

ANNUAL INFORMATION FORM

AS AT FEBRUARY 28, 2008

CIC ENERGY CORP.

FOR THE YEAR ENDED NOVEMBER 30, 2007

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CURRENCY

Unless otherwise indicated, all dollar amounts in this annual information form are expressed in Canadian Dollars. In this annual information form, all references to “\$” are references to Canadian Dollars, all references to “US\$” are to United States Dollars, all references to ZAR are to South African Rands and all references to BWP are to Botswanan Pula.

FORWARD-LOOKING STATEMENTS

This annual information form contains certain “forward-looking statements”. All statements, other than statements of historical fact that address activities, events or developments that CIC Energy Corp. believes, expects or anticipates will or may occur in the future are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of CIC Energy Corp. based on information currently available to CIC Energy Corp. Such forward-looking statements include, among other things, statements relating to the Mmamabula Energy Complex (as defined herein) with respect to estimates and/or assumptions in respect of mineral resources, mineral resource qualities, targets, future production, goals, objectives, plans and future economic, market and other conditions. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on CIC Energy Corp. Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to: failure to complete a positive bankable feasibility study on the Mmamabula Energy Project (as defined herein); failure to complete, or delays in the completion of, positive feasibility and market studies on the CTH Project (as defined herein); failure to obtain a viable transportation solution to export coal and/or failure to enter into export coal purchase agreements; the grade, quality and recovery of coal which is mined varying from estimates (the mineral resource figures referred to in, or incorporated by reference into, this annual information form are estimates and no assurances can be given that the indicated levels of coal will be produced); inflation; changes in exchange rates; the ability to raise the required debt financing for the Mmamabula Energy Project; Rand liquidity and constraints under applicable South African law and/or practice on the amount that a single lender is able to lend to a single borrower; further delays in the development of the Mmamabula Energy Project caused by unavailability of equipment, labour or supplies, limited capacity among engineering, procurement and construction firms, climatic conditions or otherwise; insufficient transportation and transmission capacity; geological and mechanical conditions; delays or failures in obtaining regulatory permits and/or licences respecting mining, power generation and/or power transmission lines; the existence of undetected or unregistered interests or claims, whether in contract or tort, over the properties of CIC Energy Corp. and its subsidiaries and joint venture companies; availability of water; availability of sorbent at cost effective prices; inability to enter into power purchase agreements and/or transmission agreements with Eskom Holdings Limited and (to a lesser extent) Botswana Power Corporation or other requisite agreements, including preliminary and/or definitive fixed price contracts with reputable engineering, procurement and construction firm(s) and other agreements required to facilitate the development, operation and financing of the Mmamabula Energy Project, including with International Power plc, on favourable terms or at all; failure to raise additional funds (by way of debt or equity) on favourable terms to finance such development; inability to obtain tax concessions from the Government of Botswana and requisite credit support from the Government of South Africa and/or the Government of Botswana; failure to enter into technology and other agreements required to develop the CTH Project; the failure to receive final approvals for the amendments to Botswana statutes described herein; political risks arising from operating in Africa; the termination of the preliminary agreement with Sumitomo Corporation; the inability to enter into a definitive agreement with Sumitomo regarding its possible subscription for a 20% interest in Meepong Energy (Mauritius) (Pty) Limited; or other factors (including development and operating risks). Any forward-looking statement speaks only as of the date

on which it is made and, except as may be required by applicable securities laws, CIC Energy Corp. disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although CIC Energy Corp. believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

No assurances can be given that the levels of coal indicated by the current mineral resource estimates for the Mmamabula Energy Project will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While CIC Energy Corp. believes that the current mineral resource estimates for the Mmamabula Energy Project are well established, by their nature resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on CIC Energy Corp.

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration.

CORPORATE STRUCTURE

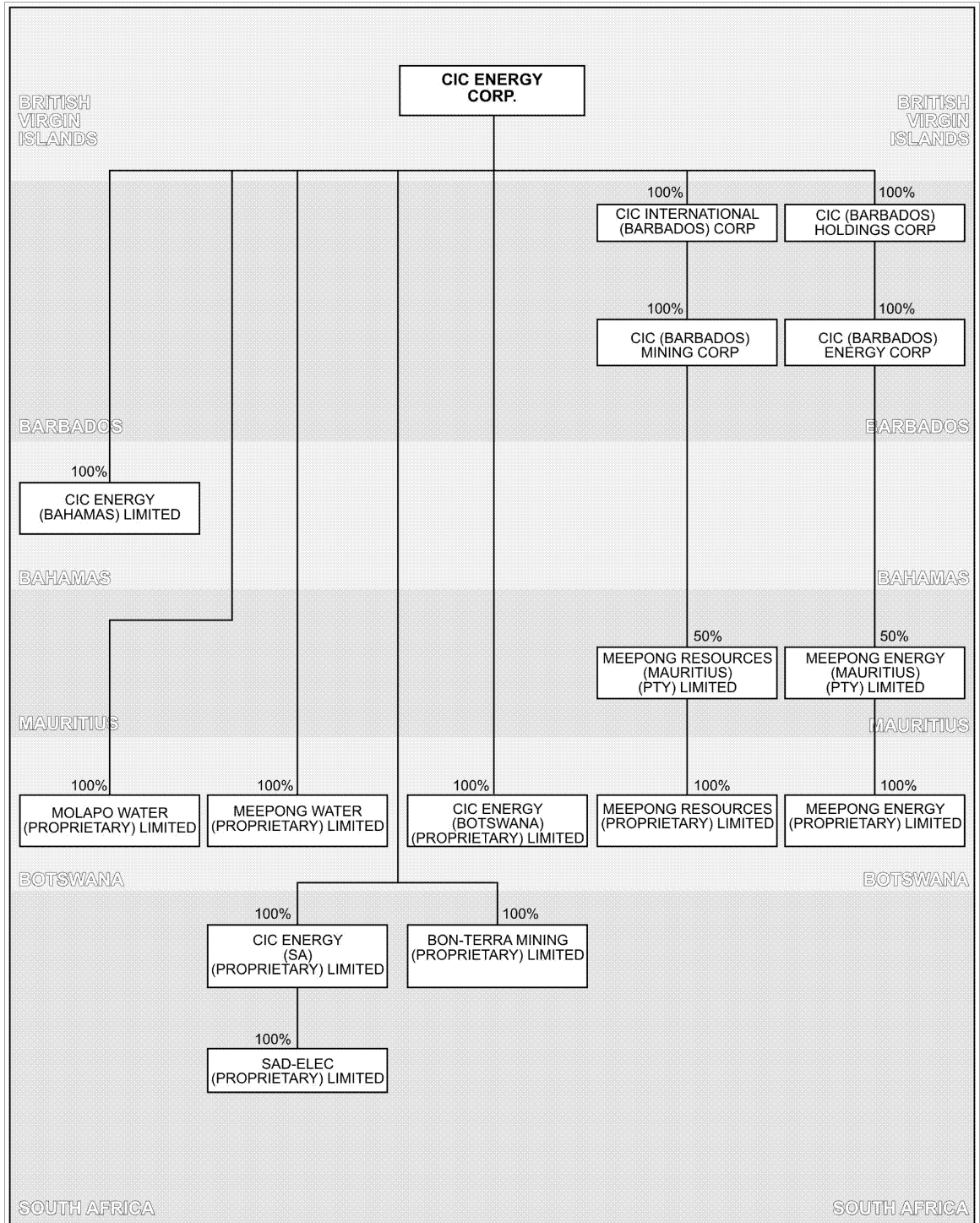
Name, Address and Incorporation

CIC Energy Corp. (“**CIC**” or the “**Corporation**”) was formed effective March 14, 2006 as a result of a merger (the “**Merger**”) between Consolidated Ophir Ventures Inc. (“**Ophir**”) and Coal Investment Corp. pursuant to a plan of consolidation under the *BVI Business Companies Act, 2004* (British Virgin Islands) (the “**BVI Act**”). Pursuant to the Merger, each issued and outstanding common share of Coal Investment Corp. and each issued and outstanding common share of Ophir was exchanged for one common share in the capital of CIC (each, a “**Common Share**”).

The registered office of CIC is located at Geneva Place, Second Floor, 333 Waterfront Drive, Wickham’s Cay, Road Town, Tortola, British Virgin Islands. The head office of CIC is located at Templeton Building, 2nd Floor, West Bay Street, Lyford Cay, P.O. Box SP-61041, Nassau, Bahamas. The address for service of CIC in Canada is c/o Tau Capital Corp., 110 Sheppard Avenue East, Suite 610, Toronto, Ontario, Canada, M2N 6Y8.

Intercorporate Relationships

The following diagram sets out all of the Corporation’s material subsidiaries and joint venture companies as at November 30, 2007, their jurisdictions of incorporation and the Corporation’s direct and indirect voting interest in each of the subsidiaries and joint venture companies.



CORPORATE STRUCTURE

as at 30 November 2007

GENERAL DEVELOPMENT OF THE BUSINESS

Introduction

CIC is the successor to the business of Coal Investment Corp., which was established to acquire, explore and operate two non-contiguous greenfields properties located in the Mmamabula coalfields in southeastern Botswana with the goal of supplying fuel to integrated, mine-mouth power stations supplying electricity to the southern African region. CIC is a single purpose company focused on the development and operation of the “**Mmamabula Energy Complex**”, which is comprised of the Mmamabula Energy Project, the Coal-to-Hydrocarbons (“**CTH**”) Project and export coal opportunities, of which the most advanced project is the Mmamabula Energy Project.

Three Year History

Ophir

Ophir, a predecessor of CIC, was incorporated under the laws of the Province of Alberta on March 28, 2005. On June 28, 2005, Ophir received an order from the Ontario Securities Commission deeming Ophir to be a reporting issuer in the Province of Ontario. This was the last step required to complete a series of transactions pursuant to which Authentex Software Limited Partnership (“**Authentex**”) was reorganized in corporate form. Pursuant to the reorganization transactions, Authentex subscribed for 42,570,065 common shares of Ophir, in consideration for all of the assets of Authentex, and a distribution was made by Authentex to its unitholders of all of such shares, resulting in the unitholders of Authentex receiving one common share of Ophir for each limited partnership unit of Authentex. Following the distribution, Authentex was liquidated and dissolved.

Effective December 2, 2005, the issued and outstanding common shares of Ophir were consolidated on the basis of one (1) post-consolidation common share for every fifty (50) issued and outstanding pre-consolidation common shares, such that upon completion of the consolidation there were 1,001,401 post-consolidation common shares issued and outstanding.

Effective March 14, 2006, Ophir and Coal Investment Corp. were consolidated under the BVI Act to form CIC.

Coal Investment Corp.

Coal Investment Corp., a predecessor of CIC, was incorporated by a memorandum and articles of association filed under the *International Business Companies Act* (British Virgin Islands) on March 10, 2005.

Effective December 16, 2005, Coal Investment Corp. subscribed for a 51% interest in Meepong Resources (Proprietary) Limited (“**Meepong Resources**”) after completion of the funding of US\$2 million for exploration and development of two prospecting licences, Mmamabula East (prospecting licence no. 11/2004) (“**Mmamabula East**”) and Mmamabula South (prospecting licence no. 75/2002) (“**Mmamabula South**” and together with Mmamabula East, the “**Mmamabula Coal Field**”) covering approximately 640 square kilometres of the Mmamabula coalfields in Botswana.

Effective January 3, 2006, the holder of the remaining interest in Meepong Resources exercised its right to sell its interest therein to Coal Investment Corp., and Coal Investment Corp. acquired the remaining

49% interest in Meepong Resources, in exchange, for 5,606,250 common shares of Coal Investment Corp. together with a cash consideration of US\$2 million.

