

SAM HOLDINGS LTD.

EARLY WARNING REPORT FILED PURSUANT TO NATIONAL INSTRUMENT 62-103

Item 1 - Security and Reporting Issuer

- 1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Security Designation: Class "A" Voting Common shares in the capital of the Issuer
("common shares")

Issuer: Whitemud Resources Inc. ("Whitemud")
900, 332 - 6th Avenue S.W.
Calgary, Alberta, T2P 0B2

- 1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

The acquiror acquired an aggregate of 14,976,000 common shares from Petrogas Energy Corp. ("Petrogas") pursuant to a private agreement.

Item 2 - Identity of the Acquiror

- 2.1 State the name and address of the acquiror.**

SAM Holdings Ltd. ("SAM")
900, 332 - 6th Avenue S.W.
Calgary, Alberta, T2P 0B2

- 2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

Pursuant to a Share Purchase Agreement dated December 14, 2020, SAM acquired 14,976,000 common shares and 309,245,703 Class "B" Non-Voting Common shares in the capital of Whitemud (collectively, the "Shares") from Petrogas. The aggregate consideration paid for the Shares was comprised of a cash payment of \$149,760 and the release of \$1 million letter of credit in favour of the Government of Saskatchewan, as represented by the Minister of Environment. The Shares were purchased as a condition of the sale by SAM of its shares in Petrogas to AltaGas Ltd.

- 2.3 State the names of any joint actors.**

SAM owned and controlled by Stan and Marge Owerko. No joint actors were involved in this transaction, however, Mr. Stan Owerko also holds 100,000 common shares in his individual capacity.

Item 3 - Interest in Securities of the Reporting Issuer

- 3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.**

Prior to acquiring the common shares, SAM did not hold any of Whitemud's issued and outstanding voting shares and Mr. Owerko held 100,000 common shares. As a result of the transaction SAM now holds approximately 44% of Whitemud's outstanding voting shares and together with Mr. Owerko they hold approximately 44.3% of Whitemud's outstanding shares.

- 3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

SAM acquired an aggregate of 14,976,000 common shares of Whitemud, representing approximately 44% of Whitemud's outstanding voting shares.

- 3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

- 3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Prior to the transaction SAM did not hold any of Whitemud's issued and outstanding common shares and Mr. Owerko held 100,000 common shares. As a result of the transaction, SAM now holds approximately 44% of Whitemud's outstanding common shares and together with Mr. Owerko they hold approximately 44.3% of Whitemud's outstanding shares.

- 3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**

SAM and Mr. Owerko have ownership and control over an aggregate of 15,076,000 common shares of Whitemud, representing approximately 44.3% of Whitemud's outstanding voting shares. SAM also has ownership and control over 309,245,703 Class "B" Non-Voting Common shares in the capital of Whitemud.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

- 3.6** If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

- 3.7** If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8** If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

The consideration for the Shares included the release of a \$1 million letter of credit in favour of the Government of Saskatchewan, as represented by the Minister of Environment. The letter of credit relates to the Issuer's metakaolin processing facility in southern Saskatchewan which indirectly may have the effect of altering Whitemud's environmental liability profile and in turn the value of the Shares.

Item 4 - Consideration Paid

- 4.1** State the value, in Canadian dollars, of any consideration paid or received per security and in total.

The aggregate purchase price allocated to the common shares was \$149,760 or \$0.01 per share. The aggregate consideration paid for the Shares included both the foregoing cash payment for the common shares and the release of \$1 million letter of credit in favour of the Government of Saskatchewan, as represented by the Minister of Environment.

- 4.2** In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

See item 4.1 above.

- 4.3** If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

Not applicable.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

The common shares were acquired by SAM as a condition of the sale of its shares of Petrogas to AltaGas Ltd. and will be held for investment purposes.

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**

Not applicable.

- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**

Not applicable.

- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**

Not applicable.

- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

Not applicable.

- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**

Not applicable.

- (f) a material change in the reporting issuer's business or corporate structure;**

Not applicable.

- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**

Not applicable.

- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**

Not applicable.

- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;

Not applicable.

- (j) a solicitation of proxies from securityholders;

Not applicable.

- (k) an action similar to any of those enumerated above.

Not applicable.

Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 - Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

SAM is relying on the private agreement exemption under NI 62-102 - *Take-over Bids and Issuer Bids* for the transaction. The acquisition of the Shares was a condition of the sale by SAM of its shares of Petrogas to AltaGas Ltd. The value of the consideration paid for the common shares by SAM, including brokerage fees or commissions, was \$0.01 per share, which is less than the market price of the common shares as at December 14, 2020.

[Reminder of this page intentionally left blank.]

Item 9 - Certification

I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

DATED as of December 15, 2020.

SAM HOLDINGS LTD.

Per: Signed "*Stan Owerko*"
Stan Owerko, Director