

SPARX ENERGY CORP.

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INFORMATION CIRCULAR

(containing information as at December 22, 2014 unless indicated otherwise)

**For the Annual General and Special Meeting
to be held on January 30, 2015**

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the Management of SPARX ENERGY CORP. (the "Company"), for use at the Annual General and Special Meeting (the "Meeting"), of the Shareholders of the Company, to be held on Friday, the 30th day of January, 2015, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The enclosed Instrument of Proxy is solicited by management of the Company. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the "Proxy") are Directors and/or Officers of the Company. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY'S REGISTRAR AND TRANSFER AGENT, TMX EQUITY TRANSFER SERVICES, LOCATED AT SUITE 300 – 200 UNIVERSITY AVENUE, TORONTO, ON M5H 4H1, OR BY FAX AT 1-416-595-9593 NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The instrument of proxy must be signed and dated by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Company's Registrar and Transfer Agent, Equity Financial Trust Company, located at Suite 300 – 200 University Avenue, Toronto, ON M5H 4H1, or by fax at 1-416-595-9593, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxy holder will do so in accordance with such direction.

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The Instrument of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Information Circular, the Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the Management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than one-half of the votes cast will be required (an "**Ordinary Resolution**") unless the motion requires a Special Resolution, in which case a majority of not less than two thirds of the votes cast will be required.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to in this information circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own ("**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are ("**NOBOs**" for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs.

This year, the Company has decided to take advantage of those provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our Transfer Agent, Equity Financial Trust Company ("**Equity**"). These VIFs are to be completed and returned to Equity in the envelope provided or by facsimile. In addition, Equity provides internet voting as described on the VIF itself which contains complete instructions. Equity will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

With respect to Beneficial Shareholders who are OBOs, regulatory rules require intermediaries/brokers to seek voting instructions in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders who are OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder who is an OBO by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific

telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

These security holder materials are being sent to both registered and non-registered owners of the shares of the Company. If you are a non-registered owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

In accordance with the provisions of National Instrument 54-101, the Company has elected not to pay for mailing to OBOs. As a result, OBOs will only receive paper copies of proxy-related materials if the intermediary assumes the costs of delivery.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized capital consists of an unlimited number of common shares ("**Common Shares**") without par value. As at December 22, 2014 (the "**Record Date**"), the Company has 13,111,431 Common Shares issued and outstanding, each share carrying the right to one vote.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting, or any adjournment thereof.

To the best of the knowledge of the directors and senior officers of the Company no person beneficially owns, or control or direct, directly or indirectly, 10% or more of the issued and outstanding Common Shares of the Company.

EXECUTIVE COMPENSATION

In accordance with the provisions of applicable securities legislation, the Company had four "Named Executive Officers" during the financial year ended December 31, 2013, Mr. Richard W. Grayston, current President, CEO and Secretary, Ms. Anita Alge, current CFO, Mr. Patrick Lavin, former CFO & Secretary and Mr. Thomas Bell, former CEO and President.

DEFINITIONS:

1. For the purpose of this Information Circular:
 - (a) "**CEO**" means an individual who acted as chief executive officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

- (b) **"CFO"** means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;
- (c) **"closing market price"** means the price at which the company's security was last sold, on the applicable date,
 - (i) in the security's principal marketplace in Canada, or
 - (ii) if the security is not listed or quoted on a marketplace in Canada, in the security's principal marketplace;
- (d) **"company"** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;
- (e) **"equity incentive plan"** means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of Section 3870 of the Handbook;
- (f) **"grant date"** means a date determined for financial statement reporting purposes under Section 3870 of the Handbook;
- (g) **"incentive plan"** means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;
- (h) **"incentive plan award"** means compensation awarded, earned, paid, or payable under an incentive plan;
- (i) **"NEO" or "named executive officer"** means each of the following individuals:
 - (i) a CEO;
 - (ii) a CFO;
 - (iii) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
 - (iv) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;
- (j) **"NI 52-107"** means National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency;
- (k) **"non-equity incentive plan"** means an incentive plan or portion of an incentive plan that is not an equity incentive plan;
- (l) **"option-based award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

- (m) **"plan"** includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, securities, similar instruments or any other property may be received, whether for one or more persons;
- (n) **"replacement grant"** means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;
- (o) **"re-pricing"** means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;
- (p) **"share-based award"** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Common Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

COMPENSATION DISCUSSION AND ANALYSIS

At the present time, the Company relies solely on board discussion to determine executive compensation.

The compensation of the Company's Named Executive Officers has been established with a view to attracting and retaining executives critical to the Company's short and long-term success and to continuing to provide executives with compensation that is in accordance with existing market standards.

Through its executive compensation practices, the Company seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Company's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Company's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Company's success, and align the interests of the Company's executives and shareholders by motivating executives to increase shareholder value.