Prior to the Merger, Coal Investment Corp. carried out various drilling and exploration programs to delineate coal mineral resources located in Mmamabula East and commenced integrated pre-feasibility studies on Mmamabula East covering: geology, resources and mining; and integrated mine-mouth power station; transmission integration solution; water resource and environmental impact evaluation; and regulatory assessment. Coal Investment Corp. retained an independent consulting firm to prepare a technical report on Mmamabula East which included a review of available information derived from its and previous exploration work on the property.

As described above, Coal Investment Corp. and Ophir were consolidated under the BVI Act, effective March 14, 2006, to form CIC.

CIC

Following the Merger, CIC completed various drill programs on Mmamabula East for the purposes of delineating additional coal resources and commenced the preparation of a bankable feasibility study (the “**BFS**”) which included resource modelling, mine planning, power station design, technology selection, water studies, sorbent studies, environmental and social impact assessments, infrastructure studies, transmission and integration studies and market and regulatory studies, with a view to confirming the capacity of the proposed power station and the feasibility of mining the Mmamabula Coal Field and constructing and operating two integrated, mine-mouth power stations with associated coal mines (the “**Mmamabula Energy Project**” or the “**MEP**”).

On May 16, 2006, CIC announced the signing of a Memorandum of Understanding between the Corporation, Meepong Resources and Eskom Holdings Limited (“**Eskom**”), South Africa’s state owned electricity utility, with regard to the Mmamabula Energy Project. The Memorandum of Understanding contemplates that the majority of the power generated by the Mmamabula Energy Project may be sold to Eskom under a power purchase agreement (a “**PPA**”) with an operating term of approximately 40 years, subject to various terms and conditions including, inter alia, any PPA with Botswana Power Corporation (“**BPC**”), the signing of an Inter-Governmental Memorandum of Understanding between South Africa and Botswana and an Inter-Utility Memorandum of Understanding between Eskom and BPC, and agreement with respect to the tariff to be charged, and the quality of the power to be delivered, by Meepong Energy (Proprietary) Limited (“**Meepong Energy**”). CIC and Eskom established a project steering committee and a formal negotiation process regarding the negotiation of the PPA and related transmission and operation agreements.

On August 18, 2006, an Inter-Governmental Memorandum of Understanding was signed between the Governments of the Republic of Botswana and the Republic of South Africa. The Inter-Governmental Memorandum of Understanding provides for the co-operation and facilitation by the respective governments in the development of the Mmamabula Energy Project to supply electricity to the Republic of Botswana, the Republic of South Africa and the Southern African Power Pool (“**SAPP**”), recognising the involvement of private third parties in realising the project development.

On September 12, 2006, CIC announced the signing of a Memorandum of Understanding between CIC, Meepong Energy and the Government of Botswana setting out the process and requirements for CIC to obtain an independent power producer (“**IPP**”) license, as well as confirming the parties’ intention to negotiate a comprehensive project development agreement framework to facilitate the realization and financing of the Mmamabula Energy Project.

In October 2006, CIC and International Power plc (“IPR”) entered into a heads of agreement in terms of which IPR agreed in principle to acquire a 50% interest in Meepong Energy and to co-develop, operate and maintain the power station, subject to various conditions being met and definitive agreements being executed. IPR is a U.K. company that is listed on the London Stock Exchange and one of the world’s largest independent power producers, with attributable ownership of 18,935 MW of net capacity.

In November 2006, BPC and Eskom executed an Inter-Utility Memorandum of Understanding regarding the realization of the proposed power station and the facilitation of its development and implementation.

At the end of November 2006, the original scope of the BFS, which envisaged a 12 million tonnes per annum (“Mtpa”) mine(s) and associated (6x600) 3,600MW power station was changed. It is now contemplated that the Mmamabula Energy Project will be developed in two phases (“**Phase One**” and “**Phase Two**”), each consisting of three (3) units of between 700 MW and 820 MW (net capacity), resulting in a total capacity for each phase of between 2,100 MW and 2,460 MW (net). This is equivalent to a coal consumption of between 7.5 Mtpa and 9.0 Mtpa (sales tonne) for each phase.

The majority of technical design work for the original BFS was completed by the end of 2006 and was adjusted during 2007 to reflect the phased approach and larger unit sizes. This work includes:

- Phase 2 and Phase 3 drilling and geological modelling and commencement of Phase 4 drilling at Mmamabula Coal Field;
- mine planning (currently based on underground bord and pillar mining with alternative long wall mining techniques, with consideration also being given to potential opencast operations);
- infrastructure studies (covering both mine, power station and general infrastructure required);
- groundwater studies and drilling and surface water studies;
- detailed financial analysis and modelling to demonstrate the financial viability and bankability of the overall Mmamabula Energy Project development; and
- comprehensive environmental impact assessments in accordance with Botswana law and best practice international standards.

In December 2006, CIC appointed a mining team with extensive experience in the construction and operation of large, underground coal mines utilizing continuous miners and other mining methods to manage the development of the coal mines located on the Mmamabula Coal Field. This team is employed by Bon-Terra Mining (Proprietary) Limited (“**Bon-Terra**”).

During 2007, after evaluating the costs and other commercial implications of using contractors for the Mmamabula Coal Field underground mining operations, the conclusion reached was that the mining operations should be managed and operated in-house by Bon-Terra, either directly or via an affiliated company. The Corporation will, however, consider the use of contract mining companies where appropriate on an ad-hoc basis.

Pursuant to a sale of business agreement made December 13, 2006 between Coal Investment Corp. Services (Pty) Limited (now CIC Energy (SA) (Pty) Ltd) and Southern African Development Through Electricity (Pty) Limited (“**SAD-ELEC**”), CIC Energy (SA) (Pty) Ltd agreed to purchase the consulting, advisory and management business of SAD-ELEC as at January 1, 2007. SAD-ELEC was a leading

consultancy group in the southern African energy sector, with extensive experience in providing energy-related advisory services to utilities, governments, major energy consumers, fuel suppliers and financiers. SAD-ELEC served as a strategic advisor to CIC since August, 2005, focusing on legal, regulatory and utility issues, power market analysis, commercial arrangements, and transmission integration for the Mmamabula Energy Project into the Botswana and South African power grids. The purchase price paid under such agreement was comprised of a cash payment of ZAR 6.5 million (approximately \$0.96 million as at November 30, 2007) and the issuance of 130,000 Common Shares and 100,000 Common Share purchase warrants. Each warrant entitles the holder to purchase one Common Share of CIC at \$11.00 until January 1, 2009.

In March 2007, CIC announced it had entered into a project development agreement with IPR (the “**PDA**”), subscription agreements and other related agreements with IPR. The PDA sets out the respective obligations of the parties in respect of Phase One of the Mmamabula Energy Project and provides for the establishment of an executive committee composed of representatives of both CIC and IPR. These agreements provide for the negotiation and execution of further agreements between the Corporation (and its affiliates) and IPR (and its affiliates) in order to achieve the closing of the project debt financing required to fund the construction of the Mmamabula Energy Project (“**Financial Close**”).

Pursuant to the PDA, during the term of the agreement and for a period of at least two years following termination of the PDA, IPR will be restricted from engaging in any power project located within Botswana or any coal-fired project, the feasibility of which is based on coal from the Mmamabula coalfields, subject to certain exclusions. The PDA is subject to termination in the event that certain share subscription and shareholder agreements concerning Phase One of the Mmamabula Energy Project terminate, or there is a material breach by a party’s obligations.

As part of these arrangements, an affiliate of IPR, Meepong Energy Holdings B.V., entered into a subscription agreement with CIC (Barbados) Energy Corp. and Meepong Energy (Mauritius) (Pty) Limited (“**Meepong Energy Mauritius**”) dated March 23, 2007 (the “**Powerco Subscription Agreement**”) to purchase an indirect 50% shareholding interest in Meepong Energy, which will hold the interests in the Phase One power station.

An affiliate of IPR, Meepong Resources Holdings B.V., entered into a subscription agreement with CIC (Barbados) Mining Corp. and Meepong Resources (Mauritius) (Pty) Limited (“**Meepong Resources Mauritius**”) dated March 23, 2007 (the “**Mineco Subscription Agreement**”) to purchase an indirect 50% shareholding interest Meepong Resources, which holds the Mmamabula East and Mmamabula South prospecting licences in the Mmamabula coalfields. The Mineco Subscription Agreement is terminable in certain circumstances and in such event, IPR may continue to be the co-developer of the power station project and not participate in the development of the Mmamabula Coal Field.

In June 2007, in accordance with the agreements entered into with IPR and/or affiliates of IPR in March 2007, including the PDA and the Mineco and Powerco Subscription Agreements (together, the “**March 2007 Agreements**”), in respect of the development of the Mmamabula Energy Project, affiliates of IPR subscribed for shares in each of Meepong Energy Mauritius and Meepong Resources Mauritius, with the result that each of these companies is indirectly 50% owned by IPR. Pursuant to the March 2007 agreements, the Corporation and IPR have agreed to negotiate and enter into one or more additional share subscription agreements prior to the Financial Close of the Mmamabula Energy Project’s debt funding. Such additional share subscription agreements will provide for the additional share subscription amounts to be paid by each of the parties in order to fund Phase One of the power station. In addition, the Corporation and IPR have agreed to negotiate a development fee agreement to be entered into by Meepong Resources and CIC or one of its affiliates in respect of the payment of a development fee in

relation to the development of the Mmamabula Coal Field (which will be in addition to any development fees payable by Meepong Energy in relation to the development of the power station). Pursuant to the terms thereof, in the event of the termination of the PDA and the Mineco and Powerco Subscription Agreements prior to the execution of the additional share subscription agreement(s), affiliates of CIC shall have the right to exercise a call option to purchase the shares of Meepong Energy Mauritius and Meepong Resources Mauritius from the applicable affiliates of IPR for nominal consideration.

In August 2007, CIC announced that the Corporation, along with its partner, IPR, had entered into a preliminary agreement with Sumitomo Corporation (“**Sumitomo**”) on the possible subscription of a 20% equity interest in Phase One of the Mmamabula Energy Project. Subject to a favourable outcome of its due diligence, Sumitomo has agreed to enter into good faith negotiations with CIC and IPR on the possible subscription of a 20% interest in Meepong Energy Mauritius. This agreement also provides the option for Sumitomo to take a 20% interest in Meepong Resources Mauritius. Should this occur, the balance of this holding company is expected to be held equally by CIC and IPR. Meepong Resources Mauritius is the joint venture company which will hold the assets related to the coal mine for Phase One of the Mmamabula Energy Project.

It is expected that definitive agreements between CIC and IPR will be finalized on or before Financial Close. Construction of the power station is scheduled to commence in the fourth quarter of calendar 2008 following Financial Close, the completion of all necessary agreements with Eskom, BPC, engineering, procurement and construction (“**EPC**”) firms and others and the receipt of all required governmental licences, consents, concessions and approvals, although certain preliminary works may be required to commence prior to such time.

CIC is actively exploring ways to maximize the value of the Company’s large coal resource. Consideration of a corporate reorganization to unlock the value of the CTH Project and export coal opportunities for shareholders may be contemplated during 2008, pending a positive outcome from feasibility studies on the CTH Project and/or export coal opportunities.

DESCRIPTION OF THE BUSINESS

General

CIC is a single purpose company focused on the development and operation of the Mmamabula Energy Complex which consists of the Mmamabula Energy Project, the most advanced project, the CTH Project and export coal opportunities. CIC together with IPR is currently completing the BFS for Phase One of the Mmamabula Energy Project, negotiating all agreements required to develop and operate the Mmamabula Energy Project as described above, conducting an EPC tender process for the power station and associated infrastructure, negotiating PPAs with Eskom and BPC and is seeking to obtain the debt financing required to construct the Phase One mine and power station and all related infrastructure.

