

## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting of Shareholders (the "Meeting"), of **Western Resources Corp.** (the "Company" or "Western Resources") will be held at the main board room of the Milestone Phase I Mine Plant located in the Rural Municipality of Lajord ("RM") of Saskatchewan on Monday, **March 28, 2022 at 10:00 a.m.** (Central Standard Time) for the following purposes:

1. To receive and consider the audited financial statements of the Company for the fiscal year ended September 30, 2021, including the accompanying notes and the auditor's report, and the annual Management Discussion and Analysis Report (MD&A).
2. To set the number of Directors at six (6).
3. To elect directors to hold office until the close of the next Annual General Meeting.
4. To appoint an auditor for the Company to hold office until the close of the next Annual General Meeting.
5. To authorize the directors to fix the remuneration to be paid to the auditor of the Company.
6. To consider and, if deemed advisable, to pass a resolution (the "Investment Resolution") with or without variation, ratifying and approving the Subscription Agreement.
7. To transact such other business as may properly come before the Meeting or any adjournments thereof.

The audited financial statements of the Company, including the auditor's report for the financial year ended September 30, 2021 are available for viewing on SEDAR (<http://www.sedar.com>) and on the Company's website (<http://www.westernresources.com/investors/agm>).

The Management Information Circular (the "Circular") provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. The MIC will be available for viewing on SEDAR (<http://www.sedar.com>) and at [www.westernresources.com/investors/agm](http://www.westernresources.com/investors/agm) or can be obtained at the Meeting.

Registered Shareholders have the right to dissent in respect of the Investment Resolution and to be paid the fair value of their Shares in accordance with the provisions in Sections 237 to 247 of the BCBCA. These rights are described in the Circular and the text of Sections 237 to 247 of the BCBCA is set forth in Appendix "B" to the Circular.

The directors of the Company fixed the close of business on **January 28, 2022** as the record date for determining holders of common shares who are entitled to vote at the Meeting.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead.

Registered shareholders can join the upcoming Annual General & Special Meeting by accessing online through: <https://us06web.zoom.us/j/9040390694> or directly enter with the Meeting ID: 904 039 0694

If you are unable to attend the Meeting in person, please complete, sign and date the Form of Proxy and return your signed Form within the time and to the location in accordance with the instructions set out in the Form of Proxy and Information Circular accompanying this Notice. Please advise the Company of any change in your address.

DATED at Vancouver, B.C. this **16<sup>th</sup> day of February 2022**.

BY ORDER OF THE BOARD OF DIRECTORS

**WESTERN RESOURCES CORP.**

*"Bill Xue"*

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Bill Xue, Chairman

## MANAGEMENT INFORMATION CIRCULAR

As at February 16, 2022 unless otherwise noted  
(All dollar amounts are in Canadian funds unless otherwise stated)

### SOLICITATION OF PROXIES

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Western Resources Corp. ("Western Resources" or the "Company"), at the time and place and for the purposes set forth in the Notice of Annual and Special General Meeting of Shareholders (the "Notice of Meeting").**

**Notes:** The term "shareholder" as defined in the *Business Corporations Act* (British Columbia), S.B.C.2002, c.57 (the "BCBCA"), except in section 385, means a person whose name is entered in a securities register of a company as a registered owner of a share of the company or, until such an entry is made for the company:

- (a) in the case of a company incorporated before the coming into force of the BCBCA, a subscriber, or
- (b) in the case of a company incorporated under the BCBCA, an incorporator.

Under National Instruments 54-101 and 52-102, and with the concept of Notice & Access introduced by the Canadian Securities Administrators (the "CSA"), issuers may change their existing mail packs to a single Notice outlining the meeting date, time, venue, and provide information on how to ACCESS the proxy materials online. Main benefit of the Notice & Access is the reduction in printing which greatly reduces environmental impact as no longer printing high volume of materials. However, proxies may also be solicited personally or by telephone by directors, officers or employees of the Company at nominal cost. The cost of this solicitation will be borne by the Company.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined have meanings set forth in the Glossary of Terms set out in Appendix A of this Circular.

### APPOINTMENT OF PROXYHOLDER

A duly completed Form of Proxy will constitute the person(s) named in the enclosed Form of Proxy as the proxyholder for the shareholder (the "Registered Shareholder"). The persons whose names are printed in the enclosed Form of Proxy for the Meeting are officers or directors of the Company (the "Management Proxyholders").

A Registered Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Registered Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy ("Proxy") in a form similar to the enclosed form. A proxyholder needs not be a Registered Shareholder.

The persons named in the accompanying Form of Proxy are nominees of the Company's management. A shareholder desiring to appoint another person (who needs not be a shareholder) to represent him or her at the Meeting may do so either by:

- (a) STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY; OR
- (b) BY COMPLETING ANOTHER PROPER FORM OF PROXY.

The completed Proxy must be deposited at the office of Computershare Investor Services Inc., 100 University Ave., 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting.

A shareholder who has given a Proxy may revoke it by an instrument in writing delivered to the office of Computershare Investor Services Inc., Stock Transfer Department, or to the registered office of the Company at Suite 2500 – 666 Burrard St, Vancouver BC V6C 2X8 or to the Chairman of the Meeting, or in any other manner provided by law, 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.

### VOTING OF PROXIES

If the instructions as to voting indicated in the Proxy are certain, the common shares of the Company (the "Shares") represented by the proxy will be voted on any poll and where a choice with respect to any matter to be acted upon has

been specified in the Proxy, the Shares will be voted on any poll in accordance with the specifications so made. IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE FORM OF PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR.

The Form of Proxy accompanying this Information Circular confers discretionary authority upon the named Management Proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company knows of no such amendment or variation or matters to come before the Meeting other than those referred to in the accompanying Notice of Meeting.

### **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

Except for the statements of historical fact contained herein, the information presented in this Circular and the information incorporated by reference herein, constitutes "forward-looking information" within the meaning of applicable Canadian Securities Laws concerning the business, operations, plans, financial performance and condition of each of Western Potash and Western Resources. Often, but not always, forward-looking statements can be identified by words such as "*pro forma*", "plans", "expects", "may", "should", "could", "will", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual plans, results, performance or achievements of Western Resources or Western Potash to differ materially from any future plans, results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the timing, closing or non-completion of the Arrangement, including due to the parties failing to receive, in a timely manner and on satisfactory terms, the necessary Court, securityholder, stock exchange and regulatory approvals or the inability of the parties to satisfy or waive in a timely manner the other conditions to the closing or the conditions precedent, as applicable, of the Arrangement; factors discussed under the heading "*Risk Factors*".

Although Western Resources has attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in forward-looking statements in this Circular, and the documents incorporated by reference herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements in this Circular, nor in the documents incorporated by reference herein. All of the forward-looking statements made in this Circular, including all documents incorporated by reference herein, are qualified by these cautionary statements.

Western Resources Shareholders are cautioned not to place undue reliance on forward-looking statements. Western Resources undertakes no obligation to update any of the forward-looking statements in this Circular or incorporated by reference herein, except as required by law.

### **NON-REGISTERED HOLDERS**

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders because the Shares they own are not registered in their own names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees of administrators of self-administered RRSPs, RRIAs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "NOBOs". Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as "OBOs".

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to non-registered shareholders unless the non-registered shareholder has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "VIF"). This form is instead of a Proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal Proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.

#### **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere herein, none of the following persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors:

- (a) any director or executive officer of the Company at any time since the commencement of the Company's last completed financial year;
- (b) any proposed nominee for election as a director of the Company; and
- (c) any associate or affiliate of any of the foregoing persons.

#### **FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS**

The consolidated financial statements of the Company for the year ended September 30, 2021 (the "Financial Statements"), including the accompanying notes and the auditor's report, and the Management Discussion and Analysis will be available to the shareholders at the Meeting. These documents are also available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.westernresources.com/investors/agm](http://www.westernresources.com/investors/agm).

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). A securityholder may contact the Company to request copies of the Company's financial statements and Management's Discussion and Analysis ("MD&A"). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year.

#### **APPOINTMENT AND REMUNERATION OF AUDITOR**

Management of the Company will recommend to the Meeting that MNP LLP, of Suite 2200, MNP Tower, 1021 West Hastings Street, Vancouver, BC, be appointed as auditor of the Company to hold office until the close of the next Annual General Meeting of Shareholders. It is proposed that the remuneration to be paid to the auditor be fixed by the directors.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of Shares without par value, of which **187,174,220** Shares are issued and outstanding as of the date of this Information Circular. Only Registered Shareholders whose names have been entered into the registers of Western Resources as at the close of business (5:00 p.m. Vancouver Time) on the Record Date will be entitled to receive notice of and vote at the Meeting, and the Registered Shareholders are

entitled to one vote for each Share held. The directors of the Company fixed **January 28, 2022** as the record date for determining those shareholders entitled to vote at this Meeting or at any adjournment(s) or postponement(s) thereof.

To the knowledge of the directors and senior officers of the Company, there are no persons who, or corporations which, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company other than the following:

1. as of the record date, Tairui Mining Inc. held 105,854,938 Shares, representing 56.55% of the issued and outstanding Shares;
2. as of the record date, CBC (Canada) Holding Corp. held 18,874,296 Shares, representing 10.08% of the issued and outstanding Shares.

### DETERMINATION OF NUMBER OF DIRECTORS

The directors are elected at each annual general meeting to hold office until the next Annual General Meeting or until their successors are duly elected or appointed, unless such office is earlier vacated in accordance with the Articles of the Company or a director becomes disqualified to act as a director. As at the date of this Information Circular the Company has six (6) directors.

The Shareholders at last year's AGM approved the number of directors to be set at six. Management intends to maintain the number of directors comprising the Board at six (6) for the ensuring year.

### ELECTION OF DIRECTORS

The persons named in the following table are proposed by management for election as directors of the Company for the ensuring year, all of whom are incumbent and have confirmed their respective consents to continue sitting in the board. Each director elected will hold office until the next Annual General Meeting or until his successor is duly elected or appointed, unless such office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees listed herein.

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. THE COMPANY HAS NOT RECEIVED NOTICE OF, AND MANAGEMENT IS NOT AWARE OF, ANY PROPOSED NOMINEE IN ADDITION TO THE NAMED NOMINEES.

