



LOON ENERGY CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on December 8, 2020



November 1, 2020

Dear Loon Shareholders:

You are invited to attend an annual and special meeting (the “**Meeting**”) of the holders (“**Loon Shareholders**”) of common shares (“**Loon Shares**”) of Loon Energy Corporation (“**Loon**”) to be held at Suite 1100, 700-4th Avenue SW, Calgary, Alberta on Tuesday, December 8, 2020.

At the Meeting, you will be asked to consider and, if deemed advisable, approve a resolution approving the issuance of Loon Shares to Timothy Elliott, Jock Graham, Norman Holton, Richard Elliott, Kenneth Heuchert and Paul Rose, all of whom are directors or officers of Loon (collectively, the “**Debt Holders**”), in exchange for the settlement of approximately US\$143,841 which is being forgiven and US\$646,316 to be settled by way of issuance of Loon Shares at a price of CDN\$0.05 per share (collectively, the “**Debt Settlements**”). For the purpose of the Debt Settlements, the amounts have been converted to CDN\$853,134 using an exchange rate of 1.32. The Debt Settlements represent 96.4% of the current debts of Loon. Upon completion of the Debt Settlements, the Company will issue an aggregate of 17,062,680 Loon Shares to the Debt Holders.

Due to the coronavirus outbreak (COVID-19) and its unprecedented impact on public health and in consideration of the health and safety of our shareholders, team members and the broader community, as well as the restrictions on mass gatherings implemented by the Government of Alberta, the Company will be strictly restricting physical access to the Meeting to registered shareholders and formally appointed proxyholders and will not be permitting any others (including beneficial shareholders that hold their Loon Shares through a broker of other intermediary) to attend. Shareholders are strongly encouraged not to attend the Meeting in person and to carefully read the other information with respect to COVID-19 restrictions contained in the Notice of Meeting.

Loon has effectively been a “shell” company with no assets since 2012. Since that time the operations of the Company have been funded by certain insiders who have loaned cash to Loon. In addition, the directors and officers have been compensated with a bonus granted in 2017. More details of the cash loans and the bonuses payable are included in the Information Circular for the Meeting. The resolution approving the Debt Settlements must be approved by a majority of the disinterested votes cast by Loon Shareholders, present in person or represented by proxy at the Meeting.

Additional detail with respect to the Debt Settlements, necessary to clean up the Company in anticipation of completing a deal of some sort in the future, may be found in the accompanying Notice of Annual and Special Meeting and Information Circular which provides a more detailed description of matters to be considered at the Meeting and include certain additional information to assist you in considering how to vote on the resolutions to be considered. You are urged to read this information carefully and, if you require assistance, to consult your own professional advisors.

If you are a non-registered holder of Loon Shares and have received these materials through your broker or through another intermediary, please follow the instructions set out in the voting instruction form or other instructions received from the financial intermediary to ensure that your Loon Shares will be voted at the Meeting.

**BY ORDER OF THE BOARD OF DIRECTORS
OF LOON**

(signed) “*Norman W. Holton*”

President and Chief Executive Officer

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MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE HOLDERS OF LOON SHARES TO BE HELD ON DECEMBER 8, 2020

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF LOON ENERGY CORPORATION (the “**Company**”, “**Loon**” or the “**Issuer**”) for use at the Annual General and Special Meeting of the holders (the “**Loon Shareholders**”) of common shares (the “**Loon Shares**”) of the Company to be held at Suite 1100, 700-4th Avenue SW, Calgary, Alberta on Tuesday, December 8, 2020 at 2:00 PM (Mountain Daylight Time), and at any adjournment thereof (the “**Meeting**”) for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Loon Shareholders. Information contained in this management information circular (the “**Information Circular**”) is given as at November 1, 2020.

Cautionary Statement Regarding Forward-Looking Information

This Information Circular and the documents incorporated by reference herein may contain certain statements or disclosures that may constitute forward-looking information or statements (collectively, “**forward-looking information**”) under applicable securities laws. All statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that management of Loon anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as “**forecast**”, “**future**”, “**may**”, “**will**”, “**expect**”, “**anticipate**”, “**believe**”, “**could**”, “**potential**”, “**enable**”, “**plan**”, “**continue**”, “**contemplate**”, “*pro forma*” or other comparable terminology. Some of the specific forward-looking statements in this Information Circular include, but are not limited to, statements with respect to the securities of the Issuer anticipated to be issued pursuant to the settlement of outstanding debts to insiders of Loon.

Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information contained in this Information Circular. Those assumptions and factors are based on information currently available to Loon, including information obtained from third party sources. In some instances, material assumptions and factors are presented or discussed elsewhere in this Information Circular in connection with the statements or disclosure containing the forward-looking information. You are cautioned that material factors and assumptions set out in this Information Circular are not exhaustive.

Loon Shareholders are cautioned not to place undue reliance on forward-looking information, as such information involves significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. Loon is not obligated to update or revise any of the forward-looking information in this Information Circular, whether as a result of new information, future events or otherwise, except as required by law.

Currency

The financial statements and summaries of financial information for Loon contained in this Information Circular are **reported in United States dollars**, unless otherwise indicated.

GENERAL INFORMATION CONCERNING THE MEETING

Solicitation of Proxies

The solicitation of proxies in connection with the Meeting is made on behalf of the management of the Company. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may be solicited by personal interview, telephone or other means of communication and by directors, officers and employees of the Company, who will not be specifically remunerated therefore. The cost of any such solicitation will be borne by the Company.

Record Date

The board of directors of the Company (the “**Loon Board**”) has fixed the record date for the Meeting as the close of business on November 6, 2020 (the “**Record Date**”). Only registered holders of Loon Shares on the Record Date are entitled to notice of the Meeting and to vote thereat, unless after the Record Date, a registered holder transfers its Loon Shares and the transferee, upon producing properly endorsed certificates evidencing such Loon Shares or otherwise establishing that it owns such Loon Shares, requests not later than 10 days before the Meeting that the transferee’s name be included in the list of Loon Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Loon Shares at the Meeting.

Appointment and Revocation of Proxies

Loon Shareholders may vote in person at the Meeting or they may appoint another person, who need not be a Loon Shareholder, as their proxy to attend and vote in their place. The persons named in the instrument of proxy are Norman W. Holton, the President and Chief Executive Officer of the Company, and Timothy M. Elliott, the Chairman of the Company.

A LOON SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON OR COMPANY TO REPRESENT THE LOON SHAREHOLDER AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE INSTRUMENT OF PROXY FURNISHED BY THE COMPANY. TO EXERCISE THIS RIGHT, THE LOON SHAREHOLDER SHOULD INSERT THE NAME OF THE DESIRED REPRESENTATIVE IN THE BLANK SPACE PROVIDED IN THE INSTRUMENT OF PROXY AND STRIKE OUT THE MANAGEMENT DESIGNEES PROVIDED IN THE INSTRUMENT OF PROXY OR SUBMIT ANOTHER APPROPRIATE PROXY.

In order to be effective, the proxy must be mailed so as to be deposited at the office of the Company’s registrar and transfer agent, Computershare Trust Company of Canada (“**Computershare**”), at Suite 800, 324- 8th Avenue S.W., Calgary, Alberta, T2P 2Z2, at any time, not less than 48 hours prior to the Meeting or any adjournment or adjournments thereof, excluding Saturdays, Sundays and statutory holidays. The instrument appointing a proxy shall be in writing under the hand of the Loon Shareholder or his attorney, or, if such Shareholder is a corporation, under its corporate seal or executed by a director, officer or attorney thereof duly authorized.

A Loon Shareholder who has submitted a proxy may revoke it by instrument in writing executed by the Loon Shareholder or his attorney authorized in writing, or, if the Loon Shareholder is a corporation, under its corporate seal or executed by a director, officer or attorney thereof duly authorized and deposited:

- (a) at the registered office of the Company, 1100, 700 – 4th Avenue S.W., Calgary, Alberta, T2P 3J4, at any time up to and including the last business day preceding the Day of the Meeting, or any adjournment or adjournments thereof, at which the proxy is to be used;
- (b) with the chairman of the Meeting on the day of the Meeting or any adjournment or adjournments thereof; or
- (c) in any other manner permitted by law.