The proposed power station site at the Mmamabula Energy Project is some 80km west of Eskom’s Matimba power station in South Africa and site access is in close proximity to road, rail and power. CIC aims to initially develop the Mmamabula Energy Project as a mine-mouth coal-fired power station in two phases, supplying Eskom and the southern African power grid in respect of Phase One (with Phase Two to follow if and when market conditions permit).

In addition, the Corporation is pursuing the CTH Project to potentially produce synthesis gas from coal which can be converted to a variety of downstream products including chemicals, gas and fuels. The Corporation is also exploring the potential for exporting coal from the Mmamabula Coal Field.

Mmamabula Energy Project Milestones

The following represents the major milestones in the Mmamabula Energy Project development cycle required to bring the project to commercialization.

Major Milestones Completed- Phase One MEP

- Phase 1 and 2 Drilling and Geological Modeling
- Preliminary Mining Plan
- Water Resource Study
- Environmental Impact Study
- Power Station Preliminary Feasibility Study
- Preliminary Financial Models
- Completion of Pre-Feasibility Study
- Memorandum of Understanding with Eskom
- Memorandum of Understanding with the Government of Botswana
- Environmental Approvals from the Government of Botswana
- Project Development Agreement with IPR
- Launch of EPC tender process
- Comprehensive Mine Plan
- Power Station Detailed Feasibility Study

Major Milestones to be Completed - Phase One MEP

- Phase 3 and 4 Drilling and Geological Modeling
- Botswana Implementation Agreement with the Government of Botswana
- Definitive Documents with equity partners
- Detailed Financing Plan
- Finalisation of Comprehensive Financial Model
- Bankable Feasibility Study
- Power Purchase Agreements
- Coal Supply Agreement
- Operating and Maintenance Contract

- Final Licences and Permits (including Mining and IPP)
- EPC Bid Evaluation and Contract
- Detailed Engineering
- Major Equipment Procurement Activity
- Financial Close
- Manufacture and Delivery of Plant and Equipment
- Construction of wellfield and associated infrastructure
- Construction of Mine and Power Station
- Start-up, Commissioning and Testing of First Unit
- Commercial Operations Date of First Unit
- Start-up, Commissioning, Testing and Commercial Operations for Units Two and Three

Specialized Skill and Knowledge

The following is a list of certain specialized skills and knowledge that are required for the development, financing and operation of the Mmamabula Energy Complex. Where such skills and knowledge are not available within CIC, specialized third party consultants have been, and may be, retained as required from time to time.

- Project management and development
- Project financing
- Legal and regulatory
- Mineral resources management
- Energy market and energy system operations
- Power station engineering, construction and operation
- Transmission system engineering and operations
- Mine development and operations
- Environmental and social analysis and management
- Water resources / hydrogeology
- Geology
- Engineering design and technical management for coal gasification and petrochemicals
- Coal transportation and marketing

Competitive Conditions

Due to the nature of the South African power market, the principal competitive risk that CIC faces prior to the execution of a definitive PPA with Eskom is Eskom deciding to build another new power station

rather than entering into a PPA with Meepong Energy. Eskom's current plans include the construction of two large new power stations (Medupi and Project Bravo) and the re-commissioning of several of its mothballed power stations. Once a definitive PPA between Eskom and Meepong Energy is entered into and becomes unconditional, Meepong Energy will not be in competition with other power producers with respect to sales to Eskom, as the PPA will be a long-term contract under which Eskom will be obligated to purchase a fixed amount of capacity at an agreed price (mainly linked to the plant being available for power dispatch).

Other emerging IPPs with coal resources have publicly expressed wishes to sign PPAs with Eskom. However none of these projects are at as advanced a stage of development as the Mmamabula Energy Project.

Environmental Protection

CIC and IPR are developing the Mmamabula Energy Project to meet local Botswana and South African environmental requirements, as well as best practice international requirements as contained in World Bank and International Finance Corporation guidelines and the Equator Principles adopted by leading global financing institutions.

As part of ensuring environmental compliance, the power station will be developed to meet stringent emission control requirements for SO_x and NO_x and to minimise overall water consumption.

To address the issue of sulphur content in the coal to be mined, a portion of the coal will first be washed in a dense media separation ("DMS") wash plant prior to being fed to the power station. During the second stage of sulphur removal, the flue gasses from the power station will be passed through a wet scrubber flue gas desulphurisation ("FGD") plant to ensure that sulphur emissions are further reduced to meet international standards. Emission control from the power station will also be implemented through use of electrostatic precipitators to limit particulate emissions. Furthermore, it is anticipated that the power station will be designed as a "zero discharge" plant with all wastewater being collected, cleaned and re-circulated for use in the various plant process and applications involved.

In order to comply with the relevant environmental requirements, the Mmamabula Energy Project will incur significant capital expenditure (including the costs of the DMS wash plant and the FGD plant) and significant related operating costs, with such estimates to be finalized as part of the BFS.

The environmental measures included in the project design have higher cost implications compared to alternative power stations being built and/or considered by the national power utilities in South Africa, Botswana and the rest of the Southern African Development Community region (consisting of Angola, Botswana, Democratic Republic of Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe). The cost of these measures, in particular the costs of the FGD, are recognised by Eskom and BPC as power off-takers and will be recovered through the electricity tariff to be charged under the PPAs envisaged to be signed.

Environmental and Social Policies

Environmental Impact (EIA) Assessment

Formal Environmental, Social and Health Impact Assessment (ESHIA) studies for the Mmamabula Energy Project were undertaken by Environmental Resources Management and Digby Wells and Associates. The studies for the proposed Phase One coal mine, power station, transmission lines and

certain related infrastructure were completed and approved by the Government of Botswana in 2007. These studies recommended measures that should be undertaken so that the Mmamabula Energy Project will comply with the highest local and international standards including: the Equator Principles; the relevant World Bank Guidelines contained in the Pollution Prevention and Abatement Handbook (Coal Mining and Production, Thermal Power Guidelines for New Plants, and Mining and Milling – Underground); and the relevant International Finance Corporation Guidelines (Electric Power Transmission and Distribution, Hazardous Materials Management, Life and Fire Security, Occupational Health and Safety, and Roads and Highways). Certain EIA studies have still to be completed related to groundwater wellfields and the transport corridor.

The outcome of the EIA studies have been used to compile all the management plans which will form the basis on which the Mmamabula Energy Project will be developed and operated with regards to the environment and the social aspects.

Community Liaison

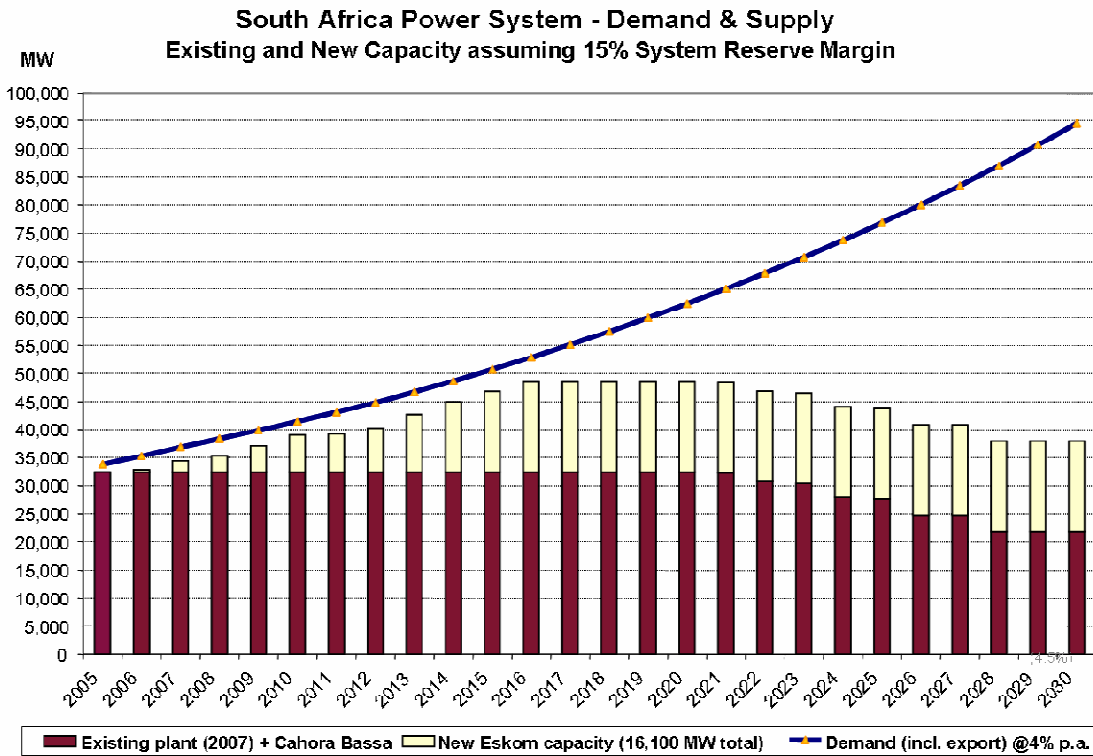
As part of CIC's commitment to develop the Mmamabula Energy Project in a socially responsible manner, formal engagement with the directly affected communities has been ongoing since the beginning of 2006. This process is managed by CIC and does not form part of the formal EIA process. Feedback is given and received through formal meetings held in the villages on a monthly basis. It is envisaged that these communication sessions will continue beyond the development of the Mmamabula Energy Project and for as long as deemed necessary.

Employees

As at November 30, 2007, CIC had 40 employees.

SOUTHERN AFRICAN ELECTRICITY SECTOR

The illustration below shows the expected development of power demand in South Africa over the period 2005 to 2030, as well as the existing and committed generating capacity available to serve this demand. It is apparent that substantial further investments in new generation capacity, over and above that which is already committed, will be required in the near term to address the widening supply deficit from around 2011 onwards.



MMAMABULA COAL FIELD

The summary section from the technical report regarding the Mmamabula Energy Project entitled “CIC Energy Corp.: Mmamabula Project, South-eastern Botswana, Project No. J912, National Instrument 43-101 Technical Report”, (the “**Technical Report**”) prepared by Snowden Mining Industry Consultants (Pty) Limited (“**Snowden**”) under the supervision of David J. Arnott, a “qualified person” under National Instrument 43-101 – *Standards of Disclosure for Mineral Projects (a “Qualified Person”)*, dated June 1, 2007, is reproduced in its entirety at Appendix “A” of this annual information form and the detailed disclosure in the Technical Report is incorporated by reference herein. The Technical Report is included on CIC’s SEDAR profile at www.sedar.com.

RISK FACTORS

The operations of CIC are high-risk due to the scope, nature and stage of development of the Mmamabula Energy Complex. The following risk factors could materially affect CIC's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to CIC. CIC may face additional risks and uncertainties other than those listed below, including, risks and uncertainties that are unknown to CIC or risks and uncertainties that CIC now believes to be unimportant, which could have a material adverse effect on the business of CIC. If any of the following risks actually occur, the business, financial condition and/or results of operations of CIC could be negatively affected.

Mmamabula Energy Project

CIC is currently engaged in the potential development of a substantial integrated mine-mouth coal-fired power station in two phases, the Mmamabula Energy Project. Due to its envisaged scale, the Mmamabula Energy Project is dependent on the ability of CIC to conclude its joint venture arrangements with IPR (which will be integral to negotiating and obtaining the requisite project funding, putting into place arrangements for the operation and maintenance of the power station and concluding a PPA with Eskom), to obtain the requisite project financing on favourable terms and on a timely basis, to conclude all other necessary agreements, to obtain all necessary licences, consents, approvals and concessions from the Government of Botswana, and, ultimately, to operate the mine and the power station in order to produce the electricity required to be delivered pursuant to the PPA with Eskom.

