁾	Financially Literate ⁽¹⁾

Note:

(1) As defined by NI 52-110.

Relevant Education and Experience

All of the members of the Audit Committee have been either directly involved in the preparation of the financial statements, filing of the quarterly and annual financial statements, dealing with the auditors, or involved as a member of the audit committee. All members have the ability to read, analyze, and understand the complexities surrounding the issuance of financial statements.

The following sets out the education and experience of each nominee director relevant to the performance of his duties as a proposed member of the Audit Committee:

Douglas Wu

Mr. Douglas Wu is Managing Partner at Whitwell Partners, a merchant banking firm. He has helped acquire, build and exit businesses in a variety of industries including insurance services, natural resources, infrastructure, financial services and technology. He was formerly Managing Director/ Head of Private Equity at Rothschild Emerging Markets and CEO of G2 Natural Resources, a joint venture with G2 Investment Group. He began his career at Thomas H. Lee Company, a private equity firm. He is a graduate of Harvard College and Harvard Business School and is Industrial Sector Lead of HBS Alumni Angels.

Sergei Stetsenko

Mr. Sergei Stetsenko is a financier and venture capitalist who is acting CEO of CRG Finance AG, a private venture capital firm in Zug, Switzerland. He has helped raise over \$100 mm in capital for companies in the technology, health care, communications and natural resource sectors. He is a founder

of Vynleads, a US technology company, and was founder and CEO from 2003-2005 of Peleton Resources (now Triangle Petroleum – TPLM on the NYSE).

Andri Stytsenko

Mr. Stytsenko has a degree in Petroleum Engineering, with over 28 years in the industry, including 6 years at Halliburton in Western Canada. He is also an early adopter of crypto currency mining and has been involved with accessing suitable data center locations with economic energy sources, both in Western Canada and Eastern Europe.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Audit Committee had adopted specific policies and procedures for the engagement of non-audit services as described in written charter of the Audit Committee attached hereto as Schedule "A" under the heading "External Auditors".

External Auditor Service Fees

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees (\$)	Audit Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
2017	18,000	N/A	N/A	N/A
2016	24,000	N/A	N/A	N/A

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board is currently comprised of three (3) directors, Douglas Wu, Sergei Stetsenko, and Andri Stytsenko, and all of these directors are being nominated for re-election at the Meeting.

Sergei Stetsenko and Andri Stytsenko are independent directors of the Corporation and have no ongoing interest or relationship with the Corporation other than their security holdings in the Corporation and serving as directors, if any. Douglas Wu, the Chief Executive Officer of the Corporation, is a member of management and, as a result, is not an independent director. The Board is responsible for determining whether a director is an independent director.

National Policy 58-201 — *Corporate Governance Guidelines* suggests that the Board of a public Corporation should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgement.

Directorships

The following directors of the Corporation are directors of other reporting issuers:

Director	Other Reporting Issuers
Sergei Stetsenko	Greatbanks Resources Ltd.
Douglas Wu	Greatbanks Resources Ltd.

Orientation and Continuing Education

At present, each new director is given an outline of the nature of the Corporation's business, its corporate strategy, and current issues with the Corporation along with a description of the committees constituted by the Board. New directors are also expected to be required to meet with management of the Corporation to discuss and better understand the Corporation's business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation.

The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics. In addition, the Board has established a Whistle Blower Policy which provides for the complaint procedure for concerns about any aspect of the Corporation's activities and operations.

In addition, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta) ("**ABCA**"), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board presently seeks and determines new nominees to the Board, although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among the Board members and officers.

Other Board Committees

The only committee of the Corporation is the Audit Committee.

Assessments

The Board has not implemented a process for assessing its effectiveness but is considering doing so. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board has considered a formal assessment process to be inappropriate at this time.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Auditor's Report and Financial Statements

The Board have approved all of the information in the audited financial statements of the Corporation for the year ended September 30, 2016 and the report of the auditor thereon.

2. Fix Number of Directors to be Elected at the Meeting

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that three (3) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favor of the ordinary resolution fixing the number of directors to be elected at the Meeting at three (3).**

3. Election of Directors

The Corporation currently has three (3) directors, Douglas Wu, Sergei Stetsenko, and Andri Stytsenko, and all of these directors are being nominated for re-election. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five (5) years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Corporation that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies**

held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the ABCA to which the Corporation is subject.

Name, Municipality of Residence, Office and Date Became a Director	Principal Occupation and Positions Held During the Past Five Years	Date Appointed as a Director	Number and % of Common Shares Beneficially Owned or Controlled as at the Effective Date ⁽¹⁾⁽²⁾
Andri Stytsenko ⁽³⁾ Edmonton, Alberta <i>Director</i>	Mr. Stytsenko a dual citizen of Canada and the Ukraine, and has a degree in Petroleum Engineering, with over 28 years in the industry, including the last 5 years at Halliburton in Western Canada. He is also an early adopter of crypto currency mining and has been involved with accessing suitable data center locations with economic energy sources, both in Western Canada and Eastern Europe.	November 20, 2017	Nil
Douglas Wu ⁽³⁾ New York, NY, USA <i>Chief Executive Officer and Director</i>	Mr. Wu is Managing Partner of Whitwell Partners, a merchant banking firm, Senior Advisor to a family office	June 1, 2017	375,000 (2.99%)
Sergei Stetsenko ⁽³⁾ Dubai, UAE <i>Director</i>	CEO of CRG Finance AG private venture capital investment company	June 1, 2017	1,283,750 (10.2%)

Notes:

- (1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based upon information furnished to the Corporation by the above individuals.
- (2) Assumes a total of 12,546,291 Common Shares issued and outstanding as at the Effective Date.
- (3) Members of the Audit Committee.

Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been, a director or executive officer of any company that, while that person was acting in that capacity:

- i) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (iii) within a year of that person ceasing to act in such 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.

Personal Bankruptcies

No proposed director has within 10 years before the date of this Management Information Circular, become 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 the assets of such person.

Penalties and Sanctions

No proposed director has been subject to:

- i) 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
- ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

4. Appointment of Auditor

The shareholders of the Corporation will be asked to vote for the appointment of MNP LLP, as auditor of the Corporation. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favor of a resolution appointing MNP LLP, Chartered Professional Accountants, as auditor of the Corporation for the next ensuing year**, to hold office until the close of the next annual general meeting of shareholders or until the firm of MNP LLP is removed from office or resigns as provided by the Corporation's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favor of a resolution authorizing the Board to fix the compensation of the auditor.

5. Re-Approval of Stock Option Plan

The Current Plan was previously re-approved by the shareholders of the Corporation on August 11, 2015. A copy of the Current Plan is attached as Schedule "B" to this Management Information Circular. The policies of the TSX Venture Exchange ("**TSXV**" or the "**Exchange**") require that stock option plans which reserve for issuance up to 10% of a listed corporation's shares be re-approved annually by the shareholders of the listed corporation. That approval is being sought at the Meeting.

The Current Plan complies with the policies of the TSXV. Under the Current Plan, the Board may, from time to time, grant options to purchase Common Shares to certain directors, officers, employees and consultants of the Corporation and of its subsidiaries and affiliates. The aggregate number of Common Shares issuable upon the exercise of all options granted under the Current Plan shall not exceed 10% of the issued and outstanding Common Shares from time to time, subject to the following additional limitations:

- (a) the aggregate number of Common Shares reserved for issuance to any one person under the Current Plan in any 12 month period, together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the then outstanding Common Shares (on a non-diluted basis);

- (b) in the aggregate, no more than 10% of the issued and outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(aa) of the *Securities Act* (British Columbia) and includes an associate, as defined in subsection 1(c) of the *Securities Act* (British Columbia) ("Insider(s)") under the Current Plan, together with all other security based compensation arrangements of the Corporation;
- (c) the number of securities of the Corporation issued to Insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares;
- (d) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Corporation in any 12 month period to any one consultant of the Corporation (or any of its subsidiaries); and
- (e) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Corporation in any 12 month period to persons employed to provide investor relations activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.

If any option granted pursuant to the Current Plan shall expire or terminate for any reason in accordance with the terms of the Current Plan without being exercised, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Current Plan.

