



**NOTICE OF
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON
DECEMBER 23, 2021**

AND

MANAGEMENT PROXY CIRCULAR

November 22, 2021



3100 Steeles Avenue East, Suite 308,
Markham, Ontario
L3R 8T3

**Notice of Annual and Special Meeting of Shareholders
December 23, 2021**

Notice is hereby given that the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of CF Energy Corp. (formerly, Changfeng Energy Inc.) (the “**Corporation**”) will be held by way of a fully virtual meeting on Thursday, December 23, 2021 at 10:00 a.m. (Toronto time).

Registered Shareholders (as defined in the Management Proxy Circular (“**Circular**”) and duly appointed proxyholders can attend the meeting online at <https://meetnow.global/MHDHV6W> where they can participate, vote, or submit questions during the Meeting’s live webcast.

The Meeting is being held for the following purposes:

- (a) to receive and consider the audited consolidated financial statements of the Corporation as at and for the financial year ended December 31, 2020 and the auditor’s report thereon, a copy of which is enclosed herewith;
- (b) to elect the directors of the Corporation;
- (c) to re-appoint the Corporation’s auditor;
- (d) to consider, and if thought fit, approve and confirm the Corporation’s Stock Option Plan;
- (e) to consider and, if deemed advisable, pass a special resolution approving an amendment to the articles of the Company to include advance notice provisions, as more particularly described in the accompanying Circular; and
- (f) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the Circular accompanying this Notice of Meeting.

If you are a Registered Shareholder and are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof, please date, sign and return the accompanying form of proxy (the “**Proxy**”) for use at the Meeting or any adjournment(s) or postponement(s) thereof in accordance

with the instructions set forth in the Proxy and Circular. The Corporation recommends that shareholders vote in advance of the Meeting.

If you are a Non-Registered Beneficial Shareholder, a voting information form (also known as a VIF), instead of a form of proxy, may be enclosed. You must follow the instructions provided by your intermediary in order to vote your Common Shares. Non-registered beneficial Shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting virtually as guests, but guests will not be able to vote at the Meeting.

To be effective, a Proxy must be received by Computershare Investor Services Inc. by no later than December 21, 2021 at 10 a.m. (Toronto time), or in the case of any adjournment of the Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the adjournment.

DATED the 22nd day of November, 2021.

By Order of the Board of Directors

(Signed) Ann Siyin Lin

Ann Siyin Lin

*Chief Executive Officer and
Chair of the Board of Directors*



3100 Steeles Avenue East, Suite 308
Markham, Ontario
L3R 8T3

**Management Proxy Circular for the Annual and Special Meeting of Shareholders
Thursday, December 23, 2021**

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation, by or on behalf of the management of CF Energy Corp. (formerly, Changfeng Energy Inc.) (the “Corporation”), of proxies to be used at the Corporation’s annual and special meeting of the holders (“Shareholders”) of common shares (“Common Shares”) to be held by way of a fully virtual meeting on Thursday, December 23, 2021 at 10:00 a.m. (Toronto time) (the “Meeting”) or at any adjournment thereof. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation’s transfer agent, Computershare Investor Services Inc. at nominal cost. The Corporation may also engage a proxy solicitation firm on market terms to solicit proxies in favour of the resolution described herein. The cost of soliciting proxies will be borne by the Corporation.

Voting at the Meeting

A Registered Shareholder (as defined below), or a Non-registered Shareholder who has appointed themselves or a third party proxyholder to represent him, her or it at the Meeting, will appear on a list of Shareholders prepared by Computershare Investor Services Inc. (“**Computershare**”). Each Registered Shareholder or proxyholder will be required to enter the Control Number or an Invitation Code provided by Computershare at <https://meetnow.global/MHDHV6W> prior to the start of the Meeting to have such Registered Shareholder’s Common Shares voted at the Meeting. In order to vote, Non-registered Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <http://www.computershare.com/CFEnergy> after submitting their voting instruction form in order to receive an Invitation Code (please see the information under “*Appointment of Proxyholders*” below for details).

Registered Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://meetnow.global/MHDHV6W>.

Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking “**Shareholder**” and entering a Control Number or an Invitation Code before the start of the Meeting.

- Registered Shareholders – The 15-digit control number located on the Proxy or in the email notification received by such Shareholder.
- Duly appointed proxyholders – Computershare will provide the proxyholder with an Invitation Code after the voting deadline has passed.

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-registered Shareholders who have not appointed themselves may attend the Meeting by clicking “Guest” and completing the online form.

Shareholders may appoint a third party proxyholder to represent them at the Meeting. Shareholders wishing to do so must submit their Proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted such Shareholder’s Proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving an Invitation Code to participate in the Meeting. To register a proxyholder, shareholders MUST visit <http://www.computershare.com/CFEnergy> prior to 10:00 a.m., Toronto time on December 21, 2021 and provide Computershare with their proxyholder's contact information so that Computershare may provide the proxyholder with an Invitation Code via email.

It is important to be connected to the internet at all times during the Meeting in order to vote when balloting commences.

In order to participate online, Shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing an Invitation Code.

Non-registered Shareholders

Non-registered Shareholders who have received the Documents from their Intermediary should, other than as set out herein, follow the directions of their Intermediary with respect to the procedure to be followed for voting at the Meeting. Generally, Non-registered Shareholders will either:

- be provided with a form of proxy executed by the Intermediary but otherwise uncompleted. The Non-registered Shareholder may complete the proxy and return it directly to Computershare; or
- be provided with a request for voting instructions. The Intermediary is required to send the Corporation an executed form of proxy completed in accordance with any voting instructions received by the Intermediary.

United States non-registered shareholders must first obtain a valid legal proxy from your Intermediary and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with these Meeting materials, or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for

registration should be directed to Computershare Investor Services Inc., **100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1** or email at uslegalproxy@computershare.com.

Participating in the Meeting

The Meeting will be hosted online by way of a live audiocast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 10:00 a.m. (Toronto time) on Thursday, December 23, 2021.

- Registered Shareholders that have a **15-digit** control number, along with duly appointed proxyholders who were assigned an Invitation Code by Computershare (see details under “*Appointment of Proxyholders*”), will be able to vote and submit questions during the Meeting. To do so, please go to <https://meetnow.global/MHDHV6W> prior to the start of the Meeting to login. Click on "Shareholder" and enter your 15-digit control number or click on “Invitation Code” and enter your Invitation Code. Non-Registered Shareholders who have not appointed themselves to vote at the Meeting may login as a guest by clicking on “Guest” and completing the online form. Guests will not be able to vote at the Meeting.
- Requests for registration must be labeled as “Legal Proxy” and be received no later than 10:00 a.m. (Toronto time) on December 21, 2021. You may attend the Meeting and vote your Common Shares at <https://meetnow.global/MHDHV6W> during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/CFEnergy>.
- Non-registered Shareholders who do not have a **15-digit** control number or Invitation Code will only be able to attend as a guest which allows such persons to listen to the Meeting, however, Non- registered Shareholders will not be able to vote or submit questions.
- If you are using a **15-digit** control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, please log in as a guest.
- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

Appointment of Proxyholders

The persons named in the enclosed Proxy (the “**Management Designees**”) are directors and/or officers of the Corporation. **SHAREHOLDERS HAVE THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM, HER OR IT AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE PROXY INSTRUMENT** either by striking out the names of the persons designated in the Proxy and by inserting the name of the person to be appointed in the space provided in the Proxy or by completing another proper form of proxy.

Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting must submit their Proxy or voting instruction form (if applicable) prior to registering their proxyholder. Registering a proxyholder is an additional step once the Proxy or voting instruction form have been submitted. Failure to register the proxyholder will result in the proxyholder not receiving an Invitation Code to participate in the Meeting. To register a proxyholder, shareholders **MUST visit** <http://www.computershare.com/CFEnergy> prior to 10:00 a.m. (Toronto time) on December 21, 2021 and provide Computershare with their proxyholder's contact information so that Computershare may provide the proxyholder with an Invitation Code via email.

A Proxy can be submitted to Computershare either in person, or by mail or courier, to Computershare Investor Services Inc., **100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1**. The Proxy must be deposited with Computershare by no later than 10:00 a.m. (Toronto time) on December 21, 2021 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the beginning of any adjournment(s) or postponement(s) to the Meeting. If a Shareholder who has submitted a Proxy attends the Meeting and has accepted the terms and conditions when entering the Meeting, any votes cast by such Shareholder on a ballot will be counted and the submitted Proxy will be disregarded.

Without an Invitation Code, proxyholders will not be able to vote at the Meeting.

Revocation of Proxy

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the proxy is to be used:

- (a) by an instrument in writing executed by the Shareholder or by such Shareholder's attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Computershare Investor Services Inc., **100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1**;
- (b) by delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof;
- (c) by attending the Meeting and voting the Common Shares; or
- (d) in any other manner permitted by law.

Non-registered Shareholders who wish to change their vote must contact their Intermediary to discuss their options well in advance of the Meeting.

Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the persons designated by management of the Corporation in the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions given on the form of proxy and, if the Shareholder specifies a choice with respect to any matter to be acted

upon, the Common Shares will be voted accordingly. **If a specification is not made with respect to any matter, the Common Shares will be voted on such matter as stated in the form of proxy.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly executed proxies given in favour of the persons designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

RECORD DATE AND VOTING SHARES

The board of directors (“**Directors**”) of the Company (the “**Board of Directors**”) has fixed November 18, 2021 (the “**Record Date**”) as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. Any holder of Common Shares of record at the close of business on the Record Date is entitled to vote the Common Shares registered in such Shareholder’s name at that date on each matter to be acted upon at the Meeting.

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As at the date hereof, the Corporation had 65,985,655 [NTD: **Confirm prior to printing**] Common Shares outstanding, each carrying the right to one vote per share. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

PRINCIPAL SHAREHOLDERS

To the knowledge of the Directors and executive officers of the Corporation, as at the Record Date, no person beneficially owned, directly or indirectly, or exercised control or direction over, 10% or more of the voting rights attached to the outstanding Common Shares of the Corporation except as stated below.

Name	Aggregate Number of Common Shares	Approximate Percentage of Outstanding Common Shares
The estate of Huajun Lin (“Mr. Lin”)	34,675,000 ⁽¹⁾	53.0%

Note:

- (1) The approximate aggregate number of Common Shares owned, controlled or directed by the estate of Mr. Lin, not being within the knowledge of the Corporation, has been based on information provided on behalf of the estate of Mr. Lin.

As of the Record Date, the Directors and senior officers of the Corporation, as a group, own beneficially, directly or indirectly, or exercise control or direction over, approximately 2,924,715 **[NTD: Confirm prior to printing]** Common Shares, representing approximately 4.4% of the outstanding Common Shares.

MATTERS TO BE ACTED UPON AT MEETING

1. Election of Directors

The articles of amalgamation of the Corporation provide that the Board of Directors may consist of a minimum of three and a maximum of fifteen Directors. The number of Directors to be elected at the Meeting is six. Directors are elected annually. Each Director will hold office until the conclusion of the next annual meeting or until the successor of such Director is duly elected or appointed, unless such office is earlier vacated.

In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the election as Directors of the proposed nominees whose names are set forth below, each of whom has been a Director since the date indicated below opposite the proposed nominee's name. Management does not contemplate that any of the proposed nominees will be unable to serve as a Director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the person(s) designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a Director, including the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates, as well as share options and share awards to acquire Common Shares held, each as of the Record Date. The information as to shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

Nominee Name and Place of Residence	Principal Occupation ⁽¹⁾	Date Became Director	Number of Common Shares Beneficially Owned or Controlled or Directed by Director ⁽²⁾	Number of Options Held
Ann Siyin Lin Toronto ON, Canada	Chair, Corporate Secretary and Chief Executive Officer of the Corporation	January 15, 2018	900,500	200,000 (Share Options) 150,000 (Share Award Rights)
Wong Wai Keung, Frederick ("Frederick Wong")	Director of the following HKEx listed companies: Independent non-executive director: China Infrastructure & Logistics Group Ltd.	February 22, 2019	37,500	200,000 (Share Options) 112,500 (Share Award Rights)

	- Perfect Group International Holdings Limited - Wah Sun Handbags International Holdings Limited Executive director: - Da Sen Holdings Group Limited			
Hui Cai ⁽³⁾⁽⁵⁾ Guangzhou, China	Corporate Director	January 29, 2008	Nil	50,000 (Share Options)
Yongbiao Ding (“Winfield Ding”) ⁽³⁾⁽⁴⁾⁽⁵⁾ Toronto, ON, Canada	CFO of Sparton Resources Inc. Director & CFO of Gravitas Financial Inc. Director of Green Panada Capital Corp. President of Oriental Sources Inc. Director & CFO of Principle Capital Partners Corp. Director of Silo Wellness Inc. Senior officer of Mint Corporation	March 10, 2015	1,270,500	150,000 (Share Options)
Dan Liu ⁽⁴⁾⁽⁵⁾ Beijing, China	Corporate Director	January 29, 2008	300,000	50,000 (Share Options)
Wencheng Zhang ⁽³⁾⁽⁴⁾ Beijing, China	Deputy general manager of Beijing Shoujia Lihua Technology Co., Ltd.	January 29, 2008	300,000	50,000 (Share Options)

Notes:

- (1) To the Corporation’s knowledge, all companies noted are still carrying on business as of the date of this Circular unless otherwise noted.
- (2) Does not include shares issuable upon exercise of share options or share awards.
- (3) Member of the audit committee of the Corporation (the “**Audit Committee**”).
- (4) Member of the corporate governance and nomination committee of the Corporation (the “**Corporate Governance and Nomination Committee**”).
- (5) Member of the compensation and human resources committee of the Corporation (the “**Compensation and Human Resources Committee**”).

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Corporation:

- (a) is at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,
 - a. was subject to a cease trade order, or order similar to a cease trade order, or an order that denied the relevant company access to any exemption under

securities legislation that was in effect for a period of more than 30 consecutive days (an “Order”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- b. was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has within the 10 years before the date of the Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to penalties or sanctions imposed by a court or securities regulatory authority relating to securities legislation or a settlement agreement or 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.

2. Appointment of Independent Auditor

The Corporation’s auditor is Deloitte Touche Tohmatsu (“**Deloitte**”). Deloitte was first appointed auditor of the Corporation (“**Auditor**”) on June 29, 2016.

At the Meeting, the holders of Common Shares will be requested to re-appoint Deloitte as Auditor to hold office until the conclusion of the next annual meeting of Shareholders or until a successor is appointed.

In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the appointment of Deloitte as Auditor to hold office until the conclusion of the next annual meeting of Shareholders or until a successor is appointed.

3. Re-Approval of the Stock Option Plan

The Corporation's stock option plan (the "**Stock Option Plan**"), which was first approved by the Shareholders on June 4, 2008, allowed for a fixed maximum of 6,600,000 Common Shares to be issued upon the exercise of the options granted under the Stock Option Plan.