In addition, the success of the Mmamabula Energy Project will be dependent upon IPR (with respect to funding its portion of the equity investment and putting into place arrangements for the operation and maintenance of the power station), the EPC contractor (with respect to the construction of the power station) and the project lenders (with respect to the debt funding of the Mmamabula Energy Project). Any breach by any of such corporations of their obligations would adversely affect the successful development and operation of the Mmamabula Energy Project and, in turn, the business, financial condition and results of operations of CIC.

Eskom is the only potential power purchaser in the region with the capacity to purchase all of the power produced by the Mmamabula Energy Project. The inability to conclude, or the loss of, certain contracts could have a material adverse effect on CIC's business, financial condition and/or results of operations. The ability to secure such contracts in the first instance is beyond the control of CIC and, furthermore, due to the planned scale of operations, CIC, whether directly or indirectly, is dependent on Eskom for the conclusion of a PPA on favourable terms.

The ability to generate power and to sell the power to Eskom (and to a lesser extent BPC) is dependent on factors beyond the control of CIC, including, but not limited to, the volume of coal mined, the price and amount of power sold and the completion of the development of the Mmamabula Energy Project within budget and on schedule. Anything which adversely affects price and volume (of either coal or power) and the development of the Mmamabula Energy Project could adversely affect the business, financial condition or results of operations of CIC.

Single Purpose Company

As CIC's business is focussed solely on the development and operation of the Mmamabula Energy Complex, of which the Mmamabula Energy Project is the most advanced project, CIC will be principally dependent upon the operations of the Mmamabula Energy Project (including any expansions thereof) and,

assuming the successful deployment thereof, the CTH Project, coal export opportunities and other potential projects. CIC will have only a limited number of sources of operating profit (namely its share as an equity owner of the profits (if any) generated from the Mmamabula Energy Project, the CTH Project and the export coal business).

Need to Conclude Definitive Agreements

Although CIC has entered into a number of memoranda of understanding and heads of agreement concerning the development of the Mmamabula Energy Project (including a memorandum of understanding with Eskom and certain agreements with IPR and Sumitomo), if CIC fails to enter into all requisite definitive agreements (including all of the definitive agreements with IPR and Sumitomo), CIC may be unable to proceed with the development of the Mmamabula Energy Project.

Power Purchase Agreements

The power produced by the Mmamabula Energy Project will be sold predominantly to Eskom (and to a lesser extent, to BPC) under PPAs with an operating term of approximately 40 years. These contracts will be important to the stability and profitability of operations. The price of electricity under the PPAs is subject to negotiation with Eskom and BPC which will have due regard to the price of alternative competitive power supplies. The price and amount of capacity and energy that may be sold under a PPA is beyond the control of CIC, and a failure of the parties to the PPAs to perform in compliance with the terms of the PPAs would have a material adverse effect on CIC's business, financial condition and/or results of operations. The loss of the PPA with Eskom would have a material adverse effect on CIC's business, financial condition and/or results of operations. The ability to secure such PPAs in the first instance is beyond the control of CIC and, furthermore, due to the planned scale of operations, CIC, whether directly or indirectly, is dependent on Eskom for the conclusion of a PPA. Following the approval, if any, by Eskom of the PPA, Eskom will be required to obtain certain regulatory approvals, and no assurance can be given that such approvals will be obtained in a timely manner or at all. The failure to conclude a PPA with Eskom on favourable terms could result in the Mmamabula Energy Project being commercially unfeasible.

Credit support may be required from the Government of South Africa and the Government of Botswana in order to support the financial obligations of each of Eskom and BPC under their respective proposed PPAs with CIC. The inability to obtain such credit support could adversely affect the ability to secure funding for the Mmamabula Energy Project.

EPC Contracts

In order to obtain project financing, a fixed price EPC contract will be required to be entered into with a reputable firm. Due to increased worldwide demand for the construction of power plants and rising commodity prices, the EPC market is very competitive, the services of EPC contractors are in short supply, the costs of EPC services have been increasing substantially and the terms of such contracts have become less favourable to purchasers. As a result, CIC may not be able to conclude an EPC contract on terms favourable to it and/or acceptable to project lenders, on a timely basis or at all. In order to proceed with obtaining funding, CIC must negotiate the terms of such EPC contract in advance and it is likely that the fixed price thereunder will be guaranteed for a limited period of time and it is possible that a portion may be subject to some form of indexation or price adjustment. If CIC is unable to reach Financial Close within such period, the fixed price of such EPC contract may have to be re-negotiated, which would likely lead to delays and increased costs, which may, in turn, adversely affect the ability to proceed with the development of the Mmamabula Energy Project. Lack of capacity in the EPC market may also lead to

delays in the completion of contracts, the achievement of Financial Close and/or the commencement of commercial power production. In order to secure EPC services, CIC will also have to pay non-refundable deposits related to the reservation of manufacturing slots and associated engineering resources for delivery of long lead-time equipment such as boilers and turbines in advance of the signing of a definitive EPC contract. In the event that CIC is not able to reach Financial Close in the expected time frame, such deposits may be lost, which would have a negative impact on CIC's business, financial condition and/or results of operations. In order to secure the schedule for commercial operations of the power station desired by Eskom and BPC, CIC may have to incur costs for preparatory and early construction works, both to the EPC contractors and to third parties, which amounts would be incurred prior to the achievement of Financial Close. In the event that Financial Close for the Mmamabula Energy Project is not subsequently achieved, it may not be possible for CIC to recover such costs, which would have a negative impact on CIC's business, financial condition and/or results of operations.

CIC will also be required to procure significant mining and processing plant equipment for its mining operations, the pricing and availability of which is beyond the control of CIC and which is subject to similar market pricing and competitive pressures as the EPC market for power plants.

Governmental Concessions

In order to finalise the PPAs with Eskom and BPC and to obtain financing for the Mmamabula Energy Project, the parties have to reach agreement on, among other things, the applicable tariff, and certain concessions may need to be obtained from the Government of Botswana, including tax concessions and amendments to the country's Mines and Minerals Act such that the mining licences will terminate no earlier than the expiry of the PPAs. Amendments to the country's Electricity Supply Act are also necessary to create the legal framework for the existence of an IPP. In February 2008, these legislative changes were passed into law in Botswana. Subsequent repeal or replacement of these amendments with less favourable legislation, or failure to obtain reasonable tariffs and/or certain concessions, may have a material adverse impact on the viability and possible profitability of the Mmamabula Energy Project and on CIC's business, financial condition and/or results of operations.

Independent Power Producer Licence

The ownership and operation of the proposed power station is dependent on the ability of Meepong Energy to obtain an IPP Licence, which will be subject to the fulfillment of a number of conditions, including obtaining the necessary equity and debt financing for the power station, changes in regulations or relevant legislation and the discretion of government authorities. The inability to obtain an IPP Licence would have a material adverse effect on CIC's business, financial condition and/or results of operations. If such an IPP Licence is obtained, CIC's profits, if any, will be related to the price of electricity that is supplied to Eskom and BPC under PPAs. The price and amount of power that may be sold under these PPAs is currently under negotiation and, as such, is uncertain as at the date hereof.

Transmission, Integration and Southern African Grid

For the proposed electricity power station to deliver electric power, it will be necessary to construct and operate new power transmission lines to connect to the Eskom and BPC networks. No assurance can be given that the optimal power line routing can be established, or that it can be established without incurring excessive cost. CIC can also not guarantee that Eskom will be able to construct the necessary power transmission infrastructure in South Africa in time for the Mmamabula Energy Project to commence operations as envisaged. In addition, there is also a dispatch risk for the power that is generated, depending on the current status of the transmission network and other generation assets on the network.

Unavailability of transmission networks to evacuate the power produced by the power plant, as well as other disturbances on the interconnected networks in the Southern African Power Pool could reduce the amount of electricity sold and as such impact on CIC's business, financial condition and/or results of operations.

Obtaining the permits to construct and operate transmission lines required to connect to the Southern African Grid network is outside the control of CIC. In addition, the granting of the required approvals and licences is subject to a satisfactory outcome of the environmental and social impact assessment process. In December 2007, CIC received environmental approval on all planned transmission lines in Botswana from the Government of Botswana. However, any delay in obtaining permits could postpone the scheduled date of commencement of power generation, which could have a material adverse effect on CIC's business, financial condition and/or results of operations.

The power required to commission the power station may not be available on a timely basis and may result in delays in the commencement of commercial operations, due to the limited excess power available in the South African Power Pool.

In addition, further expansion to the South African and Botswana transmission grid will be required to exploit the Mmamabula Energy Project's coal resources. Further expansion to the South African transmission grid would be the responsibility of Eskom.

Additional Capital

The development of the Mmamabula Energy Complex, including the construction of mining facilities, the commencement of mining operations, the construction of power generation facilities and power transmission and integration infrastructure and the commencement of power production activities, will require substantial additional financing. There can be no assurance that financing for the Corporation's projects will be available or, if available, will be available on favourable terms or in a timely manner. Failure to obtain sufficient financing when needed will result in a delay or indefinite postponement of development or production on the Corporation's projects and will have a material adverse effect on CIC's business, financial condition and results of operations. The only current source of funds available to CIC is through the issuance of equity or debt, the monetisation of any future development fee that CIC is or may become entitled to, or the entering into of joint venture agreements (such as those entered into with IPR).

Limited Recourse Project Finance

CIC intends to finance its projects (including the Mmamabula Energy Project) on the basis of limited recourse project finance. Consistent with international practice for limited recourse project finance, CIC may be required to pledge all (or substantially all) of its ownership interest in each project (including the Mmamabula Energy Project) to the financial institutions providing such limited recourse project finance for such project as security for the repayment of the funds provided by such financial institutions. In the event that the primary obligor under the financing agreements for each project (including the Mmamabula Energy Project) fails to comply with its obligations under such financing agreements, such financial institutions may exercise contractual rights to enforce their security interest over CIC's ownership interest in the relevant project (including the Mmamabula Energy Project), which may result in CIC losing all or part of its investment in the relevant project.

Currency and Inflation Risks

The Mmamabula Energy Project is expected to receive revenue in South African Rand, while a material portion of the operating expenses and a material portion of the ongoing capital equipment replacement costs are expected to be incurred predominantly in other foreign currencies. Accordingly, foreign currency fluctuations may adversely affect the performance of the Mmamabula Energy Project, and consequently CIC's business, financial condition and/or results of operations. CIC does not currently engage in foreign currency hedging activities for operational purposes or otherwise. It is possible that significantly higher inflation in the future in Botswana, without a concurrent devaluation of the Pula against the South African Rand, and/or the devaluation of the South African Rand against foreign currencies could have a material adverse effect upon the Mmamabula Energy Project, and therefore, on CIC's business, financial condition and/or results of operations.

Due to South African statutory limits and banking practices which limit the amount that a single lender is able to lend to a single borrower as well as the fact that the Rand market is more limited and less liquid than other "hard currency" markets, including the US\$ market, there is a risk that sufficient Rand to finance the Mmamabula Energy Project and other projects may not be available. In addition, increases in South African interest rates may increase the cost of Rand based project debt funding and adversely impact the Mmamabula Energy Project, and therefore, CIC's business, financial condition and/or results of operations.