Pursuant to the Current Plan, the maximum length of any option shall be 10 years from the date the option is granted. Notwithstanding the above, a participant's options shall expire within 90 days after a participant ceases to act for the Corporation, other than by reason of death, subject to adjustment at the discretion of the Board. Options of a participant that provides investor relations activities will expire 30 days after the cessation of the participant's services to the Corporation. Under the Current Plan, in the event of the death of a participant, the participant's estate shall have 12 months in which to exercise the outstanding options.

The Current Plan includes a black out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "black out periods". A black out period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders. The TSX recognizes these black out periods might result in an unintended penalty to employees who are prohibited from exercising their options during that period because of their company's internal trading policies. As a result, the TSX provides a framework for extending options that would otherwise expire during a black out period. The Current Plan includes a provision that should an option expiration date fall within a black out period or immediately following a black out period, the expiration date will automatically be extended for 10 business days following the end of the black out period.

The Current Plan also includes a provision that provides the Corporation with authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by an option holder to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with the Current Plan, or any issuance of Common Shares.

Subject to applicable approval of the TSXV, the Board may, at any time, suspend or terminate the Current Plan. Subject to applicable approval of the TSXV, the Board may also at any time amend or revise the terms of the Current Plan, provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Current Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

Section 2.9 of Policy 4.4 of the TSXV requires that a rolling stock option plan must receive annual shareholder approval. In accordance with Policy 4.4, the shareholders will be asked to consider and if thought fit, approve an ordinary resolution re-approving the Current Plan as the Corporation's stock option plan. In order for the resolution re-approving the Current Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.**

The text of the ordinary resolution which management intends to place before the Meeting for the re-approval of the Current Plan is as follows:

"BE IT RESOLVED as an ordinary resolution of the Corporation that:

1. **the stock option plan of the Corporation in substantially the form attached as Schedule "B" to the management information circular of the Corporation dated December 6, 2017 (the "Plan") be and is hereby approved and adopted as the stock option plan of the Corporation;**
2. **the form of the Current Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;**
3. **all issued and outstanding stock options previously granted are hereby continued under and governed by the Current Plan;**
4. **the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
5. **any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."**

6. Name Change

The Corporation previously announced its intention to complete a "Change of Business" transaction ("**COB Transaction**") pursuant to the policies of the TSX Venture Exchange with the result that the Corporation will become a blockchain technology company. In connection with the COB Transaction, the Corporation intends to change its name to "BlockchainK2 Corp.", or such other name as the Board, in its sole discretion, deems appropriate (the "**Name Change**").

Management believes that the Name Change is in the best interests of the Corporation in order to reflect the change in its business activities.

The shareholders will be asked to consider and if thought fit, approve a special resolution authorizing the Board, in its sole discretion, to effect the Name Change. To be effective, the resolution in respect of the Name Change must be approved by the affirmative vote of not less than two-thirds (2/3) of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this special resolution.**

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

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

1. **the name of Africa Hydrocarbons Inc. (the "Corporation") be changed to "BlockchainK2 Corp." or such other name as the board, in its sole discretion, deems appropriate;**
2. **any one director or any one officer be and is hereby authorized and directed to execute on behalf of the Corporation, and to deliver or to cause to be delivered all such documents, agreements and instruments and to do and to cause to be done all such other acts or things as he shall determine to be necessary or desirable to carry out the intent of this special resolution; and**
3. **notwithstanding approval of the shareholders of the Corporation as herein provided, the Board may, in its sole discretion, revoke the special resolution before it is acted upon without further approval of the shareholders of the Corporation."**

7. Conditional Approval of New Stock Option Plan

In anticipation of the COB Transaction, the Corporation proposes to cancel the Current Plan and implement a new stock option plan (the "**New Stock Option Plan**") to, among other things, fix the maximum number of Common Shares in respect of which options may be outstanding under the plan at such as shall represent 20% of the total number of the Common Shares issued and outstanding as at the date the COB Transaction is completed.

Management believes that the adoption of a fixed number stock option plan to replace the Current Plan is appropriate as, it will allow better align the interests of management, employees and consultants with shareholder interests and to link performance compensation to enhancement of shareholder value. Adoption of the New Stock Option Plan shall be subject to all regulatory approvals, including approval of the TSXV. The New Stock Option Plan complies with the policies of the TSXV.

All previously granted and outstanding options will be governed by the provisions of the New Stock Option Plan, except if the terms of New Stock Option Plan adversely affect optionees holding options

granted under the Current Plan, such options will be subject to the Current Plan to the extent necessary only to avoid the adverse effect, but otherwise will be subject to the terms of New Stock Option Plan.

A copy of the New Stock Option Plan is attached as Schedule "C" to this Management Information Circular. The following is a summary of the material terms of the New Stock Option Plan and is subject to the text of the New Stock Option Plan attached hereto as Schedule "C". All capitalized terms used in the summary below, but not otherwise defined herein, shall have the meaning given to them in the New Stock Option Plan:

Eligible Persons: any Employee, Director or Consultant are eligible to participate in the New Stock Option Plan.

Purpose: The principal purposes of the New Stock Option Plan are to (a) provide the Corporation with the advantages of the incentive inherent in equity ownership on the part of Eligible Persons who are responsible for the continued success of the Corporation; (b) to create in those Eligible Persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage Eligible Persons to remain with the Corporation and any Subsidiaries; and to attract new Employees, Directors and Consultants

Plan Limits: The number of Shares that may be reserved for issuance under the New Stock Option Plan (and under any other share compensation arrangement) will not exceed, in the aggregate the number of Common Shares equal to 20% of the issued and outstanding number of Shares of the Corporation (on a non-diluted basis) on the effective date of the COB Transaction.

Limits on Certain Grants: The New Stock Option Plan imposes the following limitations on the grant of the Options under the New Stock Option Plan:

- (a) in the aggregate, no more than 10% of the issued and outstanding Common Shares (on a non-diluted basis) may be reserved at any time for Insiders under the New Stock Option Plan, together with all other security based compensation arrangements of the Corporation, unless any disinterested shareholder approval required by the TSXV has been obtained (which is being sought, as described under "*PARTICULARS OF MATTERS TO BE ACTED UPON – Conditional Disinterested Shareholder Approval of Option Grants to Douglas Wu*") and subject to TSXV approval;
- (b) the number of securities of the Corporation issued to Insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares, unless any disinterested shareholder approval required by the Exchange has been obtained (which is being sought, as described under "*PARTICULARS OF MATTERS TO BE ACTED UPON – Conditional Disinterested Shareholder Approval of Option Grants to Insiders*") and subject to TSXV approval;
- (c) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any one-year period to Consultants; and
- (d) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any one-year period to Investor Relations Participants. Options granted to Investor Relations Participants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.

Option Exercise Price and Expiry Date: The Board will set the option exercise price in respect of each Common Share issuable under an Option granted to a Participant, such price may not be less than the

Discounted Market Price. On the Grant Date, the Board will also set the option expiry date of each Option granted, provided however such date may not be any later than 10 years after the Grant Date and is subject to the early termination provisions set out in the New Stock Option Plan.

Blackout Periods: The Options are subject to certain Blackout Periods if the holder is restricted from trading in Common Shares pursuant to an applicable laws or policies of the Corporation. In certain circumstances the New Stock Option plans extends the expiry date of options, should such date fall within a Blackout Period.

Amendments to Plan or Options: The Board may amend the New Stock Option Plan or any Option at any time, subject to the requirements of the TSXV (or any other stock exchange or market on which the Common Shares are listed), including any shareholder approval requirements, provided that:

- (a) if an amendment materially impairs an Option or is materially adverse to its holder, the amendment will not take effect in respect of that Option until the consent of the Participant holding the Option has been obtained; and
- (b) any reduction in the Option Exercise Price for an Option held by an Insider is subject to the receipt of disinterested shareholder approval as required by the TSXV.