In addition, a proxy may be revoked by the Loon Shareholder personally attending the Meeting and voting its Loon Shares.

Beneficial Loon Shareholders (as defined below) who wish to revoke their proxy must arrange for their respective broker/intermediary to revoke the proxy on their behalf within the time specified by such broker/intermediary.

Exercise of Discretion by Proxy holders

All Loon Shares represented at the Meeting by properly executed proxies will be voted. Where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Loon Shares represented by the proxy will be voted for or against the matters in accordance with such specification. **IN THE ABSENCE OF ANY SUCH SPECIFICATION, SUCH LOON SHARES WILL BE VOTED “FOR” ALL OF THE MATTERS SET FORTH IN THE CIRCULAR.**

The instrument of proxy confers discretionary authority upon the management designees, or other persons named as proxy therein, with respect to amendments to or variations of matters identified in the Notice of Meeting, this Information Circular and any other matters which may properly come before the Meeting. In the event that other matters come before the Meeting, the management designees in the instrument of proxy intend to vote in accordance with the discretion of the management of the Company.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many public Loon Shareholders, as a substantial number of the public Loon Shareholders do not hold Loon Shares in their own name.

Loon Shareholders who do not hold their Loon Shares in their own name (referred to in this Information Circular as “**Beneficial Loon Shareholders**”) should note that only proxies deposited by Loon Shareholders whose names appear on the records of the Company as the registered holders of Loon Shares can be recognized and acted upon at the Meeting. If Loon Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases, those Loon Shares will not be registered in the Shareholder’s name on the records of the Company. Such Loon Shares will likely be registered under the name of the Beneficial Loon Shareholder’s broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Loon Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Loon Shareholder. **Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker’s clients. Therefore, Beneficial Loon Shareholders should ensure that instructions respecting the voting of their Loon Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Loon Shareholders in advance of a shareholders’ meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Loon Shareholders in order to ensure that their Loon Shares are voted at the Meeting. Often, the instrument of proxy supplied to a Beneficial Loon Shareholder by its broker (or the agent of the broker) is similar to the instrument of proxy provided to registered Loon Shareholders of the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Loon Shareholder. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a Voting Information Form (“**VIF**”) and mails the VIF to the Beneficial Loon Shareholders and asks Beneficial Loon Shareholders to return the VIF to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. **A Beneficial Loon Shareholder receiving a VIF from Broadridge cannot use that VIF to vote Loon Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Loon Shares voted at the Meeting.**

Although a Beneficial Loon Shareholder may not be recognized directly at the Meeting for the purposes of voting Loon Shares registered in the name of its broker (or an agent of the broker), a Beneficial Loon Shareholder may attend

at the Meeting as proxyholder for the registered shareholder and vote the Loon Shares in that capacity. Beneficial Loon Shareholders who wish to attend the Meeting and indirectly vote their Loon Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the VIF provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING LOON SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Loon Shares and an unlimited number of preferred shares, issuable in series.

As at the Record Date and as of the date hereof, there are 23,938,379 Loon Shares issued and outstanding and entitled to vote at the Meeting on the basis of one vote for each Loon Share held. No preferred shares are issued or outstanding as at the Record Date or as of the date hereof.

To the knowledge of the directors and executive officers of the Company, as at the date hereof, the only Loon Shareholders of the Company that beneficially own, or control or direct, directly or indirectly, 10% or more of the Loon Shares are:

- (a) Michael Stein owns 10,544,959 Loon Shares (representing approximately 44.1% of the issued and outstanding Loon Shares).

As of the date hereof, the directors and executive officers of the Company own, or control or direct, directly or indirectly, 5,254,000 Loon Shares, representing approximately 21.9% of the issued and outstanding Loon Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

The following are the matters to be acted upon at the Meeting.

1. Presentation of Financial Statements

The audited consolidated financial statements of the Company as at, and for the years ended December 31, 2017, 2018 and 2019 together with the auditor's reports thereon, were mailed to the Loon Shareholders who have requested such financial statements in accordance with applicable securities laws, together with this Information Circular. These financial statements are also available on the Company's profile maintained on Canadian System for Electronic Document Analysis of Retrieval ("**SEDAR**") located at www.sedar.com. No formal action will be taken at the Meeting to approve the financial statements, which have already been approved by the Loon Board.

2. Election of Directors

Directors are elected annually. There are currently six directors of the Company. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at five and in favour of each of the board nominees of management set forth below. If for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees reserve the right to vote for any other nominee in their sole discretion unless the appointing Loon Shareholder has specified in its Instrument of Proxy that its Loon Shares are to be withheld from voting on the election of directors.

The Company proposes to nominate the five persons named below to serve as directors for a term to expire no later than the close of the next annual meeting of Loon Shareholders or until their successors are duly elected or approved. Voting for the election of directors will be conducted on an individual, and not a slate basis. Pursuant to the by-laws of the Company, all previously elected directors are deemed to retire from office at the time of the Meeting.

The name, province and country of residence of the persons nominated for election as directors, the number of voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly by him as of the date

hereof, the year he first became a director and the current principal occupation and occupation in the previous five years of each director nominee are set forth below.

Name and Place of Residence	No. of Loon Shares Beneficially Owned, Controlled or Directed	Director Since	Current Principal Occupation and Occupation in the Previous Five Years
Timothy M. Elliott ⁽²⁾ Dubai, UAE	Nil	October 2008	Independent Businessman. Prior to September 1, 2016 President and Chief Executive Officer of Serinus Energy Inc (February 2006 to September 2016).
Michael Stein ⁽²⁾ Toronto, Ontario, Canada	10,544,959	Proposed	Financial consultant.
Harvey McKenzie ⁽¹⁾ Toronto, Ontario, Canada	Nil	Proposed	CPA, CA (LIFE MEMBER) and Chief Financial Officer to various public and private companies.
Nicholas Hariton ^{(1) (2)} Los Angeles, California, USA	Nil	Proposed	Managing Director and General Counsel of IPP Trial Consulting, LLC
Barry Polisuk ⁽¹⁾ Thornhill, Ontario, Canada	Nil	Proposed	Senior Counsel Friedman's; Past Partner Garfinkle Biderman LLP

Notes:

1. Proposed Member of the Audit Committee
2. Member or Proposed of the Compensation and Corporate Governance Committee

Directors will serve a term expiring immediately prior to the close of the next annual meeting of the Company or until their successors are duly elected or appointed.

Timothy M. Elliott

Mr. Elliott, a lawyer by profession, has been a director and Chairman of the Board of Directors of Loon Energy Corporation since October 2008. He was President and Chief Executive Officer of Serinus Energy Inc (“**Serinus**”), then a Toronto Stock Exchange listed company, from February 2006 to September 1, 2016 and a director of Serinus from April 2001 to September 1, 2016. He has been a director of Jura Energy Corporation, a public company listed on the TSX Venture Exchange, since March 2007 and is currently Chairman of the Jura board of directors, chair of its compensation committee and a member of its audit committee

Michael B. Stein

Mr. Stein currently acts as a financial consultant and advises clients on various matters, including acquisitions, divestitures, corporate financings, re-organizations and restructurings. Mr. Stein was past Chief Executive Officer and director of Danbel Ventures Inc. and Applied Inventions Management Inc.; Director, U.S. Money Markets for a federally chartered Canadian Trust Corporation and prior thereto a Senior Institutional Money Banker for a Savings & Loan Association in Long Beach, California. Mr. Stein majored in economics and graduated with a Bachelor of Arts from York University. Michael is also Chief Executive Officer and a director of Majesta Minerals Inc.