The following information concerning the respective nominees has been furnished by each of them:

Name, Province/State and Country of Ordinary Residence	Present principal occupation, business or employment and, if not elected a director by a vote of security holders, principal occupation, business or employment during the past five years <sup>(1)</sup>	Term of service as a director of the Company and Proposed Expiry Date <sup>(2)</sup> and First and Last Position in the Company	Approx. no. of voting securities beneficially owned, or controlled or directed, directly or indirectly or over which direction or control is exercised <sup>(3)</sup>
Bill (Wenye) Xue <sup>(8)</sup> <sup>(9)</sup> British Columbia, Canada	President & CEO of the Company, Executive Director of Tairui Mining Inc. (Canada).	Director & President from September 2015; CEO since April 2017. Chairman since March 2020.	105,854,938 <sup>(9)</sup>
George (Xiang) Gao Toronto, Canada <sup>(7)</sup> <sup>(8)</sup>	Senior VP of the Company since May 2019; CAO & CFO of the Company and President of Western Potash Corp. from June 2016 till April 2019; prior to that, President of the Beijing Mining Exchange and Chief Representative of the TSX Beijing Office, respectively.	Director since March 2021, CFO since April 2021.	Nil

Name, Province/State and Country of Ordinary Residence	Present principal occupation, business or employment and, if not elected a director by a vote of security holders, principal occupation, business or employment during the past five years <sup>(1)</sup>	Term of service as a director of the Company and Proposed Expiry Date <sup>(2)</sup> and First and Last Position in the Company	Approx. no. of voting securities beneficially owned, or controlled or directed, directly or indirectly or over which direction or control is exercised <sup>(3)</sup>
Weimin Wang <sup>(4)</sup> <sup>(5)</sup> <sup>(6)</sup> Beijing, China	CEO and President of China BlueChemical Ltd ("CBC") since March 2018; Chairman of CBC since May 2020; Chairman of Hubei Dayukou Chemical Co., Ltd since Nov 2012.	Director since June 2020.	18,874,296 <sup>(5)</sup>
Guy Bentinck <sup>(4)</sup> <sup>(6)</sup> <sup>(7)</sup> Toronto, Canada	CFO of Hydrostor Inc. from 2021 to date; Consultant of Baffinland Iron Mines from 2019 - 2021; SVP & CFO of Fairfax Africa from 2017 - 2019; President and CEO of Potash Ridge Corp., from 2010-2015	Director since March 2020.	Nil
Andrew Hancharyk Toronto, Canada <sup>(4)</sup> <sup>(6)</sup> <sup>(7)</sup> <sup>(10)</sup>	Lawyer Independent Director for Discovery Harbour Resources since September 2010	Director since March 2021	Nil
Yujia Ren Beijing, China	Managing Director of Beijing Tairui Innovation Capital Management Ltd. since July 2017.	Director since March 2020.	Nil

**Notes:**

- (1) Unless otherwise stated, each of the above-named nominees has held the principal occupation or employment indicated for at least five years.
- (2) For the purposes of disclosing positions held in the Company, "Company" shall include the Company and/or a parent or subsidiary thereof. The term of office of each director or proposed director will expire at the next Annual General Meeting.
- (3) Securities beneficially owned by directors are based on information furnished to the Company by the nominees.
- (4) Member of Audit Committee.
- (5) Mr. Weimin Wang holds 18,874,296 common shares over which he exercises direction through CBC (Canada) Holding Corp.
- (6) Member of Compensation Committee.
- (7) Member of Corporate Disclosure Policy Committee.
- (8) Member of Executive Committee.
- (9) Mr. Bill Xue holds 105,854,938 common shares over which he exercises direction through Tairui Mining Inc.
- (10) Mr. Hancharyk does not act as legal counsel for or provide legal advice to the Company in any respect.

**Majority Voting Policy**

The Board of Directors has adopted a majority voting policy for the election of directors in uncontested elections that meets the requirements of the policies of the Toronto Stock Exchange (the "TSX"). Under this policy, if a nominee does not receive the affirmative vote of at least the majority of votes cast, the director shall be expected to promptly tender a resignation for consideration by the Board. The Board shall, taking all material facts into consideration as they determine necessary, and with the nominee in question not participating in such meeting, consider the resignation and determine the appropriate action to be taken with respect to such offered resignation. Such factors may include, without limitation, the stated reasons why shareholders withheld votes from the election of the nominee, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to the Company and the Company's governance guidelines, if any. The Board's determinations may include: accepting the

resignation, maintaining the director but addressing what the Board believes to be the underlying cause of the withheld votes, resolving that the director will not be re-nominated in the future for election, or rejecting the resignation. Such resolution shall set out the reasons underlying the basis for the Board's decision. With exception of special circumstances that would warrant the continued service of the applicable director on the Board, the Board shall be expected to accept the resignation by the director. If a resignation is accepted, the Board may appoint a new director to fill any vacancy created by the resignation or reduce the size of the Board.

The Board's decision shall be made within 90 days after the shareholder meeting at which the election of directors occurred and the Company will then promptly issue a news release setting out that decision. If applicable, the news release will set out the reasons for rejecting any resignation.

### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Information Circular:

- (a) "Chief Executive Officer" or "CEO" means each individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (b) "Chief Financial Officer" or "CFO" means each individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (c) "Named Executive Officers" or "NEOs" means the following individuals:
  - (i) each CEO;
  - (ii) each CFO;
  - (iii) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and
  - (iv) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at September 30, 2021.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended September 30, 2021.

### **COMPENSATION DISCUSSION AND ANALYSIS**

The Company has established a Compensation Committee, which Committee was comprised of three (3) directors for the past fiscal year. The Board will appoint annually, at the organizational meeting of the full Board, from its members, the members of the Committee. The Board will appoint one member of the Committee as the Chairman of the Committee. Should a Committee member cease to be a director of the Company, then such Committee member shall be automatically removed. In discharging its general purposes, the Committee's duties include the following items:

1. reviewing the adequacy and form of compensation of senior management;
2. reviewing the performance of the Company's senior management and recommending annually to the Board for approval the amount and composition of compensation to be paid to the Company's senior management;
3. reviewing and approving the corporate goals and objectives relevant to CEO, President and CFO and other senior officer's compensation;
4. reviewing and making recommendations to the Board of Directors with respect to pension, stock option and other incentive plans for the benefit of senior management;
5. overseeing the administration of the Company's employee stock option plan; and
6. reviewing the adequacy and form of the compensation of directors.

On March 4, 2008 the Board (and through to April 5, 2017 when the Plan of Arrangement occurred, all referring to that of the Western Potash Corp) approved the Company's first employee incentive stock option plan (the "Initial Plan"). Pursuant to the terms of the Initial Plan, up to 10% of the total number of Shares issued and outstanding from time to time were reserved for issuance as stock options. Shareholder approval to the Initial Plan, as amended, was obtained at the Company's Annual General Meetings held March 26, 2009, March 24, 2010, and March 30, 2011.

On July 12, 2011 the Company's listing was transferred from the TSX Venture Exchange to the TSX. At the Company's Annual and Special General Meeting held on March 26, 2012, Management of the Company sought and

obtained shareholder approval to replace the Company's Initial Plan with a new stock option plan in order to become fully compliant with the policies of the TSX.

The TSX requires all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable to be approved by shareholders every three years and therefore the Plan was placed before the shareholders for ratification and approval at its 2015 Annual General Meeting, 2018 Annual General Meeting and 2021 Annual General Meeting of the Company respectively.

The purpose of the Company's Plan were to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth.

The Company's compensation policies and programs are designed to be competitive with similar mineral property exploration companies and to recognize and reward executive performance consistent with the success of the Company's business. As of February 16, 2022, the total number of issued and outstanding stock options of the Company is 10,250,000.

The compensation program is designed to reward performance of the NEO of the duties and responsibilities of the particular position and the attainment of the goals set for the NEO in conjunction with the strategic plan of the issuer. The Compensation Committee approved ranges for base salaries for executives of the Company. Compensation comparables were determined on the position of the executive and using experience levels commensurate with the biographies of the current executive and management team. Compensation information, including potential bonuses as a percentage of salary, was extracted from 9 mid-tier and 9 junior mining companies (whose names were not disclosed) classified as either "Development/Exploration, Surface projects < 100 employees", or "Operating mines, Surface projects < 1,000,000 tonnes per year, <100 employees". These categories are relevant to the Company's business and industry size.

Performance goals or similar conditions for the Company upon which bonuses are based include subjective and objective measurements tied to the overall development of the Company. As the Company has no earnings and is in the construction stage of its mineral project, performance goals are not directly based on its financial statements, apart from capital raised for the Company by management through equity or debt offerings.

The significant elements of compensation awarded to the NEOs are cash salary, stock options and/or annual bonuses.

#### **Cash Salary:**

The NEOs are paid a salary in order to ensure that the compensation package offered by the Company is in line with that offered by other companies in the industry, and as an immediate means of rewarding the NEOs for efforts expended on behalf of the Company. The salary to be paid to a particular NEO is determined by available information from the industry. Payment of a cash salary fits within the objective of the compensation program since it rewards the NEO for performance of his or her duties and responsibilities. The payment of such salary may impact on other elements of the compensation package to a particular NEO.

The Compensation Committee reviews the compensation of senior officers and management and provides recommendations to the Board for discussions and approvals with respect to compensation entitlement to incentive compensation (if any), in light of the senior officers' annual performance and in light of criteria proposed by the Committee and adopted by the Board.

#### **Annual Bonus, Stock Options, etc:**

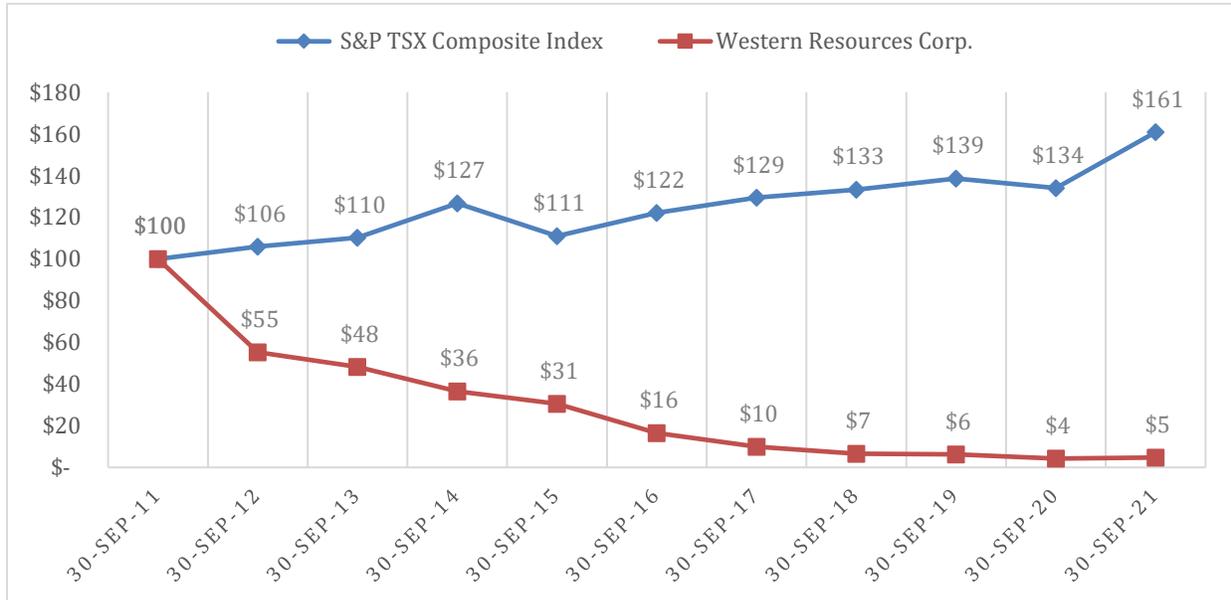
The Compensation Committee reviews any bonuses and stock option grants with the Board and proposes to the Board criteria for assessing the performance of senior management, on an annual basis, in accordance with an evaluation process established by the Board. The performance evaluation of the CEO, CFO and other senior management are then submitted to the Board or Chairman for review and approval. Annual bonuses, if any, and stock options are not based on formal measures, such as share price and E/P ratios.