Termination: Subject to the provisions of the New Stock Option Plan, if a Participant ceases to be an Eligible Person:

- (a) any unvested portion of any Option held by that Participant will immediately expire as of the Termination Date; and
- (b) any vested portion of any Option held by that Participant will expire on the earlier of the Option Expiry Date set by the Board under Section 4.4 (without including any extended expiry terms determined under Section 4.7) and:
 - i) in the case of termination of employment by the Corporation or a Subsidiary without cause, or the failure of a Director standing for election to be re-elected, or the failure by the Corporation or a Subsidiary to renew a contract for services at the end of its term, the date which is 90 days after the Termination Date;
 - ii) in the case of the death of the Participant, the date which is one year after the death;
 - iii) in the case of the Disability or Retirement of the Participant, the date which is 180 days after the Termination Date; and
 - iv) in all other cases, the Termination Date,(the date determined under (i) through (iv), the "**Early Expiry Date**").
- (c) Unless otherwise determined by the Board, Options will not be affected by any change of employment or provision of services within or among the Corporation or any Subsidiaries, so long as the Participant continues to be an Eligible Person.
- (d) The Early Expiry Date will be determined based on the first of the events described in items (b) (i) through (iv) above to occur.

The New Stock Option Plan is intended to provide the Board with the ability to issue options to provide the employees, officers, directors and consultants of the Corporation with long term equity based

performance incentives which are a key component of the Corporation's compensation strategy. The Corporation believes it is important to align the interests of management, employees and consultants with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of stock options whose value over time is dependent on market value.

The Board believes that the proposed New Stock Option Plan will offer to participants a competitive and stable level of equity-based compensation. The Board has determined that the New Stock Option Plan is necessary and in the best interests of the Corporation and its shareholders in order for Corporation to secure and retain key personnel and to provide additional motivation to such persons to exert their best efforts on behalf of the Corporation.

At the Meeting, the shareholders will be asked to consider and if thought fit, approve an ordinary resolution authorizing the Board to adopt the New Stock Option Plan, conditional on approval of the COB Transaction and TSXV approval of the New Stock Option Plan. To be effective, the resolution in respect of the adoption of the New Stock Option Plan must be approved by the affirmative vote of a simple majority of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution.** If passed, the ordinary resolution found below will become effective immediately upon completion of the COB Transaction and the requisite approval of the TSXV.

The text of the ordinary resolution which management intends to place before the Meeting for the adoption of the New Stock Option Plan is as follows:

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

1. **subject to:**
 - (a) **the completion of the COB Transaction (as defined in the management information circular of Africa Hydrocarbons Inc. (the "Corporation") dated December 6, 2017 (the "Circular"); and**
 - (b) **regulatory approval, including approval of the TSX Venture Exchange (the "TSXV"),**

the New Stock Option Plan, in substantially the form set out in Schedule "C" of the Circular, is hereby approved in replacement of the Corporation's existing stock option plan to be effective upon completion of the COB Transaction;

2. **the Board of Directors of the Corporation (the "Board") is hereby authorized to make any changes to the New Stock Option Plan as may be required by the TSXV;**
3. **notwithstanding approval of the shareholders of the Corporation as herein provided, the Board may, in its sole discretion, revoke this ordinary resolution before it is acted upon without further approval of the shareholders of the Corporation; and**
4. **any one (1) director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."**

8. Conditional Disinterested Shareholder Approval of Option Grants to Douglas Wu

Following implementation of the New Stock Option Plan and following the completion of the COB Transaction, the Corporation intends to issue to Douglas Wu, a director and Chief Executive Officer of the Corporation, an option grant under the New Stock Option Plan equal to up to 15% of the then issued and outstanding Common Shares of the Corporation (or such lesser number as permitted by the TSXV) (the "**Wu Grant**").

The Wu Grant will, in the aggregate, exceed the 5% of the total issued and outstanding Common Shares, as at the completion of the COB Transaction, reserved for issuance to any one optionee within a 12 month period, permitted by TSXV Policy 4.4 – *Incentive Stock Options* ("**Policy 4.4**"), unless approval by a majority of disinterested shareholders of the Corporation (as such term is used in Policy 4.4) is obtained with respect to such grant.

The Corporation proposes to issue the Wu Grant following the completion of the COB Transaction and management believes the Wu Grant is appropriate in the circumstance as Mr. Wu has been instrumental in the arranging and implementing the COB Transaction.

At the Meeting, the disinterested shareholders will be asked to consider and if thought fit, approve an ordinary resolution authorizing the Wu Grant under the New Stock Option Plan, conditional on the completion of the COB Transaction and the implementation of the New Stock Option Plan.

To be effective, the resolution in respect of Wu Grant must be approved by the affirmative vote of a simple majority of the votes cast by the disinterested shareholders present in person or represented by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution by disinterested shareholders.** If passed, the ordinary resolution of disinterested shareholders found below will become effective immediately upon completion of the COB Transaction and the requisite approval of the TSXV.

The text of the ordinary resolution of disinterested shareholders which management intends to place before the Meeting for the approval of the Wu Grant is as follows:

"BE IT RESOLVED as an ordinary resolution of the disinterested shareholders of the Corporation (as such term is used in TSX Venture Exchange Policy 4.4 – *Incentive Stock Options*) that:

1. **subject to:**
 - (a) **the completion of the COB Transaction and the implementation of the**

New Stock Option Plan (as such terms are defined in the management information circular of Africa Hydrocarbons Inc. (the "Corporation") dated December 6, 2017 (the "Circular"), and

- (b) **regulatory approval, including approval of the TSX Venture Exchange (the "TSXV"),**

the Corporation be and is hereby authorized to grant equal to up to 15% of the then issued and outstanding Common Shares of the Corporation, under the New Stock Option Plan to Douglas Wu, such grant representing more than 5% of the total issued outstanding and Common Shares, at the completion of the COB Transaction, reserved for issuance to any one optionee within a 12 month period (the "Wu Grant");

2. **the Board of Directors of the Corporation (the "Board") is hereby authorized to make any changes, including any reduction in the number of options permitted to be granted thereunder, to the Wu Grant as may be required by the TSXV;**
3. **notwithstanding approval of the disinterested shareholders of the Corporation as herein provided, the Board may, in its sole discretion, revoke this ordinary resolution of disinterested shareholders before it is acted upon without further approval of the shareholders of the Corporation; and**
4. **any one (1) director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."**

9. Conditional Disinterested Shareholder Approval of Option Grants to Insiders

Following implementation of the New Stock Option Plan, and following the completion of the COB Transaction, the Corporation intends to issue to Insiders (as such term is defined in the policies of the TSXV) (as a group), option grants under the New Stock Option Plan equal to up to 20% of the then issued and outstanding Common Shares (or such lesser number as permitted by the TSXV) (the "**Insider Grants**"), inclusive of the Wu Grant.

The Insider Grants will, in the aggregate, exceed the 10% of the total issued and outstanding Common Shares, as at the completion of the COB Transaction, reserved for issuance to Insiders, permitted by TSXV Policy 4.4 – *Incentive Stock Options* ("**Policy 4.4**"), unless approval by a majority of disinterested shareholders of the Corporation (as such term is used in Policy 4.4) is obtained with respect to such grants.

The Corporation proposes to issue the Insider Grants following the completion of the COB Transaction and management believes the Insider Grants are appropriate, after taking in consideration the Wu Grant, to ensure that it retains the ability to issue options to its officers and directors as long term equity based performance incentives which are a key component of the Corporation's compensation strategy.

At the Meeting, the disinterested shareholders will be asked to consider and if thought fit, approve an ordinary resolution authorizing the Insider Grants under the New Stock Option Plan, conditional on the completion of the COB Transaction and the implementation of the New Stock Option Plan.

To be effective, the resolution in respect of Insider Grant must be approved by the affirmative vote of a simple majority of the votes cast by the disinterested shareholders present in person or represented by proxy at the Meeting. **In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution by disinterested shareholders.** If passed, the ordinary resolution of disinterested shareholders found below will become effective immediately upon completion of the COB Transaction and the requisite approval of the TSXV.