Harvey McKenzie, CPA, CA (LIFE MEMBER)

Mr. Harvey McKenzie is a CPA, CA (LIFE MEMBER) with more than 35 years’ accounting experience, including seven years with an international public accounting firm. He is currently the CFO and Corporate Secretary of Omai Gold Mines Corp., CFO and Director of Debut Diamonds Inc., and a Director of MGM Resources Corp., Jaguar Financial Corporation, Canada Iron Inc., Eagle 1 Capital Corporation and Guyana Frontier Mining Corp. During the past ten years, Mr. McKenzie has served as CFO of several Canadian publicly listed exploration, development and producing mining companies. His public-company experience includes the TSX, TSXV and AIM, giving him a solid grasp of

global reporting standards, IFRS and consolidation of reporting for worldwide entities. Mr. McKenzie holds a Bachelor of Science degree in Mathematics from the University of Toronto.

Nicholas Hariton

Since graduating from the University of Southern California, Gould School of Law, Nicholas Hariton has held positions as a director at a private London based finance company, attorney at O'Melveny & Myers LLP, and Managing Director and General Counsel of IPP Trial Consulting, LLC ("IPP"). Currently, Mr. Hariton, in addition to his role at IPP, is a founding member of LH Technology Acquisitions, and personally holds sixteen United States Patents, with two additional allowed patent applications.

Barry Polisuk

Mr. Polisuk is a graduate of McGill University and University of Ottawa Law Schools, having obtained an LL.B. cum laude and a Quebec Civil Law Degree. Mr. Polisuk was called to the bar in 1988. Mr. Polisuk is Senior Counsel with Friedmans LLP and was previously a partner with Garfinkle, Biderman LLP since 1997. Mr. Polisuk is a corporate and commercial lawyer, focused on financings, corporate and commercial work, including securities. He has served on the boards of several publicly traded companies including, Richards Oil & Gas Limited, Arehada Mining Limited (formerly Dragon Capital Corporation) and iSign Media Solutions Inc. (formerly Corbal Capital Corp.). He has served as the Corporate Secretary of Moyncor Oil & Gas Corp. and of Solid Gold Resources Corp. and President of Danbel Ventures Inc. Mr. Polisuk is currently a director and Corporate Secretary of Nurcapital Corporation Ltd. and a director and Chairman of Canntab Therapeutics Ltd.

The following directors hold directorships in other reporting issuers:

Name	Issuer
Timothy M. Elliott	Jura Energy Corporation (TSX-V: JEC)
Michael Stein	Majesta Minerals Inc. (not currently listed)
Harvey McKenzie	Debut Diamonds Inc. (CSE:DDI) Jaguar Financial Corporation (TSXV: JFC.H) MGM Resources Corp. (not currently listed) Canada Iron Inc. (not currently listed) Eagle 1 Capital Corporation (not currently listed) Guyana Frontier Mining Corp. (not currently listed)
Nicholas Hariton	Majesta Minerals Inc. (not currently listed)
Barry Polisuk	Majesta Minerals Inc. (not currently listed) Canntab Therapeutics Ltd. (CSE:PILL) Nurcapital Corporation Ltd. (TSXV: NCL.H) Jiminex Inc. (not currently listed)

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

On May 4, 2018, the Alberta Securities Commission issued a Cease Trade Order in respect of the Loon Shares as a result of Loon's failure to file financial statements in accordance with applicable securities laws (the "**Cease Trade Order**"). The Alberta Securities Commission revoked the Cease Trade Order on June 26, 2018.

On September 18, 2018 the NEX suspended trading in Loon Shares pending the completion of the amalgamation of Loon and a third party private cannabis company. This deal was not completed. Trading in Loon Shares on the NEX resumed October 8, 2020.

With the exception of the Cease Trade Order and those described below, no director or proposed director of the Company is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period

of more than 30 consecutive days, while such person was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

On February 20, 2001, Applied Inventions Management Corp. (“**AIM**”) received a cease trade order (“**CTO**”) from the Ontario Securities Commission (the “**OSC**”) for failure to file financial statements within the prescribed time period. Michael B. Stein and Nicholas Hariton were directors of AIM at the time of the CTO. In June 2011, AIM filed its required financial statements and the OSC issued an order revoking the CTO on August 26, 2011.

Michael Stein was a director of Danbel Ventures Inc. (“**Danbel**”) from 1997 to 2006 and became President and a director of Danbel in 2014 until April 2017. Barry Polisuk became a director of Danbel in September 2010 until April 2017. Danbel was subject to a cease trade order from the OSC on May 23, 2002, and subsequently from the Alberta Securities Commission and the British Columbia Securities Commission, for failure to file financial statements within the prescribed time period. The CTOs were revoked by all securities commissions in early 2011 upon Danbel filing its outstanding financial statements.

No director or proposed director of the Company is, or has been within the ten years prior to the date of this Information Circular, a director or executive officer of any company (including the Company) that, while such person was acting in that capacity or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or proposed director of the Company is or has, within the ten years prior to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

No director or proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

3. Appointment of Auditor

Unless otherwise directed, it is management’s intention to vote the proxies in favour of an ordinary resolution to re-appoint Kenway Mack Slusarchuk Stewart LLP (“**KMSS**”), to serve as auditor of the Company until the next annual meeting of Loon Shareholders and to authorize the directors to fix its remuneration as they determine appropriate. KMSS was first appointed as the auditor of the Company on June 3, 2020.

4. Re-Approval of the Option Plan

At the Meeting, shareholders will be asked to consider and, if thought appropriate, approve an ordinary resolution (the “**Option Plan Resolution**”) approving the Company’s stock option plan for the ensuing year on the terms set out below (the “**Option Plan**”). The Option Plan was first established on November 4, 2008. As of the date hereof there are no stock options (“**Stock Options**”) granted issued or outstanding under the Option Plan.

The purpose of the Option Plan is to afford persons who provide services to the Company, whether as directors, officers, management, employees or otherwise, an opportunity to obtain a proprietary interest in the Company by permitting them to purchase shares of the Company. The Option Plan also aims to attract qualified individuals to the Company and to retain and encourage the continued involvement of such persons with the Company.

The Option Plan is administered by the Loon Board who will, from time to time, grant stock options to eligible participants. Directors, officers, employees and consultants of the Company and its subsidiaries are eligible to participate in the Option Plan. As of the date of this Information Circular there are no options granted, issued or outstanding under the Option Plan.

The aggregate number of authorized but unissued Loon Shares allocated and made available to be granted to eligible participants under the Option Plan may not exceed 10% (on a non-diluted basis) of the outstanding Loon Shares at any time. At no time may the number of Loon Shares reserved or granted under Stock Options exceed 10% of the aggregate number of the then issued and outstanding Loon Shares. The Loon Shares in respect of which stock options are not exercised are available for subsequent Stock Option grants. The terms of any stock options granted are for a period of time determined by the Loon Board in its discretion, provided that the term may not exceed five years and will be subject to earlier automatic termination when the holder ceases to be an eligible participant in accordance with the terms of the Option Plan. According to the Option Plan, the exercise price of the Loon Shares purchased pursuant to each Option may not be less than the price permitted by any stock exchange on which the Loon Shares are then listed or other regulatory body having jurisdiction. The exercise price of options granted by the Company is recommended by the Compensation and Governance Committee and determined by the Loon Board subject to the terms of the Option Plan. The exercise price is generally either based on the closing trading price of the Company's shares on the day before the grant or on a higher price if the Company has recently undertaken a financing at such higher price.

The aggregate number of Loon Shares subject to a Stock Option to an eligible participant under the Option Plan will be determined by the Loon Board, but no participant may be granted stock options representing more than 5% of the issued and outstanding Loon Shares on a non-diluted basis. The aggregate number of stock options to be granted to any consultant or any participant conducting investor relation activities shall not exceed 2% of the issued and outstanding Loon Shares (on a non-diluted basis) within any 12-month period.