Following the year ended September 30, 2021 the Company did not take any action or make any decisions or policies that could affect a reasonable person's understanding of any NEO's compensation for the most recently completed financial year, other than as otherwise disclosed herein and in the public records of the Company.

## Performance Graph

The graph below compares the yearly percentage change in the cumulative total shareholder return on the Company's common shares against the cumulative total shareholder return of the Toronto Stock Exchange 300 Total Return Index for the period commenced September 30, 2012 and ended September 30, 2021, which was in contrast to the general performance of the S&P/TSX Composite over the same period of time, but was generally in line with the overall trend of the global potash industry performance.

**Chart 1** Comparison of Total Shareholder Return on Common Shares of the Company and the S&P/TSX Composite - Total Return Index Value (based on Canadian Funds)



The graphs assume that the initial value of the investment on the stock exchange in the Company's common shares and in the indexes was \$100 on the initial date. The Company was initially listed on the TSX Venture Exchange on May 6, 2008. It has been listed on the TSX since July 12, 2011. On April 5, 2017, Western Potash Corp., through a Plan of Arrangement (the "Arrangement") with Western Resources Corp, was delisted from the Toronto Stock Exchange, and all of its issued and outstanding shares were simultaneously replaced by Western Resources Corp on the basis of one Western Potash share being exchanged for 0.2 of a Western Resources share. As a result, Western Resources common shares commenced trading at the TSX on April 5, 2017 under the symbol of WRX.

It is noted that the trend shown by this graph does not reflect the trend in the Company's compensation to executive officers over this period. During this period, the Company was experiencing significant growth while the shareholder return was declining due to disruptions in the financial, junior resource and potash markets.

## Option Based Awards

As stated elsewhere herein, the Company has adopted an updated incentive stock option plan (the "2021 Plan"). The Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company. All options expire on a date not later than ten (10) years after the issuance of such options.

The process by which the Board grants option-based awards to executive officers is:

- Options are generally granted to board directors, corporate executives and employees in key positions as well as major consultants as part of the annual compensation review. Options are also granted at other times of the year to individuals commencing employment with the Company or as circumstances warrant, including

the closing of significant financings. The exercise price for the options is established at the time each option is granted, and such price, in all cases shall be not less than the market price of the securities at the time the option is granted; or a reasonable pre-determined formula, based on a weighted average trading price or average daily high and low board lot trading prices for a short period of time prior to the time of the grant.

- The Board often approves base salaries, annual cash incentives and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Options are granted at other times of the year to individuals commencing employment with the Company.

## SUMMARY COMPENSATION TABLE

The compensation paid to the NEOs during the Company's last three fiscal years as of September 30, 2021 is as set out below and expressed in Canadian dollars unless otherwise noted:

Name and principal position	Year	Salary <sup>(1)</sup> (\$)	Share-based awards (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)		Pension value (\$)	All other compensation <sup>(4)</sup> (\$)	Total Compensation (\$)
					Annual incentive plans <sup>(3)</sup>	Long-term incentive plans			
Bill Xue CEO & President; Managing Director of Western Potash <sup>(5)</sup>	2021	\$240,000	N/A	\$26,134	N/A	N/A	N/A	NIL	\$266,134
	2020	\$240,000	N/A	\$54,886	N/A	N/A	N/A	NIL	\$294,886
	2019	\$240,000	N/A	\$22,993	\$25,000	N/A	N/A	NIL	\$287,993
Fritz Venter CEO & President of Western Potash <sup>(6)</sup>	2021	\$140,768	N/A	NIL	N/A	N/A	N/A	\$20,000	\$160,768
	2020	\$240,000	N/A	\$148,647	\$20,000	N/A	N/A	NIL	\$408,647
	2019	\$40,000	N/A	\$43,903	\$36,000	N/A	N/A	\$100,000	\$219,903
George Gao, CFO <sup>(7)</sup>	2021	77,500	N/A	\$15,837	N/A	N/A	N/A	\$18,000	\$111,337
	2020	\$60,000	N/A	\$10,978	N/A	N/A	N/A	NIL	\$70,978
	2019	\$130,000	N/A	\$4,598	\$30,000	N/A	N/A	NIL	\$164,598
Matthew Wood, VP, WPC	2021	\$180,000	N/A	\$10,454	N/A	N/A	N/A	\$34,500	\$224,954
	2020	\$180,000	N/A	\$22,186	\$12,000	N/A	N/A	NIL	\$214,186
	2019	\$180,000	N/A	\$8,965	\$20,000	N/A	N/A	NIL	\$208,965
Alnesh Mohan, CFO <sup>(8)</sup>	2021	\$38,000	N/A	NIL	N/A	N/A	N/A	NIL	\$38,000
	2020	\$60,000	N/A	\$2,744	N/A	N/A	N/A	\$8,000	\$70,744
	2019	\$25,000	N/A	\$1,150	N/A	N/A	N/A	NIL	\$26,150
Lowell Berg VP, WPC <sup>(9)</sup>	2021	\$150,000	N/A	\$10,454	N/A	N/A	N/A	\$42,000	\$202,454
	2020	\$150,000	N/A	\$22,186	\$10,000	N/A	N/A	NIL	\$182,186
	2019	\$137,500	N/A	\$8,965	N/A	N/A	N/A	NIL	\$146,465
Garth Berg, Construction Director <sup>(10)</sup>	2020	\$150,752	N/A	\$13,866	\$24,000	N/A	N/A	N/A	\$188,618
	2019	\$70,000	N/A	\$5,604	N/A	N/A	N/A	\$18,000	\$93,604

### Notes:

- (1) Includes the dollar value of cash and non-cash base salary earned during a financial year covered.
- (2) The amount represents the fair value, on the date of grant, of awards made under the Company's stock option plan. Deemed fair value of options granted during the fiscal year, based on the Black-Scholes option pricing model. The Company used the Black-Scholes option pricing model as the methodology to calculate the grant date fair value, and relied on the following weighted average assumptions and estimates for the 2019 and 2020 calculations:
  - For the 2019 stock option grants: risk-free interest rate of 1.49%; expected life of 5 years; forfeiture rate of 0%; expected volatility of 66% and a dividend rate of 0%.
  - For the 2020 stock option grants: risk-free interest rate of 0.39%; expected life of 5 years; forfeiture rate of 0%; expected volatility of 81%, and a dividend rate of 0%.
  - For the 2021 stock option grants: risk-free interest rate of 0.46% to 0.79%; expected life of 5 years; forfeiture rate of 0%; expected volatility of 65% to 94%, and a dividend rate of 0%.

The Black-Scholes option pricing model is used because it provides a fair value widely accepted by the business community and is regarded as one of the best ways of determining fair prices of options.

- (3) These amounts, if any, include annual non-equity incentive plan compensation, such as bonuses, including signing bonus and discretionary amounts for the year ended September 30, 2021.
- (4) These amounts cover all compensation other than amounts already set out in the table for the year ended September 30, 2021 and include directors' fees, as applicable, and annual bonuses for prior year's performance, new employee signing bonus, and, if any, amounts paid upon resignation, retirement or other termination of employment or change in control and insurance premiums with respect to term life insurance. Director fees for sitting on the Board and for Board meetings are set at \$5,000 per quarter for each of the last four quarters, payable to non-executive directors only. Committee Chairmen are paid \$7,500 per quarter including director fees effective April 1, 2018.
- (5) Bill Xue was appointed Managing Director of Western Potash effective April 2021.
- (6) Fritz Venter joined Western Potash as CEO & President effective August 1, 2019 and resigned as of March 31, 2021.
- (7) George Gao worked on part-time basis effective May 1, 2019. He was appointed as CFO since April 2021.
- (8) Alnesh Mohan no longer performed as CFO as of end of March 2021.
- (9) Lowell Berg resigned his role on October 31<sup>st</sup>, 2021 as concurrent event.
- (10) Garth Berg reduced his services from May 2020, as a result of the temporary suspension of the Phase 1 Project construction.

## INCENTIVE PLAN AWARDS

### *Outstanding Share-based Awards and Option-based Awards*

The purpose of the Company's Initial Plan and the following Stock Option Plan was to attract, retain and motivate directors, officers, employees and other service providers by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and to benefit from its growth. Directors, officers, employees and consultants of the Company are eligible for stock options at the sole discretion of the Board of Directors. Please refer to the most updated Stock Option Plan circulated together with the Management Information Circular relating to the 2021 shareholder meeting titled "Western Resources Corp. Incentive Stock Option Plan", available also for viewing on SEDAR at [www.sedar.com](http://www.sedar.com).

As of September 30, 2021, there was a total of **10,250,000** stock options that were outstanding for any of the Company's directors, executives, consultants or staffs, and there was 300,000 shares exercised by recipients during the fiscal year ended September 30, 2021.

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

The following table sets out all incentive plans (value vested or earned) during the year ended September 30, 2021, for each NEO:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bill Xue	\$26,134	N/A	N/A
Fritz Venter	\$0	N/A	N/A
George Gao	\$15,837	N/A	N/A
Matthew Wood	\$10,454	N/A	N/A
Alnesh Mohan	\$0	N/A	N/A
Lowell Berg	\$10,454	N/A	N/A

#### Notes:

- (1) In accordance with the terms of the Company's current stock option plan, all stock options awarded are exercisable for a period of up to ten years. The outstanding stock options were issued on May 29, 2019, June 28, 2019, April 24, 2020, August 4, 2020, and March 15, 2021 respectively, all valid for five years. These Options, granted per the 2018 & 2021 Incentive Stock Option Plan, became exercisable effective May 7, 2020 upon Board and the Executive Committee resolutions agreeing to remove all conditions placed upon the exercising of the vested stock options, exercisable at 30% of total Options of each holder on an annual base, with any portion or whole of the 30% unvested allowed to be carried over to the following year for exercise.

## PENSION PLAN BENEFITS

The Company has no pension plans for its directors, officers or employees.

## TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

Effective January 9, 2016, the Company entered into a one-year employment agreement with Geoffrey Chang, who held the positions of Chairman of both the Board and the Executive Committee at an annual salary of \$300,000. The compensation was revised to an annual amount of \$150,000 effective October 1, 2017, which was further revised to \$90,000 annually effective April 1, 2018. Effective July 1, 2019, Mr. Chang was paid \$5,000 per quarter for director fees only. Mr. Chang held the positions of CEO and Chairman of the Company until April 5, 2017. Mr. Chang held the position of Chairman of the Executive Committee of the Company until April 25, 2019. Effective April 1, 2020, Mr. Chang served as a consultant for Western Resources Corp., for which remuneration was payable on a case-by-case basis.