On June 24, 2019, the Board of Directors approved amendments to the Stock Option Plan to reserve for issuance under the Stock Option Plan a number of Common Shares equal to the sum of (i) 10% of the Common Shares of the Corporation issued and outstanding from time to time for issuance to participants under the Stock Option Plan; and (ii) the number of Common Shares issued upon the exercise of an option from time to time, so that the Common Shares which had been reserved to be issued pursuant to that option shall become available to be issued upon the exercise of subsequent option grants. The effect of the amendments was to convert the Stock Option Plan to a "rolling" stock option plan. The amendments to the Stock Option Plan were approved by Shareholders on July 26, 2019. Pursuant to the policies of the TSX Venture Exchange (the "TSXV") (the "**TSXV Policies on Rolling Stock Plan**") , a "rolling" stock option plan must receive security holder approval yearly at the issuer's annual general meeting and such subsequent approval was received at the annual general meeting of the Company held on October 29, 2020.

At the Meeting, Shareholders will be asked to consider and, if thought fit, to pass a resolution approving the Stock Option Plan. The full text of the Stock Option Plan Resolution is set out in Schedule "B" of the Circular.

The Stock Option Plan Resolution must be approved by the affirmative vote of a majority of the votes cast by the Shareholders of the Corporation at the Meeting, excluding votes attaching to shares beneficially owned by insiders of the Corporation to whom options may be granted under the Stock Option Plan and the Associates of such persons. **The Board of Directors unanimously recommends a vote "FOR" the Stock Option Plan Resolution. In the absence of a contrary instruction, the person(s) designated by management of the Corporation in the enclosed form of proxy intend to vote FOR the Stock Option Plan Resolution.**

4. Amendment of the Articles to Adopt Advance Notice Provisions

At the Meeting, shareholders will be asked to consider a special resolution to amend the articles of the Corporation to provide for the advance notice of director nominations (the "**Advance Notice Provisions**").

Purpose of the Advance Notice Provisions

The purpose of the Advance Notice Provisions is to provide Shareholders, Directors and management of the Corporation with a clear framework respecting the nomination of persons for election as Directors of the Corporation. The Advance Notice Provisions establish a deadline by which holders of record of Common Shares of the Corporation must submit nominations for election of Directors of the Corporation prior to any annual general meeting of Shareholders or special meeting (which is not also an annual general meeting) of Shareholders called for the purpose of electing Directors. Furthermore, the Advance Notice Provisions set forth the information that a Shareholder must include in a written notice to the Corporation in order for a nominee to be eligible for election as a Director of the Corporation at any annual meeting of

Shareholders or special meeting (which is not also an annual general meeting) of Shareholders called for the purpose of electing Directors.

A copy of the proposed Advance Notice Provisions to be included in the articles of the Corporation is attached to this Information Circular as Schedule “C”. The Corporation’s current articles are available under the Corporation’s SEDAR profile at www.sedar.com.

Summary of the Advance Notice Provisions

The following is a summary of the principal terms of the Advance Notice Provisions, which summary is qualified in its entirety by reference to the terms of the Advance Notice Provisions.

Nomination of Directors

Only persons who are eligible under the BCBCA and who are nominated in accordance with the procedures set forth in the Advance Notice Provisions will be eligible for election as directors of the Corporation.

Timely Notice

The Advance Notice Provisions provide that:

- Where a nomination is made at an annual general meeting of shareholders, notice to the Corporation must be given not less than 30 days prior to the date of the annual general meeting provided however, that in the event the annual general meeting is to be held on a date that is less than 50 days after the date on which the announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such announcement.
- In the case that the meeting is a special meeting of the shareholders (but not also an annual general meeting), such notice must be made not later than close of business on the 15th day following the date on which the announcement of the date of the special meeting was made, provided that, in either instance, if the Corporation uses “notice-and-access” (as defined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer*) to send proxy-related materials to shareholders in connection with a meeting of the shareholders described in above, and the notice date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not less than forty (40) days prior to the date of the applicable meeting.

Proper Form of Timely Notice

The Advance Notice Provisions also require that the notice of nomination include certain information on each person proposed to be nominated for election as well as certain information regarding the nominating shareholder.

If shareholders do not approve the Advance Notice Provisions resolution, the articles of the Corporation will not be amended to add the Advance Notice Provisions.

At the Meeting you will be asked to approve the following special resolution:

“BE IT RESOLVED THAT;

1. The articles of the Corporation be amended to incorporate, the advance notice provisions as set out in Schedule “C” to the Circular; and
2. Any one Director or Officer of the Corporation be and is hereby authorized and directed to all such acts and things and to execute and deliver, under the corporate seal or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions.

The Board recommends a vote “FOR” the approval of the Advance Notice Provisions resolution. Unless authority to do so is withheld, the persons named in the accompanying Proxy Form intend to vote FOR the approval of the Advance Notice Provisions.

EXECUTIVE COMPENSATION

All dollar amounts in this Circular are expressed in Canadian dollars unless otherwise indicated.

Compensation and Human Resources Committee

The Compensation and Human Resources Committee is currently comprised of Hui Cai (Chair), Winfield Ding and Dan Liu. Messrs. Cai, Ding and Liu are “independent” Directors within the meaning of National Instrument 52-110 -Audit Committees (“NI 52-110”).

The general business background and senior management experience of each member of the Compensation and Human Resources Committee are relevant to their responsibilities as members of the Compensation and Human Resources Committee for executive compensation, and enable them to implement and oversee the Corporation’s compensation program, and to make decisions on the suitability of the Corporation’s compensation policies and practices. See “Matters to be Acted Upon at Meeting - Election of Directors” for the senior management experience of each member of the Compensation and Human Resources Committee.

In particular, certain members of the Compensation and Human Resources Committee have direct experience in executive compensation. Mr. Liu has extensive experience with human resources and organizational development through his previous senior executive management roles. In his executive role as general manager at CEIEC Shanghai, he was actively involved in senior management recruitment and compensation. Mr. Cai, through his executive roles at CNOOC Natural Gas Exploitation Co. Ltd., has worked on designing, establishing and implementing executive compensation, retention and succession planning structures. Mr. Winfield Ding, a Chartered Professional Accountant in the province of Ontario, has been an executive officer in Canadian and Chinese businesses. He previously worked as an accountant conducting audits. Mr. Ding. has extensive knowledge of executive compensation programs and has been involved with the design, implementation and review of some such programs.

The Compensation and Human Resources Committee’s responsibilities are, among other things:

- to compare on an annual basis the total remuneration (including benefit) and the main components thereof for the executive officers of the Corporation with the remuneration practices of peers in the same industry;
- having regard to competitive position and individual performance, annually review and recommend to the Board of Directors for approval the remuneration of the executive officers of the Corporation, namely, executives in the offices of Chief Executive Officer (“CEO”), President, Vice-Presidents, Chief Financial Officer (the “CFO”) and any executive officers of the Corporation having comparable positions as may be specified by the Board of Directors, with the remuneration of the executive officers other than the CEO reflecting review and consultation with the CEO;
- to review and recommend to the Board of Directors for its approval the remuneration of Directors and executive officers, and to develop and submit to the Board of Directors recommendations with regard to other employee benefits and bonus plans;
- subject to any required shareholder and regulatory approval, to determine those Directors, officers, employees and consultants of the Corporation who will participate in long term incentive plans of the Corporation, if any; to determine the number of Common Shares of the Corporation allocated to each participant under such plans, if any; to determine the time or times when ownership of such Common Shares will vest for each participant; and to administer all matters relating to any long term incentive plan and any employee bonus plan to which the Compensation and Human Resources Committee has been delegated authority pursuant to the terms of such plans or any resolutions passed by the Board of Directors; and
- to review and recommend to the Board of Directors for approval any special employment contracts including employment offers;
- to adopt such policies and procedures as it deems appropriate to operate effectively.