Sufficient Water Supply

Coal mining, coal processing and power production activities of the scale envisaged by CIC can be demanding on water resources. Any limitations or restrictions on the availability of sufficient water could have a material adverse impact on CIC. The Kalahari Desert spans much of the southwest portion of Botswana to the Okavango Delta in the northwest, an extensive swampland. The country also suffers from periodic droughts. The Mmamabula Energy Project is located in southeastern Botswana, a semi-arid area with limited surface water. Various possibilities and alternatives for water supply exist which are the subject of a comprehensive water and environmental study forming part of the BFS. While the Corporation's water exploration program has identified a significant groundwater resource and while the Corporation was granted groundwater abstraction rights from the Water Apportionment Board in Botswana in September 2007, there can be no assurance that a sufficient supply of water to sustain the operations of the Mmamabula Energy Project will be available. Obtaining permits to access underground water and or surface water resources are outside of the control of CIC and no assurance can be given that these will be obtained. Limitation of water supply would also dictate the technology in the power station design and hence affect the overall cost of the Mmamabula Energy Project.

Nature of Mining Projects

Substantial expenditures are required to establish proven and probable reserves through additional drilling, to determine the optimal extraction method for the coal seams and the beneficiation process needed to achieve the requisite coal quality and to construct mining and processing facilities. There is no assurance that the BFS will be positive and support a decision to develop the Mmamabula Energy Project.

Development projects have no operating history upon which to base estimates of future cash operating costs. Particularly for development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies which derive estimates of cash operating costs based upon anticipated tonnage and grades of coal to be mined and processed, ground conditions, the configuration of

the coal seams, expected recovery rates of coal from the seams, estimated operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns will differ significantly from those estimated for a project prior to production. New mining operations may experience unexpected problems during the start-up phase and delays in the commencement of production can occur.

Development and Production Risks

Coal mining operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of CIC depends on its ability to develop and commercially produce coal from the Mmamabula Coal Field.

Establishment of a coal reserve and development of a coal mine does not assure a profit on the investment or recovery of costs. In addition, geological complexity, mining hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from a mine. These conditions include delays in obtaining governmental approvals, licences or consents, insufficient transportation capacity or other geological, engineering and mechanical conditions. While diligent mine supervision and effective maintenance operations can contribute to maximising production rates over time, production delays from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

While CIC intends to hold an equity interest in the projects it develops, CIC may not be in full control of all aspects related to development of such projects including the terms of capital and operating costs. These factors may impact on CIC's financial performance.

There is also a dispatch risk for the power that is generated, depending on the current status of the transmission network and other generation assets on the network. Unavailability of BPC and Eskom transmission networks to evacuate the power produced by the power station, as well as other disturbances on the interconnected networks in the Southern African Power Pool could reduce the amount of electricity sold and as such impact on the business, financial condition and/or results of operations of CIC.

There may be a higher than normal risk of operational problems being experienced, resulting from inexperience of plant management, operating and maintenance staff should suitably trained personnel resources not be readily available in Botswana or not otherwise easily employed from within the southern African region. This situation could also be impacted by delays in issuing of necessary work and other labour permits to allow expatriate expertise to be utilized to the extent necessary.

Government Regulation of the Mining Industry

The burning of coal results in the production of various combustion products including sulphur oxides, nitrous oxides and carbon dioxide. Public and government concern over the addition of these materials to the atmosphere may restrict the burning of coal or may cause coal consumers to control the emission of these compounds through investments in control technologies. Many countries are party to the International Convention on Climate Change and have announced their intention to reduce overall greenhouse gas emission. The carrying out of these intentions could reduce sales volumes or realized prices or result in higher capital expenditure.

Existing and possible future environmental and social impact legislation, regulations and actions, including the regulation of air and water quality, mining reclamation, solid and hazardous waste handling and disposal, the promotion of occupational health and safety, the protection of wildlife and ecological

systems and the protection of the societies and communities of indigenous peoples, could cause significant expense, capital expenditures, restrictions and delays in CIC's activities, the extent of which cannot be predicted and which may well be beyond its capacity to fund. Environmental laws are becoming more actively enforced. Environmental and social impact studies may be required for some operations, and significant fines and clean-up responsibilities may be imposed for companies causing damage to the environment in the course of their activities.

Insurance and Uninsured Risks

Coal exploration and mining involves a high degree of risk. The amounts attributed to CIC's interest in its properties reflected in its financial statements represent acquisition and exploration and development expenses and should not be taken to represent realizable value. Hazards such as unusual or unexpected mining conditions are involved.

The Mmamabula Energy Project will be subject to a number of risks and hazards, generally, including adverse environmental and climatic conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory regime, natural phenomena, flooding, delays or failures in obtaining required licences, permits and authorizations, supplies, machinery, equipment or labour and other risks typically associated with mine development and operations. Unknown factors with respect to mining conditions and power generation activities are also involved. Existing and future environmental laws may cause significant additional expenses, capital expenditures, restrictions and delays in the development and operation of the Mmamabula Energy Project, the extent of which cannot be predicted and which may well be beyond CIC's capacity to fund. Environmental and social impact studies may also be required for some operations, and significant fines and clean-up responsibilities may be assessed for companies causing damage to the environment in the course of their activities.

Although CIC maintains liability insurance in an amount that it considers consistent with industry practice for a company in the development stage, the nature of these risks is such that liabilities could exceed policy limits, in which event CIC could incur significant costs that could have a material adverse effect upon its financial condition. Coal mining operations are also subject to all the risks typically associated with such operations, including encountering unexpected mining conditions, pit wall slides and pit flooding. Losses resulting from the occurrence of any of these risks could have a material adverse effect on CIC's future results of operations, liquidity and financial condition.

The Mmamabula Energy Project will require significant additional insurance to be obtained to cover construction and operating risks, as applicable. There can be no assurance that such insurance will be available or that the terms and costs of such insurance will not adversely affect the profitability of the Mmamabula Energy Project and, therefore, CIC's business, financial condition and/or results of operations.

Mineral Rights

CIC's business plans depend on its ability to hold various mineral rights which requires certain licences, permits and authorisations and, in some cases, renewals of existing licences, permits and authorisations from various governmental and quasi-governmental authorities. CIC's ability to obtain, sustain or renew such licences, permits and authorisations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental and quasi-governmental bodies. No assurance can be given that CIC's properties are not subject to undetected or unregistered interests or

claims, whether in contract or tort, which could be material and adverse to it. Additionally, the Mmamabula Energy Complex will have significant abandonment and site restoration obligations.

Changes in Legislation

There can be no assurance that income tax laws, royalty regulation and governmental programs relating to the mining and power and other relevant industries in Botswana will not be changed in a manner which adversely affects CIC.

Government Regulation of the Power Industry

Realization of the Mmamabula Coal Field will depend largely on the successful and timely realization of the Mmamabula Energy Project. To this extent it is noted that Botswana has no tradition with large scale private sector projects in the power industry, creating uncertainty about CIC's ability to ensure the timely realization of the Mmamabula Energy Project to monetize a substantial portion of CIC's coal properties. The situation is further characterized by a legal framework built around a vertically integrated public utility with no existing regulatory framework or independent regulatory agency. Regulation of the power industry is by Government with substantive powers vested in the Minister of Minerals, Energy and Water Resources. The application of the underdeveloped regulatory framework and/or uncertainties related to possible future regulatory system during the course of implementing the Mmamabula Energy Project could adversely affect the timeframes, operations and financial results of the Mmamabula Energy Project, which in turn may have negative impact on CIC's business, financial condition and/or results of operations.

United Nations Framework Convention on Climate Change and Kyoto Implementation

Botswana has not introduced comprehensive regulations addressing greenhouse gas emissions, including emission targets for specific industrial sectors, although as a signatory to the Kyoto Protocol it will be obliged to do so in due course. The Kyoto Protocol is an international agreement which sets limits on greenhouse gas emissions from certain signatory countries. The primary source of greenhouse gas emissions is the use of hydrocarbon energy. The operations of CIC will depend significantly on hydrocarbon energy sources to conduct daily operations, and there are currently no economic substitutes for these forms of energy. The Government of Botswana has not finalized any formal regulatory programs to control greenhouse gases, and it is not yet possible to reasonably estimate the nature, extent, timing and cost of any programs contemplated or their potential effects on the operations of CIC. However, the broad adoption of emission limitations or other regulatory efforts to control greenhouse gas emissions may affect the demand for coal as well as increase production costs. The Mmamabula Energy Project is being designed and costed as though the Kyoto Protocol is already in effect.

Import Risks

Any undue regulatory burden in the future in the form of special duties for importation of mining, power station or related equipment could impact on the costs of construction, or on the cost of maintenance once the mine and the power station are in operation. This may have a negative impact on CIC's business, financial condition and/or results of operations.

Environmental

All phases of the coal mining and power production business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of local laws and regulations. Environmental

legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with coal mining and power station operations. Certain legislation also requires that mines and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require CIC to incur costs to remedy such discharge.

Sulphur content must be reduced in accordance with World Bank emission standards. The inability to secure sorbent in sufficient quantities and/or at cost effective prices may have a negative impact on the Mmamabula Energy Project and other projects and consequently on CIC's business, financial condition and/or results of operations.

Although CIC believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect CIC's business, financial condition and/or results of operations.

Government approvals and permits are currently, or may in the future be, required in connection with CIC's operations. To the extent such approvals are required and not obtained, CIC may be curtailed or prohibited from proceeding with the development of the Mmamabula Energy Complex.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations, including CIC, may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on CIC and cause increases in exploration expenses, capital expenditures or production costs, reduction in levels of coal production, or abandonment or delays in the development of the Mmamabula Energy Complex.

A number of international financial institutions are signatories to the Equator Principles and will only finance projects that satisfy the social and environmental requirements set out in the Equator Principles. This will impose further responsibilities on the Mmamabula Energy Complex over and above Botswana Government legislation.

Infrastructure

Power production, power transmission and integration, mining, processing and development activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect CIC's business, financial condition and/or results of operations.

Reliance on Key Personnel

CIC is dependent on the services of key executives, including certain of its directors and a small number of highly skilled and experienced consultants. Due to the relatively small size of CIC, the loss of these persons or CIC's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. Certain of the officers and directors of CIC will only devote a portion of their time to the business and affairs of CIC.

Risks in Dealing with HIV/AIDS

The per capita incidence of the HIV/AIDS virus in Botswana has been estimated as being one of the highest in the world, according to public sources. As such, HIV/AIDS remains the major healthcare challenge faced by Botswana and CIC's operations in the country. If the number of new HIV/AIDS infections in Botswana continues to increase and if the Botswana government imposes more stringent obligations on employers related to HIV/AIDS prevention and treatment, CIC's operations in Botswana and profitability could be adversely affected.

Risks Associated with Limited Operating History

CIC has a limited operating history from which its business and prospects can be evaluated. As a result, forecasts of any potential growth of the business of CIC are difficult to evaluate. CIC's business and prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development.

Market Price of Common Shares

Securities of mineral development and energy companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to CIC's performance that may have an effect on the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning CIC's business may be limited if investment banks with research capabilities do not follow CIC's securities; lessening in trading volume and general market interest in CIC's securities may affect an investor's ability to trade significant numbers of Common Shares; the size of CIC's public float may limit the ability of some institutions to invest in CIC's securities; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause CIC's securities to be delisted from such exchange, further reducing market liquidity.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect CIC's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. CIC may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Foreign Operations

CIC's operations are currently conducted in foreign countries including Botswana and, as such, CIC's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour

unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, and changing political conditions. In addition, currency controls and governmental regulations may favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining, energy (or electricity) or investment policies or shifts in political attitude in Botswana may adversely affect CIC's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims by local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, as well as power generation, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on CIC's business, financial condition and/or results of operations.

Obtaining sufficient labour of the appropriate skills level may be a challenge for both the mines and the power stations. This may result in increased costs to train staff to the appropriate level of competence and may result in a lower availability of the mines or the power stations due to inexperienced operators. The costs of training and importing skills in the first few years of operations may be higher.