The text of the ordinary resolution of disinterested shareholders which management intends to place before the Meeting for the approval of the Insider Grant is as follows:

"BE IT RESOLVED as an ordinary resolution of the disinterested shareholders of the Corporation (as such term is used in TSX Venture Exchange Policy 4.4 – *Incentive Stock Options*) that:

1. **subject to:**
 - (a) **the completion of the COB Transaction and the implementation of the New Stock Option Plan (as such terms are defined in the management information circular of Africa Hydrocarbons Inc. (the "Corporation") dated December 6, 2017 (the "Circular"), and**
 - (b) **regulatory approval, including approval of the TSX Venture Exchange (the "TSXV"),**

the Corporation be and is hereby authorized to grant options equal to up to 20% of the then issued and outstanding Common Shares of the Corporation, under the New Stock Option Plan to Insiders (as such term is defined in the policies of the TSXV) (as a group) (inclusive of the Wu Grant, as such term is defined in the Circular), such grants representing more than 10% of the total issued and outstanding Common Shares, at the completion of the COB Transaction, reserved for issuance to Insiders;

2. **the Board of Directors of the Corporation (the "Board") is hereby authorized to make any changes, including any reduction in the number of options permitted to be granted thereunder, to the Insider Grant as may be required by the TSXV;**
3. **notwithstanding approval of the disinterested shareholders of the Corporation as herein provided, the Board may, in its sole discretion, revoke this ordinary resolution of disinterested shareholders before it is acted upon without further approval of the shareholders of the Corporation; and**
4. **any one (1) director or officer of the Corporation is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."**

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before**

the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favor of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders, if any, require the approval of the shareholders not affected by, or interested in, the matter to be approved.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Corporation at Suite 320, 600 - 6th Avenue S.W., Calgary, Alberta T2P 0S5, Attention: Chief Executive Officer to obtain a copy of the Corporation's most recent financial statements and management's discussion and analysis.

BOARD APPROVAL

The contents and the sending of this Management Information Circular have been approved by the Board.

DATED this 6th day of December, 2017.

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting.

Meetings

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and

any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

- (c) Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the

Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

SCHEDULE "B"

STOCK OPTION PLAN

1. Purpose

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

2. Administration

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

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

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

Each option granted by the Corporation prior to the date of the approval of the Current Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Current Plan after the Current Plan has been approved by the shareholders of the Corporation.

3. Stock Exchange Rules

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

4. Shares Subject to Plan

Subject to adjustment as provided in Section 16 hereof, the Shares to be offered under the Current Plan shall consist of Shares of the Corporation's authorized but unissued Shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Current Plan shall not exceed 10% of the issued and outstanding Shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Current Plan

without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. Maintenance of Sufficient Capital

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

6. Eligibility and Participation

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

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

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

7. Withholding Taxes

The Corporation shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Participant to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Shares. Without limiting the generality of the foregoing, the Corporation may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to a Participant;
- (b) require, as a condition of the issuance of Shares to a Participant that the Participant make a cash payment to the Corporation equal to the amount, in the Corporation's opinion, required to be withheld and remitted by the Corporation for the account of the Participant to the appropriate governmental authority and the Corporation, in its discretion, may withhold the issuance or delivery of Shares until the Participant makes such payment; or
- (c) sell, on behalf of the Participant, all or any portion of Shares otherwise deliverable to the Participant until the net proceeds of sale equal or exceed the amount which, in the Corporation's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Participant.

8. Exercise Price

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

9. Number of Optioned Shares

- (a) The aggregate number of Shares that may be issued pursuant to the exercise of options awarded under the Current Plan and all other security based compensation arrangements of the Corporation is 10% of the issued and outstanding Shares from time to time, subject to the following additional limitations:
 - i) the aggregate number of Shares reserved for issuance to any one person under the Current Plan in any 12 month period, together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the then outstanding Shares (on a non-diluted basis);
 - ii) in the aggregate, no more than 10% of the issued and outstanding Shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(aa) of the *Securities Act* (British Columbia) and includes an associate, as defined in subsection 1(c) of the *Securities Act* (British Columbia) ("**Insider(s)**") under the Current Plan, together with all other security based compensation arrangements of the Corporation;
 - iii) the number of securities of the Corporation issued to Insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Shares;
 - iv) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any 12 month period to any one consultant of the Corporation (or any of its subsidiaries); and
 - v) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any 12 month period to persons employed to provide investor relations activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.
- (b) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

10. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 12 and 13, provided that

in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange Inc., the maximum term may not exceed 10 years. The Toronto Stock Exchange does not impose a maximum term for the duration of an option.

Should the expiry date of an option fall within a Black Out Period (as defined below) or within nine business days following the expiration of a Black Out Period, such expiry date of the option shall be automatically extended without any further act or formality to that date which is the 10th business day after the end of the Black Out Period, such 10th business day to be considered the expiry date for such option for all purposes under the Current Plan. The 10 business day period referred to in this paragraph may not be extended by the Board.

"Black Out Period" means the period during which the relevant Participant is prohibited from exercising an option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time.

11. Option Period, Consideration and Payment

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 12 and 13 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 12 and 13, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) Subject to Section 7, the exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Current Plan are issued to him or them under the terms of the Current Plan.

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

If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant

ceases to be a director, officer, consultant, employee or a Management Company Employee, subject to adjustment at the discretion of the Board, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

Nothing contained in the Current Plan, nor in any option granted pursuant to the Current Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

13. Death of Participant

Notwithstanding Section 12, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one year after such death and then only:

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

14. Rights of Optionee

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

15. Proceeds from Sale of Shares

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

16. Adjustments

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

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

17. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Current Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

18. Amendment and Termination of Plan

Subject to applicable approval of the Exchange, the Board of Directors may, at any time, suspend or terminate the Current Plan. Subject to applicable approval of the Exchange, the Board of Directors may also at any time amend or revise the terms of the Current Plan; provided that no such amendment or revision shall result in a material adverse change to the terms of any options theretofore granted under the Current Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

Upon receipt of all approvals that may be required pursuant to Section 20 hereof, the Current Plan will replace the current stock option plan of the Corporation (the "**Old Plan**") and on the date of receipt of all such approvals, the Old Plan will be of no further force and effect. All options and stock option agreements issued under the Old Plan shall thereafter be deemed to be issued under the Current Plan and thereafter shall be governed under the Current Plan.

19. Necessary Approvals

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

Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

20. Effective Date of Plan

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

21. Interpretation

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

SCHEDULE "C"

AFRICA HYDROCARBONS INC. STOCK OPTION PLAN

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

For the purposes of this Plan, the following terms have the following meanings:

- 1.1.1 **"Applicable Laws"** means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations and orders of any Governmental Authority having authority over that Person, property, transaction or event.
- 1.1.2 **"Blackout Period"** means the period during which designated Persons cannot trade Shares pursuant to the Corporation's policy, if any, respecting restrictions on trading which is in effect at that time.
- 1.1.3 **"Board"** means the board of directors of the Corporation.
- 1.1.4 **"Business Day"** means any day excluding a Saturday, Sunday or statutory holiday in the Province of Alberta, and also excluding any day on which the principal chartered banks located in the City of Calgary are not open for business during normal banking hours.
- 1.1.5 **"Change of Business"** has the meaning given to it under Exchange Policy 5.2 – *Changes of Business and Reverse Takeover*.
- 1.1.6 **"Change of Business Transaction"** means the proposed Change of Business transaction of the Corporation with the result that the Corporation will become a blockchain technology company.
- 1.1.7 **"Change of Control Transaction"** means:
 - 1.1.7.1 the acquisition of a sufficient number of voting securities in the capital of the Corporation so that the acquiror, together with Persons acting jointly or in concert with the acquiror, becomes entitled, directly or indirectly, to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Corporation (provided that, prior to the acquisition, the acquiror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting securities in the capital of the Corporation);
 - 1.1.7.2 the completion of a consolidation, merger, arrangement or amalgamation of the Corporation with or into any other entity whereby the voting securityholders of the Corporation immediately prior to the consolidation, merger, arrangement or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting securities of the consolidated, merged, arranged or amalgamated entity; or

1.1.7.3 the completion of a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other entity and the voting securityholders of the Corporation immediately prior to the sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale.

1.1.8 **"Consultant"** means a Person, other than an Employee or a Director, that:

1.1.8.1 is engaged to provide consulting, technical, management or other services to the Corporation or to a Subsidiary, other than services provided in relation to a distribution of securities;

1.1.8.2 provides the services under a written contract with the Corporation or a Subsidiary; and

1.1.8.3 in the reasonable opinion of the Board, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary.

1.1.9 **"Corporation"** means Africa Hydrocarbons Inc., or such other name adopted by the Corporation.

1.1.10 **"Director"** means a director of the Corporation or any Subsidiary.

1.1.11 **"Disability"** means a physical or mental incapacity or disability that prevents the Eligible Person from performing the essential duties of the Eligible Person's employment or service with the Corporation or any Subsidiary, and which cannot be accommodated under applicable human rights laws without imposing undue hardship on the Corporation or the Subsidiary employing or engaging the Eligible Person, as determined by the Board for the purposes of this Plan.