Compensation Discussion & Analysis

The Corporation’s Board of Directors has established a compensation program for its executive officers, which is designed to achieve the following key objectives:

- attract the most qualified and experienced executives available to create shareholder value and drive the continued development of the Corporation; and
- retain and motivate qualified and experienced executives and provide appropriate short-term and long-term financial incentives with the goal of increasing the Corporation’s performance.

The Board of Directors is solely responsible for the compensation program for the Corporation's executive officers. The deliberations of the Board of Directors are private and are intended to advance the two key objectives of the compensation program as described above.

Compensation for the Corporation's Named Executive Officers (including, the Chief Executive Officer and Chief Financial Officer) consists of the following three components: (i) base salary or consulting fees; (ii) options granted pursuant to the Stock Option Plan and share awards granted under the stock award plan (the "**Share Award Plan**"); and (iii) discretionary cash bonus payments for superior performance. The relative weightings of base salary, options, share awards and discretionary bonuses payable to Named Executive Officers are reviewed and determined annually by the Compensation and Human Resources Committee based on the Corporation's short and long- term corporate goals and the performance of the Corporation against those goals and the contribution of the executive officer to that performance. Each element of compensation is considered individually and in aggregate with each other element in determining the amount of each level of compensation that is considered appropriate having regard to the factors considered relevant to compensation of the Corporation's executive officers discussed above. The Corporation does not provide its executive officers with perquisites or other personal benefits. The Corporation also does not provide any additional compensation to its executive officers for serving as Directors.

The Compensation and Human Resources Committee considered risks that might result from the type and weighting of the different elements of executive compensation. In particular, in the case of compensation under the Stock Option Plan and the Share Award Plan, the Compensation and Human Resources Committee considered the fact that option entitlements under the Stock Option Plan vest over 3 years, and that the consideration received by a holder of options and share awards under the Share Award Plan is aligned with the interests of the Corporation and the Shareholders as it is determined by reference to any increase in the market price of the Corporation's Common Shares after the date of grant of the options and share awards.

In establishing salary levels and bonus entitlements of the Corporation's executive officers, the Corporation takes into consideration factors such as current competitive market conditions, the particular skills of the executive officer, such as leadership ability and management effectiveness, internal equity, experience, responsibility and proven or expected performance of the particular executive officer. No bonus was granted to any of the Named Executive Officers in the three years ended December 31, 2020.

Option Grants and Share Awards

The granting of options and share awards to the executive officers under the Stock Option Plan or Share Award Plan, as applicable, provides an appropriate long- term incentive to management to motivate and retain management and to create shareholder value. Options and Share Awards are granted to executive officers in amounts which recognize their specific contribution to the Corporation in their capacities as executive officers of the Corporation. Previous grants of options and share awards to executive officers are taken into consideration by the Board of Directors when considering new option grants or new share awards. Any amendments to the Stock Option Plan or Share Award Plan, as applicable, are subject to review by the Compensation and Human Resources Committee and approval of the Board of Directors.

The Compensation and Human Resources Committee considers the grant of options to the non-executive Directors under the Stock Option Plan to provide an appropriate long-term incentive to these Directors to provide proper oversight to the Corporation with a view to maximizing shareholder value. Options are granted to independent Directors in amounts that recognize their specific contributions to the Corporation in their capacities as independent Directors and, where applicable, members of committees of the Board of Directors.

Summary Compensation Table

Please see Form 51-102F6V attached to this Circular as schedule D for further details.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out information concerning the number and price of securities to be issued under equity compensation plans to employees and others.

Plan Category	Number of Securities to be Issued upon Exercise of Options, Warrants and Rights (as at December 31, 2020) (a)	Weighted - Average Exercise Price of Outstanding Options, Warrants and Rights (as at December 31, 2020) (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in (a)) (as at December 31, 2020) (c)
Share Option Plan Approved by Security Holders	4,600,000	\$0.58	2,000,000
Share Award Plan Approved by Security Holders	1,567,500	\$0.43	4,456,315
Equity Compensation Plans Not Approved by Security Holders	N/A	N/A	N/A
Total	6,167,500	\$0.50	6,456,315

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation's corporate governance disclosure obligations are set out in National Instrument 58-101 - Disclosure of Corporate Governance Practices (the "**National Instrument**"), National Policy 58-201 - Corporate Governance Guidelines and NI 52-110. These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the

effectiveness and education of board members. The National Instrument requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Set out below is a description of the Corporation's approach to corporate governance in relation to the Guidelines.

The Board of Directors

The National Instrument defines an "independent director" as a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is in turn defined as a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with such member's independent judgment. In determining whether a particular Director is an "independent director" or a "non-independent director", the Board of Directors considers the factual circumstances of each Director in the context of the Guidelines.

The Board of Directors is currently comprised of six members, a majority of whom are "independent directors" within the meaning of the National Instrument. The four independent Directors are Messrs. Zhang, Liu, Cai, and Ding. Mr. Frederick Wong and Ms. Ann Siyin Lin each have material relationships with the Corporation and are therefore not independent. Mr. Wong is not considered to be independent within the meaning of the National Instrument as a result of his role as a Vice President of the Corporation and Ms. Lin is not considered to be independent because of her role as the CEO of the Corporation.

The Chair of the Board of Directors is also the CEO of the Corporation. The Board of Directors considers that this appointment is appropriate and beneficial to the Board of Directors, due to Ms. Lin's extensive knowledge of the Corporation's business and affairs. The Board of Directors believes that it functions independently of management. To enhance its ability to act independently of management, the Board of Directors may meet in the absence of members of management and the non-independent Directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

In connection with all meetings of Shareholders at which Directors are to be elected, the Corporation provides forms of proxy that provide Shareholders with the option of voting in favour of, or withholding from voting for, each individual nominee of the Corporation to the Board of Directors.

The Corporation has not adopted a majority voting policy for director elections which would provide that any nominee for Director who does not receive a greater number of votes "for" his or her election than votes "withheld" from such election would be obliged to tender his or her resignation to the Chair of the Board of Directors following the conclusion of the Corporation's annual meeting of Shareholders.

Directorships

Currently, the Directors and Director nominees listed below serve as directors on the boards of directors of the public companies listed beside their name:

Director	Public Company
Frederick Wong	China Infrastructure & Logistics Group Ltd. (HKEx: 1719) Perfect Group International Holdings Limited (HKEx: 3326) Wah Sun Handbags International Holdings Limited (HKEx: 2683) Da Sen Holdings Group Limited (HKEx: 1580)
Winfield Ding	Green Panda Capital Corp. (TSXV: GPCC-V) Gravitas Financial Inc. (CSE: GFI) Silo Wellness Inc. (CSE: SILO)

Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new members of the Board of Directors, sufficient information (such as recent annual reports, prospectus, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new member of the Board of Directors to ensure that new Directors are familiarized with the Corporation's business and the procedures of the Board of Directors. In addition, new Directors are encouraged to visit and meet with management on a regular basis. The Corporation also encourages continuing education of its Directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

Ethical Business Conduct

The Board of Directors meets to ensure that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and the TSXV. The Board of Directors has found that the fiduciary duties placed on individual Directors by the Corporation governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual Director's participation in decisions of the Board of Directors in which the Director has an interest, have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

Nomination of Directors

While there are no specific criteria for membership on the Board of Directors, the Corporation attempts to attract and retain Directors with business knowledge and particular knowledge in other areas (such as finance, accounting, and corporate governance) which provide knowledge which would assist in guiding the officers of the Corporation. The Board of Directors has established the Corporate Governance and Nomination Committee to identify and propose to the Corporation and the Board of Directors from time to time new Director nominees with the assistance of

management. As such, nominations tend to be joint efforts by management of the Corporation and the Corporate Governance and Nomination Committee and discussions among the Directors prior to the consideration of the Board of Directors as a whole.