OPTION BASED AWARDS

Option based awards are granted, at the discretion of the Board, based on award levels in the past in compliance with applicable securities law, stock exchange and other regulatory requirements. Option grants may also be issued, at the discretion of the Board, throughout the year, to attract new directors, officers, employees or consultants.

COMPENSATION

The following table sets out certain information respecting the compensation paid to the NEO's during the three most recently completed financial year(s) in which they were acting in the capacity of an NEO.

Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term incentive plans			
Richard W. Grayston ⁽²⁾ Current President, CEO & Secretary	2013	Nil	Nil	Nil	Nil	Nil	Nil	3,500	3,500
Anita Algie ⁽³⁾ Current CFO	2013	Nil	Nil	Nil	Nil	Nil	Nil	800	800
Patrick Lavin ⁽⁴⁾ Former CFO	2013	Nil	Nil	Nil	Nil	Nil	Nil	12,000	12,000
Thomas Bell ⁽⁵⁾ Former CEO & President	2013	Nil	Nil	Nil	Nil	Nil	Nil	10,500	10,500

Notes:

- (1) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model.
- (2) Mr. Grayston was appointed as President and CEO on January 16, 2013.
- (3) Ms. Algie was appointed as CFO on May 31, 2013.
- (4) Mr. Lavin was appointed as CFO on January 21, 2013 and resigned on May 7, 2013.
- (5) Mr. Bell was appointed as CEO and President on January 31, 2013 and resigned on May 7, 2013.

NARRATIVE DISCUSSION

During the most recently completed financial year, the Company had no employment agreements with its NEOs.

NEO INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting each NEO's share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date dd/mm/yy (d)	Value of unexercised in-the-money-options (\$) (e)	Number of shares or units of shares that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) (h)
Richard Grayston	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Anita Algie	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Lavin	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Bell	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards – Value Vested Or Earned During The Year

The following table sets out certain information respecting the value of each NEO's share-based and option-based awards that became vested or were earned during the most recently completed financial year.

Name	Option-based awards –Value vested during the year (\$)	Share-based awards –Value vested during the year (\$)	Non-equity incentive plan compensation –Value earned during the year (\$)
Richard Grayston	Nil	Nil	Nil
Anita Algie	Nil	Nil	Nil
Patrick Lavin	Nil	Nil	Nil
Thomas Bell	Nil	Nil	Nil

NARRATIVE DISCUSSION

The Company does not presently grant stock options to NEOS as part of their ongoing compensation.

NEO TERMINATION AND CHANGE OF CONTROL BENEFITS

There are no provisions in any contract, agreement, plan or arrangement, that provides for payments to an NEO at, following, or in connection with, any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities, except as disclosed above under "NEO Summary Compensation Table – Narrative Discussion".

DIRECTOR COMPENSATION

Compensation for the Named Executive Officers has already been disclosed above.

The following table sets out the amounts of compensation paid to the directors of the Company, other than Named Executive Officers, during the most recently completed financial year ended December 31, 2013.

DIRECTORS COMPENSATION TABLE

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Samantha Stewart	800	Nil	Nil	Nil	Nil	Nil	800

Notes:

(1) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes-Merton model.

The Company has no standard arrangement pursuant to which Directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options.

During the Company's most recently completed fiscal year, there were no stock options granted by the Company to Directors.

NARRATIVE DISCUSSION

There are no arrangements under which directors of the Company who were not NEO's were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors or consultants.

SHARE-BASED AWARDS, OPTION-BASED AWARDS AND NON-EQUITY INCENTIVE PLAN COMPENSATION

Outstanding Share-Based Awards and Option-Based Awards

The following table sets out certain information respecting share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for the directors of the Company who were not NEO's.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date dd/mm/yy	Value of unexercised in-the-money-options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Samantha Stewart	Nil	Nil	Nil	Nil	Nil	Nil	Nil

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

No share-based or option-based awards became vested or were earned during the most recently completed financial year by the directors of the Company who were not NEO's.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of December 31, 2013:

Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
TOTAL	N/A	N/A	N/A

MANAGEMENT CONTRACTS

The Company is not a party to a Management Contract with any directors or executive officers of the Company.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION

The Company does not currently have any compensation plans under which equity securities are authorized for issuance.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than "routine indebtedness" as defined in applicable securities legislation, since the beginning of the last fiscal year of the Company, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Company or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Company; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Company or any of its subsidiaries or has been indebted to any other entity where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, and which was not entirely repaid on or before the date of this information circular.