1.1.12 **"Discounted Market Price"** means "Discounted Market Price" as defined in the TSX Venture Exchange Corporate Finance Manual (as amended at any time).

1.1.13 **"Early Expiry Date"** is defined in Section 4.10.1.2.

1.1.14 **"Eligible Person"** means any Employee, Director or Consultant.

1.1.15 **"Employee"** means:

1.1.15.1 an individual who is considered an employee of the Corporation or any Subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);

1.1.15.2 an individual who works full-time for the Corporation or any Subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or the relevant Subsidiary over the details and methods of work as an employee of the Corporation or the relevant Subsidiary, but for whom income tax deductions are not made at source; or

1.1.15.3 an individual who works for the Corporation or any Subsidiary on a continuing and regular basis for at least 20 hours per week providing services normally provided by an employee and who is subject to the same control and direction by the

Corporation or the relevant Subsidiary over the details and methods of work as an employee of the Corporation or the relevant Subsidiary, but for whom income tax deductions are not made at source.

- 1.1.16 **"Exchange"** means the TSX Venture Exchange.
- 1.1.17 **"Exercise Notice"** is defined in Section 4.6.2.
- 1.1.18 **"Fair Market Value"** at any date means the closing trading price of the Shares on the Exchange on the last trading day immediately preceding such date or if the Shares did not trade on the last business day preceding such date, the average of the bid and ask prices in respect of the Shares at the close of trading on such date on the Exchange; in the event that the Shares are not then listed and posted for trading on any stock exchange in Canada, the Fair Market Value shall be determined by the Board in its sole discretion.
- 1.1.19 **"Governmental Authority"** means:
- 1.1.19.1 any federal, provincial, state, local, municipal, regional, territorial, aboriginal or other government, any governmental or public department, branch or ministry, or any court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of any of them exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory, or taxing authority or power of any nature; and
- 1.1.19.2 any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them.
- 1.1.20 **"Grant Date"** means, for any Option, the date on which that Option is granted.
- 1.1.21 **"Insider"** means "Insider" as defined in the TSX Venture Exchange Corporate Finance Manual (as amended at any time).
- 1.1.22 **"Investor Relations Activities"** means "Investor Relations Activities" as defined in the TSX Venture Exchange Corporate Finance Manual (as amended at any time).
- 1.1.23 **"Investor Relations Participant"** means a Consultant that performs Investor Relations Activities or an Employee or Director whose roles and duties primarily consist of Investor Relations Activities.
- 1.1.24 **"Net Cashless Exercise"** is defined in Section 4.6.4.
- 1.1.25 **"Net Cashless Exercise Notice"** is defined in Section 4.6.4.
- 1.1.26 **"Option"** means an option to purchase Shares granted to an Eligible Person under the terms of this Plan.
- 1.1.27 **"Option Agreement"** means an option agreement substantially in the form attached as Exhibit "A" to this Plan.
- 1.1.28 **"Option Exercise Price"** is defined in Section 4.3.
- 1.1.29 **"Option Expiry Date"** is defined in Section 4.4.

- 1.1.30 **"Participant"** means an Eligible Person to whom an Option has been granted.
- 1.1.31 **"Person"** will be broadly interpreted and includes:
- 1.1.31.1 a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person;
 - 1.1.31.2 a corporation or a company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an unincorporated organization or any other association, organization or entity of any kind; and
 - 1.1.31.3 a Governmental Authority.
- 1.1.32 **"Plan"** means this stock option plan of the Corporation.
- 1.1.33 **"Remittance Amount"** is defined in Section 4.9.1.1.
- 1.1.34 **"Restricted Person"** is defined in Section 2.3.6.2.
- 1.1.35 **"Retirement"** means retirement from active employment or service with the Corporation or a Subsidiary:
- 1.1.35.1 at or after age 65; or
 - 1.1.35.2 with the consent of any officer of the Corporation as may be designated for the purposes of this Plan by the Board, at or after any earlier age and on the completion of any number of years of service as the Board may specify.
- 1.1.36 **"Share Compensation Arrangement"** means any stock option plan of the Corporation (other than this Plan) and any stock option granted by the Corporation outside of this Plan.
- 1.1.37 **"Shares"** means common shares in the capital of the Corporation.
- 1.1.38 **"Subsidiary"** means a body corporate that is controlled by the Corporation and, for the purposes of this definition, a body corporate will be deemed to be controlled by the Corporation if the Corporation, directly or indirectly, has the power to direct the management and policies of the body corporate by virtue of ownership of, or direction over, voting securities in the body corporate.
- 1.1.39 **"Termination Date"** means the date on which a Participant ceases to be an Eligible Person and, in the case of an Employee, means the date on which the Employee ceases to actively perform services for the Corporation or any Subsidiary (excluding any notice period which may extend beyond the date on which active services cease).

1.2 Certain Rules of Interpretation

- 1.2.1 In this Plan, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the words **"including"** or

"includes" in this Plan is to be construed as meaning "including, without limitation" or "includes, without limitation", respectively.

- 1.2.2 The division of this Plan into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Plan.
- 1.2.3 References in this Plan to an Article, Section or Exhibit are to be construed as references to an Article, Section or Exhibit of or to this Plan unless otherwise specified.
- 1.2.4 Unless otherwise specified in this Plan, time periods within which or following which any calculation or payment is to be made, or action is to be taken, will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day. Unless otherwise determined by the Board, if an Option would, under the terms of this Plan or the Option Agreement, otherwise expire or terminate on a day which is not a Business Day, the Option will expire or terminate on the next Business Day.
- 1.2.5 Unless otherwise specified, any reference in this Plan to any statute, rule or policy includes all regulations and subordinate legislation made under or in connection with that statute at any time, and is to be construed as a reference to that statute, rule or policy as amended, modified, restated, supplemented, extended, re-enacted, replaced or superseded at any time.

1.3 Governing Law

This Plan and each Option Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province.

ARTICLE 2 ESTABLISHMENT OF PLAN

2.1 Purpose

- 2.1.1 The Corporation establishes this Plan to govern the grant, administration and exercise of Options which may be granted to Eligible Persons.
- 2.1.2 The principal purposes of this Plan are to provide the Corporation with the advantages of the incentive inherent in equity ownership on the part of Eligible Persons who are responsible for the continued success of the Corporation; to create in those Eligible Persons a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage Eligible Persons to remain with the Corporation and any Subsidiaries; and to attract new Employees, Directors and Consultants.
- 2.1.3 This Plan is expected to benefit shareholders by enabling the Corporation to attract and retain personnel of the highest calibre by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

2.2 Shares Reserved and Plan Limits

- 2.2.1 The number of Shares that may be reserved for issuance under this Plan and under any other Share Compensation Arrangement will not exceed, in the aggregate, ● ***[the number of Shares shall be equal to 20% of the issued and outstanding number of Shares of the Corporation (on a non-diluted basis) on the effective date under Section 2.7]***
- 2.2.2 The Corporation will at all times during the term of this Plan reserve and keep available the number of Shares necessary to satisfy the requirements of this Plan.