In accordance with the rules of the TSX Venture Exchange ("TSXV") and the NEX Board of the TSXV ("NEX"), rolling plans such as the Option Plan must be re-approved by shareholders on an annual basis. If the Option Plan is not re-approved, options already granted under the Option Plan will not be affected, but the Company will not be permitted to grant additional options under the Option Plan and will therefore be required to consider how it will compensate its directors and officers. Accordingly, at the Meeting, Loon Shareholders will be asked to consider and, if thought appropriate, approve, the Option Plan Resolution, substantially in the form set forth below:

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

1. the stock option plan of the Company dated November 4, 2008, is hereby confirmed, ratified, authorized and approved; and
2. any director or officer of the Company is hereby authorized and directed to do all such things and execute, for and on behalf of the Company, all such documents and other instruments as may be necessary or desirable in order to give effect the foregoing resolutions."

In order for the Option Plan to be implemented, the Option Plan Resolution must be approved by a majority of the votes cast by Loon Shareholders present in person or represented by proxy at the Meeting.

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy holder, intend to vote for the Option Plan Resolution.

5. Debt Settlement

Loon has had essentially nil assets since 2012 and the survival of the Company since that time has been made possible by cash loans from certain of its directors and by the efforts of its directors and officers during that period. The cash loans were primarily from Timothy M Elliott, the Chairman of the board of directors since 2008 and then from Jock M Graham, a senior officer of the Company since 2008 and to a lesser extent by Norman W Holton, President & CEO of the Company, all as summarized in the tables below. All of the cash loans are secured by promissory notes. The efforts of all of the directors and officers over the past years was recognized in 2017 by the grant of a bonus as summarized in the tables below.

As a final step in the clean up of Loon, it is proposed that the shareholders approve the terms of debt settlements with the directors and officers, the result of which will see Loon become a “clean” public shell company without any material debt. The Company will then seek to find a new business in which to acquire or complete a reverse takeover of its business.

Loon has entered into debt settlement agreements with its directors and officers in respect of an aggregate of \$202,213 owing as bonuses awarded and payable since February 21, 2017 (the “**Bonuses Payable**”) and certain notes payable issued in exchange for funds loaned to the Company in the aggregate amount of \$587,941 (the “**Notes Payable**”) all of which are disclosed in the Company’s financial statements, including the June 30, 2020 financial statements of the Company (the “**Debt Settlements**”).

The directors and officers have agreed to forgive an aggregate of \$143,841, comprised of \$114,930 of the Bonuses Payable representing approximately 57% of the Bonuses Payable and \$28,911 of the Notes Payable representing approximately 5% of the Notes Payable, and settle the balance of the Bonuses Payable and the Notes Payable, in aggregate \$646,313, by way of issuance of Loon Shares at a price per share of CDN\$0.05. Any interest and accrued in respect of the Notes Payable since June 30, 2020 will also be forgiven. Using the agreed exchange rate of 1.32, the total amount to be settled by way of issuance of Loon Shares is CDN\$853,134 and the Company proposes to issue a total of 17,062,680 Loon Shares. The Debt Settlements are subject to TSXV approval and shareholder approval.

There are currently 23,938,379 Loon Shares issued and outstanding. If the shareholders approve the Debt Settlement Resolution and the issuance of an additional 17,062,680 Loon Shares there will be a total of 41,001,059 Loon Shares issued and outstanding with the newly issued Loon Shares representing 41.6% of the total.

The trading of Loon Shares was halted on September 18, 2018 pending the completion of an announced amalgamation between the Company and a third-party private company. The amalgamation was not completed and, after application to the TSXV, the Loon Shares began trading again on October 8, 2020. Since trading began on October 8, 2020, the Loon Shares have traded at an average price of \$0.05 on a volume of 1,956,317 Loon Shares during the remainder of October 2020. The closing price of the Loon Shares on the day immediately preceding the announcement of the Debt Settlements was \$0.05 per share. The Company has not issued or purchased any securities in the past twelve months.

The following table identifies the amounts being forgiven, the amounts being settled by way of issuance of Loon Shares and the current securities held by each of the Debt Holders in the Company. All amounts in the following table are in Canadian currency.

Name of Director or Officer	Amount to be Forgiven	Amount to be Settled by Loon Shares	Number of Loon Shares to be Issued	Number of Loon Shares Currently Owned	Percentage of Loon Shares Currently Owned	Total Number of Loon Shares Owned Following Debt Settlements	Percentage of Loon Shares Owned Following the Debt Settlements
Norman Holton President, Chief Executive Officer & Director	\$10,942	\$70,000	1,400,000	1,400,000	5.8	2,800,000	6.8
Paul Rose Chief Financial Officer	\$15,438	\$27,714	554,280	265,000	1.1	819,280	2.0
Timothy M. Elliott Director	\$18,452	\$537,492	10,749,840	Nil	Nil	10,749,840	26.2
Jock M. Graham Director	\$71,023	\$162,500	3,250,000	2,203,000	9.2	5,453,000	13.3
Richard W. Elliott Director	\$15,430	\$27,714	554,280	487,000	2.0	1,041,280	2.5
Kenneth R. Heuchert Director	\$15,430	\$27,714	554,280	429,000	1.8	983,280	2.4
Michael A. McVea Director	\$43,152	Nil	Nil	470,000	2.0	470,000	1.1
Total	\$189,867	\$853,134	17,062,680	5,254,000	21.9	22,516,680	54.3

The percentages in the table above are based on 23,938,379 Loon Shares currently issued and outstanding, 17,062,680 Loon Shares to be issued pursuant to the Debt Settlement and 41,001,059 Loon Shares issued and outstanding thereafter.

The most recently available interim financial statements for the period ending June 30, 2020, can be found on SEDAR under the Company's profile or will be sent without charge to any security holder requesting them.

The Company does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends until after the completion of an acquisition of a new business or reverse takeover. The future payment of dividends will be dependent upon the financial requirements of the Company to fund further growth, financial condition of the Company and other factors which the board of directors may consider in the circumstances. It is not contemplated that any dividends will be paid in the foreseeable future.

Each of the parties will be responsible for their own expenses in connection with the Debt Settlements.

The Company has not issued any Loon Shares in the past five years except for the 3,989,243 Loon Shares issued on conversion of Bonus Payable amounts in February 2017.

The forgiveness of a portion of the Bonuses Payable and the settlement of any remaining debt by the issuance of Loon Shares may have tax consequences. Each participating Debt Holder will be responsible for making their own determination with respect to the tax consequences and consultation with professional advisors, if sought, will be for their account. The management of Loon believes that the issuance of Loon Shares will not have any material financial consequence for Loon.

The participation by each of the Debt Holders in the Debt Settlements constitutes a "related party transaction" as such term is defined by Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") under applicable securities laws. Under MI 61-101, the Company is relying on an exemption from the formal valuation requirement under Section 5.5(b). The Debt Settlements were approved unanimously by directors of the Company and by all independent directors for each individual Debt Settlement in which they were not party thereto.

In order for the Debt Settlements to be finalized and for the Loon Shares to be issued, the Debt Settlement Resolution must be approved by a majority of the disinterested votes cast by Loon Shareholders present in person or represented by proxy at the Meeting. **The number of Loon Shares owned by each of the Debt Holders will not be included in determining whether the resolution approving the Debt Settlements are approved by the majority of the disinterested Loon Shareholders.**

"BE IT HEREBY RESOLVED as a resolution of the shareholders of Loon Energy Corporation that:

1. the debt settlement agreements with directors and officers are hereby confirmed, ratified, authorized and approved;
2. the issuance of 17,062,680 Loon Shares to settle the debts is hereby confirmed, ratified, authorized and approved; and
3. any director or officer of the Company is hereby authorized and directed to do all such things and execute, for and on behalf of the Company, all such documents and other instruments as may be necessary or desirable in order to give effect the foregoing resolutions."

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy holder, intend to vote for the Debt Settlement Resolution.