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

Except as otherwise disclosed herein, none of:

- (a) the directors or senior officers of the Company at any time since the beginning of the last financial year of the Company;
- (b) the proposed nominees for election as a Director of the Company; or

- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For purposes of the following discussion, "**Informed Person**" means (a) a Director or Executive Officer of the Company; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended December 31, 2013 none of:

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director of the Company; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended December 31, 2013, together with the Auditor's Report of the Company (the "**Financial Statements**"), will be presented to Shareholders at the Meeting. The Financial Statements, the Auditor's Report thereon together with Management Discussion and Analysis ("**MD&A**") for the financial year ended December 31, 2013 will be available on SEDAR at www.sedar.com prior to the Annual General Meeting of Shareholders. The Notice of Annual General Meeting of Shareholders, Information Circular, Request for Financial Statements (NI 51-102) and form of Proxy will be available from the Company's Registrar and Transfer Agent, TMX Equity Transfer Services located at 650 West Georgia Street, Suite 2700, Vancouver, British Columbia, V6B 4N9, or from the Company's mailing address located at 1600 – 609 Granville Street, Vancouver, British Columbia, V7Y 1C3.

REQUEST FOR FINANCIAL STATEMENTS

National Instrument 51-102 "Continuous Disclosure Obligations" sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered shareholders must also provide written instructions in order to receive the financial statements.

FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of Directors at three (3). Although Management is nominating three (3) individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

Each Director of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders unless his successor is duly elected or until his resignation as a Director.

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a Director.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

The following table sets out the names of the persons proposed to be nominated by Management for election as a Director, the province or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a Director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected Director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular. The three nominees are all currently Directors of the Company.

The nominees for the office of Director and information concerning them as furnished by the individual nominees are as follows:

Name, Province and Country of Ordinary Residence and Positions Held with the Company	Principal Occupation	Date First Became a Director	No. of Shares Beneficially Owned, Directly or Indirectly ⁽¹⁾
Richard W. Grayston British Columbia, Canada Director, President, CEO & Secretary	Consulting economist and public company management.	May 7, 2013	Nil
Anita Algie British Columbia, Canada Director and CFO	Independent Consultant	May 31, 2013	Nil
Samantha Stewart British Columbia, Canada Director	Independent Consultant	May 31, 2013	Nil

Note:

(1) Based on information provided by the directors themselves.

The Company does not currently have an Executive Committee of its Board of Directors. Pursuant to National Instrument 52-110, the Company is required to have an Audit Committee of its board of directors. The current members of the Audit Committee are Richard Grayston, Anita Algie and Samantha Stewart.

None of the proposed nominees for Director have, within the 10 years before 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 their assets.

Except as disclosed below, no proposed director (including any personal holding company of a proposed director), is:

1. as at the date of the Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (a) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively an "order"), that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer;
 - (b) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
2. is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
3. has, within the 10 years before 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 the proposed director; or
4. has been subject to:
 - (a) 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 since March 31, 2000 or before March 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - (b) 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.

Richard W. Grayston was a director, President, CEO and CFO of Ranger Canyon Energy Inc. ("**Ranger**"), a reporting issuer, when a cease trade order was issued by the Alberta Securities Commission (the "**ASC**") against Ranger on May 21, 2009 for failure to file audited financial statements for the year ended December 31, 2008. The 2008 financial statements have been filed with and accepted by the ASC; however, the cease trade order continues in effect as Ranger failed to file its audited 2009 financial statements within the prescribed time period before the 2008 financial statements were accepted by the ASC, and the 2009 financial statements remain unfiled as of the date hereof. Ranger filed articles of dissolution on May 2, 2012 and was dissolved.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

AUDIT COMMITTEE DISCLOSURE

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 are attached as Schedule "A".

CORPORATE GOVERNANCE

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule "B".

APPOINTMENT AND REMUNERATION OF AUDITORS

Shareholders will be asked to approve the re-appointment of De Visser Gray LLP, Chartered Accountants, of 401 – 905 West Pender Street, Vancouver, British Columbia, V6C 1L6 as the auditor of the Company to hold office until the next Annual General Meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

ADOPTION OF NEW ARTICLES TO INCLUDE ADVANCE NOTICE PROVISIONS

The Company is seeking Shareholder approval for a new form of Articles (the "**New Articles**"). Management believes that the New Articles will provide the Company with greater flexibility for future corporate activities and will result in greater efficiencies and cost-effectiveness. Management believes the major changes from the existing Articles are:

- Certain changes to the Notice of Articles, New Articles and share structure may be made by directors' resolution or by ordinary resolution (a description of these changes is provided below);
- The Directors, by directors' resolution, may approve a change of name of the Company without the necessity for Shareholder approval;
- Shareholder meetings may, if authorized by directors' resolution, be held in jurisdictions outside British Columbia; and
- The quorum for Shareholders' meetings is changed from two Shareholders to one Shareholder present in person or represented by proxy.