Compensation

The Board of Directors meets on an annual basis for the purpose of reviewing the adequacy and form of compensation of Directors and the CEO to ensure that such compensation reflects the responsibilities, time commitment and risks involved in being an effective Director and/or officer. The Board of Directors has established the Compensation and Human Resources Committee comprised of Hui Cai (Chair), Dan Liu and Winfield Ding which makes recommendations to the Board of Directors with respect to the compensation of Directors and officers of the Corporation. See “Executive Compensation - Compensation and Human Resources Committee” above.

Committees of the Board of Directors

In addition to the Audit Committee and the Compensation and Human Resources Committee, the Board of Directors has established the Corporate Governance and Nomination Committee to assist with its responsibilities, including to approve and monitor any transactions involving the Corporation and “related parties” as that term is defined in Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions as it exists on the date thereof, and to identify and propose to the Corporation and the Board of Directors from time to time new director nominees.

Assessments

The Corporate Governance and Nomination Committee assesses, on an annual basis, the contribution of the Board of Directors as a whole and of each of the individual Directors, in order to determine whether each is functioning effectively.

AUDIT COMMITTEE

NI 52-110 requires the Corporation to disclose annually in its management information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Audit Committee is governed by an audit committee charter, the text of which is attached as Schedule “A” to this Circular.

Composition of the Audit Committee

The Audit Committee during the 2020 fiscal year was comprised of Messrs. Wencheng Zhang, Hui Cai and Winfield Ding, with Mr. Winfield Ding as the chair. Messrs. Zhang, Cai and Ding are considered to be “independent” within the meaning of NI 52-110. Each member of the audit committee is considered to be “financially literate” which includes the ability to read and

understand a set of financial statements that present a breadth and level of complexity of accounting issues of the Corporation.

Relevant Education and Experience

Following is a brief summary of the experience of each member of the Audit Committee.

Wencheng Zhang: Mr. Wencheng Zhang has extensive experience in financial matters as a result of his service as CFO of China Jing An Corp. from 1999 to 2002, as Executive Director of Zhuhai Zhang Nan Hui Chemical Corporation from May 2002 to October 2013, as CEO of Zhuhai Fucheng Investment Corporation from October 2013 to March 2019, and as deputy general manager of Beijing Shoujia Lihua Technology Co., Ltd., a position he has held since April 2019.

Hui Cai: Mr. Hui Cai has extensive experience in management and advising companies as a result of his service as a member of the executive management of CNOOC Natural Gas Exploration Co. Ltd. from 1993 to 1999, and as a senior advisor of a branch of China National Offshore Oil Corporation from 2001 to 2015.

Winfield Ding: Mr. Ding is a chartered professional accountant of Ontario working mainly as Chief Financial Officer for a number of public and private companies. He is currently part-time CFO of Spartan Resources Inc., a junior mining company operating in both China and Canada, director & CFO of Gravitas Financial Inc., a public company listed on the Canadian Securities Exchange, director of Green Panada Capital Corp., a public company listed on the Canadian Securities Exchange, president of Oriental Sources Inc., and director & CFO of Principle Capital Partner Corp. In 2020, he was appointed as director of Silo Wellness Inc., a public company listed on the Canadian Securities Exchange and senior officer of Mint Corporation. In the last few years he has also served as the CFO for a number of other TSXV-listed public companies.

Pre-Approval Policies and Procedures

The audit committee charter of the Corporation requires the Audit Committee to pre-approve all non-audit services to be provided by the external auditor. In the event that the Corporation wishes to retain the services of the Corporation's external auditor for tax compliance, tax advice or tax planning, the CFO of the Corporation shall consult with the Chair of the Audit Committee, who shall have the authority to approve or disapprove on behalf of the Audit Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Audit Committee as a whole.

Audit Fees

The following chart summarizes the aggregate fees billed by Deloitte for professional services rendered to the Corporation for audit and non-audit related services for the fiscal year of the Corporation ended December 31, 2020 and 2019.

<u>Type of Work</u>	<u>Year Ended December 31, 2020</u>	<u>Year Ended December 31, 2019</u>
Audit fees ⁽¹⁾	\$372,480	\$395,416
Audit-related fees ⁽²⁾	Nil	\$83,104
Tax fee ⁽³⁾	Nil	Nil
All other fees	\$63,840	Nil
Total	\$436,320	\$478,520

Notes:

(1) Aggregate fees billed for the Corporation's annual financial statements and services normally provided by the auditor in connection with the Corporation's statutory and regulatory filings.

(2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported as "Audit fees", including: assistance with aspects of tax accounting, attest services not required by regulation, consultation regarding financial accounting and reporting standards and quarterly reviews.

(3) Aggregate fees billed for tax compliance, advice, planning and assistance with tax for specific transactions.

OTHER BUSINESS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative consolidated financial statements for the years ended December 31, 2020 and 2019 and related and management discussion and analysis. Copies of the following documents may be obtained, without charge, upon request to the Corporate Secretary of the Corporation at CF Energy Corp., 3100 Steeles Avenue East, Suite 308, Markham, Ontario, L3R 8T3: (a) the comparative consolidated financial statements of the Corporation for the financial years ended December 31, 2020 and 2019 together with the accompanying report of the auditor thereon, any interim consolidated financial statements of the Corporation for periods subsequent to December 31, 2020 and the related management's discussion and analysis therefor; and (b) this Circular.

SHAREHOLDER PROPOSALS

Persons entitled to vote at the next annual meeting of the Corporation who wish to submit a proposal for consideration at the meeting, must submit their proposal to the Corporation by the date that is at least three months before December 23, 2022.

CONTACTING THE BOARD

Shareholders, employees and other interested parties may communicate directly with the Board of Directors through the Chair of the Board of Directors by writing to:

Chair of the Board of Directors
CF Energy Corp.
3100 Steeles Avenue East, Suite 308
Markham, Ontario
L3R 8T3

APPROVAL OF MATTERS

Unless otherwise noted, approval of matters to be placed before the Meeting is by an ordinary resolution, which is a resolution passed by a simple majority of the votes cast by the Shareholders entitled to vote and present in person or represented by proxy.

DIRECTORS' APPROVAL

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

Dated as of November 22nd, 2021

(Signed) Ann Siyin Lin

Ann Siyin Lin
Chief Executive Officer and
Chair of the Board of Directors

SCHEDULE "A"
CF ENERGY CORP.
Charter of the Audit Committee of the Board of Directors

I PURPOSE

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of CF Energy Corp. (the “Corporation”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- ensure that there is an appropriate standard of corporate conduct for senior financial personnel including, if necessary, adopting a corporate code of ethics;
- review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Corporation’s external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration;
- provide oversight to related party transactions entered into by the Corporation; and
- provide oversight of all disclosure relating to financing statements, management’s discussion and analysis and information derived therefrom.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in IV of this Charter.

II AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

III COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the OSC, the TSX Venture Exchange or any other stock exchange upon which the securities of the Corporation are listed or posted from time to time, the Canada Business Corporations Act and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. A majority of the members of the Committee shall be “independent” and “financially literate”. 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 of Directors of the Corporation, be reasonably expected to interfere with the exercise of the director’s independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of NI 52-110, as set out in Schedule “A” hereto. A “financially literate” director is a director who has the ability to read and understand a set of financial instruments 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 reasonably be expected to be raised by the financial.
4. Each member of the Committee shall sit at the pleasure of the Board of Directors, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board of Directors.
5. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements, including at least once annually on site in Sanya City prior to the date upon which the annual financial statements of the Corporation are due for filing with applicable regulatory authorities. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

6. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
7. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
8. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
9. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
10. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
11. The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
12. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

IV RESPONSIBILITIES

A Financial Accounting and Reporting Process and Internal Controls

1. The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable generally accepted accounting principles ("GAAP") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including any press releases containing disclosure regarding financial information, that are required to be reviewed by the Committee under any applicable laws or by one of the other Charters before the Corporation publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Corporation.
 11. The Committee shall establish the budget process, which process shall include the setting of spending limits and authorizations and periodical reports from the Chief Financial Officer of actual spending as compared to the budget.
 12. The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.

B Independent Auditors

1. The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The pre-approval of the Committee shall be required prior to undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.

8. The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
10. The Committee shall monitor and assess the relationship between management: and the external auditors and monitor and support the independence and objectivity of the external auditors.
11. The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

C Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

CF ENERGY CORP.

Procedures for Approval of Non-Audit Services

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (c) actuarial services;
 - (d) internal audit outsourcing services;
 - (e) management functions;
 - (f) human resources;
 - (g) broker or dealer, investment adviser or investment banking services;
 - (h) legal services; and
 - (i) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

SCHEDULE "A" TO AUDIT COMMITTEE CHARTER OF CF ENERGY CORP.

Sections 1.4 and 1.5 of National Instrument 52-110 Audit Committees ("NI 52-110")

Meaning of Independence (section 1.4 of NI 52-110):

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

- (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
 - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
 - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Additional Independence Requirements for Audit Committee Members (section 1.5 of NI 52-110):

- (1) Despite any determination made under section 1.4 of NI 52-110, an individual who
 - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board

committee, or as a part-time chair or vice-chair of the board or any board committee; or

- (b) is an affiliated entity of the issuer or any of its subsidiary entities,

is considered to have a material relationship with the issuer.

- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE "B"
STOCK OPTION PLAN RESOLUTION

WHEREAS pursuant to the policies of the TSX Venture Exchange, a “rolling” stock option plan must receive securityholder approval yearly at the issuer’s annual general meeting;

AND WHEREAS accordingly, it is desirable that the Corporation’s existing Stock Option Plan, as more particularly described under “Equity Compensation Plan Information - Summary of Stock Option Plan” in the Circular be re-approved and confirmed;

BE IT RESOLVED THAT:

1. The Corporation’s Stock Option Plan be and the same is hereby approved, ratified and confirmed in all respects by the holders of common shares of the Corporation.
2. All unallocated options under the Stock Option Plan be and are hereby re-approved.
3. Any Director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in his or her discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

SCHEDULE C - ADVANCE NOTICE PROVISIONS

ADVANCE NOTICE REQUIREMENTS FOR ELECTION OF DIRECTORS

26 Definitions

26.1 In this Article 1.0, unless the context otherwise requires:

- 1 “*Applicable Securities Laws*” means the applicable securities statutes of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada;
- 2 “*Person*” includes an individual, firm, association, trustee, executor, administrator, legal or personal representative, body corporate, company, corporation, trust, partnership, limited partnership, joint venture, syndicate or other form of unincorporated association, a government and its agencies or instrumentalities, any entity or group (whether or not having legal personality), any successor (by merger, statutory amalgamation or otherwise) and any of the foregoing acting in any derivative, representative or fiduciary capacity;
- 3 “*Public Announcement*” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

26.2 Nomination of Directors

Only Persons who are eligible under the *Business Corporations Act* and who are nominated in accordance with the provisions herein shall be eligible for election as directors of the Company. At any annual general meeting of shareholders, or any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, nominations of Persons for election to the Board may be made only:

- (a) by or at the direction of the Board, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a “proposal” made in accordance with Part 5, Division 7 of the *Business Corporations Act*, or pursuant to a requisition of the shareholders made in accordance with Section 167 of the *Business Corporations Act*; or
- (c) by any Person (a “**Nominating Shareholder**”): (i) who, at the close of business on the date that the Nominating Shareholder’s Notice (as defined below) is given and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying

the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such ownership that is satisfactory to the Company, acting reasonably; and (ii) who complies with all notice procedures set forth herein.

26.3 Timely Notice

In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with Section 1.4 below) and in proper written form (in accordance with Section 1.5 below) to the Corporate Secretary of the Company at the registered office of the Company (as set out in section 1.8 of this Article 1.0).

26.4 Manner of Timely Notice

To be timely, the Nominating Shareholder's Notice to the Corporate Secretary of the Company must be made:

- (a) in the case of an annual general meeting of shareholders, not less than thirty (30) days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than fifty (50) days after the date (the "**Notice Date**") on which the first Public Announcement of the date of the annual general meeting was made, the Nominating Shareholder's Notice may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made, provided that, in either instance, if the Company uses "**notice-and-access**" (as defined in National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer) to send proxy-related materials to shareholders in connection with a meeting of the shareholders described in Section 0(a) or 0(b) above, and the Notice Date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not less than forty (40) days prior to the date of the applicable meeting.

26.5 Proper Form of Timely Notice

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:

- (a) as to each Person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the Person; (ii) the present principal occupation or employment of the Person and the principal occupation or employment within the five years preceding the notice;

- (iii) the country of residence of the Person; (iv) the class or series and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the Person as of the record date for the annual general meeting of shareholders, or the special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (iv) full particulars regarding any agreements between the Person and/or the Nominating Shareholder and/or any other person or company relating to the Person's nomination for election as a director of the Company; and (v) any other information relating to the Person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws; and
- (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; (collectively with Section 0(a), the "**Nominating Shareholder's Notice**").

The Company may require any proposed nominee to furnish such other information as may be required to be contained in a dissident's proxy circular or by Applicable Securities Laws to determine the independence of the Proposed Nominee or the eligibility of such proposed nominee to serve as a director of the Company.

26.6 Notice to be Updated

To be considered timely and in proper written form, the Nominating Shareholder's Notice will be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such Nominating Shareholder's Notice will be true and correct as of the record date for the annual general meeting of shareholders, or the special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors.

26.7 Eligibility for Nomination as a Director

No Person shall be eligible for election as a director of the Company (except pursuant to Section 1.2(a) unless nominated in accordance with the provisions of this Article 1.0; provided, however, that nothing in this Article 1.0 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at any annual general meeting of shareholders, or any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors, of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Business Corporations Act or at the discretion of the Chair of the Board. The Chair of the Board of the meeting shall have the power and duty to determine whether a nomination

was made in accordance with the procedures set forth in this Article 26, and, if any proposed nomination is not in compliance with such provisions, to declare that such defective nomination shall be deemed voided and subsequently disregarded.

26.8 Delivery of Notice

Notwithstanding any other provision in this Article 26, notice given to the Corporate Secretary of the Company pursuant to this Article 26 may only be given by personal delivery, facsimile transmission or email (provided that the Corporate Secretary has stipulated an e-mail address for purposes of this Article 26), and shall be deemed to have been given and received only at the time it is served by personal delivery or sent by facsimile transaction (provided that receipt of confirmation of such transmission has been received) or by e-mail (at the address as aforesaid) to the Corporate Secretary at the registered office of the Company as follows:

CF Energy Corp.
3100 Steeles Avenue East, Suite 308
Markham, Ontario
L3R 8T3

provided that if such delivery or electronic transmission is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic transmission shall be deemed to have been made on the subsequent day that is a business day.