2.3 Limits on Certain Grants

- 2.3.1 An Option may only be granted to a Consultant under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Consultants, does not exceed, in aggregate, 2% of the outstanding Shares on the Grant Date (with the outstanding Shares being calculated on a non-diluted basis, and excluding Shares issued to Consultants within the previous one-year period pursuant to the exercise of options).
- 2.3.2 An Option may only be granted to an Investor Relations Participant under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Investor Relations Participants, does not exceed, in aggregate, 2% of the outstanding Shares on the Grant Date (with the outstanding Shares being calculated on a non-diluted basis, and excluding Shares issued to Investor Relations Participants within the previous one-year period pursuant to the exercise of options).
- 2.3.3 An Option may only be granted to a Person under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to that Person, does not exceed, in aggregate, 5% of the outstanding Shares on the Grant Date (with the outstanding Shares being calculated on a non-diluted basis, and excluding Shares issued to that Person within the previous one-year period pursuant to the exercise of options), unless any disinterested shareholder approval required by the Exchange has been obtained and subject to Exchange approval.
- 2.3.4 The number of Shares that may be reserved for issuance to Insiders under this Plan and under any other Share Compensation Arrangement will not exceed, in the aggregate, 10% of the outstanding Shares (on a non-diluted basis) at any point in time, unless any disinterested shareholder approval required by the Exchange has been obtained and subject to Exchange approval.
- 2.3.5 An Option may only be granted to an Insider under this Plan if the number of Shares reserved for issuance under that Option, when combined with the number of Shares reserved for issuance under all options granted within the one-year period before the Grant Date by the Corporation to Insiders, does not exceed, in aggregate, 10% of the outstanding Shares on the Grant Date (with the outstanding Shares being calculated on a non-diluted basis, and excluding Shares issued to Insiders within the previous one-year period pursuant to the exercise of options), unless any disinterested shareholder approval required by the Exchange has been obtained

2.3.6 For the purposes of calculating the limits in this Section 2.3:

2.3.6.1 the number of Shares reserved for issuance under an option means the number of Shares which were originally reserved for issuance upon the date of grant of the option (except for the purposes of calculating the limit in Section 2.3.4, in which case the number of Shares reserved for issuance means the number of Shares reserved for issuance at the time of the calculation); and

2.3.6.2 any options granted within the relevant time but prior to the grantee becoming a Consultant, Investor Relations Participant or Insider, as applicable (a "**Restricted Person**"), and any Shares reserved or issued under those grants, will be included in the number of options granted to those Restricted Persons, in the number of Shares reserved for issuance to those Restricted Persons, and in the number of Shares issued to those Restricted Persons, if the grantee becomes a Restricted Person on or before the date the calculation is made.

2.4 Exercised Options

Any number of Shares which have been issued on the exercise of an Option will again be available for grants under this Plan, and will be considered to be part of the pool of Shares available for Options under this Plan.

2.5 Expired or Terminated Options

If and to the extent any Option granted under this Plan expires or is terminated without having been exercised in whole or in part, the number of Shares then subject to that Option will be considered to be part of the pool of Shares available for Options under this Plan.

2.6 Non-Exclusivity

Nothing contained in this Plan will prevent the Board from adopting other or additional incentive compensation arrangements, whether Share Compensation Arrangements or otherwise.

2.7 Effective Date

This Plan will be effective as of the date the Corporation receives final approval from the Exchange for the Change of Business Transaction, but will be subject to acceptance of this Plan by the Exchange. Any Options granted under this Plan prior to that acceptance will be conditional upon any required approval and acceptance being given and no Options may be exercised until that approval and acceptance have been given.

ARTICLE 3 ADMINISTRATION OF PLAN

3.1 Administration of the Plan

3.1.1 Subject to the provisions of this Plan, Applicable Laws, and the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed), the Board will have full power and authority to:

- 3.1.1.1 administer this Plan in accordance with its express terms;
- 3.1.1.2 determine all questions arising in connection with the administration, interpretation, and application of this Plan;
- 3.1.1.3 prescribe, amend, and rescind rules and regulations relating to the administration of this Plan; and
- 3.1.1.4 make all other determinations necessary or advisable for the administration of this Plan.

All determinations made in good faith on the matters referred to in this Section 3.1.1 will be final, conclusive, and binding on the Corporation and the relevant Participant.

- 3.1.2 Subject to Applicable Laws, and the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed), the Board may, by resolution, at any time:
 - 3.1.2.1 delegate any of its powers, rights and obligations under Section 3.1.1 to any committee of the Board; and
 - 3.1.2.2 amend or rescind the delegation of any of its rights, powers and obligations effected under Section 3.1.2.1.

3.2 Record Keeping

The Corporation will maintain a register in which will be recorded:

- 3.2.1 with respect to each Option granted to a Participant:
 - 3.2.1.1 the name and address of the Participant;
 - 3.2.1.2 the Grant Date;
 - 3.2.1.3 the number of Shares issuable under the Option as of the Grant Date;
 - 3.2.1.4 the Option Exercise Price;
 - 3.2.1.5 any vesting conditions;
 - 3.2.1.6 the number of Shares issued under the Option (and the dates of issuance); and
 - 3.2.1.7 the Option Expiry Date; and
- 3.2.2 the aggregate number of Shares subject to Options.

3.3 Adjustments to Options

- 3.3.1 If any material change in the outstanding Shares occurs by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, the Board may make any proportionate adjustments to this Plan and any outstanding Options that the Board deems equitable and

appropriate to reflect that change. Any adjustment under this Section 3.3.1 will be made in the sole discretion of the Board, and will be conclusive and binding for all purposes of this Plan.

- 3.3.2 No fractional Shares will be issued on the exercise of an Option. If, as a result of any adjustment as provided in this Section 3.3, a Participant would be entitled to a fractional Share, the Participant will have the right to purchase only the number of full Shares that is calculated under that adjustment, and no payment or other adjustment will be made with respect to that fractional Share.

3.4 Termination of the Plan

The Board may terminate this Plan at any time in its absolute discretion (without shareholder approval). If this Plan is terminated, no further Options will be granted but the Options then outstanding will continue in full force and effect in accordance with the provisions of this Plan, until the time they are exercised or terminated or expire under the terms of this Plan and the applicable Option Agreements.

3.5 General

The existence of any Option will not affect, in any way, the right or power of the Corporation to:

- 3.5.1 make or authorize any recapitalization, reorganization or other change in the Corporation's capital structure or business;
- 3.5.2 participate in any amalgamation, combination, merger or consolidation;
- 3.5.3 create or issue any securities or change the rights and conditions attaching to any of its securities;
- 3.5.4 effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business; or
- 3.5.5 effect any other corporate act or proceeding, whether of similar character or otherwise.

3.6 Compliance with Applicable Laws

- 3.6.1 This Plan, the grant and exercise of Options, the Corporation's obligation to issue Shares on the exercise of Options, and all other actions taken under this Plan will be subject to Applicable Laws, to the applicable rules and policies of the Exchange (or any other stock exchange or market on which the Shares are listed) and to any approvals by any Governmental Authority which, in the opinion of counsel to the Corporation, are necessary or advisable.
- 3.6.2 No Option will be granted and no Shares issued under this Plan if that grant or issue would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction. Any purported grant of any Option or issue of Shares under this Plan in violation of this Section 3.6.2 will be void.
- 3.6.3 Shares issued to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under Applicable Laws.

ARTICLE 4 TERMS OF OPTIONS

4.1 Grants

4.1.1 Subject to the provisions of this Plan, the Board will have the authority to grant Options to Eligible Persons, and to determine the terms and conditions applicable to the exercise of those Options, including, for each Option:

4.1.1.1 the number of Shares issuable under the Option;

4.1.1.2 the Option Exercise Price;

4.1.1.3 the Option Expiry Date;

4.1.1.4 the vesting conditions, if any;

4.1.1.5 the nature and duration of the restrictions, if any, to be imposed on the sale or other disposition of Shares acquired on the exercise of the Option; and

4.1.1.6 the events, if any, that could give rise to a termination of the Participant's rights under the Option, and the period in which such a termination can occur.

4.1.2 Each Option must be confirmed by an Option Agreement executed by the Corporation and by the Participant to whom that Option is granted. Subject to specific variations approved by the Board in respect of any Option, those variations not to be inconsistent with the provisions of this Plan, all terms and conditions set out in this Plan will be incorporated by reference into and form part of each Option Agreement.

4.1.3 If an Option is to be granted to an Employee or a Consultant, the Corporation and the Person to whom that Option is proposed to be granted are responsible for ensuring and confirming that the Person is a bona fide Employee or Consultant.

4.2 Multiple Grants

An Eligible Person may be granted Options on more than one occasion under this Plan and be granted separate Options on any one occasion.

4.3 Option Exercise Price

The Board will set the option exercise price (the "**Option Exercise Price**") in respect of each Share issuable under an Option granted to a Participant. The Option Exercise Price will not be less than the Discounted Market Price.

4.4 Option Expiry Date

The Board will, on the Grant Date, set the option expiry date (the "**Option Expiry Date**") of each Option granted to a Participant. The Option Expiry Date set under this Section 4.4 will be no later than ten years after the Grant Date, and will be subject to earlier expiry in accordance with Section 4.10 and Section 4.11, and later expiry in accordance with Section 4.7.