The New Articles will also include advance notice provisions which govern the process for the nomination of directors of the Company by shareholders in certain circumstances, the details of which are described in the Circular under the heading "Advance Notice Provisions".

If the New Articles are adopted by Shareholders, the Company may alter its Notice of Articles, New Articles and share structure by Directors' resolution or ordinary resolution, as determined in each case by the Directors, to:

1. by directors' resolution or ordinary resolution, as determined in each case by the directors, to:
 - (a) create one or more classes or series of shares and, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares, and alter the identifying name of any of its shares;
 - (b) establish, increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares;
 - (c) change unissued shares with par value into shares without par value or vice versa or change all or any of its fully paid issued shares with par value into shares without par value;
 - (d) create, attach, vary or delete special rights or restrictions for the shares of any class or series of shares, if none of those shares have been issued;

- (e) subdivide or consolidate all or any of its unissued, or fully paid issued, shares; and
 - (f) authorize alterations to the New Articles that are procedural or administrative in nature or are matters that pursuant to the New Articles are solely within the Directors' powers, control or authority; and
2. if the *Business Corporations Act (British Columbia)* does not specify the type of resolution and the New Articles do not specify another type of resolution, by ordinary resolution otherwise alter its shares, authorized share structure or the New Articles.

The New Articles must be approved by special resolution, which requires a majority of not less than two-thirds of the votes cast by the Shareholders present in person or by proxy at the Meeting. Accordingly, Shareholders are being asked to consider, and if thought fit, the following special resolution, with or without amendment:

"BE IT RESOLVED, as a special resolution, that:

- (a) the Company adopt the New Articles in substitution for the existing Articles of the Company;
- (b) the Company's Notice of Articles be altered accordingly;
- (c) any Director or Officer of the Company is authorized to execute and file such documents and take such further action, including any filings with the Registrar of Companies (British Columbia), that may be necessary to effect the amendment; and
- (d) the Board of Directors of the Company is hereby authorized, at any time in its sole discretion, to determine whether or not to proceed with or abandon this resolution without further approval, ratification or confirmation by the Shareholders."

The New Articles shall have effect immediately on the date and time the New Articles are deposited for filing in the Company's records office.

Copies of the New Articles are available for viewing up to the date of the Meeting at the Company's registered office at Suite 1600, 609 Granville Street, Vancouver, British Columbia or at the Meeting.

ADVANCE NOTICE PROVISIONS

Background

The Board determined that it would be appropriate and in the best interests of the Company to implement a requirement for advance notice in connection with the election of directors and amend the Company's current articles to include advance notice provisions ("**Advance Notice Provisions**"). The following is a summary of the proposed Advance Notice Provisions.

Purpose of the Advance Notice Provisions

The purpose of the Advance Notice Provisions is to provide shareholders, directors and management of the Company with direction on the procedure for shareholder nomination of directors. The Advance Notice Provisions are the framework pursuant to which the Company fixes a deadline by which holders of record of common shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and set forth the information that a shareholder must include in the notice to the Company for the nomination notice to be in proper written form.

Effect of the Advance Notice Provisions

Subject to the *Business Corporations Act* (British Columbia) ("**BCA**"), the Advance Notice Provisions incorporated into the Company's Articles provide that only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made with respect to any annual meeting of shareholders or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

1. by or at the direction of the board, including pursuant to a notice of meeting;
2. by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCA, or a requisition of the shareholders made in accordance with the provisions of the BCA; or
3. by any person (a "**Nominating Shareholder**"):
 - (a) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - (b) who complies with the notice procedures set forth below.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Company at the principal executive offices of the Company.

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

1. in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
2. in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth the name, age, business address, residential address and principal occupation or employment of the proposed nominee, and the security holdings of the Company which are controlled or which are owned beneficially or of record by the person. In addition, the notice by the Nominating Shareholder must also disclose any other information relating to the proposed nominee as well as any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and Applicable Securities Laws (as defined below).

The Company may require any proposed nominee to furnish such other information as may reasonably be requested by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions; provided, however, that nothing in the Advance Notice Provisions shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCA.

The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding any other provision of the Advance Notice Provisions, notice given to the Secretary of the Company pursuant to the Advance Notice Provisions may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

The Advance Notice Provisions applies to the Company so long as the Company is a public company.

ACTS AND DEEDS OF DIRECTORS

Shareholders will be requested to pass an ordinary resolution to confirm, ratify and approve all acts, deeds and things done by and the proceedings of the directors and officers of the Company on behalf of the Company during the preceding year.

As of the date of this Information Circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

OTHER MATTERS

As of the date of this information circular, management knows of no other matters to be acted upon at this Meeting. However, should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at 1600 – 609 Granville Street, Vancouver, BC V7Y 1C3, Tel: 604 669-1322 and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

DIRECTOR APPROVAL

The contents of this Information Circular and the sending thereof to the Shareholders of the Company has been approved by the Board of Directors.