Effective May 30, 2016, the Company entered into an Executive Consulting Agreement with George Gao, who agrees to provide services to the Company and its subsidiaries through Rock Point Capital Inc., for a total annual compensation of \$180,000 plus applicable taxes. Effective May 1, 2019, the Company and Mr. Gao amended the Consulting Contract to a one-year on a part-time basis focusing on services in marketing and financing, renewed for another year on May 1, 2020. The contract was further amended as of April 1, 2021, with Mr. Gao accepting CFO position and annual base compensation of \$90,000.

Effective August 1, 2019, the Company entered into an Employment Contract with Fritz Venter, who held the positions of CEO and President of the Company's wholly-owned subsidiary Western Potash Corp., with an annual salary of \$240,000, plus a signing bonus of \$100,000. Effective February 26, 2021, the Company entered into a Termination and Mutual Release Contract with Fritz Venter, who resigned from his positions of CEO and President of Western Potash Corp. on March 31, 2021. Mr. Venter's board director seat at the Company got expired as of the annual general meeting on March 12, 2021.

Effective March 31, 2021, the Company terminated its consulting contract with Alnesh Mohan who served as CFO of the Company prior to Mr. Gao.

Effective November 1, 2021, Western Potash Vice President of Procurement Lowell Berg resigned from his role.

There are no other major employment contracts between the Company or any of its subsidiaries and a Named Executive Officer during the past financial year. There is no compensatory plan or arrangement, including payments to be received from the Company or any of its subsidiaries, with respect to the Named Executive Officers.

## DIRECTOR COMPENSATION

### *Director Compensation Table*

During the most recently completed fiscal year, the directors who are not Named Executive Officers of the Company received compensation from the Company in aggregate of \$100,000. This amount includes a value assigned to option-based awards based on the Black Scholes Option Pricing Model, but there is no assurance that actual value of the options awarded, which are priced above the current trading price of the Company's shares as of the date of this Information Circular, will ever be equal to the amount stated.

Fees provided to the directors for the Company's most recently completed financial year of September 30, 2021 are as follows:



**Notes:**

- (1) Calculated based on the difference between the closing market price of the common shares on the last trading day of the most recently completed financial year and the exercise price of the option.
- (2) In accordance with the policies of the TSX, the exercise price per share was based on the last closing price of the Company's shares on the trading day immediately preceding the date of the stock option grant/date on which the directors publicly announced the stock option grant, less, if applied by the Company, the applicable discount, and would not otherwise be less than \$0.10 per share.

**Compensation of Directors**

The Company currently pays non-executive directors a quarterly retainer of \$5,000 (with executive directors receiving no director fees). Board Committee Chairs (if non-executives) receive a quarterly retainer of \$7,500 (including director fees) each. Directors are entitled to receive stock options under the Company's incentive stock option plan. See "Incentive Stock Options" elsewhere herein for additional particulars.

During the fiscal year ended September 30, 2021, other than as set out above and in the table under the heading "Executive Compensation" for compensation paid to the Named Executive Officers, no other compensation was paid or is payable by the Company to the other directors of the Company or the Company's subsidiaries, (the "Other Directors"), if any, for their services in respect of the following:

- (a) in their capacity as directors, including any amounts payable for committee participation or special assignments pursuant to any standard or other arrangements; or
- (b) as consultants or experts.

During the most recently completed financial year (October 1, 2020 to September 30, 2021), the Company granted incentive stock options to its Other Directors and Named Executive Officers, as disclosed above in the "Summary Compensation Table" and "Option-Based Awards" / "Share-Based Awards" tables.

Please refer to the section captioned "Election of Directors" for further details with respect to the present positions of the directors of the Company and number of Shares held in the Company.

The Other Directors, as a group, did not exercise any incentive stock options to purchase Shares of the Company during the financial year ended September 30, 2021.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

On March 4, 2008 the Company's Board of Directors (for all events prior to the Plan of Arrangement completed on March 31, 2017, the Board of Directors refers to that of Western Potash Corp.) approved the Company's Initial Plan. Pursuant to the terms of the Initial Plan, up to 10% of the total number of common shares issued and outstanding from time to time were reserved for issuance as stock options. Shareholder approval to the Initial Plan, as amended, was obtained at the Company's Annual General Meetings held March 26, 2009, March 24, 2010, and March 30, 2011. On July 12, 2011 the Company's listing was transferred from the TSX Venture Exchange to the TSX. At the Company's Annual and Special General Meeting held on March 26, 2012, management of the Company sought and obtained shareholder approval to replace the Company's Initial Plan with a 2012 Plan in order to become fully compliant with the policies of the TSX. The TSX requires all unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable to be approved by shareholders every three years and therefore the Plan was placed before the shareholders for ratification and got approved at each of the subsequent Annual General Meetings of the Company, respectively on Feb 26, 2015, March 9, 2018 and March 12, 2021.

As of February 16, 2022, the Company has a total of 10,250,000 outstanding stock options, all of which has become exercisable upon the Board and the Executive Committee resolutions agreeing to remove all conditions placed upon the exercising of the vested stock options, exercisable at 30% of total Options of each holder on an annual base, with any portion of or whole of the 30% unvested allowed to be carried over to the following year for exercise.

The Company currently has a total issued and outstanding common shares of 187,174,220. Based on the rolling 10% of Company's three-year term Incentive Stock Options Plan, the Company has a total of 18,717,422 shares issuable during anytime since March 12, 2021, of which 10,250,000 has been issued and are still valid, resulting in 8,467,422 new Stock Options to be issued anytime before the Plan is renewed. Please note that the Company has already listed and reserved all those shares with the TSX that can be issued anytime within the three years that the Plan covers.

## **INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the directors, executive officers, employees, former executive officers, directors and employees of the Company or any of its subsidiaries, proposed nominees for election or associates of such persons is or has been indebted to the Company (other than routine indebtedness) in excess of \$50,000 at any time for any reason whatsoever, including the purchase of securities of the Company or any of its subsidiaries.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Since the commencement of the Company's last completed financial year, other than as disclosed below and elsewhere herein, no informed person of the Company, any proposed director of the Company or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction or in any proposed transaction which has materially affected or would materially affect the Company. The term "informed person" as defined in National Instrument 51-102 Continuous Disclosure Obligations, means

- (a) a director or executive officer of a reporting issuer;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

During the fiscal year ended September 30, 2021, the Company had no material transactions in which "informed persons" had an interest.

## **MANAGEMENT CONTRACTS**

Other than entities controlled by executive officers of the Company, as disclosed elsewhere in this Information Circular, there are no management functions of the Company which are to any substantial degree performed by a person other than a director or executive officer of the Company.

## **SUBSCRIPTION AGREEMENT**

### **Background**

The Company's main asset is the Milestone Potash Project (the "Project") located approximately 35 km southeast of Regina, Saskatchewan. The Project sits within Saskatchewan's most economic mining bed and benefits from mining-friendly laws and regulations governments of various levels have developed in Saskatchewan. After over ten years of hardworking efforts in mining exploration and funding preparation through management teams of different periods, Project construction officially began in June 2019.

Due to various reasons including impact of the Covid-19 pandemic, Project construction was suspended in May of 2020, though with the solution mining systems and partial construction of the process and compaction buildings complete. Faced with continued cash flow constraints and creditor pressures, management of the Company has since focused on obtaining additional Project funding so that the Phase 1 Project can be brought into production.

Since Project suspension, the Company entered into preliminary discussions with potential investors to secure additional financing. The Company entered into a number of confidentiality agreements and term sheets with some of these parties, among them capital funds and industry participants, prior to entering into the definitive agreement (the "Subscription Agreement") with Vantage Chance Limited ("Vantage"), a private equity investment company registered in the British Virgin Islands.

Pursuant to the Subscription Agreement, Vantage has committed to make a one-time equity investment of CAD\$80,000,000 (the "Investment Transaction") in Western Potash Holdings Corp. ("Western Holdings"), a newly

incorporated company by the Company. Upon completion of the Share Exchange (described below), Western Holdings will own 100% of Western Potash Corp. ("Western Potash") and the Milestone Potash Project.

### **Reorganization**

Western Holdings was incorporated on January 13, 2022 by Western Resources in the Province of British Columbia. Upon obtaining the approval of the Subscription Agreement by Western Resources' Shareholders and prior to completion of the transactions contemplated by the Subscription Agreement, Western Resources will transfer its 100% equity interest in Western Potash, being 134,017,653 common shares, to Western Holdings in exchange for Western Holdings issuing to Western Resources an equivalent number of common shares representing 100% of the issued and outstanding shares of Western Holdings (the "Reorganization").

Under the Subscription Agreement, Vantage will invest C\$80,000,000 in Western Holdings in exchange for an aggregate of 157,325,071 common shares of Western Holdings. Following the Investment, Vantage will hold 54% of the total issued and outstanding common shares of Western Holdings, while Western Resources will hold the remaining 46% of the issued and outstanding common shares of Western Holdings.

Closing of the Investment is subject to customary closing conditions, including approval of the transaction by Western Resources' shareholders at its upcoming Annual and Special Shareholder Meeting scheduled for March 28, 2022 and certain regulatory approvals. It is anticipated that Closing will occur on or around May 31, 2022. Investment proceeds raised from the Investment Transaction will be used to complete construction of the Milestone Potash Project.

### **Recommendation of the Board**

After due consideration, consultation with the Company's senior management and management's reliance on advice from the Company's advisors (including its legal advisor), a review of the financial condition of and prospects for the Project, and a thorough review of the Subscription Agreement, the Board determined that the Investment is in the best interests of Western Resources and the Western Resources shareholders. **Accordingly, the Board has approved the Subscription Agreement in its board meeting of February 16, 2022 and recommends that Western Resources Shareholders vote FOR the Investment Resolution** (as that term is later defined in this Circular under the heading "Form of Resolution").

### **Dissent Right**

*The following description of dissent rights ("Dissent Rights") is not a comprehensive statement of the procedures to be followed by a dissenting Shareholder (a "Dissenting Shareholder") who seeks payment of the fair value of its Shares from Western Resources and is qualified in its entirety by the reference to the full text of Division 2 of Part 8 of the BCBCA, which is attached to this Circular as Appendix "B". A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Division 2 of Part 8 of the BCBCA. Failure to strictly comply with the said provisions and to adhere to the procedures established therein, may result in the loss of all rights thereunder.*

Pursuant to the provisions of the BCBCA, a Registered Shareholder who intends to exercise the Dissent Rights must deliver a written notice of Dissent (a "Dissent Notice") to Western Resources at PO Box 246 KRONAU PO, Kronau, SK S0G 2T0 to be received not later than 5:00 p.m. (Central Time) on Friday, March 25, 2022, or two days prior to any adjournment(s) or postponement(s) of the Meeting, and must not vote any Shares in favour of the Investment. A Non-Registered Holder who wishes to exercise the Dissent Rights must arrange for the Registered Shareholder(s) holding its Shares to deliver the Dissent Notice. The Dissent Notice must contain all of the information specified in section 242(4) of the BCBCA, including, among other things, the number of Shares in respect of which the Dissent Rights are being exercised (the "Dissent Shares"). A vote against the Investment Resolution does not constitute a Dissent Notice and a Shareholder who votes against the Investment Resolution will not be considered a Dissenting Shareholder.