4.5 Vesting of Options

- 4.5.1 Subject to Section 4.5.2, the Board may, at any time, accelerate the date on which any Option will vest and become exercisable.
- 4.5.2 An Option granted to an Investor Relations Participant will vest over a period of not less than 12 months from the Grant Date, and as to no more than 1/4 of the Shares issuable under the Option in any three-month period.

4.6 Exercise of Options

- 4.6.1 An Option will be exercisable until 5:00 p.m. (Calgary time) on the Option Expiry Date, but only to the extent that it has vested and has not expired or been terminated.
- 4.6.2 Subject to the provisions of this Plan and the related Option Agreement, an Option may be exercised, in whole or in part, at any time by delivery to the Corporation of a written notice of exercise (the "**Exercise Notice**"), substantially in the form of Schedule "A" to Exhibit "A" to this Plan, specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the Option Exercise Price of the Shares to be purchased. Payment of the Option Exercise Price must be made by cash, bank draft or certified cheque.
- 4.6.3 Provided that the Shares are listed on the Exchange and that the Corporation is in compliance with applicable Exchange requirements, a Participant may, in lieu of paying the Option Exercise Price for the Shares to be issued upon the exercise of Options, elect to receive, subject to any applicable withholding requirements, in respect of all or a portion of the Options being exercised an amount per Option equal to the difference between the Fair Market Value, at the date of receipt by the Corporation of the Exercise Notice, and the Option Exercise Price, against surrender of such Option by the Participant to the Corporation for no additional consideration.
- 4.6.4 Notwithstanding section 4.6.2 and 4.6.3, with the approval of the Board (which may be withheld entirely in the sole and absolute discretion of the Board) and other than where such exercise is prohibited by the policies of the Exchange, a Participant may elect to exercise Option(s), in whole or in part, without payment of the aggregate Option Exercise Price due on such exercise (any such exercise, a "**Net Cashless Exercise**") by providing written notice of such election to the Corporation (a "**Net Cashless Exercise Notice**"). Upon actual receipt by the Corporation of a Net Cashless Exercise Notice from a Participant, the Corporation shall calculate and issue to such Participant that number of Shares as is determined by application of the following formula, after deduction of any applicable withholding requirements:

$$X = [Y(A-B)]/A$$

Where:

- X = the aggregate number of Shares to be issued to the Participant upon such Net Cashless Exercise
- Y = the aggregate number of Shares underlying the Option(s) being exercised
- A = the Fair Market Value as of the date of receipt by the Corporation of such Net Cashless Exercise Notice, if greater than the Option Exercise Price
- B = the Option Exercise Price of the Option(s) being exercised

If the number of Shares to be issued to the Participant in the event of a Net Cashless Exercise would otherwise include a fraction of a Share, the Corporation will pay a cash amount to such Participant equal to: (i) the fraction of a Share otherwise issuable multiplied by (ii) the Fair Market Value as of the date of the receipt by the Corporation of such Net Cashless Exercise Notice. Upon a Net Cashless Exercise by a Participant pursuant to this Section 4.6.4, the number of Shares underlying the Option(s) being exercised shall be deemed to have been issued and counted against the maximum number of authorized but unissued Shares available for issue under this Plan.

4.7 Blackout Periods

No Option may be exercised during a Blackout Period, if the Participant is then restricted from trading in Shares pursuant to any policy of the Corporation or Applicable Laws. If an Option Expiry Date set under Section 4.4 falls on a date within a Blackout Period or within nine Business Days following the expiration of a Blackout Period, the expiry date for that Option will be automatically extended, without any further act or formality, to that date which is the tenth Business Day after the end of the Blackout Period. This Section 4.7 will not extend any termination or expiry date determined under Section 4.10 or 4.11.

4.8 Amendments to Plan or Options

The Board may amend this Plan or any Option at any time, subject to the requirements of the Exchange (or any other stock exchange or market on which the Shares are listed), including any shareholder approval requirements, provided that:

- 4.8.1 if an amendment materially impairs an Option or is materially adverse to its holder, the amendment will not take effect in respect of that Option until the consent of the Participant holding the Option has been obtained; and
- 4.8.2 any reduction in the Option Exercise Price for an Option held by an Insider is subject to the receipt of disinterested shareholder approval as required by the Exchange.

4.9 Withholding of Tax

- 4.9.1 The Corporation and any Subsidiary may take reasonable steps for the withholding of any taxes or other source deductions that it is required by Applicable Laws or the requirements of any Governmental Authority to remit in connection with this Plan, any Option or any issuance of Shares upon the exercise of an Option, including:
 - 4.9.1.1 deducting and withholding the amount required to be remitted (the "**Remittance Amount**") from any cash remuneration or any other amount payable to a Participant, whether or not related to the Plan, the exercise of any Options or the issue of any Shares;
 - 4.9.1.2 permitting the Participant to make a cash payment to the Corporation equal to the Remittance Amount; or
 - 4.9.1.3 selling, or causing a broker engaged by the Corporation to sell, on behalf of any Participant, that number of Shares issued to the Participant pursuant to an exercise of Options, such that the amount received by the Corporation or Subsidiary from the proceeds of the sale will be sufficient to satisfy the obligation

to remit the Remittance Amount (and to fund any commissions payable to the broker and other costs and expenses of the transaction).

- 4.9.2 Any Shares of a Participant that are sold by the Corporation, or by a broker engaged by the Corporation, to fund a Remittance Amount will be sold as soon as practicable, and, if applicable, in transactions effected on the exchange on which the Shares are then listed for trading. In effecting the sale of any Shares, the Corporation or the broker will exercise its sole judgment as to the timing and manner of sale and will not be obligated to seek or obtain a minimum price. Neither the Corporation nor the broker will be liable for any loss arising out of any sale of Shares, including any loss relating to the manner or timing of any sale, the prices at which the Shares are sold, or otherwise. In addition, neither the Corporation nor the broker will be liable for any loss arising from a delay in transferring any Shares to a Participant. The sale price of Shares sold on behalf of Participants will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

4.10 Termination of Employment or Service

- 4.10.1 Unless otherwise determined by the Board under Section 4.11 or otherwise specified in the relevant Option Agreement, if a Participant ceases to be an Eligible Person:

4.10.1.1 any unvested portion of any Option held by that Participant will immediately expire as of the Termination Date; and

4.10.1.2 any vested portion of any Option held by that Participant will expire on the earlier of the Option Expiry Date set by the Board under Section 4.4 (without including any extended expiry terms determined under Section 4.7) and:

4.10.1.2.1 in the case of termination of employment by the Corporation or a Subsidiary without cause, or the failure of a Director standing for election to be re-elected, or the failure by the Corporation or a Subsidiary to renew a contract for services at the end of its term, the date which is 90 days after the Termination Date;

4.10.1.2.2 in the case of the death of the Participant, the date which is one year after the death;

4.10.1.2.3 in the case of the Disability or Retirement of the Participant, the date which is 180 days after the Termination Date; and

4.10.1.2.4 in all other cases, the Termination Date,

(the date determined under Sections 4.10.1.2.1 to 4.10.1.2.4, the "**Early Expiry Date**").

- 4.10.2 Unless otherwise determined by the Board, Options will not be affected by any change of employment or provision of services within or among the Corporation or any Subsidiaries, so long as the Participant continues to be an Eligible Person.

- 4.10.3 The Early Expiry Date will be determined based on the first of the events described in Sections 4.10.1.2.1 to 4.10.1.2.4 to occur.

- 4.10.4 Options granted under this Plan are not part of a Participant's regular employment or consulting compensation, and no value will be attributed to any Options as part of calculating any Participant's damages for wrongful dismissal, or any amount due to a Participant with respect to reasonable notice, notice of termination, severance or termination pay, or compensation in lieu of notice.

4.11 Change of Control

- 4.11.1 Despite any other provision of this Plan or any Option Agreement, in the event of an actual or potential Change of Control Transaction, the Board has the right, in its sole discretion and on the terms it sees fit, without any action or consent required on the part of any Participant, to deal with any Options (or any portion of any Options) in the manner it deems equitable and appropriate in the circumstances, including the right to:
- 4.11.1.1 determine that any Options (or any portion of any Options) will remain in full force and effect in accordance with their terms after the Change of Control Transaction;
 - 4.11.1.2 cause any Options (or any portion of any Options) to be converted or exchanged for options to acquire shares of another entity involved in the Change of Control Transaction, having the same value and terms and conditions as the Options;
 - 4.11.1.3 accelerate the vesting of any unvested Options;
 - 4.11.1.4 provide Participants with the right to surrender any Options (or any portion of any Options) for an amount per underlying Share equal to the positive difference, if any, between the fair market value of the Share on the date of surrender and the Option Exercise Price; and
 - 4.11.1.5 accelerate the date by which any Options (or any portion of any Options) must be exercised.
- 4.11.2 The Corporation will use its best efforts to give the affected Participants written notice of any determination made by the Board under Section 4.11.1 at least 14 days before the effective date of the Change of Control Transaction.