DATED at Vancouver, British Columbia, this 30th day of December, 2014.

By Order of the Board of Directors
SPARX ENERGY CORP.

"Richard Grayston"

Richard Grayston
President & CEO

SCHEDULE "A"
FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE

ITEM 1: THE AUDIT COMMITTEE'S CHARTER

1. PURPOSE

- (a) The role of the Audit Committee is to assist the Board of Directors of the Company (the "**Board**") in its oversight and evaluation of:
 - (i) the quality and integrity of the financial statements of the Company,
 - (ii) the compliance by the Company with legal and regulatory requirements in respect of financial disclosure,
 - (iii) the qualification, independence and performance of the Company's independent auditor,
 - (iv) the assessment, monitoring and management of the strategic, operational, reporting and compliance risks of the Company's business (the "**Risks**"), and
 - (v) the performance of the Company's Chief Financial Officer (the "**CFO**").
- (b) In addition, the Audit Committee provides an avenue for communication between the independent auditor, the Company's CFO and other financial senior management, other employees and the Board concerning accounting, auditing and Risk management matters.
- (c) The Audit Committee is directly responsible for the recommendation of the appointment and retention (and termination) and for the compensation and the oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between senior management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Company.
- (d) The Audit Committee is not responsible for:
 - (i) planning or conducting audits, or
 - (ii) certifying or determining the completeness or accuracy of the Company's financial statements or that those financial statements are in accordance with generally accepted accounting principles ("**GAAP**").
- (e) Each member of the Audit Committee shall be entitled to rely in good faith upon:
 - (i) financial statements of the Company represented to him or her by senior management of the Company or in a written report of the independent auditor to present fairly the financial position of the Company in accordance with GAAP, and
 - (ii) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

"Good faith reliance" means that the Audit Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by senior management or the expert is reasonable. Generally, good faith reliance does not require that the member question the honesty, competence and integrity of senior management or the expert unless there is a reason to doubt their honesty, competence and integrity.

- (f) The fundamental responsibility for the Company's financial statements and disclosure rests with senior management. It is not the duty of the Audit Committee to conduct investigations, to itself resolve disagreements (if any) between senior management and the independent auditor or to assure compliance with applicable legal and regulatory requirements.
- (g) In discharging its obligations under this Charter, the Audit Committee shall act in accordance with its fiduciary duties.

2. MEMBERSHIP

- (a) Members of the Audit Committee shall be appointed by the Board, on the recommendation of the Compensation and Corporate Governance Committee, and shall be made up of at least 3 members of the Board.
- (b) The appointment of members of the Audit Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Audit Committee is not so made, the directors who are then serving as members of the Audit Committee shall continue as members of the Audit Committee until their successors are appointed. The Board may appoint a member to fill a vacancy that occurs in the Audit Committee between annual elections of directors.
- (c) Any member of the Audit Committee may be removed from the Audit Committee by a resolution of the Board.
- (d) The Board shall appoint a chairman of the Audit Committee who shall be an independent non-executive director. In the absence of the chairman and/or an appointed deputy, the remaining members present shall elect one of the members present to chair the meeting.
- (e) Each of the members of the Audit Committee shall meet the Company's standards of Director Independence and shall be financially literate (or acquire that familiarity within a reasonable period after appointment) in accordance with applicable legislation and stock exchange requirements.
- (f) No member of the Audit Committee shall:
 - (i) accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries (other than remuneration for acting in his or her capacity as a director or committee member) or be an "affiliated person" of the Company or any of its subsidiaries, or
 - (ii) concurrently serve on the audit committee of more than three other public companies without the prior approval of the Audit Committee, the Compensation and Corporate Governance Committee and the Board and their determination that such simultaneous service would not impair the ability of the member to

effectively serve on the Audit Committee (which determination shall be disclosed in the Company's annual management information circular).