26.9 Board's Discretion

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any and all requirements in this Article 26.

SCHEDULE D:

FORM 51-102F6V

Statement of Executive Compensation - Venture Issuers
(for the year ended December 31, 2020)

The following information, dated as of June 29, 2021 is provided as required under Form 51-102F6V *Statement of Executive Compensation - Venture Issuers* (“**Form 51-102F6V**”).

For the purpose of this Statement of Executive Compensation:

“**Compensation Securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock 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;

“**Named Executive Officer**” or “**NEO**” means each of the following individuals:

each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a chief executive officer;

each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;

each individual who would be a named executive officer under paragraphs (a) - (b) but for the fact that the individual was not an executive officer of the Corporation at the end of that financial year;

“**Plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**Underlying Securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

The following information is presented in accordance with Form 51-102F6V and provides details of all compensation for each of the Directors and Named Executive Officers of the Corporation for the years ended December 31, 2020 and 2019.

Director and Named Executive Officer Compensation (excluding Compensation Securities)

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to each current and former NEO and Director, in any

capacity, for the years ended December 31, 2020 and 2019.

(1)

Table of compensation excluding compensation securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Committee or meeting fees (\$)	Value of perquisites (\$) ⁽³⁾	Value of all other compensation (\$)	Total Compensation (\$)
Ms. Ann Siyin Lin (“Ms. Lin”) ⁽⁴⁾ Chief Executive Chair of the Board of Directors Officer and	2020	231,510	-	-	-	-	231,510
	2019	226,608	-	-	-	-	226,608
Ling Cao Chief Financial Officer	2020	128,434	-	-	-	-	128,434
	2019	130,457	-	-	-	-	130,457
Wencheng Zhang Director	2020	45,255	-	-	-	-	45,255
	2019	45,189	-	-	-	-	45,189
Dan Liu Director	2020	19,938	-	-	-	-	19,938
	2019	20,072	-	-	-	-	20,072
Hui Cai Director	2020	21,927	-	-	-	-	21,927
	2019	22,125	-	-	-	-	22,125
Yongbiao Ding (“Winfield Ding”) Director	2020	26,000	-	-	-	-	26,000
	2019	26,000	-	-	-	-	26,000

Notes:

- (1) The Corporation does not provide any additional compensation to its NEOs for serving as Directors.
- (2) The Corporation does not have an annual performance bonus Plan. However, the Compensation and Human Resources Committee and/or the board of directors of the Corporation (the “**Board of Directors**”) may award annual discretionary bonuses based on an individual or the Corporation achieving certain designated objectives and for superior or exceptional performance in relation to such objectives. No bonus was granted to any of the Named Executive Officers in the two years ended December 31, 2020.
- (3) The Corporation does not provide its executive officers with perquisites or other personal benefits.
- (4) Ms. Lin was appointed as CEO of the Corporation and Chair of the Board of Directors effective February 22, 2019.

Stock Options and Other Compensation Securities

The following table sets out, for each NEO and Director, information concerning all option-based and share-based awards issued for the year ended December 31, 2020. This includes awards granted before the most recently completed financial year:

(2)

Compensation Securities

Name and position ⁽¹⁾	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
Ms. Lin <i>Chief Executive Officer and Chair of the Board of Directors</i>	Share-based awards	200,000	December 18, 2020	0.43	0.43	0.54	N/A
Ling Cao <i>Chief Financial Officer</i>	Share-based awards	200,000	December 18, 2020	0.43	0.43	0.54	N/A
Wencheng Zhang <i>Director</i>	Options	50,000	December 18, 2020	0.60	0.43	0.54	December 18, 2023
Dan Liu <i>Director</i>	Options	50,000	December 18, 2020	0.60	0.43	0.54	December 18, 2023
Hui Cai <i>Director</i>	Options	50,000	December 18, 2020	0.60	0.43	0.54	December 18, 2023
Winfield Ding <i>Director</i>	Options	150,000	December 18, 2020	0.60	0.43	0.54	December 18, 2023

Notes:

⁽¹⁾ The total options outstanding at December 31, 2020 for NEOs and Directors were as follows:

NEO	Dec. 31, 2020	Directors	Dec. 31, 2020
Ms. Lin	200,000	Wencheng Zhang	50,000
Ling Cao	400,000	Dan Liu	50,000
		Hui Cai	50,000
		Winfield Ding	150,000

Exercise of Compensation Securities

During the year ended December 31, 2020, other than Winfield Ding who exercised options for 200,000 Common Shares, none of the NEOs or other Directors of the Corporation exercised any options.

Stock Option Plan

The Corporation has in effect a “rolling” stock option plan (the “**Stock Option Plan**”) which sets the number of options available for grant by the Corporation at an amount equal to up to a maximum of 10% of the Corporation's issued and outstanding common shares (each, a “**Common Share**”) from time to

time. Under the policies of the TSX Venture Exchange (the “**Exchange**”), a rolling stock option plan must be re-approved on a yearly basis by the shareholders of the Corporation (the “**Shareholders**”). The Stock Option Plan was approved on July 26, 2019 and re-approved on October 29, 2020.

The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers of the Corporation by providing them with the opportunity, through share options, to acquire a proprietary interest in the Corporation and benefit from its growth. The options granted under the Stock Option Plan are non-assignable and may be granted for a term not exceeding ten years. Some of the key provisions of the Stock Option Plan are as follows:

The exercise price of options issued under the Stock Option Plan may not be less than the market price of the Common Shares at the time the option is granted, subject to any discounts permitted by applicable regulatory requirements, subject to a minimum price of \$0.10. Options may be granted under the Stock Option Plan only to Directors, officers, employees and other service providers subject to the rules and regulations of applicable regulatory authorities and any Canadian stock exchange upon which the Common Shares may be listed or may trade from time to time. The number of Common Shares reserved for issue to any one person pursuant to the Stock Option Plan within any one (1) year period may not exceed 5% of the outstanding issue. The maximum number of Common Shares that may be reserved for issuance to insiders under the Stock Option Plan together with any other employee stock option plans or options for services, shall be 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of Common Shares that may be issued to insiders under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within any one-year period shall be 10% of the outstanding issue. The maximum number of Common Shares that may be issued to any one insider and his or her associates under the Stock Option Plan, together with any other previously established or proposed share compensation arrangements, within a one- year period shall be 5% of the Common Shares outstanding at the time of the grant (on a non-diluted basis). The maximum number of Common Shares issuable pursuant to options that may be granted to any one consultant under the Stock Option Plan together with any other employer stock options plans or options for services, within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). The maximum number of Common Shares issuable pursuant to options that may be granted to investor relations persons under the Stock Option Plan together with any other employer stock options plans or options for services, within any 12 month period must not exceed, in the aggregate, 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis). Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Stock Option Plan, and any exercises of options will make new grants available under the Stock Option Plan effectively resulting in a re-loading of the number of options available to grant under the Stock Option Plan.

Stock Award Plan

The Corporation has in effect a stock award plan (the “**Stock Award Plan**”) which was approved on October 29, 2020. Under the Stock Award Plan, 10% of the Common Shares outstanding will be reserved for issuance.