6. Consolidation

The board of directors (the "Board") may propose to reduce the number of Loon Shares issued in order to increase its flexibility with respect to potential business transactions, including any equity financings, if determined by the

Company to be advisable. Shareholders are being asked to consider and, if thought fit, to pass the special resolution authorizing the Board, in its sole discretion, to consolidate the Loon Shares on the basis of one (1) new Loon Share for up to ten (10) old Loon Shares (the “**Consolidation**”) and amending the Company’s articles accordingly. Notwithstanding approval of the Consolidation by shareholders, the Board may, in its sole discretion, revoke this special resolution, and abandon the Consolidation without further approval or action by or prior notice to shareholders.

Prior to making any amendment to affect the consolidation of Loon Shares, the Company shall first be required to obtain any and all applicable regulatory and relevant TSXV approvals. If this special resolution is approved, the Consolidation will be implemented, if at all, only upon a determination by the Board that the Consolidation is in the best interests of the Company and its shareholders at that time. In connection with any determination to implement a Consolidation, the Company’s Board will set the timing for such a consolidation and select the specific ratio from within the range for a ratio set forth in the special resolution.

Certain Risks Associated with the Consolidation

There can be no assurance that the total market capitalization of the Company’s Loon Shares (the aggregate value of all Loon Shares at the then market price) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the Loon Shares following the Consolidation will be higher than the per share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Loon Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a Consolidation and the liquidity of the Loon Shares could be adversely affected. There can be no assurance that, if the Consolidation is implemented, the margin terms associated with the purchase of Loon Shares will improve or that the Company will be successful in receiving increased attention from institutional investors.

Principal Effects of the Consolidation

As of November 1, 2020, the Company had 23,938,379 Loon Shares issued and outstanding. Following the completion of the proposed Consolidation, the number of Loon Shares of the Company issued and outstanding will depend on the ratio selected by the Company’s Board. The following table sets out the appropriate number of Loon Shares that would be outstanding as a result of the Consolidation at the ratios suggested below without consideration of any issued and outstanding Loon Shares that would result in the event of approval of the Debt Settlement.

Table – Consolidation Ratio

Proposed Consolidation Ratio	Approximate Number of Outstanding Loon Shares (Post Consolidation) ⁽¹⁾
1 for 10	2,393,837
1 for 5	4,787,675

Notes:

1. The Ratios above are for information purposes only and are not indicative of the actual ratio that may be adopted by the Board of Directors to affect the Consolidation.

Tax Effect

The Consolidation will not give rise to a capital gain or loss under the *Income Tax Act* (Canada) for a shareholder who holds such Loon Shares as capital property. The adjusted cost base to the shareholder of the new Loon Shares immediately after the consolidation will be equal to the aggregate adjusted cost base to the shareholder of the old Loon Shares immediately before the Consolidation.

Notice of Consolidation and Letter of Transmittal

If the Company effects the Consolidation, a letter of transmittal will be mailed to the shareholders. This letter of transmittal which will need to be duly completed and submitted by any shareholder wishing to receive share

certificates representing the post-Consolidation Loon Shares to which he, she or it is entitled if the Company completes the Consolidation. This letter of transmittal can be used for the purpose of surrendering certificates representing the currently outstanding Loon Shares to the Company's registrar and transfer agent in exchange for new share certificates representing whole post-Consolidation Loon Shares of the Company. After the Consolidation, current issued share certificates representing pre-Consolidation Loon Shares of the Company will (i) not constitute good delivery for the purposes of trades of post-Consolidation Loon Shares; and (ii) be deemed for all purposes to represent the number of post-Consolidation Loon Shares to which the Shareholder is entitled as a result of the Consolidation. No delivery of a new certificate to a Shareholder will be made until the Shareholder has surrendered his, her or its current issued certificates. **Please do not send the letter of transmittal until the Company announces by press release that the Consolidation will become effective. The press release will contain instructions as to when the existing share certificates and the letter of transmittal are to be mailed to shareholders and sent to Computershare Trust Company of Canada, the Company's registrar and transfer agent.**

Fractional Shares

No fractional common shares of the Company will be issued upon the Consolidation. All fractions of post-Consolidation shares will be rounded to the next lowest whole number if the first decimal place is less than five and rounded to the next highest whole number if the first decimal place is five or greater.

Percentage Shareholdings

The Consolidation will not affect any shareholder's percentage ownership in the Company, even though such ownership will be represented by a smaller number of Loon Shares. Instead, the Consolidation will reduce proportionately the number of Loon Shares held by all shareholders.

Implementation

The implementation of the special resolution is conditional upon the Company obtaining the necessary regulatory consents. The special resolution provides that the Board is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of the Company's shareholders. In particular, the Board may determine not to present the special resolution to the Meeting or, if the special resolution is presented to the Meeting and approved, may determine after the meeting not to proceed with completion of the proposed Consolidation and filing the articles of amendment. If the Board does not implement the Consolidation within 12 months of the Meeting, the authority granted by the special resolution to implement the Consolidation on these terms would lapse and be of no further force or effect.

Effect on Non-registered Shareholders

Non-registered shareholders holding their Loon Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Company for registered shareholders. If you hold your Loon Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

At the Meeting, the Shareholders will be asked to pass a special resolution, with or without amendment, to approve the Consolidation. The following is the text of the resolution to be considered by the Shareholders at the meeting:

“BE IT RESOLVED THAT:

1. The Company be and is hereby authorized to consolidate the issued and outstanding Loon Shares in the capital of the Company on the basis of one (1) new Loon Share for up to every ten (10) Loon Shares presently issued and outstanding (the “**Consolidation**”) and amend the Company's Articles accordingly;
2. the Board of Directors are hereby authorized to determine the ratio for the Consolidation within the range of 1 to 10;

3. any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, prepare and file Articles of Amendment for the Company to effect the Consolidation or make any changes required by the TSXV Venture Exchange or applicable securities regulatory authorities; and
4. notwithstanding the passing of this special resolution by the shareholders of the Company, the directors of the Company are hereby authorized and empowered without further notice to or approval of the Shareholders of the Company not to proceed with the Consolidation or to revoke this resolution at any time prior to the Consolidation becoming effective.”

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote FOR the resolution authorizing and approving the Consolidation. In order to be approved, the special resolution must be passed by at least 66 and 2/3% of the votes cast by shareholders at the Meeting in person or by proxy.

MANAGEMENT CONTRACTS

There are no contractual arrangements between Loon and any individual or company with respect to the management of Loon.

The current and certain of the proposed directors of the Company named under the heading “*Matters to be Acted Upon at the Meeting – Election of Directors*”, as well as Paul H. Rose (Moyie Lake, British Columbia, Canada), the Chief Financial Officer of the Company, are informed persons of Loon and are resident in the noted jurisdictions. During the past several years the ability of Loon to work towards finding business opportunities has been made possible by its current directors and management. As of June 30, 2020, the remaining amount owing to such persons was \$646,313. See “*Statement of Executive Compensation - Summary of Compensation Received by Named Executive Officers*”.

STATEMENT OF EXECUTIVE COMPENSATION OF LOON

Compensation Discussion and Analysis

The information that follows in this “Statement of Executive Compensation” is for the year ended December 31, 2019. This compensation discussion and analysis describes and explains Loon’s policies and practices with respect to the compensation of its Named Executive Officers (“NEOs”), being its CEO and President, Norman Holton and its CFO, Paul Rose.

General

As discussed further below, in the year ended December 31, 2019 and prior years, the Company did not directly compensate its NEOs other than through the grant of options in August 2012, share issuances in November 2010 for past services rendered, a bonus declared in February 2017 as outlined below and an issue of Loon Shares in April 2017 as outlined below under *Summary of Compensation Received by Named Executive Officers*.

Other than as disclosed, no cash compensation had ever been paid directly by the Company to any of its executive officers and no cash compensation has been paid in the fiscal years 2017, 2018 and 2019.

