

**EARLY WARNING REPORT PURSUANT TO  
NATIONAL INSTRUMENT 62-103**

**RE: KHOT INFRASTRUCTURE HOLDINGS, LTD. (the “Issuer”)**

**1. The name and address of the offeror:**

**Firebird Global Master Fund, Ltd. (the “Offeror”)**

c/o Trident Trust Company  
1 Capital Place P.O. Box 847  
Grand Cayman, Cayman Islands

**2. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:**

The Offeror reports that, (i) the Offeror transferred to its parent company, Firebird Global Master Fund Holdings, Ltd. (“**FGMF Holdings**”), all of the securities it held in the share capital of the Issuer, namely 530,747 common shares and (ii) Firebird Global Master Fund II, Ltd. (“**FGMFII**”), a joint actor of the Offeror, transferred to its parent company, Firebird Global Master Fund II Holdings, Ltd. (“**FGMF II Holdings**”), all of the securities it held in the share capital of the Issuer, namely 461,392 common shares, (iii) Passin Management Limited Partnership (“**Passin LP**”), a joint actor of the Offeror, acquired 126,250 common shares in the share capital of the Issuer, (iv) Sawikin Family 2011 LLC (“**Sawikin LLC**”), a joint actor of the Offeror, acquired 500,000 common shares of the Issuer, (v) James Passin, a joint actor of the Offeror, was granted 500,000 options to acquire the same number of common shares in the share capital of the Issuer and (vi) Firebird New Mongolia Fund, L.P. (“**FNMF**”), a joint actor of the Offeror, received an additional 5,363,636 common shares in the share capital of the Issuer.

With these occurrences, the Offeror’s and its joint actors’ securityholding percentage in the Issuer increased by 1.29%.

**3. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:**

The aggregate number of securities of the Issuer currently held by the Offeror’s joint actors, namely FGMF Holdings, FGMFII Holdings, FNMF, James Passin, Passin LP, Sawikin LLC, Firebird Mongolia Fund, Ltd. (“**FMF**”) and Harvey Sawikin, is 33,669,605 common shares and 500,000 options to acquire the same number of common shares in the share capital of the Issuer. Out of the 33,669,605 common shares and

500,000 options (i) 530,747 common shares are held by FGMF Holdings, (ii) 461,392 common shares are held by FGMF II Holdings, (iii) 15,187,580 common shares are held by FMF, (iv) 14,863,636 common shares are held by FNMF, (v) 1,000,000 common shares and 500,000 options are held by James Passin, (vi) 1,000,000 common shares are held by Harvey Sawikin, (vii) 126,250 common shares are held by Passin LP and (viii) 500,000 common shares are held by Sawikin LLC. The Offeror and FGMFII no longer hold any securities of the Issuer.

The 33,669,605 common shares held by the Offeror's joint actors represent approximately 52.32% of the outstanding common shares of the Issuer.

In addition, assuming the exercise by James Passin of the above-mentioned options to acquire additional common shares of the Issuer, the total securityholding in the share capital of the Issuer would be 34,169,605 common shares, representing approximately 52.69% of the outstanding common shares of the Issuer, including the common shares deemed to be acquired pursuant to the exercise of such options.

**4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to above over which:**

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

See item 3 above.

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

N/A

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

N/A

**5. The name of the market in which the transaction or occurrence that gave rise to the news release took place:**

N/A

**6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:**

The securities transferred by the Offeror and FGMFII to FGMF Holdings and FGMF II Holdings, respectively, were transferred at their then fair market value in the context of a reorganization.

The 126,250 common shares acquired by Passin LP and 500,000 common shares acquired by Sawikin LLC were acquired by way of a private placement offering at a price of \$0.20 per share.

The 500,000 options to acquire the same number of common shares in the share capital of the Issuer granted to James Passin are exercisable until December 7, 2016, at an exercise price of \$0.25 per share.

The 5,363,636 common shares received by FNMF were issued in exchange for a 100% interest in Great Hoard Holdings SARL, a Luxembourg entity that holds a 75% of the share capital of Ashid Munkhiin Zam LLC, acquired by the Issuer through its wholly owned subsidiary, Jucca Holdings Ltd.

**7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

The securities transferred by the Offeror and FGMFII to FGMF Holdings and FGMF II Holdings, respectively, were transferred in the context of a reorganization.

The other transactions were carried out by FGMF Holdings' joint actors for the purpose of maintaining their controlling interest in the Issuer. FGMF Holdings and its joint actors may, from time to time, acquire additional securities of the Issuer, may continue to hold their present position or may dispose of their securities.

**8. The general nature and material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding disposition or voting of any of the securities:**

Share Purchase Agreement between FNMF, Jucca Holdings Limited and Great Hoard Holdings SARL, pursuant to which FNMF received 5,363,636 common shares of the Issuer in exchange for a 100% interest in Great Hoard Holdings SARL, a Luxembourg entity that holds a 75% of the share capital of Ashid Munkhiin Zam LLC, acquired by the Issuer through its wholly owned subsidiary, Jucca Holdings Ltd.

**9. The names of any joint actors in connection with the disclosure required by Appendices E and F of National Instrument 62-103:**

Firebird Global Master Fund Holdings, Ltd.  
Firebird Global Master Fund II Holdings, Ltd.  
Firebird New Mongolia Fund, L.P.  
Firebird Mongolia Fund, Ltd.  
James Passin Management Limited Partnership  
Sawikin Family 2011 LLC  
James Passin  
Harvey Sawikin

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

See item 6 above.

- 11. If applicable, a description of any change in any material fact set out in a previous report by the offeror under the early warning requirements:**

See item 2 above.

- 12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the fact supporting that reliance:**

N/A

- 13. Declaration**

The filing of this report is not an admission that an entity named in this report owns or controls any described securities or is a joint actor with anyone else.

**DATED** this 9<sup>th</sup> day of April, 2014.

**FIREBIRD GLOBAL MASTER FUND, LTD.**

Per: (s) James Passin  
Name: James Passin  
Title: Director