3. MEETINGS

- (a) The Company Secretary shall act as the Secretary of the Audit Committee.
- (b) The quorum necessary for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.
- (c) A duly convened meeting of the Audit Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Audit Committee.
- (d) The powers of the Audit Committee may be exercised at a meeting at which a quorum of the Audit Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Audit Committee.
- (e) Each member (including the Chair) is entitled to one (but only one) vote in Audit Committee proceedings.
- (f) The Audit Committee shall meet at least quarterly and more frequently as circumstances require at such times and places as the chairman of the Audit Committee may determine.
- (g) The Audit Committee shall meet separately, periodically, with senior management and the independent auditor and may request any member of the Company's senior management or the Company's outside counsel or independent auditor to attend meetings of the Audit Committee or with any members of, or advisors to, the Audit Committee. The Audit Committee will also meet in camera at each of its regularly scheduled meetings.
- (h) Meetings of the Audit Committee shall be summoned by the Secretary of the Audit Committee at the request of any of its members.
- (i) Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Audit Committee, any other person required to attend and all other non-executive directors, no fewer than 3 working days prior to the date of the meeting. Supporting papers shall be sent to the members of the Audit Committee and to other attendees as appropriate, at the same time.
- (j) The Secretary of the Audit Committee shall minute the proceedings and resolutions of all Audit Committee meetings, including the names of those present and in attendance.
- (k) Minutes of the Audit Committee meetings shall be circulated promptly to all members of the Audit Committee and, once agreed, to all members of the Board.
- (l) Except as otherwise provided in this Charter, the Audit Committee may form and delegate authority to individual members and subcommittees of the Audit Committee where the Audit Committee determines it is appropriate to do so.

4. RESPONSIBILITIES

- (a) **Independent Auditor** - The Audit Committee shall:
- (i) Recommend the appointment and the compensation of, and, if appropriate, the termination of the independent auditor, subject to such Board and shareholder approval as is required under applicable legislation and stock exchange requirements.
 - (ii) Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Audit Committee.
 - (iii) Oversee the work of the independent auditor, including the resolution of any disagreements between senior management and the independent auditor regarding financial reporting.
 - (iv) Pre-approve all audit and non-audit services (including any internal control-related services) provided by the independent auditor (subject to any restrictions on such non-audit services imposed by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators).
 - (v) Adopt such policies and procedures as it determines appropriate for the pre-approval of the retention of the independent auditor by the Company and any of its subsidiaries for any audit or non-audit services, including procedures for the delegation of authority to provide such approval to one or more members of the Audit Committee.
 - (vi) Review the experience and qualifications of the senior members of the independent auditor's team.
 - (vii) Obtain and review an annual report from the independent auditor regarding:
 - (A) The independent auditor's internal quality-control procedures;
 - (B) Any material issues raised by the most recent internal quality-control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm;
 - (C) Any steps taken to deal with any such issues; and
 - (D) All relationships between the independent auditor and the Company.
 - (viii) Evaluate, annually, the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
 - (ix) Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.

- (x) Confirm with the independent auditor that it is a participating audit firm of the Canadian Public Accountability Board in compliance with all restrictions or sanctions imposed on it (if any).
 - (xi) Provide notice to the independent auditor of every meeting of the Audit Committee.
 - (xii) Approve all engagements for accounting advice prepared to be provided by an accounting firm other than the independent auditor.
 - (xiii) Review quarterly reports from senior management on tax advisory services provided by accounting firms other than the independent auditor.
 - (xiv) Review expense reports of the Chairman of the Board and the Chief Executive Officer ("CEO").
- (b) **The Audit Process, Financial Statements and Related Disclosure** - The Audit Committee shall:
- (i) Meet with senior management and/or the independent auditor to review and discuss,
 - (A) the planning and staffing of the audit by the independent auditor,
 - (B) before public disclosure, the Company's annual audited financial statements and quarterly financial statements, the Company's accompanying disclosure of Management's Discussion and Analysis and earnings press releases and make recommendations to the Board as to their approval and dissemination of those statements and disclosure,
 - (C) financial information and earnings guidance provided to analysts and rating agencies: this review need not be done on a case by case basis but may be done generally (consisting of a discussion of the types of information disclosed and the types of presentations made) and need not take place in advance of the disclosure,
 - (D) any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Company's financial statements,
 - (E) all critical accounting policies and practices used,
 - (F) all alternative treatments of financial information within GAAP that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor,
 - (G) the use of "*pro forma*" or "adjusted" non-GAAP information,
 - (H) the effect of new regulatory and accounting pronouncements,

- (I) the effect of any material off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise) on the Company's financial statements,
 - (J) any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Audit Committee in connection with certification of forms by the CEO and/or the CFO for filing with applicable securities regulators, and
 - (K) the adequacy of the Company's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel (including any fraud involving an individual with a significant role in internal controls or management information systems) and any special steps adopted in light of any material control deficiencies.
- (ii) Review disclosure of financial information extracted or derived from the Company's financial statements.
 - (iii) Review with the independent auditor,
 - (A) the quality, as well as the acceptability of the accounting principles that have been applied,
 - (B) any problems or difficulties the independent auditor may have encountered during the provision of its audit services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with senior management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to senior management and the Company's response to that letter or communication, and
 - (C) any changes to the Company's significant auditing and accounting principles and practices suggested by the independent auditor or other members of senior management.
- (c) **Risks** - The Audit Committee shall:
- (i) Recommend to the Board for approval a policy that sets out the Risks philosophy of the Company and the expectations and accountabilities for identifying, assessing, monitoring and managing Risks (the "**ERM Policy**") that is developed and is to be implemented by senior management.
 - (ii) Meet with senior management to review and discuss senior management's timely identification of the most significant Risks, including those Risks related to or arising from the Company's weaknesses, threats to the Company's business and the assumptions underlying the Company's strategic plan ("**Principal Risks**").
 - (iii) Approve a formalized, disciplined and integrated enterprise risk management process (the "**ERM Process**") that is developed by senior management and, as appropriate, the Technical Committee, to monitor, manage and report Principal Risks.