Foreign Subsidiaries and Joint Venture Companies

CIC is a foreign corporation and conducts operations through foreign subsidiaries and joint venture companies, and substantially all of its assets are held in such entities. Accordingly any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict CIC's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist in the future, could have an adverse impact upon CIC's valuation.

CTH Project and Export Coal Opportunities

Failure to complete, or delays in the completion of, positive feasibility and market studies, joint venture partnerships and other agreements related to the CTH Project, failure to obtain a viable transportation solution to export coal and/or failure to enter into local or export coal purchase agreements could have a negative impact on CIC's business, financial condition and/or results of operations.

DIVIDENDS

There are no restrictions in CIC's memorandum or articles of association that would restrict or prevent it from paying dividends. However, it is not contemplated that any dividends will be paid on any of CIC's common shares in the foreseeable future, as it is anticipated that all available funds will be reinvested to finance the growth of the business. Any future determination to pay dividends will be at the discretion of the Board and will depend upon earnings, financial requirements and such other factors as the Board considers relevant at such time.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

CIC is authorized to issue a maximum of 100,000,000,000 common shares of no par value of a single class (as defined above, each, a “**Common Share**”). As at February 28, 2008, there were 53,705,019 Common Shares issued and outstanding, each carrying the right to one vote.

The Common Shares commenced trading on the Toronto Stock Exchange (“**TSX**”) on March 23, 2006 under the symbol “**ELC**” and were listed on the Botswana Stock Exchange (“**BSE**”) under the name “**CIC ENERGY**” on June 5, 2006.

Common Shares

All of the Corporation’s issued Common Shares are fully paid up. The Common Shares are freely transferable, save where their transfer is restricted pursuant to the Corporation’s articles of association or by securities laws. In the event of liquidation, dissolution, winding up or other distribution of the Corporation’s assets, the holders of Common Shares are entitled to receive pro-rata the remaining assets of the Corporation. Distributions may be paid to shareholders, as and when validly authorised by the Board and declared out of profits available for the purpose. The holders of Common Shares are entitled to receive notice of, to attend and to vote at all general meetings of the Corporation. If at any time the share capital of the Corporation is divided into different classes of shares, the rights attaching to the Common Shares may only be modified, varied or abrogated with the consent in writing of the holders of three fourths of the issued Common Shares or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such Common Shares.

Options and Warrants

As at February 28, 2008, options to purchase an aggregate of 4,563,000 Common Shares under the Corporation’s stock option plan were issued and outstanding.

As at February 28, 2008, there were Common Share purchase warrants issued and outstanding to purchase an aggregate of 2,238,991 Common Shares.

MARKET FOR SECURITIES

Price Range and Trading Volume

CIC's Common Shares are listed and posted for trading on the TSX under the symbol "ELC". The following table sets forth information relating to the trading of the Common Shares on the TSX for the periods indicated.

Period	High	Low	Volume
	(\$)	(\$)	
November 2007	15.24	11.50	2,381,670
October 2007	16.00	13.50	1,573,051
September 2007	16.40	15.00	1,132,473
August 2007.....	17.50	14.06	1,052,754
July 2007	18.90	16.50	746,812
June 2007.....	17.00	14.80	1,513,529
May 2007.....	15.20	14.30	1,167,523
April 2007.....	15.60	14.00	1,156,585
March 2007.....	15.50	14.50	1,218,293
February 2007.....	16.95	13.81	1,353,721
January 2007.....	14.50	13.28	1,374,817
December 2006.....	14.15	10.82	2,611,929

ESCROWED SECURITIES

As at the date of this annual information form, to the knowledge of the directors and officers of the CIC, none of the outstanding securities of the Corporation are held in escrow.

DIRECTORS AND OFFICERS

The following table sets forth the name and municipality of residence of each director and executive officer of CIC as well as such individual's position with CIC, principal occupation within the five preceding years and period of service as a director (if applicable). Each director will hold office until the next annual meeting of shareholders of CIC and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

Name, Municipality of Residence and Current Position(s) with CIC	Principal Occupation (Past Five Years)	Director Since
Sandra S. Cowan ⁽¹⁾⁽²⁾ Toronto (Ontario), Canada Director	Executive Vice President, Partner and General Counsel, EdgeStone Capital Partners (merchant bank), 2002 to present	March 14, 2006
Mandla Sizwe V. Gantsho Sandhurst, South Africa Director	Vice President, Operations, Infrastructure, Private Sector and Regional Integration, African Development Bank Group, July 2006 to present; Managing Director and CEO, Development Bank of Southern Africa, 2001 to 2006; CFO, Development Bank of South Africa, from 1995 to 2000	March 14, 2006
Tore Horvei Johannesburg, South Africa Chief Operating Officer	COO, CIC, January 2007 to present; CEO of Southern African Development Through Electricity (Pty) Ltd. (energy consultants), 1995 to 2006	Not Applicable
Reuel J. Khoza Gauteng, South Africa Co-Chairman and a Director	Chairman, AKA Capital (Pty) Limited (investment company), 2001 to present; Chairman, CNI (Pty) Ltd., 1996 to 2001; Chairman, Eskom Holdings Limited, 1997 to 2005; Chairman, Nedbank Group, November 2005 to present	March 14, 2006
Gregory S. Kinross Johannesburg, South Africa, President and a Director	President of CIC from November 2007 to present; President & CEO of CIC, 2006 to November 2007; President & CEO of Tau Capital Corp. (investment and management services company) from November 2007 to present; Executive Vice-President Business Development, Tau Capital Corp., 2005 to November 2007; Private Equity, Self-Employed 1998 to 2004	March 14, 2006
Deenadayalen (Len) Konar ⁽¹⁾ Johannesburg, South Africa Director	Chartered Accountant and Consultant, Self-Employed, 1998 to present; Executive Director, Independent Development Trust, 1992 to 1998	March 14, 2006
Blackie Marole ⁽²⁾ Gaborone, Botswana Director	Managing Director, Debswana Diamond Company (Pty) Ltd. (diamond producer) 2004 to Present; Manager, De Beers Centenary AG (diamond producer), 1983 to 2004	March 14, 2006

Name, Municipality of Residence and Current Position(s) with CIC	Principal Occupation (Past Five Years)	Director Since
Edward Adrian Meyer ⁽¹⁾ Upton, Barbados Director	Principal and Director, Cidel Bank & Trust Inc. 1998 to present	May 28, 2007
Sue M. J. Myburgh ⁽³⁾ Johannesburg, South Africa Chief Financial Officer	CFO, CIC, 2006 to February 2008; Financial Director of CIC Energy (SA) (Proprietary) Limited, February 2008 to present; Chief Financial Officer, AfriOre Limited (mineral exploration and development) September 2004 to January 2007; prior to that Financial Manager of AfriOre Limited	Not Applicable
Warren E. Newfield Thornhill (Ontario), Canada Co-Chairman, Chief Executive Officer and a Director	Co-Chairman, CIC, 2006 to present and also Chief Executive Officer of CIC from November 2007 to present; Chairman of Tau Capital Corp. (investment and management services company) from November 2007 to present; President and CEO, Tau Capital Corp., 2000 to November 2007; President and CEO, AfriOre Limited (mineral exploration and development), 2005 to January 2007	March 14, 2006

Notes:

1. Member of the audit committee.
2. Member of the corporate governance and compensation committee.
3. Effective February 1, 2008, Ms. Myburgh resigned as Chief Financial Officer of CIC and Mr. Craig McLeary was appointed as the new Chief Financial Officer of CIC. Ms. Myburgh is now the Financial Director of CIC's South African subsidiary, CIC Energy (SA) (Proprietary) Limited.

As of February 28, 2008, the directors and executive officers of the Corporation as a group beneficially own, directly and indirectly, or exercise control or direction over, 3,635,783 Common Shares, representing 6.8% of the issued and outstanding Common Shares.

Corporate Cease Trade Orders or Bankruptcies

No director or executive officer of the Corporation, is, or within the ten years prior to the date hereof, has been a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemptions under securities legislation for a period of more than 30 consecutive days:

- while such director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the company being the subject of such order; or
- that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer in the company being the subject of such order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of the subject company.

No director or executive officer, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, is or within ten years prior to the date hereof, has been a director or executive officer of any 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.

Penalties or Sanctions

No director or executive officer of the Corporation, and no shareholder holding a sufficient number of securities of CIC to affect materially the control of the Corporation, 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 be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director or executive officer of the Corporation, and no shareholder holding a sufficient number of securities of the Corporation to affect materially the control of CIC, nor any personal holding company of any such person, has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

Conflicts of Interest

The directors of CIC have a fiduciary duty to act honestly and in good faith with a view to the best interests of CIC. Subject to any limitations imposed by statute or the articles of association of CIC, no agreement or transaction would be void or voidable only because it was made between CIC and one or more of its directors or by reason that such director was present at the meeting of directors that approved such agreement or transaction or that the vote or consent of the director is counted for the approval of such agreement or transaction. Save as set out in the articles of association of CIC, a director is not entitled to vote in respect of any contract, arrangement, transaction or any other proposal in which he has an interest which is to his knowledge a material interest, otherwise than by virtue of interests in shares or debentures or other securities of the Corporation. If all of the directors have a conflict of interest, the agreement or transaction must be authorized, approved or ratified by a resolution of shareholders in order to achieve statutory validity. An agreement or transaction between a director and CIC will be valid unless

it can be shown that, at the time the agreement or transaction was authorized, it was unfairly prejudicial to one or more shareholders or the creditors of CIC. Any shareholder who voted in favour of the resolution authorising, approving or ratifying the agreement or transaction may not subsequently impugn or object to the agreement or transaction. In appropriate cases, CIC will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

To the knowledge of CIC's directors and officers, as at the date hereof, there are no known existing or potential material conflicts of interest between CIC or a subsidiary of CIC and the directors or officers or other members of management of CIC or its subsidiaries as a result of such directors' and officers' outside business interests. However, certain of the directors, and officers and other members of management serve as directors, officers, and members of management of other public resource companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of CIC or its subsidiaries.

The directors and officers of CIC and its subsidiaries have been advised of their obligations to act at all times in good faith with a view to the best interests of CIC and its subsidiaries and to disclose any conflicts if and when they arise.

Although certain of the directors and officers of CIC serve, or in the future may serve, as directors and/or officers of other companies involved in mineral exploration and development and/or energy, because CIC is a single purpose company, it is unlikely that any conflicts of interest will arise as a result of such other relationships.

PROMOTER

Mr. Gregory S. Kinross may be considered to be a promoter of CIC within the meaning of applicable Canadian securities legislation. As at the date hereof, Mr. Kinross beneficially owns, directly or indirectly, an aggregate of 510,000 Common Shares, representing approximately 0.95% of the Common Shares issued and outstanding, as well as options to purchase 490,000 Common Shares. Since March 2005 (the time of incorporation of each of CIC's predecessors, Coal Investment Corp. and Ophir), Mr. Kinross has received an aggregate of ZAR 3,573,240 in salary and bonuses, options to purchase 490,000 Common Shares under CIC's stock option plan in exchange for his services as an officer of CIC.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the directors and officers of CIC, there are no legal proceedings material to CIC to which CIC, a subsidiary of CIC or a joint venture company of CIC is a party or of which any of their respective property is the subject matter, nor are any such proceedings currently contemplated or threatened.

To the knowledge of the directors and officers of CIC, no penalties or sanctions have been imposed against CIC by a regulatory authority, no penalties or sanctions have been imposed against CIC by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision in respect of CIC, and no settlement agreements have been entered into by CIC with a court relating to securities legislation or with a securities regulatory authority.