The Board of Directors have not formally considered the implications of the risks associated with the Company’s compensation policies and practices. In situations where the Company directly compensates its officers, the Company’s compensation practices give greater weight toward long-term incentives rather than short-term incentives with a view to mitigating the risk of encouraging short-term goals at the expense of long-term sustainability and the enhancement of shareholder value. The discretionary nature of the Stock Option grants are significant elements of the Company’s compensation plans and provide the Board of Directors with the ability to reward individual and corporate

performance and individual behaviour that the Board of Directors consider to be aligned with the best intent of the Company.

Financial Instruments

The Company does not have in place any financial instruments including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities (or options in respect thereof) granted as compensation or held, directly or indirectly, by an NEO or a director.

Summary of Compensation Received by Named Executive Officers

As of the date hereof there are no options outstanding under the Stock Option Plan of the Company. The Company does not currently have a pension plan or similar benefit program in place and no perquisites have been received by the NEOs from the Company during such period.

On February 21, 2017 the Board of Directors declared a bonus payable in Canadian dollars to directors and officers of the Company in the amount of \$257,110 (CDN\$339,150) to compensate them for their efforts during the preceding five years and accordingly Mr. Holton and Mr. Rose were each awarded a bonus of \$36,730 (CDN\$48,450). Additionally, interest of \$459 (CDN \$605) was accrued on each bonus from February 21, 2017 until March 31, 2017 and on April 26, 2017 \$10,056 (CDN\$13,668) of the bonus payable to Mr. Holton and \$9,748 (CDN\$13,250) of the bonus payable to Mr. Rose was settled through the issuance of Loon Shares.

As of December 31, 2019, the amount of the bonus still owing to Mr. Holton was CDN\$43,014 and to Mr. Rose was CDN\$43,152. No compensation has been paid to the NEO's for the two most recently completed financial years, ending on December 31, 2018 and 2019.

Employment, Consulting and Management Agreements

The Company has not entered into any formal executive employment agreements with its Named Executive Officers at this time.

Estimated Change of Control and Termination Benefits

There are currently no contracts, agreements, plans or arrangements in place for any of the NEOs that provide for payments to an NEO following or in connection with any termination, resignation, retirement, or change in control of the Company or a change in an NEO's responsibility.

Stock Options and Other Compensation Securities

No compensation securities were granted or issued to the NEOs and directors by the Company in the financial year ended December 31, 2019 for services provided directly or indirectly to the Company. There are no share-based or option-based awards outstanding as of the date hereof and as at December 31, 2019 held by NEOs, including awards made before the most recently completed year.

Stock Option Plan

The Company has established the Option Plan under which the Company's directors and officers are eligible to receive Stock Options, if granted by the Board of Directors. As at December 31, 2017, 2018 and 2019 there were no Stock Options outstanding. As of the date hereof there are no Stock Options issued and outstanding.

Stock Options may be granted under the Option Plan to directors, officers, employees and consultants. This form of compensation is intended to align executive, employee, consultants and shareholder interests by attempting to create a direct link between compensation and shareholder return.

Participation in the Option Plan rewards overall corporate performance, as measured with reference to the price of the Loon Shares, which are currently listed on the NEX. The Board of Directors, with the advice and upon the recommendation of the Compensation and Governance Committee, determines the exercise price and the number of

Stock Options to be granted to each director, officer, employee or consultant on an annual basis by considering the performance of such person and the performance of the Company. The outstanding amount of previously granted Stock Options to an individual is also taken into account when considering new option grants.

The process the Company uses to grant share-based or option-based awards to executive officers is not formalized. The number, timing, vesting terms and exercise price of options granted by the Company to executive officers is recommended by the Compensation and Governance Committee and determined by the Board of Directors subject to the terms of the Option Plan. Many matters are taken into account when considering new grants, including corporate performance, individual performance and previous grants. The discretionary nature of the Stock Option grants are significant elements of the Company's compensation plans and provide the Board of Directors and the Compensation and Governance Committee with the ability to reward individual and corporate performance and individual behaviour that the Board of Directors and the Compensation and Governance Committee consider to be aligned with the best intent of the Company.

Share Based Awards

The Company does not grant share-based awards to executive officers on a regular basis and, as such, there is currently no formal process in place for determining the terms of such grants.

Pension Plan Benefits, Defined Contribution Plans and Deferred Compensation Plans

The Company has no other incentive plans in place, nor is there a pension plan or similar benefit program in place.

Director Compensation

No compensation has been paid to the directors for the two most recently completed financial years, ending on December 31, 2018 and 2019.

The directors of the Company were entitled to be paid an honorarium of CDN\$3,000 per quarter and a fee of CDN\$1,000 for each Loon Board or committee meeting attended up to March 31, 2012, when the Board resolved to suspend director's fees, given the then current activities of the Company. This amount was intended to compensate the directors for their time and effort in overseeing the management of the Company. Each of the non-management directors are also entitled to participate in the Option Plan. No honoraria or fees were earned by or paid to any of the directors in the fiscal years ended December 31, 2019, 2018 or 2017 and no director received any share awards, non-equity incentives, pension-related compensation or any other compensation of any kind in those fiscal years.

On February 21, 2017, the Loon Board declared a bonus payable of \$257,110 (CDN\$ 339,150) payable in Canadian Dollars to directors and officers who had provided service between April 2012 and December 2016. The portion of the bonus declared payable to directors who were not officers of Loon was \$183,650 (CDN\$ 242,250).

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The number of Loon Shares reserved for potential issuance in the event of option grants under the terms of the Option Plan is 2,393,837 Loon Shares being 10% of the total number of Loon Shares currently outstanding. As of December 31, 2019, and as of the date hereof there are no outstanding granted Stock Options.

As the Option Plan provides that the number of Loon Shares eligible for option grants from time to time will be, in the aggregate, up to but no more than 10% of the then issued and outstanding Loon Shares, the number of Loon Shares eligible for grant under the terms of the Option Plan will increase automatically to reflect the increase in the number of Loon Shares issued in the event of the closing of the Debt Settlement by 1,706,268 Loon Shares for a total number of options potentially available under the Option Plan then being 4,100,105 Loon Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of the Company, or any affiliates or associates of such director or executive officer, has ever been indebted to the Company other than routine indebtedness incurred in the ordinary course of business.

CORPORATE GOVERNANCE DISCLOSURE

The following disclosure describes the Company's current corporate governance and compensation practices, as required by *National Instrument 58-101 – "Disclosure of Corporate Governance Practices"* and Section 2.4 of *National Instrument 51-102F6 – "Statement of Executive Compensation"*, respectively.

Board of Directors

The Loon Board is currently comprised of six directors. Three of the Company's six directors, being Richard W. Elliott, Kenneth R. Heuchert, and Michael A. McVea, are independent directors. Norman W. Holton, as an officer of the Company, is not independent and Jock M. Graham and Timothy M. Elliott, each being holders of more than 10% of the Company's shares, are not independent. The Chairman of the Loon Board is Timothy M. Elliott.

Directorships

One of the current directors of the Company is presently a director of another reporting issuer.

Name of Director:	Name of Reporting Issuer:
Timothy M. Elliott	Jura Energy Corporation (TSX-V)

Orientation and Continuing Education

The Company does not currently have a formal orientation and education program for new members of the Loon Board. However, the Company provides orientation and education on an informal basis to new directors. As new directors join the Loon Board, management provides these individuals with corporate information, as well as information on the general duties and responsibilities entailed in carrying out their duties. All directors are encouraged to participate in educational opportunities for directors that are available through third parties.

Ethical Business Conduct

The Loon Board believes that the fiduciary duties placed on individual directors by the *Business Corporation Act* (Alberta), the common law and securities legislation is sufficient to ensure that the Loon Board operates independently of management and in the best interests of the Company.

Nomination of Directors

At present, the Loon Board has not identified the need to add any new directors and the Loon Board does not have a nomination committee. However, all members of the board are mindful of the potential value of new board members. Due to the current size of the Loon Board and the fact that there are no mandatory terms or term limits, the Company expects that, in most circumstances, it will receive adequate notice to replace any current member of the Loon Board who should wish to retire.