If the Investment Resolution is approved by Shareholders and Western Resources notifies a Registered Shareholder of its intention to act upon the Investment Resolution pursuant to section 243 of the BCBCA, in order to exercise Dissent Rights, such Shareholder must, within one month after Western Resources gives such notice, send to the Company a written notice that such Shareholder requires the purchase of all of the Dissent Shares in respect of which such holder has given Dissent Notice. Such written notice must be accompanied by the certificate or certificates representing those Dissent Shares (including a written statement prepared in accordance with section 244(1)(c) of the

BCBCA if dissent is being exercised by the Shareholder on behalf of a beneficial shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Shareholder becomes a Dissenting Shareholder, and is bound to sell and Western Resources is bound to purchase those Shares. Such Dissenting Shareholder may not vote, or exercise or assert any rights of a Shareholder in respect of such Dissent Shares, other than the rights set forth in Division 2 of Part 8 of the BCBCA.

Such Dissenting Shareholders shall cease to have any rights as Western Resources Shareholders other than the right to be paid the fair value of their Shares. Western Resources will pay to each Dissenting Shareholder for the Dissent Shares the amount agreed on by Western Resources and the Dissenting Shareholder. Either Western Resources or a Dissenting Shareholder may apply to the Court if no agreement on the amount to be paid for the Dissent Shares has been reached, and the Court may:

- (a) determine the fair value that the Dissent Shares had immediately before the passing of the Investment Resolution, excluding any appreciation or depreciation in anticipation of the Investment unless such exclusion would be inequitable, or order that such fair value be established by arbitration or by reference to the registrar or a referee of the Court;
- (b) join in the application each other Dissenting Shareholder who has not reached an agreement with Western Resources as to the amount to be paid for the Dissent Shares; or
- (c) make consequential orders and give directions it considers appropriate.

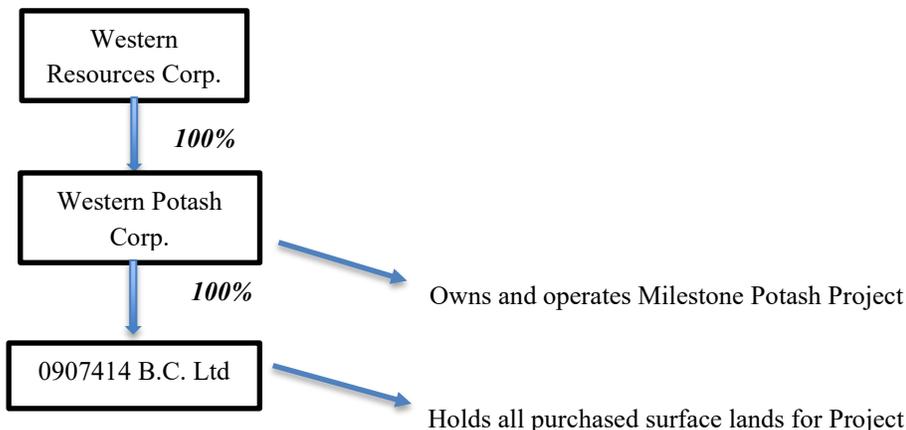
Dissenting Shareholders who are ultimately entitled to be paid fair value for their Shares will be entitled to be paid such fair value and will not be entitled to any other payment or consideration. The names of such holders shall be removed from Western Resources' central securities register.

If a Dissenting Shareholder fails to strictly comply with the requirements of the Dissent Rights set out in the BCBCA, it will lose its Dissent Rights, Western Resources will return to the Dissenting Shareholder the certificate(s) representing the Dissent Shares that were delivered to Western Resources.

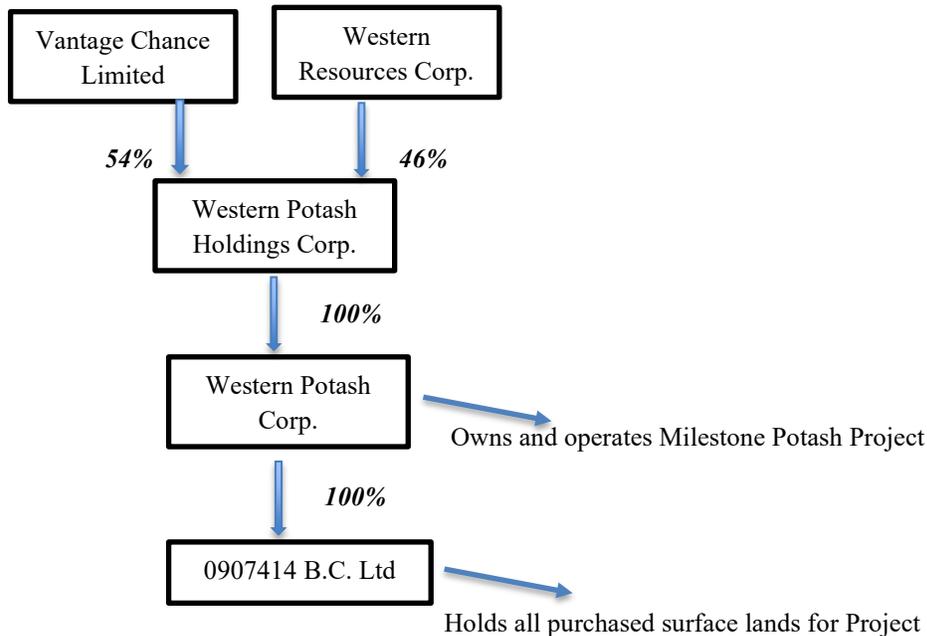
Registered Shareholders wishing to exercise the Dissent Rights should consult their legal advisors with respect to the legal rights available to them in relation to the Investment and the Dissent Rights. Registered Shareholders should note that the exercise of Dissent Rights can be a complex, time-consuming and expensive procedure.

### **Effect of the Subscription Agreement**

As of the date of this Information Circular and immediately prior to the Closing of the Investment Transaction, the corporate structure of the Company (including its major subsidiaries in respect of the Project) is as follows:



Upon Closing, the corporate structure of the Company (including its major affiliates in respect of the Project) will become:



### ***Form of Resolution***

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass, with or without variation, a resolution (the "**Investment Resolution**") ratifying and approving the Investment:

#### **"BE IT RESOLVED BY SPECIAL RESOLUTION THAT:**

1. The Investment pursuant to a subscription agreement (the "Subscription Agreement") among Vantage Chance Limited, Western Potash Holdings Corp., Western Resources Corp. and Western Potash Corp. dated February 16<sup>th</sup>, 2022, all as more particularly described and set forth in the management information circular (dated February 16<sup>th</sup>, 2022) is hereby authorized, approved and ratified;
2. The Subscription Agreement and related transactions, the actions of the directors of Western Resources in approving the Investment, and the actions of the officers of Western Resources in executing and delivering the Subscription Agreement, and any modifications or amendments thereto, are each hereby ratified and approved;
3. Any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all such other documents and instruments that such director or officer may, in the director's or officer's discretion, determine to be necessary or desirable in order to give full effect to the intent and purpose of this resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing. "

To be effective, the Investment Resolution must be approved at the Meeting by not less than 66% of the votes cast on the Investment Resolution by the Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

**The Board hereby recommends that Shareholders VOTE FOR the Investment Resolution. In the absence of instructions to the contrary, the Persons whose names appear in the attached Form of Proxy intend to VOTE FOR the Investment Resolution.**

If the Investment Resolution does not receive the requisite approval, the Investment will not proceed. Reference is made to the section "Dissent Rights" in this Circular for information concerning the rights of Registered Shareholders to dissent in respect of the Investment Resolution.

### **Subscription Agreement**

**The following description of certain provisions of the Subscription Agreement is a summary only. The summary of certain provisions of the Subscription Agreement below and in this Circular is not comprehensive and is qualified in its entirety by reference to the full text of the Subscription Agreement, the full text of which may be viewed on SEDAR under Western Resources' issuer profile at [www.sedar.com](http://www.sedar.com). This summary may not contain all of the information about the Subscription Agreement. Western Resources Shareholders are encouraged to read the Subscription Agreement carefully and in its entirety.**

#### ***Representations and Warranties***

*The Subscription Agreement contains representations and warranties made by Western Resources, Western Potash, and Western Holdings ("Western Group") to Vantage and representations and warranties made by Vantage to Western Group. These representations and warranties were made solely for purposes of the Subscription Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating the terms of the Subscription Agreement. In addition, some of these representations and warranties are made as of specified dates, are subject to a contractual standard of materiality or Material Adverse Effect different from that generally applicable to the public disclosure of Western Group or Vantage or are used for the purpose of allocating risk between the parties to the Subscription Agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Subscription Agreement as statements of factual information at the time they were made or otherwise.*

The Subscription Agreement contains certain representations and warranties of Western Group, relating to, among other things: corporate existence and organization; corporate authorization; no violation of constating documents, applicable Laws, Material Contracts etc.; enforcement of obligations; subsidiaries and investments; shareholders and similar agreements; proceeds; regulatory or third party consents and approvals; corporate books and records; capitalization; rights; accounting controls; solvency; financial statements; liabilities and indebtedness; legal proceedings; taxes; related party transactions; compliance with Laws; material contracts; intellectual property; absence of certain changes; restrictions on business activities; insurance; employees, employment agreements and employee benefit plans; absence of certain business practices; licenses, compliance with regulatory requirements; mineral interests and title; aboriginal claims; technical report; operational matters; completion of the SPV reorganization; issuance of subscription shares, financial advisors or brokers; full disclosure.

The Subscription Agreement also contains certain representations and warranties of Vantage, relating to, among other things: corporate existence and organization; corporate authorization; enforcement of obligations; regulatory or third party consents and approvals; no violation of constating documents, applicable Laws, Material Contracts; investment; not in the business of trading; limited remedies and rights; absence of regulatory review; no representations as to resale; general solicitation; residency; not a U.S. Person; no previous ownership of common shares; filings; foreign corrupt practices acts; absence of certain business practices.