EXPERTS

Mr. David J. Arnott, the Qualified Person under whose supervision the Technical Report was prepared, does not own, or hold any beneficial interest in, any securities or property of CIC or of its associates or affiliates.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Equity Transfer & Trust Company at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The Corporation and its subsidiaries did not enter into any agreement (other than agreements entered into in the ordinary course of business) material to the Corporation during the financial year ended November 30, 2007, other than:

- (1) the PDA with IPR dated March 23, 2007,
- (2) the Powerco Subscription Agreement dated March 23, 2007 among CIC (Barbados) Energy Corp., Meepong Energy Holdings B.V. (a wholly owned subsidiary of IPR) and Meepong Energy Mauritius (formerly CIC Energy (Mauritius) (Pty) Limited), and
- (3) the Mineco Subscription Agreement dated March 23, 2007 among CIC (Barbados) Mining Corp., Meepong Resources Holdings B.V. (a wholly owned subsidiary of IPR) and Meepong Resources Mauritius (formerly CIC Resources (Mauritius) (Pty) Limited),

each of which is described above under the section entitled “General Development of the Business – Three Year History” and available on the Corporation’s SEDAR profile at www.sedar.com.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the charter of the audit committee of the Board is attached hereto as Appendix “B”.

Composition of the Audit Committee

The following table provides information relating to each member of the audit committee, including his or her name, a description of whether he or she is (i) independent of CIC and (ii) financially literate, and a summary of his or her relevant education and experience that is relevant to the performance of his or her responsibilities as an audit committee member.

Name	Independent of CIC	Financially Literate	Relevant Education and Experience
Sandra S. Cowan	Yes	Yes	LL.B. from The University of Western Ontario (1985); Executive Vice President, Partner and General Counsel, EdgeStone Capital Partners (2002 – Present); Partner (Lawyer), Goodman and Carr LLP (1999 – 2002); Director of Petrofund Energy (2002 – 2006); Director, Airboss of America Corp. (2002 – 2006); Director, AfriOre Limited (1997 – 2002); Trustee, BFI Canada Fund (March – April, 2002); Director of Richards Packaging Income Fund (February – April 2004)
Edward Adrian Meyer	Yes	Yes	Chartered Accountant in South Africa and Canada. B.Com(Hons) Rhodes University 1984. Principal and Director Cidel Bank & Trust Inc from 1998 to present. Currently a Director (since October 2007) and Chairman of the Audit Committee (since January 2008) of Simmer and Jack Mines Limited. Director and Chairman of the Audit Committee of AfriOre Limited, from 2002 to 2007.
Len Konar	Yes	Yes	Chartered Accountant, self-employed 1998 to present; Executive Director for Independent Development Trust (1992-1998). Prior to 1992, professor and head of the Department of Accountancy at the University of Durban-Westville. Currently serves as a non-executive director to Old Mutual South Africa, the South African Reserve Bank, J D Group, Sappi, Exxaro Resources, Illovo Sugar and Steinhoff International Holdings and as an external audit committee member of the International Monetary Fund in Washington. Has received a Masters of Accounting Sciences from the University of Illinois in 1981 as well as a Bachelor of Commerce (Hons) degree from the University of Durban-Westville in 1989.

Audit Committee Oversight

During the fiscal year ended November 30, 2007, all recommendations of the audit committee to nominate or compensate an external auditor were adopted by the Board.

Pre-Approval Policies and Procedures

Included as part of the audit committee’s charter is the responsibility of the audit committee to pre-approve all non-audit services to be provided to CIC by its external auditors.

External Auditor Service Fees

The following table summarizes the fees paid to KPMG Inc., the external auditors of CIC, during the financial years ended November 30, 2007 and November 30, 2006.

Category	2007	2006
Audit Fees	ZAR 650,000 ⁽¹⁾	ZAR 515,000 ⁽¹⁾
Audit Related Fees.....	--	--
Tax Fees	ZAR 585,134.25 ^{(1) (3)} and BWP 428,042.52 ⁽³⁾⁽⁴⁾	ZAR 546,274 ^{(1) (2)}
All Other Fees.....	--	--

Notes:

1. As of November 30, 2007, \$1.00 = ZAR 6.79 (Bank of Canada).
2. Tax advice in respect of: proposed investment in Botswana; tax ruling application to Commissioner of Taxes in Botswana; exchange control application in respect of SAD-ELEC business; source of payments between Eskom and Meepong Energy; and application for tax concessions in Botswana.
3. Advice respecting tax structuring.
4. As of November 30, 2007, \$1.00 = BWP 6.022

ADDITIONAL INFORMATION

Additional information concerning the Corporation may be found on SEDAR at www.sedar.com.

Additional financial information is contained in the Corporation's audited financial statements and management discussion and analysis for the year ended November 30, 2007.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation's information circular for its most recent annual meeting of shareholders that involved the election of directors.

Appendix "A"
to the Annual Information Form of
CIC Energy Corp.
As at February 28, 2008

Snowden Mining Industry Consultants Pty Ltd (Snowden) has been engaged by CIC Energy Corp. (CIC), to undertake a review of the available information and complete a technical report on the Mmamabula Energy Project (MEP). This technical report has been prepared in compliance with the requirements of National Instrument 43-101, Standards of Disclosure for Minerals Projects (NI 43-101).

The MEP is located within the greater Mmamabula coal field, in south-eastern Botswana, Southern Africa.

CIC is currently conducting a "Bankable" feasibility study on the MEP which is based on the establishment of an approximate 8.5 Mt per annum coal mine supplying [sic] a coal-fired power station.

The MEP comprises two prospecting licenses, PL75/2002 (Mmamabula South) and PL11/2004 (Mmamabula East), covering a combined area of some 645 km².

The Mmamabula South and East prospecting licences are held by Meepong Resources Pty Ltd (Meepong), which is a subsidiary

Commercial exploration of the Mmamabula coalfield commenced in the early 1980's after the discovery of coal was made in the 1950's by the Geological Survey of the time in Botswana. CIC (and its predecessor) obtained the right to prospect for coal in 2005 by taking up ground held earlier by other commercial entities.

The coal mineralisation found within the MEP occurs within the Dibete Formation of the Upper Ecca Subgroup and the Mmamabula Formation of the Middle Ecca Subgroup. The D1 seam of the Dibete Formation and M2 seam of the Mmamabula Formation have been identified from previous exploration undertaken by British Petroleum's Coal Division, as having the most potential to be economically extracted. CIC has identified the potential value of the D1 seam and the M2 seam, and has used British Petroleum's Coal Division's information as a basis for the funding and implementation of an infill drilling and sampling programme.

Phase 1 of this infill drilling programme, which focused on the extreme western end of the Mmamabula East license area, known as the Mookane Block, was previously reported on by Snowden (2006c). The subsequent Phase 2 drilling programme, which focused on the Dovedale Block situated on the eastern portion of the Mmamabula East license area, was then completed and both Mookane and Dovedale Block mineral resources were reported in the Fourth Technical Report (Snowden 2006 d). This latest technical report (June 2007) incorporates this previous data and the results of exploration drilling completed by CIC up until the end of January 2007, which was focused on the Dovedale and Serorome Blocks at Mmamabula East and on Mmamabula South.

The updated structural and coal quality information derived from the exploration drilling programmes conducted to date has been sufficient to outline coal resources in accordance with current CIM standards. A revised mineral resource estimate for an expanded Dovedale Block at Mmamabula East, an initial mineral resource estimate for the Serorome Block at Mmamabula East and an initial mineral resource estimate for the Mmamabula South license area are presented in this report. An unchanged Mookane Block mineral resource estimate is also presented.

On the basis of the mineral resource estimates conducted to date for the MEP, Snowden has identified a total Measured and Indicated in situ coal resource comprising both the D1 and M2 seams from Mmamabula East and Mmamabula South of 2,281.82 Mt. This mineral resource can supply a local thermal power station with 22.0 MJ/kg coal for at least 40 years, provided that the sulphur content in the coal is reduced to internationally accepted levels by coal beneficiation (washing) and/or flue gas desulphurisation at the power station using a limestone sorbent.

Washability studies conducted on borehole (slim) core samples from the Mookane Block and Dovedale Block have identified the potential to reduce the sulphur content for both the D1 and M2 seams to between 0.5% and 0.6% without a significant reduction in product yield. Run of Mine (ROM) sizing studies and washability studies on large diameter borehole core bulk samples (120 mm diameter) collected to date from Mookane and Dovedale indicate that the sulphur reports preferentially to the larger size fractions and this is a positive factor in terms of possible partial washing of sized coal as a sulphur reduction strategy.

However Snowden is of the opinion that additional bulk samples need to be collected from the Serorome Block and Mmamabula South in order supplement those results already collected at Mookane and Dovedale. CIC is also currently investigating reduction of sulphur emissions by making use of a limestone sorbent at a captive power station to augment sulphur reduction through partial washing.

The Mmamabula East project area was last visited by Snowden in November 2006. During this visit Snowden verified the reported positions of borehole collars and inspected drilling operations, core logging, coal sampling and data capture procedures. Snowden considers the current exploration practice and procedures employed by CIC to conform to currently accepted industry best practice. Snowden is of the opinion that exploration work conducted to date has been of a high standard and this has allowed the estimation of resources to the standards required by the Canadian Institute of Mining, Metallurgy and Petroleum that are referred to in NI 43-101.

The remainder of the exploration programme for 2007 is focused on additional drilling within the Serorome Block and within the Border Block (situated east of the Dovedale Block) at Mmamabula East and additional drilling at Mmamabula South. Snowden has reviewed the budget for this drilling programme and found it to be adequate.

Snowden is currently also completing a mining study for incorporation into the CIC Bankable Feasibility Study for the MEP.

Appendix "B"
to the Annual Information Form of
CIC Energy Corp.
As at February 28, 2008

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF CIC ENERGY CORP.**

I. PURPOSE

The audit committee (the "**Audit Committee**") is a committee of the board of directors (the "**Board of Directors**") of CIC Energy Corp. (the "**Corporation**"). The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to the financial accounting and reporting process and internal controls for the Corporation by:

- reviewing the financial reports and other financial information before such reports and other financial information is provided by the Corporation to any governmental body or the public;
- recommending the appointment and reviewing and appraising the audit efforts of the Corporation's external auditors and providing an open avenue of communication among the external auditors, financial and senior management and the Board of Directors;
- serving as an independent and objective party to monitor the Corporation's financial reporting process and internal controls, the Corporation's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements; and
- encouraging continuous improvement of, and fostering adherence to, the Corporation's policies, procedures and practices at all levels.
- creating a culture of honesty and ethical behaviour; set the proper tone and emphasise fraud prevention.
- overseeing management, including monitoring that management establishes and maintains internal control to provide reasonable assurance regarding reliability of financial reporting.
- reporting to the board on members' views of the interim and annual financial statements, including the MD&A.
- deciding, at its discretion, whether or not to establish an internal audit function. If an internal audit function is not established by the Corporation, an assurance of how effective internal controls, processes and systems shall be provided.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Part III of this Charter. The Audit Committee's primary function is to assist the Board of Directors in fulfilling its responsibilities. It is, however, the Corporation's management which is responsible for

preparing the Corporation's financial statements and it is the Corporation's external auditors who are responsible for auditing those financial statements.

II. COMPOSITION AND MEETINGS

The Audit Committee is to be comprised of such number of non-executive directors (but at least three), with sufficient financial literacy, as determined by the Board of Directors, all of whom must be "independent" directors (as such term is defined in Schedule "A"). All members of the Audit Committee must, to the satisfaction of the Board of Directors, be "financially literate" (as such term is defined in Schedule "A").

The members of the Audit Committee must be elected by the Board of Directors at the annual organizational meeting of the Board of Directors and serve until their successors are duly elected. Unless a Chairman is elected by the full Board of Directors, the members of the Audit Committee may designate a Chairman by majority vote of the full Audit Committee membership.