It is expected that any new candidates will be identified having regard to: (i) the competence and skills that the Loon Board considers to be necessary for the Loon Board, as a whole, to possess; (ii) the competence and skills that the Loon Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Loon Board.

Compensation

The Loon Board has established a compensation and governance committee (the “**Compensation and Governance Committee**”). The Compensation and Governance Committee is responsible for (i) evaluating senior management; and (ii) developing appropriate compensation policies for the senior management and directors of the Company. Other than as disclosed in the section entitled “*Statement of Executive Compensation - Director Compensation*” no honoraria and fees have been paid to directors for attending meetings of the Loon Board and committee meetings since March 31, 2012. The bonus paid in February of 2017 was intended to compensate the directors for their time and effort in overseeing the management of the Company. Other than as noted under the headings “*Management Contracts*” and “*Statement of Executive Compensation*”, no compensation is directly paid by the Company to its officers. Accordingly, the Compensation and Governance Committee does not currently have a formal process for determining executive compensation. The Compensation and Governance Committee has not, at any time since the beginning of the Company’s fiscal year ending December 31, 2010, retained a compensation consultant or advisor to assist in determining compensation levels or for any other reason.

Composition of the Compensation and Governance Committee

The Compensation and Governance Committee is comprised of Timothy M. Elliott and Michael A. McVea. Both are “independent” within the meaning of Section 1.4 of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Timothy M. Elliott, once he becomes a major shareholder upon completion of the Debt Settlement, would then not be independent within the meaning of Section 1.4 of NI 52-110.

Relevant Education and Experience

Timothy M. Elliott

Mr. Elliott, a lawyer by profession, was President and Chief Executive Officer of Serinus Energy Plc (“**Serinus**”), a Toronto Stock Exchange listed company, from February 2006 to September 1, 2016 and a director of Serinus from April 2001 to September 1, 2016. He has been a director of Jura Energy since March 2007 and is currently Chairman of the Jura board of directors and chair of both its compensation committee and a member of its audit committee. In these roles, Mr. Elliott has acquired experience in and exposure to executive compensation. Mr. Elliott started his international oil and gas career providing legal counsel to Adolf Lundin and the mostly public companies of the Lundin Group from 1987 to 1999 where he was a director and Vice President of International Petroleum.

Michael A. McVea, Director

Mr. McVea has been a retired barrister and solicitor since 2004. Prior to that, he was senior partner of McVea, Shook, Wickham & Bishop, a general practice law firm from September 1981 to December 2002 and associate counsel with that firm from January 2003 to June 2004. Mr. McVea practiced mainly in the areas of business and corporate commercial law. Mr. McVea was a director of TKE Energy Trust from November 2004 to November 2005. From February 2006 to September 2016 he was a director of Serinus and was a member of its compensation & corporate governance committee and the chair of its audit committee. In these roles, Mr. McVea has acquired experience in and exposure to executive compensation.

Assessments

The Loon Board expects to make periodic assessments regarding the effectiveness of the Board of Directors itself, committees and individual directors in fulfilling their responsibilities.

LOON AUDIT COMMITTEE

The Loon Board has established an audit committee (the “**Loon Audit Committee**”). The Loon Audit Committee reviews, along with management and the external auditors, any significant financial reporting issues, the consolidated financial statements and any other matters of relevance to the parties. The Loon Audit Committee meets quarterly to review and approve the interim financial statements prior to their release, as well as annually to review the Company’s

annual consolidated financial statements and management's discussion and analysis and to recommend their approval to the Loon Board. The external auditors have unrestricted access to the Loon Audit Committee.

In response to NI 52-110, the Company has established an audit committee charter to address certain matters, which include but are not limited to the following: (a) the procedure to nominate the external auditor and the recommendation of its compensation; (b) the overview of the external auditor's work; (c) pre-approval of non-audit services; (d) the review of financial statements, management's discussion and analysis and financial sections of other public reports requiring board approval; (e) the procedure to respond to complaints respecting accounting, internal accounting controls or auditing matters and the procedure for confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and (f) the review of the Company's hiring policies towards present or former employees or partners of the Company's present or former external auditor.

The full text of the Loon Audit Committee's mandate is attached as Appendix "A" to this Information Circular.

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 as the Company, as a venture issuer within the meaning ascribed thereto in NI 52-110, is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

Composition of the Audit Committee

The Loon Audit Committee is comprised of Richard W. Elliott, Kenneth R. Heuchert and Michael A. McVea each of whom is "independent" and "financially literate" within the meanings of Sections 1.4 and 1.6 of NI 52-110, respectively.

Relevant Education and Experience

Richard W. Elliott, Director

Mr. R. Elliott has been the President of ExSpace, Corporate Space Advisors Inc., a private commercial real estate company based in Montreal, Quebec, since April 1995. Prior to that time he was managing director of Persona Real Estate Consultants, a commercial real estate company, from 1992 to 1995. From 1988 to 2002 he was legal counsel of Leopold Property Consultants Inc., a commercial real estate company. Mr. Elliott received his bachelor of commerce degree from Concordia University in 1981 and his bachelor of laws (LL.B.) and Bachelor of Civil Law (B.C.L.) degrees from McGill University in 1985. He was admitted to the bar in Quebec in 1986 and in Ontario in 1991. Mr. Elliott was an independent director of Loon Energy Inc. (now Serinus) from June 2001 to December 2008 and was a member of its audit committee.

Kenneth R. Heuchert, Director

Mr. Heuchert has been a retired civil engineer since 2011. Prior to that he provided consulting services in water and wastewater treatment engineering since 2000. Prior to 2000 he was Manager of Engineering and Business Development for US Filter Corporation (now a part of Siemens A.G.) since 1997. For more than twenty years prior to that he was a partner in PETWA Canada Ltd., a private company which designed, manufactured and marketed water and wastewater treatment systems worldwide prior to its acquisition by US Filter Corporation in 1997. Mr. Heuchert is a professional engineer, receiving his Bachelor of Science degree in civil engineering in 1970 and a Master of Science degree in 1972 from the University of Saskatchewan. Mr. Heuchert was an independent director of Loon Energy Inc. (now Serinus) from March 1998 to December 2008 and was a member of its audit committee.

Michael A. McVea, Director

Mr. McVea has been a retired barrister and solicitor since 2004. Prior to that, he was senior partner of McVea, Shook, Wickham & Bishop, a general practice law firm from September 1981 to December 2002 and associate counsel with that firm from January 2003 to June 2004. Mr. McVea practiced mainly in the areas of business and corporate commercial law. He graduated from the University of British Columbia with a Bachelor of Laws degree in 1974. Mr. McVea was an independent director of TKE Energy Trust from November 2004 to November 2005. Mr. McVea was

also an independent director of Serinus and, prior to September 2016 was the chair of the Serinus audit committee and a member of its compensation & corporate governance committee.

Loon Audit Committee Oversight

No recommendation of the Loon Audit Committee to nominate or compensate an external auditor was not adopted by the Board of Directors since the incorporation of the Company.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed fiscal year, the Company has not relied on the exemptions contained in section 2.4 (*De Minimis Non-audit Services*) of Part 8 of NI 52- 110 (*Exemptions*).

Pre-Approval Policies and Procedures

The Loon Audit Committee pre-approves engagements for non-audit services provided by the external auditors or their affiliates, together with estimated fees and potential issues of independence.

External Auditor Service Fees

The table below summarizes the fees billed by the Company's auditors during the three fiscal years ended December 31, 2017, 2018 and 2019.