#### ***Covenants***

Western Holdings has given the usual and customary covenants for an agreement of the nature of the Subscription Agreement (referred to below as the "Agreement"), including not to do or permit to occur any of the following without the prior written consent of Vantage:

- (i) take any action, refrain from taking any action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to impede the completion of the transactions contemplated by this Agreement;
- (ii) enter into, renew or modify in any material respect any Material Contract, which it is a party or by which it or its properties or assets are bound, except in the ordinary course of

business and insofar as may be necessary to permit or provide for the completion of the transactions contemplated by this Agreement;

- (iii) waive, release, grant, transfer, dispose, exercise, or modify or amend in any material respect, any existing contractual rights in respect of any of the Properties or any other material assets of Western Holdings or its Subsidiaries;
- (iv) make any change or amendment to its insurance policies in effect as at the date of this Agreement, or purchase or enter into any new insurance policies;
- (v) make any capital expenditure, or commit to a new capital expenditure in excess of \$125,000 in the aggregate;
- (vi) incur any indebtedness or any other Liabilities (including, for the avoidance of doubt, any obligations, agreements, arrangements or payment obligations) in excess of \$125,000, or fail to pay any material Liabilities as they become due (unless being contested in good faith);
- (vii) alter or amend the articles, charter, by-laws or other constating documents of Western Holdings or its Subsidiaries;
- (viii) declare, set aside or pay any dividend or other distribution or payment in respect of any of its issued and outstanding shares, or redeem, purchase or otherwise acquire any of its outstanding securities, or split, combine or reclassify any of its issued and outstanding shares, or adopt resolutions;
- (ix) reorganize, amalgamate or merge with any other Person, or enter into any agreement providing for an amalgamation, merger, consolidation, reorganization or liquidation, or adopt any plan or liquidation or dissolution or wind-up (other than in connection with the transactions contemplated by this Agreement);
- (x) issue, sell, dispose of any securities of, or any Convertible Securities or similar rights of any kind to acquire any securities of, Western Holdings or any of its Subsidiaries;
- (xi) sell, pledge, lease, dispose of or otherwise encumber all or any portion of the Milestone Property;
- (xii) redeem or purchase or offer to redeem or purchase any of Western Holdings' or any of its Subsidiaries' outstanding securities;
- (xiii) pay, settle, discharge, satisfy or vary the terms of any material claims, litigation, liabilities or obligations, other than liabilities reflected or reserved against in the Financial Statements;
- (xiv) make any loan, advance or capital contribution to or material investment in any other Person;
- (xv) create any subsidiary or enter into any agreements or other arrangements regarding the control or management of the operations of Western Holdings, or any of its Subsidiaries, or the appointment of governing bodies or enter into any joint ventures;
- (xvi) make any material changes to any of its accounting policies, principles, methods, practices or procedures (including by adopting any material new accounting policies, principles, methods, practices or procedures), except as required by applicable Laws or under IFRS;

- (xvii) enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts, off-take, royalty or similar financial instruments including any streaming transactions;
- (xviii) except as contemplated by this Agreement, materially amend or alter or enter into or terminate any employment or consulting agreement or materially alter the pay, benefits or other terms and conditions of employment or service of any employees or consultants, other than in the ordinary course of business, or make or commit to make any severance payments or termination payments to any Person, including, without limitation, its consultants, directors, officers, employees or agents, or amend any agreements, arrangements or transactions with any "related party" within the meaning of MI 61-101; or
- (xix) announce an intention, enter into any formal or informal agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing provisions.

Western Holdings also covenants, and cause the Subsidiaries to, do the following during the Interim Period:

- (i) allow Vantage and any of its representatives, advisors or agents, providing in each case reasonable prior notice has been given, free and unrestricted access to the premises of Western Holdings and the Subsidiaries and their property and assets, including access to the Corporate Books and Records, all Contracts and the senior employees, to make such investigations of the Business and the property and assets of Western Holdings and the Subsidiaries (including their legal, financial and tax condition and their compliance with applicable Laws) as Vantage deems necessary or desirable, it being understood that those investigations will be carried out during normal business hours and without undue interference with the operations of Western Holdings and the Subsidiaries, and Western Holdings shall co-operate fully in facilitating those investigations and furnish copies of all documents and materials relating to those matters as may be reasonably requested by or on behalf of Vantage;
- (ii) principally focus the business and operations on the development of the Milestone Property and otherwise conduct the Business and cause, its Subsidiaries to conduct their businesses, only in the ordinary course of business and in compliance with applicable Laws and perform its obligations under all Material Contracts, Orders and Permits; and to preserve intact its business organizations and goodwill, to maintain satisfactory relationships with customers, suppliers, agents, tenants, co-owners, landlords, officers, employees and others having business relationships with the Subsidiaries;
- (iii) as soon as reasonably practicable, use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement;
- (iv) conduct its affairs so that all of its representations and warranties contained herein shall be true and correct in all material respects on the Closing Date as if made on such date;
- (v) retain the services of the present executives, employees, consultants and advisors of or to Western Holdings or the Subsidiaries.

***Matters requiring Vantage Consent***

The following matters require written approval of Vantage, as long as it holds 10% or above of the equity interest in Western Holdings following the Closing:

*Corporate Changes*

- (a) the amendment, alteration or revocation of any constating documents of Western Holdings or its Subsidiaries, except for a change of the registered office within Canada;

*Share Capital*

- (b) the allotment, reservation, setting aside or issue of any common shares or other securities of Western Holdings, or common shares or other securities of the Subsidiaries, or the granting of any rights, warrants or options to purchase, or otherwise acquire common shares or other securities of Western Holdings, or any unissued common shares or other securities of the Subsidiaries;
- (c) the declaration or payment of any dividend or other distribution or payment on or in respect of any common shares or other securities of Western Holdings;
- (d) the purchase, redemption or acquisition by Western Holdings of any common shares or other securities of Western Holdings;
- (e) any payment or distribution out of any stated capital account of Western Holdings or any reduction of any stated capital account of Western Holdings;

*Debt Financing*

- (f) the incurring of (i) any Liabilities by Western Holdings other than in the ordinary course of business and on normal commercial terms; (ii) any obligation on behalf of any Person pursuant to any agreement, commitment or understanding, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of non performance) of any part or all of any Liability of such Person for borrowed money;
- (g) the repayment of any indebtedness owing by Western Holdings to any shareholder (other than Vantage) or any Associate or Affiliate of Western Holdings;
- (h) the granting of any Lien over the assets of Western Holdings or its Subsidiaries, other than in the ordinary course of business and on normal commercial terms;

*Financial Matters*

- (i) the (i) sale, lease or exchange of any assets of Western Holdings or its Subsidiaries out of the ordinary course of the business, (ii) the making of any investment, loan, or advance, or (iii) the purchase, lease or acquisition of any property from any Person; in each case for aggregate proceeds in excess of \$500,000 dollars in any one transaction or series of related transactions or for aggregate proceeds in excess of \$500,000 dollars in any financial year;
- (j) a change in the auditors of Western Holdings.

*Fundamental Changes*

- (k) the taking of any act, step or proceeding including any sale or disposition of any property or assets of Western Holdings or its Subsidiaries for the purpose of, or leading to, the liquidation, dissolution or winding-up of Western Holdings or a Subsidiary;
- (l) the sale, lease, exchange or other disposition of all or substantially all of the assets of Western Holdings or its Subsidiaries; or
- (m) the acknowledging of the insolvency of Western Holdings or its Subsidiaries, the making of a voluntary assignment under the *Bankruptcy and Insolvency Act* (Canada), or the consenting to the

appointment of a receiver, receiver-manager or other Person acting in a similar capacity by any secured creditor of Western Holdings or its Subsidiaries.

*Other Matters*

- (n) make or enter into any commitment or agreement to do any of the foregoing.

***Closing Conditions***

*Mutual Closing Conditions*

The Closing is subject to, among other things, the following conditions being fulfilled or performed on or before the Closing Date, which conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, by the mutual agreement of the Parties:

- (a) not less than 66-2/3% (the "Approval Threshold") of the common shares present (in person or by proxy) at the special meeting of Western Resources Shareholders are voted in favour of the Investment;
- (b) the consents, approvals, Orders or authorizations described in Section 3.1(g) of the Disclosure Letter shall have been obtained or received on terms satisfactory to Vantage acting reasonably and remain in full force and effect;
- (c) no Claim, Lien or other Legal Proceeding have been commenced, threatened or continuing against any of the Parties for the purpose, or which would have the effect, of enjoining, preventing or restraining the purchase and sale of the Subscription Shares and the other transaction contemplated by this Agreement;
- (d) no provision of any applicable Laws shall prohibit or make illegal the Closing, and no Governmental Entity shall have instituted or threatened a proceeding seeking to impose any such restraint or prohibition.

*Closing Conditions in favor of Western Resources and Western Holdings*

The Closing is subject to the following conditions being fulfilled or performed on or before the Closing Date, which conditions are for the exclusive benefit of Western Resources and Western Holdings and may be waived, in whole or in part, by Western Holdings in its sole discretion in writing:

- (a) the representations and warranties of Vantage shall be true and correct as of the date hereof and at the Closing with the same force and effect as if such representations and warranties were made on and as of such date; provided, however that if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date;
- (b) Vantage shall have complied in all material respects with all covenants and agreements herein agreed to be performed or caused to be performed by it on or before the Closing Date; and
- (c) Vantage having delivered and Western Holdings having received all of the deliveries contemplated in Section 5.6.

*Closing Conditions in favor of Vantage*

The Closing is subject to the following conditions being fulfilled or performed on or before the Closing Date, which conditions are for the exclusive benefit of Vantage and may be waived, in whole or in part, by Vantage in its sole discretion in writing:

- (a) the representations and warranties of Western Holdings and its Subsidiaries shall be true and correct as of the date hereof and at the Closing with the same force and effect as if such representations and warranties were made on and as of such date; provided, however that if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date;
- (b) the representations and warranties of Western Resources shall be true and correct as of the date hereof and at the Closing with the same force and effect as if such representations and warranties were made on and as of such date; provided, however that if a representation and warranty speaks only as of a specific date it only needs to be true and correct as of that date;
- (c) Western Holdings and Western Potash shall have complied in all material respects with all covenants and agreements herein agreed to be performed or caused to be performed by them on or before the Closing Date;
- (d) Western Resources shall have complied in all material respects with all covenants and agreements herein agreed to be performed or caused to be performed by them on or before the Closing Date;
- (e) Western Resources and Western Holdings shall have taken all actions required to appoint Vantage's Nominees to the Board as of the Closing Date, which appointments shall take effect as of the Closing Date;
- (f) since the date of this Agreement, no Material Adverse Effect shall have occurred, which shall include: (i) no material technique risks identified in Vantage's engineering and operational due diligence; (ii) in Vantage's financial diligence, no identified material risks to complete the Milestone Project construction due to fund insufficiency resulting from repayment of existing accounts payable; (iii) in Vantage's legal due diligence, no material risks are identified which would result in a Material Adverse Effect; or (iv) no other Material Adverse Effect'
- (g) Vantage shall have received evidence satisfactory to it, acting reasonably, that there are no rights of first refusal triggered by, or fees or other amounts payable to any broker, finder, financial adviser or investment or any other Person upon the consummation of the transactions contemplated by this Agreement;
- (h) Western Resources, Western Holdings and Western Potash having delivered, and Vantage having received all of the deliveries contemplated in Section 5.5.

#### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

It is not known that any other matters will come before the Meeting other than as set forth in the Notice of Meeting accompanying this Information Circular, but if such should occur the persons named in the accompanying Form of Proxy intend to vote on them in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment thereof.

#### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

##### ***Board of Directors***

The Company's Board of Directors is currently comprised of six directors, including Bill Xue, George Gao, Weimin Wang, Guy Bentinck, Andrew Hancharyk and Yujia Ren, with Guy Bentinck, Andrew Hancharyk and Wemin Wang being independent directors as defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Bill Xue, George Gao and Yujia Ren are not independent by virtue of their being either in executive roles or representing controlling shareholder as defined in NI 52-110.