The Audit Committee is to meet at least four times annually (and more frequently if circumstances require). The Audit Committee is to meet prior to the filing of quarterly financial statements to review and discuss the unaudited financial results for the preceding quarter and the related management discussion & analysis ("MD&A") and is to meet prior to filing the annual audited financial statements and MD&A in order to review and discuss the audited financial results for the year and related MD&A.

As part of its role in fostering open communication, the Audit Committee should meet at least annually with management and the external auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately.

The Audit Committee may request members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their oversight related duties, members of the Audit Committee are to be provided with full access to all corporate information and are to be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and external auditors of the Corporation.

A quorum for the transaction of business at any meeting of the Audit Committee is (the presence in person or by telephone or other communication equipment of) a simple majority of the total number of members of the Audit Committee or such greater number as the Audit Committee may by resolution determine. If within one hour of the time appointed for a meeting of the Audit Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, the quorum for the adjourned meeting will consist of the members then present.

Should a vacancy arise among the members of the Audit Committee, the remaining members of the Audit Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

Meetings of the Audit Committee are to be held from time to time at such place as the Audit Committee or the Chairman of the Audit Committee may determine, within or outside the British Virgin Islands (other than in Canada), upon not less than three days' prior notice to each of the members. Meetings of the Audit Committee may be held without three days' prior notice if all of the members entitled to vote at such meeting who do not attend, waive notice of the meeting and, for the purpose of such meeting, the presence of a member at such meeting shall constitute waiver on his or her part. The Chairman of the Audit Committee, any member of the Audit Committee, the Chairman of the Board of Directors, the

Corporation's external auditors, or the Chief Executive Officer, Chief Financial Officer or Secretary of the Corporation is entitled to request that the Chairman of the Audit Committee call a meeting. A notice of the Audit Committee may be given verbally, in writing or by telephone, fax or other means of communication, and need not specify the purpose of the meeting.

The Audit Committee shall keep minutes of its meetings which shall be submitted to the Board of Directors. The Audit Committee may, from time to time, appoint any person who need not be a member, to act as secretary at any meeting.

All decisions of the Audit Committee will require the vote of a majority of its members present at a meeting at which quorum is present. Action of the Audit Committee may be taken by an instrument or instruments in writing signed by all of the members of the Audit Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Audit Committee called for such purpose. Such instruments in writing may be signed in counterparts each of which shall be deemed to be an original and all originals together shall be deemed to be one and the same instrument.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall:

Generally

1. Create an agenda for the ensuing year.
2. Review and update this Charter at least annually, prepare revisions to its provisions where conditions so dictate and submit such proposed revisions to the Board of Directors for approval.
3. Describe briefly in the Corporation's annual report and more fully in the Corporation's management information circular or its annual information form ("AIF") the Audit Committee's composition and responsibilities and how they were discharged, and otherwise assist management in providing the information required by applicable securities legislation (including the form requirements under Multilateral Instrument 52-110) in the Corporation's AIF.
4. Report periodically to the Board of Directors.
5. Conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities. The Audit Committee shall be empowered to retain and compensate independent counsel, accountants and other professionals to assist it in the performance of its duties as it deems necessary.
6. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Audit Committee or the Board of Directors deems necessary or appropriate.

Documents/Reports Review

7. Review the Corporation's interim and annual financial statements, results of audits as well as all interim and annual MD&A and interim and annual earnings press releases prior to their publication and/or filing with any governmental body, or the public.
8. Review policies and procedures with respect to directors' and senior officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the external auditors, based on terms of reference agreed upon by the external auditors and the Audit Committee.
9. Satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure addressed in paragraph 7 of this part, and periodically assess the adequacy of such procedures.
10. Review the audited annual financial statements to satisfy itself that they are presented in accordance with general accepted accounting principles.
11. Provide insight to related party transactions entered into by the Corporation.

External Auditors

12. Recommend to the Board of Directors the selection of the external auditors, considering independence and effectiveness, and approve the fees and other compensation to be paid to the external auditors. Instruct the external auditors that the Board of Directors, as the shareholders' representative, is the external auditors' client.
13. Monitor the relationship between management and the external auditors, including reviewing any management letters or other reports of the external auditors and discussing and resolving any material differences of opinion between management and the external auditors.
14. Review and discuss, on an annual basis, with the external auditors all significant relationships they have with the Corporation to determine their independence.
15. Pre-approve all audit and non-audit services to be provided to the Corporation or its subsidiaries by the external auditors.
16. Oversee the work and review the performance of the external auditors and approve any proposed discharge of the external auditors when circumstances warrant. Consider with management and the external auditors the rationale for employing accounting/auditing firms other than the principal external auditors.
17. Periodically consult with the external auditors out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the completeness and accuracy of the Corporation's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.

18. Ensure that the external auditors report directly to the Audit Committee, ensure that significant findings and recommendations made by the external auditors are received and discussed with the Audit Committee on a timely basis and arrange for the external auditors to be available to the Audit Committee and the full Board of Directors as needed.
19. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Corporation's external auditors.

Financial Reporting Processes

20. In consultation with the external auditors, review the integrity of the Corporation's financial reporting processes, both internal and external.
21. Consider the external auditors' judgments about the quality and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices.
22. Consider and approve, if appropriate, major changes to the Corporation's accounting principles and practices as suggested by management with the concurrence of the external auditors and ensure that management's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

23. Establish regular and separate systems of reporting to the Audit Committee by each of management and the external auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
24. Review the scope and plans of the external auditors' audit and reviews prior to the audit and reviews being conducted. The Audit Committee may authorize the external auditors to perform supplemental reviews or audits as the Audit Committee may deem desirable.
25. Following completion of the annual audit and quarterly reviews, review separately with management and the external auditors any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditors received during the course of the audit and reviews.
26. Review and resolve any significant disagreements between management and the external auditors in connection with the preparation of the financial statements.
27. Where there are significant unsettled issues, the Audit Committee is to assist in arriving at an agreed course of action for the resolution of such matters.
28. Review with the external auditors and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be

conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Audit Committee.

29. Review activities, organizational structure, and qualifications of the Corporation's Chief Financial Officer and staff in the financial reporting area and see to it that matters related to succession planning within the Corporation are raised for consideration to the full Board of Directors.

Ethical and Legal Compliance

30. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
31. Review and update periodically a code of business conduct and ethics (the "**Code of Conduct**") and ensure that management has established a system to enforce the Code of Conduct. Review appropriateness of actions taken to ensure compliance with the Code of Conduct and to review the results of confirmations and violations thereof.
32. Review management's monitoring of the Corporation's systems in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations and the public satisfy legal requirements.
33. Review, with the Corporation's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the Corporation's financial statements.

Risk Management

34. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage, and obtain the external auditors' opinion of management's assessment of significant financial risks facing the Corporation and how effectively such risks are being managed or controlled.

Review

35. The Audit Committee shall review its effectiveness periodically, through self-assessments or independent evaluations.

The foregoing list is not exhaustive. The Audit Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its responsibilities and duties.

Schedule "A" to the Charter of the Audit Committee
of the Board of Directors of CIC Energy Corp.

Independence and Financial Literacy

Independence Requirement of Multilateral Instrument 52-110

Multilateral Instrument 52-110 - Audit Committees ("MI 52-110") provides, in effect, that a member of the Audit Committee is "independent" if that member has no direct or indirect material relationship with the Corporation which could, in the view of the Board of Directors, reasonably interfere with the exercise of the member's independent judgment. MI 52-110 provides that the following individuals are considered to have a "material relationship" with the Corporation and, as such, would not be considered independent:

- (a) an individual who is, or has been, an employee or executive officer of the Corporation, unless the prescribed period has elapsed since the end of the service or employment;
- (b) an individual whose immediate family member is, or has been, an executive officer of the Corporation, unless the prescribed period has elapsed since the end of the service or employment;
- (c) an individual who is, or has been, an affiliated entity of, a partner of, or employed by, a current or former internal or external auditor of the Corporation, unless the prescribed period has elapsed since the person's relationship with the internal or external auditor, or the auditing relationship, has ended;
- (d) an individual whose immediate family member is, or has been, an affiliated entity of, a partner of, or employed in a professional capacity by, a current or former internal or external auditor of the Corporation, unless the prescribed period has elapsed since the person's relationship with the internal or external auditor, or the auditing relationship, has ended;
- (e) an individual who is, or has been, or whose immediate family member is or has been, an executive officer of an entity if any of the Corporation's current executive officers serve on the entity's compensation committee, unless the prescribed period has elapsed since the end of the service or employment;
- (f) an individual who
 - (i) has a relationship with the Corporation pursuant to which the individual may accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation or any subsidiary entity of the Corporation, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any committee of the Board of Directors, or as a part-time chair or vice-chair of the Board of Directors or any committee of the Board of Directors; or
 - (ii) receives, or whose immediate family member receives, more than \$75,000 per year in direct compensation from the Corporation, other than as remuneration for acting in his or her capacity as a member of the Board of Directors or any committee of the Board of Directors, or as a part-time chair or vice-chair of the Board of Directors or any committee of the Board of Directors, unless the prescribed period since he or she ceased to receive more than \$75,000 per year in such compensation; and
- (g) an individual who is an affiliated entity of the Corporation or any of its subsidiary entities.

For purpose of the definition of “material relationship”, the terms set out below shall have the following meanings:

“**affiliated entity**” - a person or company is considered to be an affiliated entity of another person or company if (a) one of them controls or is controlled by the other or if both persons or companies are controlled by the same person or company, or (b) the person or company is (i) both a director and an employee of an affiliated entity, or (ii) an executive officer, general partner or managing member of an affiliated entity. A person will not be considered to be an affiliated entity of the Corporation if the person (a) owns, directly or indirectly, 10% or less of any class of voting securities of the Corporation; and (b) is not an executive officer of the Corporation;

“**company**” - any corporation, incorporated association, incorporated syndicate or other incorporated organization;

“**control**” - the direct or indirect power to direct or cause the direction of the management and policies of a person or company, whether through ownership of voting securities or otherwise;

“**executive officer**” of an entity – means an individual who is (a) a chair of the entity; (b) a vice-chair of the entity; (c) the president of the entity; (d) a vice-president of the entity in charge of a principal business unit, division or function including sales, finance or production; (e) an officer of the entity or any of its subsidiary entities who performs a policy-making function in respect of the entity; or (f) any other individual who performs a policy-making function in respect of the entity;

“**person**” - an individual partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, or other legal representative;

“**prescribed period**” - means the shorter of: (a) the period commencing on March 30, 2004 and ending prior to the date the determination as to the independence of the individual by the Board of Directors is made; and (b) the three year period ending immediately prior to the date the determination as to the independence of the individual by the Board of Directors is made; and

“**subsidiary entity**” - a person or company is considered to be a subsidiary entity of another person or company if (a) it is controlled by (i) that other, or (ii) that other and one or more persons or companies each of which is controlled by that other, or (iii) two or more persons or companies, each of which is controlled by that other; or (b) it is a subsidiary entity of a person or company that is the other’s subsidiary entity.

Financial Literacy

MI 52-110 provides that a director will be considered “**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 Corporation’s financial statements.

Appendix "C"
to the Annual Information Form of
CIC Energy Corp.
As at February 28, 2008

GLOSSARY OF TECHNICAL TERMS

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**DMS**" means dense media separation.

"**FGD**" means flue gas desulphurisation.

"**GDP**" means gross domestic product.

"**km**" means kilometres.

"**km²**" means square kilometres.

"**m**" means metres.

"**MJ/kg**" means megajoules per kilogram.

"**Mt**" means million tonnes.

"**Mtpa**" means million tonnes per annum.

"**MW**" means megawatt.

"**NO_x**" means oxides of nitrogen.

"**ROM**" means run of mine.

"**SO_x**" means oxides of sulphur.