- (iv) Recommend to the Board for approval policies (and changes thereto) setting out the framework within which each identified Principal Risks of the Company shall be managed.
 - (v) At least semi-annually, obtain from senior management and, as appropriate, the Technical Committee, a report specifying the management of the Principal Risks of the Company including compliance with the ERM Policy and other policies of the Company for the management of Principal Risks.
 - (vi) Review with senior management the Company's tolerance for financial Risk and senior management's assessment of the significant financial Risks facing the Company.
 - (vii) Discuss with senior management, at least annually, the guidelines and policies utilized by senior management with respect to financial Risk assessment and management, and the major financial Risk exposures and the procedures to monitor and control such exposures in order to assist the Audit Committee to assess the completeness, adequacy and appropriateness of financial Risk disclosure in Management's Discussion and Analysis and in the financial statements.
 - (viii) Review policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion.
 - (ix) Review the adequacy of insurance coverages maintained by the Company.
- (d) **Compliance** - The Audit Committee shall:
- (i) Obtain reports from senior management that the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics including disclosures of insider and affiliated party transactions and environmental protection laws and regulations.
 - (ii) Review with senior management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company's financial statements or accounting policies.
 - (iii) Review senior management's written representations to the independent auditor.
 - (iv) Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
 - (v) Review with the Company's CFO legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
 - (vi) Establish procedures for,

- (A) - the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and
 - (B) - the confidential, anonymous submission by employees of the Company with concerns regarding any accounting or auditing matters.
- (vii) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.
- (e) **Third Party Transactions** - The Audit Committee shall:
- (i) Review for fairness to the Company proposed transactions, contracts and other arrangements between the Company and its subsidiaries and any related party or affiliate, and make recommendations to the Board whether any such transactions, contracts and other arrangements should be approved or continued. The foregoing shall not include any compensation payable pursuant to any plan, program, contract or arrangement subject to the authority of the Company's Compensation and Corporate Governance Committee.

As used herein the term "related party" means any officer or director of the Company or any subsidiary, or any shareholder holding a greater than 10% direct or indirect financial or voting interest in the Company, and the term "affiliate" means any person, whether acting alone or in concert with others, that has the power to exercise a controlling influence over the Company and its subsidiaries.

- (f) **Delegation** - To avoid any confusion, the Audit Committee responsibilities identified above are the sole responsibility of the Audit Committee and may not be allocated by the Board to a different committee without revisions to this Charter.

5. REPORTING RESPONSIBILITIES

- (a) The Audit Committee shall report to the Board on a regular basis and, in any event, before the public disclosure by the Company of its quarterly and annual financial results.
- (b) The reports of the Audit Committee shall include any issues of which the Audit Committee is aware with respect to the quality or integrity of the Company's financial statements, its compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor and changes in Risks.
- (c) The Audit Committee also shall prepare, as required by applicable law, any audit committee report required for inclusion in the Company's publicly filed documents.

6. AUTHORITY

The Audit Committee is authorized to Retain (and authorize the payment by the Company of) and receive advice from special legal, accounting or other advisors as the Audit Committee determines to be necessary to permit it to carry out its duties.

7. ANNUAL EVALUATION

Annually, the Audit Committee shall, in a manner it determines to be appropriate:

- (a) Conduct a review and evaluation of the performance of the Audit Committee and its members, including the compliance of the Audit Committee with this Charter.
- (b) Review and assess the adequacy of this Charter and the position description for its committee chairman and recommend to the Board any improvements to this Charter or the position description that the Audit Committee determines to be appropriate, except for minor technical amendments to this Charter, authority for which is delegated to the Corporate Secretary, who will report any such amendments to the Board at its next regular meeting.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Richard Grayston and Keir Reynolds. Mr. Grayston is the Company's CEO and is therefore not independent. Mr. Reynolds is the Company's CFO and is therefore not independent. All of the current members are financially literate and have the ability to read and understand financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. "Independent" and "financially literate" have the meaning used in Multilateral Instrument 52-110 ("**MI 52-110**") of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

The Instrument provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

All of the members of the Company's audit committee are financially literate as that term is defined in the Instrument. All members have an understanding of the accounting principles used by the Issuer to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

The members of the Audit Committee have acted as directors or officers of the following public companies which has provided them with experience relevant to the performance of their responsibility as Audit Committee Members.