### **Directorships**

The following director(s) of the Company are presently directors of other issuers that are reporting issuers (or the equivalent) in any jurisdiction including foreign jurisdictions.

<b>Director</b>	<b>Other Reporting Issuers</b>
Weimin Wang	China BlueChemical Ltd ("CBC"). (Hong Kong Stock Exchange 3983:HK)
Andrew Hancharyk	Discovery Harbour Resources Corp.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, during the course of a directors' meeting, if a matter is more effectively dealt with the presence of members of management, the independent directors ask members of management to leave the meeting, and the independent directors then meet *in camera*.

From October 1, 2020 until the end of the fiscal year ended September 30, 2021, the Company held five board meetings.

### **Board Mandate**

At its first board meeting on April 5, 2017, immediately after the completion of the Plan of Arrangement with Western Potash Corp., the Board of Directors of Western Resources Corp. approved a written mandate named "Rules of Procedure for the Board of Directors" which regulates the rules of discussion and the decision-making procedure of the Board of Directors, and clarifies the obligations and authority of the Board of Directors and the professional committees, formulated in accordance with the *Business Corporations Act* (British Columbia), the *Interpretation Act* (British Columbia), and the *Articles of the Company and relevant regulations*. The Rules of Procedure was updated in an annual board meeting dated October 28, 2020 to reflect changes and developments of the Company and the board. Through this mandate, the Board of Directors is, in general, responsible for supervising management in carrying out the businesses and affairs of the Company. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Company. The Board agrees with and confirms its responsibility for overseeing management's performance in the following particular areas:

- the strategic planning process of the Company;
- identification and management of the principal risks associated with the business of the Company;
- planning for succession of management;
- the Company's policies regarding communications with its shareholders and others; and
- the integrity of the internal controls and management information systems of the Company.

In carrying out its mandate, the Board relies primarily on management to provide it with regular detailed reports, including reports on the Project, the operations of the Company, and its financial position. The Board reviews and assesses these reports at meetings of the full Board and of its committees. The President and CEO is a member of the Board, which also gives the Board direct access to information in his areas of responsibility. Other management personnel regularly attend Board meetings to provide information and answer questions. Directors also consult from time to time with management and certain directors have, on occasion, visited the properties of the Company although this has been proven challenging during the Covid period. The reports provided to the Board include details concerning the monitoring and management of the risks associated with the Company's activities, such as compliance with safety standards and legal requirements, environmental issues and the financial position and liquidity of the Company. At least annually, the Board reviews management's report on its business and strategic plan and any changes with respect to risk management and succession planning.

### **Position Descriptions**

The Board adopted The Rules of Procedure for the Board of Directors (the "Rules") on its first Board Meeting dated April 5, 2017 following the completion of the Plan of Arrangement on April 5, 2017, which was further updated by the Board on October 28, 2020. The Rules have included a detailed position description for the Chairman, the chairman of any Board committees, but not the CEO, the President or the CFO (other than has been summarized in management contracts between the Company and, respectively, the CEO and CFO). The Board is of the view that,

given the size of the Company, the relatively frequent discussions among Board members, the CEO and the CFO, and the experience of the individual board members, responsibilities of the CEO and CFO are known and understood without the need for position descriptions to be reduced to writing. The Board will evaluate this position from time to time, and if written position descriptions appear necessary to improve governance, the Board will direct that such descriptions be created.

### ***Orientation and Continuing Education***

The Company does not have a formal orientation and continuing education program. However, the Company ensures that new board members are properly trained and oriented as part of the Board of Directors' overall stewardship responsibility. The Board of Directors is responsible for supervising management in carrying on the business and affairs of the Company. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Company. The Board discharges the following responsibilities as part of its overall stewardship responsibility:

- the strategic planning process of the Company;
- identification and management of the principal risks associated with the business of the Company;
- planning for succession of management;
- the Company's policies regarding communications with its shareholders and others; and
- the integrity of the internal controls and management information systems of the Company.

### ***Ethical Business Conduct***

The directors of the Company encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility.

### ***Audit Committee Charter***

The Audit Committee of the Board of Directors of the Company operates under a written charter that sets out its responsibilities and composition requirements. The Audit Committee charter was updated by the Audit Committee and the Board on July 10, 2020, which text is attached as Schedule "A" to the Company's Annual Information Form for the financial year ended September 30, 2020 and is available for viewing on SEDAR at [www.sedar.com](http://www.sedar.com). The mandate of the Audit Committee includes direct responsibility for overseeing the Company's accounting and financial reporting process and audits of financial statements, and direct responsibility for the appointment, compensation, and oversight of the work of any registered external auditor employed by the Company (including resolution of disagreements between management and the external auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The Company also updated its Whistleblower policy on April 17, 2020, which will be further updated from time to time depending on the Company's overall status and needs.

### ***Composition of the Audit Committee***

As of the date of hereof, the members of the Audit Committee are Guy Bentinck (Chair), Andrew Hancharyk (member) and Weimin Wang (member), all of whom are "financially literate and "independent", within the meanings set out in NI 52-110.

### ***Relevant Education and Experience***

**Mr. Guy Bentinck** joined the board of the Western Resources Corp. in March 2020, sitting in the board also as Chair of Audit Committee and Compensation Committee. He is currently CFO of Hydrostor Inc.

Mr. Bentinck is a seasoned executive with a record of accomplishments in leadership, strategy, value accretion, operations, capital markets, mergers & acquisitions, capital projects and sustainable business improvement. He is well connected in mining and financing sectors, particularly in potash industry. His extensive experiences include having served as Senior VP and CFO of Fairfax Africa, President and CEO of Potash Ridge Corporation, and Senior VP Finance, CFO and SVP Capital Projects of Sherritt International Corporation.

Mr. Bentinck has a Master of Arts degree from the University of Aberdeen, UK, and holds qualifications of Chartered Accountant / CPA in both Canada and Scotland.

**Mr. Weimin Wang** joined the Board of Western Resources Corp. in June 2020. He is now member of both the Audit

Committee and the Compensation Committee of the Company. Mr. Wang is currently CEO and President of China BlueChemical Ltd ("CBC"). He has been Chairman of CBC since May 2020, which is listed in the Hong Kong Stock Exchange under the Symbol of 03983:HK.

Mr. Wang brings over 30 years of experience in chemical engineering and fertilizer business, beginning as a chemical fertilizer technician, then shift leader, section leader, production plant manager, later a general manager, vice president and then Chairman of Hubei Dayukou Chemical Co., Ltd. before joining CBC to take management positions in 2018.

Mr. Wang graduated from Hebei University of Technology in 1989 majoring in Organic Chemistry with a bachelor's degree. He obtained an MBA degree from the School of Management of Tianjin University in March 2001, an EMBA degree from China Europe International Business School in July 2001.

**Mr. Hancharyk** joined the board of Western Resources Corp. in March 2021, serving also in the Company's Audit Committee in his capacity as an independent director. He is currently an independent director of Discovery Harbour Resources Corp., and a consultant with focus in legal, finance and investment services.

Mr. Hancharyk is currently a lawyer and was Director of Corporate Services for The County of the Corporation of Prince Edward, Picton, ON (Oct 2018 to Sep 2019); Chief Legal Officer of Largo Resources Ltd., (May 2013 to Jul 2015); Senior Legal Counsel and Consultant for CHC Helicopter Group, (Oct 2010 to Nov 2012); National Policy Manager of TMX Group - TSX Venture Exchange, Vancouver, BC (Nov 2007 to Feb 2010); General Counsel and Corporate Secretary of First Quantum Minerals Ltd., Vancouver, BC (Sep 2005 to Sep 2007) and Associate Counsel of Sherritt International Corporation/Sherritt Power Corporation, Toronto, ON (Jul 1998 to Aug 2005).

Mr. Hancharyk background as lawyer is in the corporate, securities and M&A sectors. He holds a business degree and a JD/LL.B from the University of Ottawa as well as a Master of Laws from Osgoode Hall at York University.

#### ***Executive Committee***

The Company has established an Executive Committee. As of the date hereof, the members of the Executive Committee are Bill Xue, George Gao and Jerry Zhang, with Bill Xue as Chair. The Executive Committee has been established to make recommendations to the board on business strategy, planning, policy, investment and risk decisions.

#### ***Compensation Committee***

The Company has established a Compensation Committee. As of the date hereof, the members of the Compensation Committee are Guy Bentinck, Andrew Hancharyk and Weimin Wang, with Guy Bentinck as chair. The directors receive compensation as detailed previously. The Compensation Committee reviews the compensation of the CEO, CFO and other officers of the Company. The review is conducted in the context of the services of the Officers and in the context of market rates for persons of similar qualifications performing similar services.

#### ***Corporate Disclosure Policy Committee***

The Company has established a Corporate Disclosure Policy Committee. As of the date hereof, the members of the Corporate Disclosure Policy Committee are George Gao, Guy Bentinck and Andrew Hancharyk, with George Gao as the Chair. The Corporate Disclosure Policy Committee has been established to make recommendations to the Board on required corporate disclosures and to carry out its functions, guided by the Corporate Disclosure Policy as adopted by the Company. The Corporate Disclosure Policy also deals with and establishes guidelines relating to ethical business conduct in certain instances.

#### ***Other Board Committees***

The Board of Directors has no other Special Committees in place at this time, except for the Executive Committee, Audit Committee, Compensation Committee, and Corporate Disclosure Policy Committee, the size of which is believed to be in alignment with the current workload of the Company.

However, as the scale of the Company's operations and its employee and management base increase, the Board expects that its size may increase modestly, and the formality of its corporate governance processes may also be reviewed. The Board of Directors of the Company as a whole is cognizant of further developing the Company's approach to corporate governance. Board and management meet and discuss Company business frequently.

### ***Assessments***

The Board of Directors of the Company does not conduct any formal evaluation of the performance and effectiveness of the members of the Board, the Board as a whole or any committee of the Board. Each director has broad public company experience. Frequency of attendance at Board and committee meetings and the quality of participation in such meetings are two of the criteria by which the performance of a director is assessed.

### ***Reliance on Certain Exemptions to Sections of NI 52-110***

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the following exemptions of NI 52-110:

- (a) the exemption in section 2.4 *De Minimis Non-audit Services*;
- (b) the exemption in section 3.2 *Initial Public Offerings*;
- (c) the exemption in section 3.4 *Events Outside Control of Member*;
- (d) the exemption in section 3.5 *Death, Disability or Resignation of Audit Committee Member*; or
- (e) an exemption from NI 52-110, in whole or part granted under Section 8, *Exemptions*

### ***Reliance on the Exemption in Subsection 3.3(2) or Section 3.6 of NI 52-110***

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in subsection 3.3(2), *Controlled Companies*, or section 3.6, *Temporary Exemption for Limited and Exceptional Circumstances*.

### ***Reliance on Section 3.8 of NI 52-110***

At no time since the commencement of the Company's most recently completed financial year, has the Company relied on the exemption in section 3.8, *Acquisition of Financial Literacy*.