	2017	2018	2019
Audit fees ⁽¹⁾	\$8,175	\$16,350	\$10,000
Audit-related fees ⁽²⁾	\$0	\$0	\$0
Tax fees ⁽³⁾	\$2,000	\$0	\$0
All other fees ⁽⁴⁾	\$0	\$0	\$0
Total	\$ 10,175	\$16,350	\$ 10,000

Notes:

1. "Audit fees" includes fees billed regarding the annual audit and, when applicable, the review of interim financial statements.
2. "Audit-related fees" includes amounts billed for assurance and related services that are reasonably related to the performance of the audit or the review of interim financial statements that are not reported under "Audit fees".
3. "Tax fees" are fees in connection with preparation of income and other tax returns. The tax returns for 2018 were prepared internally and the tax returns for 2019 were prepared by KMSS with the cost included in the audit fees.
4. "All other fees" are other fees charged by the auditors.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as otherwise disclosed herein, the management of the Company is not aware of any material interest, direct or indirect, of any informed person of the Company or any proposed nominee as a director of the Company, or any associate or affiliate of any such person in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Company or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information respecting the Company is available on SEDAR at www.sedar.com. Financial information respecting the Company is provided in the Company's comparative financial statements and management's discussion and analysis for the fiscal years ended December 31, 2017, 2018 and 2019. Loon Shareholders can access this

information on SEDAR or by request to Norman W. Holton, President and Chief Executive Officer of the Company, at the following address: Suite 1100, 700 – 4th Avenue S.W., Calgary, Alberta, Canada T2P 3J4, or by telephone or text to (403) 875-2008 or by email to nholton@loonenergy.com.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular to the shareholders of the Company have been approved by the Board of Directors of the Company.

BY ORDER OF THE BOARD OF DIRECTORS OF
LOON ENERGY CORPORATION

(Signed) "Norman Holton"

NORMAN HOLTON
President, Chief Executive Officer, Director

APPENDIX A

AUDIT COMMITTEE TERMS OF REFERENCE OF LOON ENERGY CORPORATION

Adopted by the Board of Directors on March 18, 2009

PURPOSE

The purpose of the Audit Committee (the “**Committee**”) is to ensure that the Company’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements of the Company and to review the Company’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at not less than three members of the Board of Directors (the “**Board**”), the majority of whom may not be officers or employees of the Company, or any of its affiliates. The composition of the Committee shall also comply with any other requirements as may be prescribed from time to time by applicable securities regulatory authorities, including, those contained in Multilateral Instrument 52- 110 Audit Committees.
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. If the Board shall fail to do so, persons who were members of the Committee immediately preceding the most recent annual meeting of shareholders of the Company, provided they continue to be directors of the Company, shall be deemed to be reappointed to the Committee. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

Chairman

3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair (the “**Chairman**”) from amongst their number.
4. The Chairman will provide leadership to the Committee and will lead the Committee in fulfilling the duties set out in its mandate.
5. The Chairman’s duties will be to:
 - (a) provide overall leadership to enhance the effectiveness of the Committee;
 - (b) take all reasonable steps to ensure that the responsibility and duties of the Committee, as outlined in its mandate, are well understood by the Committee members and executed as effectively as possible;
 - (c) foster ethical and responsible decision making by the Committee and its individual members;
 - (d) provide effective Committee leadership, overseeing all aspects of the Committee’s direction and administration in fulfilling the terms of its mandate;
 - (e) oversee the structure, composition, membership and activities delegated to the Committee;
 - (f) ensure that the Committee meets at least four times annually and as many additional times as necessary to carry out its duties effectively;
 - (g) establish the agenda for each Committee meeting;

- (h) chair all meetings of the Committee, including closed sessions and “in camera” sessions. If the Committee Chair is not present at a meeting, the Committee members present will choose a Committee member to chair the meeting;
 - (i) encourage Committee members to ask questions and express viewpoints during meetings;
 - (j) deal effectively with dissent and work constructively towards arriving at decisions and achieving consensus;
 - (k) ensure that the Committee meets in separate, regularly scheduled, non- management, “in camera” sessions;
 - (l) ensure that the Committee meets in separate, regularly scheduled, non- management, closed sessions with the internal auditor and the independent auditors;
 - (m) ensure that the Committee meets in separate, non-management, closed sessions with internal personnel or outside advisors, as needed or appropriate;
 - (n) following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee;
 - (o) ensure that Committee materials are available to any director on request;
 - (p) take all reasonable steps to ensure that Committee members receive written information and are exposed to presentations from management to fulfill the Committee mandate;
 - (q) have an effective working relationship with members of Management;
 - (r) ensure that a performance evaluation of the Committee and the Chairman is conducted, soliciting input from all Committee members, other directors and appropriate members of management;
 - (s) ensure that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently;
 - (t) retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities; and
 - (u) carry out any other appropriate duties and responsibilities assigned by the Board or delegated by the Committee.
6. The Secretary of the Company shall be the secretary of the Committee, unless otherwise determined by the Committee.
 7. The quorum for meetings shall be a majority of the members (the “**Members**”) of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
 8. The Committee shall have access to such officers and employees of the Company and to the Company’s independent auditors, and to such information respecting the Company as it considers to be necessary or advisable in order to perform its duties and responsibilities.
 9. Meetings of the Committee shall be conducted as follows:

- (a) The Committee shall meet at least four times annually at such times and at such locations as may be requested by the Chairman. The independent auditors or any member of the Committee may request a meeting of the Committee;
- (b) The independent auditors shall receive notice of and have the right to attend all meetings of the Committee; and
- (c) the following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the independent auditors:

Chief Executive Officer

Chief Financial Officer

Other management representatives shall be invited to attend as necessary.

- 10. The internal auditors, if any, and the independent, external auditors of the Company (the “**Auditors**”) shall, have a direct line of communication to the Committee through the Chairman and may bypass management of the Company. The Committee, through the Chairman, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

DUTIES AND RESPONSIBILITIES

- 11. The overall duties and responsibilities of the Committee shall be to:
 - (a) assist the Board in the discharge of its responsibilities relating to the Company’s accounting principles, reporting practices and internal controls;
 - (b) overseeing the work of the Auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding external reporting;
 - (c) pre-approve all non-audit services to be provided to the Company by the Auditor;
 - (d) review the Company’s annual and quarterly consolidated financial statements, MD&A disclosure and annual and interim earnings press releases before they are released to the public;
 - (e) establish and maintain a direct line of communication with the Company’s Auditors and assess their performance;
 - (f) be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements, other than the public disclosure referred to in paragraph (d) above, and must develop a method and procedure of being able to assess, and must periodically assess, the adequacy of those procedures;
 - (g) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former external auditor of the Company; and
 - (i) report regularly to the Board on the fulfilment of its duties and responsibilities.
- 12. The duties and responsibilities of the Committee as they relate to the Auditors shall be to:
 - (a) recommend to the Board a firm of independent auditors to be engaged by the Company;
 - (b) review and approve the fee, scope and timing of the audit and other related services rendered by the independent auditors;
 - (c) review the audit plan of the Auditors prior to the commencement of the audit;
 - (d) review with the Auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the independent auditors.
- 13. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
 - (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
 - (b) review and approve the internal audit plan; and
 - (c) review significant internal audit findings and recommendations, and management's response thereto.
- 14. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
 - (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Company's business conduct policy and to periodically review this policy and recommend to the Board changes which the Committee may deem appropriate;

- (c) review any unresolved issues between management and the independent auditors that could affect the financial reporting or internal controls of the Company; and
 - (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the independent auditors have been implemented.
15. The Committee is also charged with the responsibility to:
- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to shareholders;
 - (ii) the annual information form of the Company;
 - (iii) prospectuses; and
 - (iv) other public reports requiring approval by the Board, and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review the minutes of any audit committee meeting of subsidiary companies;
 - (f) review with management, the external auditors and if necessary with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements; and
 - (g) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

AUTHORITY OF THE AUDIT COMMITTEE

16. The Committee shall have the authority to:
- (a) engage, without the consent of the Company, independent counsel and other advisors as it determines necessary to carry out its duties;
 - (b) set and pay the compensation for any advisors retained by the Committee; and
 - (c) communicate directly with the internal and external auditors.