Richard Grayston

Since 1985, Mr. Grayston has been a self-employed business consultant with more than 28 years of experience in financial and economic consulting and public company management including preparation of valuations, feasibility studies, capital budgeting, financial reorganizations, profit improvement studies and business plans and going public and business brokerage which time Mr. Grayston has provided consulting services to oil and gas, mineral exploration, technology, manufacturing, retail and wholesale consumer business. Mr. Grayston received a Ph.D. in Finance and Economics from the University of Chicago in 1971, a MBA from the University of Chicago in 1969, a BA of Commerce from the University of British Columbia in 1966 and has been a certified general accountant since 1977.

Anita Algie

Ms. Algie has over 10 years of experience in management, listings, corporate structure and mergers and acquisitions for exploration and resource based public companies. Miss Algie has successfully completed three CPC Qualifying Transactions. She is currently also President & CEO of Unity Energy Corp., (TSXV.UTY) Aurgent Resource Corp. (TSXV.AUR) and Menika Mining Ltd. (TSXV.MML). She serves

as Corporate Secretary of Uranium Standard Resources Ltd. (TSXV.USR) and director of Avarone Metals Inc. (TSXV.AVM), Lions Gate Metals Inc. (C:LGM) and a number of private companies. Ms. Algie was formerly a director of Alderon Resource Corp. (TSXV.ADV), Aroway Minerals Inc. (TSXV.ARW), and August Metal Corp. (TSXV.AGP).

Samantha Stewart

Ms. Stewart graduated from Simon Fraser University with a bachelor's degree in arts and sciences in 2010, specializing in the field of communications. Ms. Stewart works with Adapt Management Ltd., providing corporate secretary and corporate communications services for various public companies. In addition to serving as CFO for Lions Gate Metals Inc. (C:LGM), she is also a director for Menika Mining Ltd. (TSXV.MML), as well as number of private mining exploration companies, and president of Urania Resource Corp., a mineral exploration service provider, focused on the Athabasca basin. Ms. Stewart was formerly a director of Titus Energy Corp. (TSXV.TIS).

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, De Visser Gray LLP, Chartered Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of MI 52-110, the Company has not relied on the exemptions contained in sections 2.4 or 8 of MI 52 110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of MI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of the Instrument, the engagement of non-audit services is considered by the Company's Board of Directors, and where applicable by the Audit Committee, on a case by case basis.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Company by the external auditor in each of the last two fiscal years are as follows:

	<u>FYE 2013</u>	<u>FYE 2012</u>
Audit fees for the year ended	2,000	1,250
Audit related fees	Nil	Nil
Tax fees ⁽¹⁾	500	Nil
All other fees (non-tax)	Nil	Nil

Total Fees:	2,500	1,250
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(1) These fees are for preparation and filing of the Company's tax return.

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of the Instrument.

SCHEDULE "B"
SPARX ENERGY CORP.
CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices the Company is required to and hereby discloses its corporate governance practices as follows.

ITEM 1. BOARD OF DIRECTORS

The Board of Directors of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Samantha Stewart, a director of the Company, is "independent" in that she is free from any direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of her independent judgment.

Anita Algie is the CFO of the Company and is therefore not independent.

Richard Grayston is the President, CEO and Corporate Secretary of the Company and is therefore not independent.

ITEM 2. DIRECTORSHIPS

The following directors of the Company are currently directors of the following other reporting issuers:

Name of Director	Name of Reporting Issuer
Richard W. Grayston	Linqster Technologies Inc. Glenmark Capital Corp. Anacott Resources Corp. Teldar Resources Corp. Xtra-Gold Resources Corp. Buccaneer Gold Corp. Logan Resources Ltd.
Anita Algie	Anacott Resources Corp. Teldar Resources Corp. Unity Energy Corp. Aurgent Resource Corp. Avarone Metals Inc. Lions Gate Metals Inc. Menika Mining Ltd

Name of Director	Name of Reporting Issuer
Samantha Stewart	Anacott Resources Corp. Teldar Resources Corp. Unity Energy Corp. Aurgent Resource Corp. Avarone Metals Inc. Menika Mining Ltd.

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

The Board of Directors of the Company briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

ITEM 4. ETHICAL BUSINESS CONDUCT

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

ITEM 6. COMPENSATION

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

ITEM 7. OTHER BOARD COMMITTEES

The Board of Directors has no other committees other than the Audit Committee and the Compensation and Corporate Governance Committee.

ITEM 8. ASSESSMENTS

The Board of Directors monitors the adequacy of information given to directors, communication between the board and management and the strategic direction and processes of the board and committees.