### ***Audit Committee Oversight***

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

### ***Pre-Approval Policies and Procedures***

Subject to the requirements of NI 52-110, the Audit Committee has the sole authority to review in advance, and grant any appropriate pre-approvals, of all non-audit services to be provided by the independent auditors and, in connection therewith, to approve all fees and other terms of engagement. The Audit Committee will also review and approve disclosures required to be included in periodic reports filed with securities regulators with respect to non-audit services performed by external auditors.

In recognition of the fact that the independent auditors are ultimately accountable to the Committee, the Committee shall have the authority and responsibility to nominate for shareholder approval, evaluate, and where appropriate, replace the independent auditors and shall approve all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Committee shall consult with management but shall not delegate these responsibilities.

### ***External Auditor Service Fees (By Category)***

Set forth below are details of certain service fees paid to the Company's external auditor in each of the last two fiscal years for audit services:

<b>Financial Year End</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>
September 30, 2021	\$118,000	\$8,260	NIL	NIL
September 30, 2020	\$128,000	\$8,960	NIL	\$16,852

**Notes:**

- (1) The aggregate fees billed by the Company's external auditor.
- (2) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees".
- (3) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (4) The aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than the services reported under clauses (1), (2) and (3) above.

**ADDITIONAL INFORMATION**

Additional information concerning the Company is available on SEDAR at (<http://www.sedar.com>) and at the Company's web site at (<http://www.westernresources.com>). Financial information concerning the Company is provided in the Company's comparative audited financial statements and Management's Discussion and Analysis for the fiscal year ended September 30, 2021.

**BOARD APPROVAL**

The contents of this Information Circular, including the schedules thereto, and the sending thereof to shareholders entitled to receive notice of the Meeting, to each director, to the auditors of the Company and to the appropriate governmental agencies, have been approved in substance by the directors of the Company pursuant to resolutions passed as of February 16, 2022.

**CERTIFICATE**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

BY ORDER OF THE BOARD

**Western Resources Corp.**

*"Bill Xue"*

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BILL (WENYE) XUE, CHAIRMAN

## APPENDIX A

### GLOSSARY OF TERMS

In this Circular, unless the subject matter or context is inconsistent therewith, the following terms have the meanings set forth below and grammatical variations thereof shall have the corresponding meanings. Words importing the singular number shall include the plural and vice versa and words importing any gender shall include all genders.

- (a) "**1933 Act**" means the *Securities Act of 1933* of the United States of America;
- (b) "**2021 Plan**" means the stock option plan adopted at the Company's annual and special general meeting held on March 12, 2021, which replaced the prior Plan;
- (c) "**Applicable Securities Laws**" means the Securities Act, all other applicable Canadian provincial and territorial securities Laws, the 1933 Act, the 1934 Act, all other applicable federal and state securities Laws, any rules, regulations and published policies under each of the foregoing, and the applicable rules, regulations and published policies of the TSX;
- (d) "**Subscription Agreement**" means the Subscription Agreement dated as of February 16, 2022 among Western Resources, Western Potash Holdings Corp., Western Potash Corp. and Vantage Chance Limited;
- (e) "**BCBCA**" means the *Business Company Act* (British Columbia), S.B.C. 2002, c.57, as amended;
- (f) "**Board**" or "**Western Resources Board**" means the board of directors of Western Resources;
- (g) "**Business Day**" means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;
- (h) "**Canada-US Tax Treaty**" means the *Canada–United States Tax Convention (1980)*, as amended;
- (i) "**Canadian Securities Administrators**" means, collectively, the provincial or territorial securities commission or similar regulatory authority of each of the provinces and territories of Canada;
- (j) "**CDS**" means the Canadian Depository for Securities Limited;
- (k) "**Chief Executive Officer**" or "**CEO**" means each individual who served as chief executive officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (l) "**Chief Financial Officer**" or "**CFO**" means each individual who served as chief financial officer of the Company or acted in a similar capacity during the most recently completed financial year;
- (m) "**Circular**" or "**Information Circular**" means the notice of the Western Resources Meeting and accompanying management information circular, including all schedules thereto and documents incorporated by reference therein, to be sent to Western Resources Shareholders in connection with the Western Resources Meeting, as amended, supplemented or otherwise modified from time to time;
- (n) "**Financial Statements**" means consolidated financial statements of the Company for the year ended September 30, 2021;
- (o) "**FSE**" means the Frankfurt Stock Exchange;
- (p) "**Governmental Entity**" means:

- (i) any supranational body or organization, nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission, instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing;
  - (ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government, including any court, arbitrator or stock exchange, including the TSX; and
  - (iii) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any
- (q) **"Initial Plan"** means the Company's first incentive stock option plan adopted at the Company's annual general meeting held on March 26, 2009;
  - (r) **"Intermediary"** means an intermediary with which a Non-Registered Holder may deal with, including banks, trust companies, securities dealers or brokers and trustees or administrators of self-directed trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans;
  - (s) **"Laws"** means any laws, including supranational, national, provincial, state, municipal and local civil, commercial, banking, Tax, personal and real property, security, mining, environmental, water, energy, investment, property ownership, land use and zoning, sanitary, occupational health and safety laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by- laws, rules, regulations, ordinances, protocols, codes, guidelines, policies, notices, directions or other requirements of any Governmental Entity, and **"Law"** means any of them;
  - (t) **"Management Proxyholders"** means officers or directors of the Company whose names are printed in the Form of Proxy;
  - (u) **"Meeting"** or **"Western Resources Meeting"** means the annual general and special meeting of shareholders;
  - (v) **"Meeting Materials"**, means the meeting materials sent to each Registered Western Resources Shareholder, as at the Record Date, including, but not limited to, a copy of (i) the Notice of Meeting, (ii) the form of proxy, (iii) any other necessary or desirable communications by Western Resources;
  - (w) **"Named Executive Officers"** or **"NEOs"** means the following individuals:
    - (i) CEO;
    - (ii) CFO;
    - (iii) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds \$150,000; and
    - (iv) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, as at September 30, 2020.
  - (x) **"NI 45-102"** means National Instrument 45-102 – *Resale of Securities*;
  - (y) **"NI 52-110"** means National Instrument 52-110 – *Audit Committees*;

- (z) "**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;
- (aa) "**NOBOs**" means Non-Registered Western Resources Shareholders, who do not object to their name being made known to the issuer of securities;
- (bb) "**Non-Registered Holder**" or "**Non-Registered Shareholder**" means a Western Resources Shareholder who is not a Registered Shareholder;
- (cc) "**Non-Resident Holder**" means a Holder who at all relevant times, for purposes of the Tax Act:
  - (i) is not resident in Canada or is deemed not to be resident in Canada;
  - (ii) does not use or hold and is not deemed to use or hold its Western Potash Shares (and any Western Resources Shares) in, or in the course of carrying on, a business in Canada;
  - (iii) is not a person who carries on an insurance business in Canada and elsewhere; and
  - (iv) is not an "authorized foreign bank" (as defined in the Tax Act); and
  - (v) is not a "foreign affiliate" (as defined in the Tax Act) of a person resident in Canada at the end of the Holder's taxation year in which the Effective Time occurs;
- (dd) "**Notice of Meeting**" means the notice of annual general and special meeting of Western Resources Shareholders accompanying this Circular;
- (ee) "**OBOs**" means Non-Registered Western Resources Shareholders, who object to their name being made known to the issuer of securities;
- (ff) "**Parties**" means, collectively, Western Resources and Western Potash, and "**Party**" means either of them;
- (gg) "**Person**" means an individual, partnership, association, body corporate, joint venture, business organization, trustee, executor, administrative legal representative, Governmental Entity or any other entity, whether or not having legal status;
- (hh) "**Proposed Amendments**" means all specific proposals to amend the Tax Act which have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular;
- (ii) "**Proxy**" means the form of proxy accompanying this Circular;
- (jj) "**Record Date**" means January 27, 2021, set as record date by the board of directors of the Company;
- (kk) "**Registered Shareholders**" or "**Registered Western Resources Shareholders**" means the Western Resources shareholders who own the Western Resources Shares in their own names, as opposed to Non-Registered Shareholders or Non-Registered Holder;
- (ll) "**Resident Holder**" means a Holder who at all relevant times, for purposes of the Tax Act, is or is deemed to be resident in Canada;
- (mm) "**RRIF**" means a registered retirement income fund;
- (nn) "**RRSP**" means a registered retirement savings plan;

- (oo) "**SEDAR**" means the System for Electronic Analysis and Retrieval of the Canadian Securities Administrators;
- (pp) "**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended;
- (qq) "**TFSA**" means a tax-free savings account;
- (rr) "**TSX**" means the Toronto Stock Exchange;
- (ss) "**VIF**" means a request for voting instructions Form;
- (tt) "**Western Resources**" means Western Resources Corp., a corporation existing under the BCBCA;
- (uu) "**Western Resources Board**" or "**Board**" means the board of directors of Western Resources Corp.;
- (vv) "**Western Resources Meeting**" or "**Meeting**" means the annual general and special meeting, including any adjournments or postponements thereof, of the Western Resources Shareholders to be held, among other things, to consider and, if deemed advisable, to approve the Investment Resolution;
- (ww) "**Western Resources Shareholders**" means, at any time, the holders of Western Resources Shares;
- (xx) "**Western Resources Shares**" or "**Shares**" means common shares in the capital of Western Resources;
- (yy) "**Western Resources Corp. Incentive Stock Option Plan**" or the "**Plan**" means the stock option plan of Western Resources, as amended, and as adopted and approved previously by the Shareholders on March 12, 2021.

Any reference in this Circular to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation

## APPENDIX B

### DISSENT RIGHTS UNDER THE BCBCA

*Business Corporations Act, SBC 2002, c. 57.*

#### Part 8 – Proceedings

#### Division 2 – Dissent Proceedings

##### Definitions and Application

237(1) In this Division:

“dissenter” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“notice shares” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“payout value” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

- (2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that
  - (a) the court orders otherwise, or
  - (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

##### Right to dissent

238(1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles :

- (i) to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91; or
- (iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995(5) in respect of a resolution to alter its notice of articles to include or delete the benefit statement.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
  - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
  - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

### **Waiver of right to dissent**

239(1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for

- (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
- (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

- (b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
- (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

### **Notice of resolution**

240(1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can

be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

#### **Notice of court orders**

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

#### **Notice of dissent**

242(1) A shareholder intending to dissent in respect of a resolution referred to in section 238(1) (a), (b), (c), (d), (e), (f) or (1.1) must,

- (a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
  - (i) the date on which the shareholder learns that the resolution was passed, and
  - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238(1) (g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
  - (i) the names of the registered owners of those other shares,
  - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
  - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
  - (i) the name and address of the beneficial owner, and
  - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

### **Notice of intention to proceed**

243(1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
  - (i) the date on which the company forms the intention to proceed, and
  - (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

### **Completion of dissent**

244(1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
  - (i) the names of the registered owners of those other shares,
  - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
  - (iii) that dissent is being exercised in respect of all of those other shares.

- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
  - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

**Payment for notice shares**

245(1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
  - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
  - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
  - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

- (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
  - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
  - (b) the payment would render the company insolvent.

**Loss of right to dissent**

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

247 If, under section 244(4) or (5), 245(4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.