The purpose of the Stock Award Plan is to encourage share ownership by and retention of employees of the Corporation and participating subsidiaries so that they may participate in future growth of the Corporation by increasing their interest in the Common Shares of the Corporation, to enhance employee compensation at a level commensurate with that of the Corporation’s peers without an impact on the

Corporation's cash resources and liquidity, and so that their interests are further aligned with those of the Shareholders. The plan is designed to encourage eligible employees to remain in the employ of the Corporation and its participating subsidiaries.

The Stock Award Plan will be administered by the Board of Directors (and, while acting in the capacity of the administrator of the Stock Award Plan, the "**Administrator**"). Eligible employees who are enrolled in the Stock Award Plan ("**Participants**") will, twice a year, or as otherwise determined by the Administrator, provided an eligible employee has satisfied any performance conditions set by the Administrator for such eligible employee, be issued an award of a number Common Shares equal to the value of the compensation determined by the Administrator to be earned by such eligible employee on the date of approval of an award. Some of the key provisions of the Stock Option Plan are as follows:

The Stock Award Plan will limit the maximum number of Common Shares issuable to insiders thereunder within any one (1) year period, or issuable to insiders at any time, under the Stock Award Plan, the Stock Option Plan and other types of security-based compensation arrangements of the Corporation to 10% of the number of the then issued and outstanding Common Shares of the Corporation. The total number of Common Shares which may be reserved for issuance to any one individual under the Stock Award Plan within any one (1) year period shall not exceed 5% of the issued and outstanding Common Shares and the total number of Common Shares which may be reserved for issuance to any one Consultant (as defined in the policies of the Exchange) within any one year period shall not exceed 2% of the issued and outstanding Common Shares. A person retained to provide Investor Relations Activities (as defined in the policies of the Exchange) will not be entitled to receive any Common Shares under the Stock Award Plan. The number of Common Shares to be issued pursuant to an award under the Stock Award Plan will be determined by dividing the value of the compensation determined by the Administrator to be earned by the eligible employee on the date of approval of an award by the Average Market Price of the Common Shares on the date of approval of the award less the maximum allowable discount to the Average Market Price permitted by the securities exchange upon which the Common Shares are listed. The term "Average Market Price" is defined in the Stock Award Plan as the volume weighted average trading price of the Common Shares for the ten (10) trading days immediately preceding such day on the securities exchange or quotation system on which the greatest volume of trading of the Common Shares in that period has occurred, if the Common Shares are then traded on such securities exchange or quotation system. The Administrator may from time to time adopt amendments to the Stock Award Plan, provided that, without the approval of the Shareholders, no amendment may (i) increase the number of Common Shares that may be issued under the Stock Award Plan; (ii) increase the limits on the total number of Common Shares that may be acquired by any one individual under the Stock Award Plan or any one insider of the Corporation and the insider's associates; (iii) change the eligible Participants in a manner that would have the potential for broadening or increasing the insider participation in the Stock Award Plan; (iv) increase the limit on the total number of Common Shares that may be acquired by insiders of the Corporation or acquired by insiders within a one-year period; or (v) amending the amendment provisions of the Stock Award Plan to eliminate a matter requiring approval by the Shareholders. In addition, any modification or amendment to the Plan will be subject to the prior approval of the Exchange to the extent that the Common Shares are listed on the Exchange at the time of such proposed termination, modification or amendment. Subject to the foregoing, the Administrator has the discretion to make certain amendments to the Stock. An award under the Stock Award Plan or a Participant's rights under the Stock Award Plan may not be pledged, assigned, encumbered or otherwise transferred for any reason, except to certain permitted assignees, including the Participant's spouse, a trustee, custodian or administrator acting on behalf of or for the benefit of the

Participant or the Participant's spouse or a personal holding corporation (or equivalent).

Employment, Consulting and Management Agreements and Arrangements

The Company does not have any Agreements with NEOs or Directors at this time.

Oversight and Description of Director and Named Executive Officer Compensation

The compensation of NEOs are determined by both the Compensation and Human Resources Committee (the "**CHR Committee**") that oversee and implement the Corporation's compensation program and the Board of Directors that make decisions on Director and NEO compensation. The CHR Committee makes a recommendation to the Board of Directors on NEO and Directors remuneration on an annual basis and the Board of Directors make the final decision.

Named Executive Officers

The Board of Directors is solely responsible for the compensation program for the Corporation's executive officers. The deliberations of the Board of Directors are private and are intended to advance the following key objectives: (i) attract the most qualified and experienced executives available to create shareholder value and drive the continued development of the Corporation; and (ii) retain and motivate qualified and experienced executives and provide appropriate short-term and long-term financial incentives with the goal of increasing the Corporation's performance.

Compensation for the Corporation's NEOs consists of the following three components: (i) base salary or consulting fees; (ii) options granted pursuant to the Stock Option Plan; and (iii) discretionary cash bonus payments for superior performance. The relative weightings of base salary, options and discretionary bonuses payable to NEOs are reviewed and determined annually by the CHR Committee based on the Corporation's short and long-term corporate goals and the performance of the Corporation against those goals and the contribution of the executive officer to that performance. Each element of compensation is considered individually and in aggregate with each other element in determining the amount of each level of compensation that is considered appropriate having regard to the factors considered relevant to compensation of the Corporation's executive officers discussed above.

In establishing salary levels and bonus entitlements of the Corporation's executive officers, the Corporation takes into consideration factors such as current competitive market conditions, the particular skills of the executive officer, such as leadership ability and management effectiveness, internal equity, experience, responsibility and proven or expected performance of the particular executive officer.

The CHR Committee considers risks that might result from the type and weighting of the different elements of executive compensation. In particular, in the case of compensation under the Stock Option Plan, the CHR Committee considers the fact that option entitlements vest over 3 years, and that the consideration received by a holder of options is aligned with the interests of the Corporation and the Shareholders as it is determined by reference to any increase in the market price of the Corporation's Common Shares after the date of grant of the options.

The granting of options to the executive officers under the Stock Option Plan provides an appropriate long-term incentive to management to create shareholder value. Options are granted to executive officers in amounts which recognize their specific contribution to the Corporation in their capacities as executive officers of the Corporation. Previous grants of options to executive officers are taken into consideration by the Board of Directors when considering new option grants. Any amendments to the Stock Option Plan are subject to review by the CHR Committee and approval of the Board of Directors.

Directors

The compensation of the non-executive Directors, which includes a Director's fee of \$17,000 per annum, an extra \$4,000 per annum for the chairperson of the Audit Committee and an extra \$2,000 per annum for the chairpersons of the CHR Committee and the Corporate Governance Committee, respectively, a \$500 attendance fee per meeting (board and committee) and the granting of options under the Stock Option Plan, is determined by the Board of Directors. The payment of the Directors' fees recognizes their contributions to the Corporation as non-executive Directors and, where applicable, members of board committees. Directors who are also officers or employees of the Corporation were not paid any amount as a result of their serving as Directors.

Directors are reimbursed for travel and other out of pocket expenses incurred in attending Directors', committee and Shareholders' meetings. Directors are also entitled to receive compensation to the extent that they provide services to the Corporation at rates that would be charged by such Directors for such services to arm's length parties. During the financial year of the Corporation ended December 31, 2020, no such compensation was paid to any Director of the Corporation or any of its subsidiaries.

The CHR Committee considers the grant of options to the non-executive Directors under the Stock Option Plan to provide an appropriate long-term incentive to these Directors to provide proper oversight to the Corporation with a view to maximizing shareholder value. Options are granted to independent Directors in amounts that recognize their specific contributions to the Corporation in their capacities as independent Directors and, where applicable, members of committees of the Board of Directors.

Pension Plan Benefits

The Company does not have a pension plan, retirement plan or a similar plan at this time.