4.12 Transferability

- 4.12.1 Subject to Section 4.12.2, the Options and all benefits and rights accruing to a Participant in accordance with the terms and conditions of this Plan are not directly or indirectly transferable and cannot be assigned, charged, pledged or hypothecated, or otherwise alienated, by a Participant, whether voluntarily, involuntarily, by operation of law or otherwise.
- 4.12.2 On a Participant's death, vested Options, benefits and rights may pass by the Participant's will or the laws of descent and distribution to the legal representative of the Participant's estate or any other Person who acquires the Participant's vested Options by bequest or inheritance. No transfer of a vested Option by will or by the laws of descent and distribution will be effective to bind the Corporation until the Corporation has been furnished with any evidence that the Corporation may deem necessary to establish the validity of the transfer and the acceptance by the transferee of the terms and conditions of this Plan and the relevant Option Agreement.

ARTICLE 5 MISCELLANEOUS PROVISIONS

5.1 No Rights as Shareholder

The holder of an Option will not have any rights as a shareholder of the Corporation with respect to any of the Shares issuable on exercise of that Option until that holder has exercised that Option in accordance with the terms of this Plan and has been issued the Shares.

5.2 No Employment Rights

Nothing in this Plan or any Option will confer on a Participant any right to continue in the employment or service of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any Subsidiary to terminate the Participant's employment or service at any time; nor will anything in this Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Subsidiary to extend the employment or service of any Participant beyond the date on which the Participant's relationship with the Corporation or any Subsidiary would otherwise be terminated due to Retirement or pursuant to the provisions of any employment, consulting or other contract for services with the Corporation or any Subsidiary.

5.3 No Undertaking or Representation

The Participants, by participating in this Plan, will be deemed to have accepted all risks associated with acquiring Shares pursuant to this Plan. Each Participant acknowledges that the Shares are subject to, and may be required to be held indefinitely under, applicable securities laws. The Corporation and the Subsidiaries make no undertaking, representation, warranty or guarantee as to the future value or price, or as to the listing on any stock exchange or other market, of any Shares issued under this Plan, and will not be liable to any Participant for any loss resulting from that Participant's participation in this Plan or as a result of the amendment, suspension or termination of this Plan or any Option in accordance with its terms.

5.4 Notices

All written notices to be given by a Participant to the Corporation will be delivered personally or by registered mail, postage prepaid, addressed as follows:

Suite 320, 600 - 6th Avenue S.W.
Calgary, Alberta
T2P 0S5

Attn: Chief Executive Officer

Any notice given by a Participant pursuant to the terms of an Option will not be effective until actually received by the Corporation at the above address.

5.5 Further Assurances

Each Participant will, when requested to do so by the Corporation, sign and deliver all documents relating to the granting or exercise of Options deemed necessary or desirable by the Corporation. Each Participant will provide the Corporation with all information (including personal information) which is

necessary for the administration of this Plan, and each Participant consents to the collection, use and disclosure of information by the Corporation necessary for the administration of this Plan.

5.6 Submission to Jurisdiction

The Corporation and each Participant irrevocably and unconditionally submits and attorns to the exclusive jurisdiction of the courts of the Province of Alberta to determine all issues, whether at law or in equity, arising from this Plan and each Option Agreement. To the extent permitted by Applicable Laws, the Corporation and each Participant:

- 5.6.1 irrevocably waives any objection, including any claim of inconvenient forum, that it may now or in the future have to the venue of any legal proceeding arising out of or relating to this Plan or any Option Agreement in the courts of that Province, or that the subject matter of this Plan or any Option Agreement may not be enforced in those courts;
- 5.6.2 irrevocably agrees not to seek, and waives any right to, judicial review by any court which may be called on to enforce the judgment of the courts referred to in this Section 5.6, of the substantive merits of any suit, action or proceeding; and
- 5.6.3 to the extent the Corporation or any Participant has or may acquire any immunity from the jurisdiction of any court or from any legal process, whether through service or notice, attachment before judgment, attachment in aid of execution, execution or otherwise, with respect to itself or its property, that Person irrevocably waives that immunity in respect of its obligations under this Plan and any Option Agreement.

EXHIBIT "A"
TO STOCK OPTION PLAN

● (Insert any legend required by the TSX Venture Exchange.)

AFRICA HYDROCARBONS INC.
OPTION AGREEMENT

THIS AGREEMENT is dated as of ● (Insert the Grant Date.) between Africa Hydrocarbons Inc. (the "Corporation") and ● (Insert the name of the Participant.) (the "**Participant**").

CONTEXT:

- A.** The Corporation has a stock option plan with an effective date of ● (as it may be amended at any time in accordance with its terms, the "**Plan**"). A copy of the Plan in effect on the date of this agreement has been (or is concurrently being) provided to the Participant.
- B.** The board of directors of the Corporation has authorized the granting to the Participant of an option under the Plan, having the terms set out in this agreement (the "**Option**").

THEREFORE, the parties agree as follows:

1. **The Plan.** The Participant agrees to be bound by the terms of the Plan (which may be amended). The terms and conditions of the Plan are deemed to be incorporated into and to form a part of this agreement. In the event of any inconsistency between the terms of the Plan and the terms of this agreement, the terms of the Plan will prevail.
2. **Grant of Option.** The Corporation grants, and the Participant accepts, the Option to purchase ● common shares in the capital of the Corporation (the "**Shares**").
3. **Exercise Price.** The exercise price under the Option is \$ ● per Share.
4. **Vesting.** The Option will vest and become exercisable as follows:

<u>Number of Shares</u>	<u>Vesting Date</u>
●	●
●	●
5. **Exercise of Vested Option.** The Option may be exercised, in whole or in part, at any time up to and including 5:00 p.m. (Calgary time) on ●, but only to the extent that it has vested and has not expired or been terminated. To exercise the Option, in whole or in part, all conditions for exercise under the Plan must have been met, and the Participant must deliver to the Corporation a written notice of exercise, substantially in the form of Schedule "A" to this agreement, accompanied by payment in full of the exercise price of the Shares to be purchased. Payment of the exercise price must be made by cash, bank draft or certified cheque.
6. **Enurement.** This agreement enures to the benefit of and is binding upon the parties and their respective heirs, successors, assigns and representatives.
7. **Time of Essence.** Time is of the essence in all respects of this agreement.

- 8. **Counterparts.** This agreement may be executed and delivered by the parties in one or more counterparts, each of which will be an original, and those counterparts will together constitute one and the same instrument.

- 9. **Electronic Signatures.** Delivery of this agreement by facsimile, e-mail or other functionally equivalent electronic means of transmission constitutes valid and effective delivery.

Each of the parties has executed and delivered this agreement as of the date noted at the beginning of this agreement.

AFRICA HYDROCARBONS INC.

by: _____

Name:

Title:

_____ ● *(Insert name of the Participant.)*

SCHEDULE "A"
TO OPTION AGREEMENT

AFRICA HYDROCARBONS INC.
STOCK OPTION PLAN
NOTICE OF EXERCISE

TO: **AFRICA HYDROCARBONS INC.** (the "**Corporation**")

DATE: _____

RE: **Stock Option Plan** (the "**Plan**")

I refer to the option (the "**Option**") granted to me under the Plan and evidenced by an option agreement dated _____, 20____, under which I was granted, subject to the terms of that option agreement, an option to subscribe for common shares in the capital of the Corporation (the "**Shares**").

I subscribe for _____ Shares under the Option at \$_____ per Share, payment for which in the aggregate amount of \$_____ accompanies this subscription.

Will you please cause those Shares to be registered as follows:

(Insert full name and address of purchaser including postal code.)

[and forward the relevant certificate to the registered holder at the address shown above.]

Signed,

(Signature)

(Name)