



ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON FRIDAY, JUNE 27, 2014

**NOTICE OF MEETING
AND MANAGEMENT PROXY AND INFORMATION CIRCULAR**

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF GREAT WESTERN MINERALS GROUP LTD. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF GREAT WESTERN MINERALS GROUP LTD. TO BE HELD ON JUNE 27, 2014.

TO BE HELD AT:

**666 Burrard Street, Suite 2800
Vancouver, British Columbia
At 10:00 a.m.**

Dated: May 30, 2014

GREAT WESTERN MINERALS GROUP LTD.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING TO BE HELD ON JUNE 27, 2014

To Holders of Common Shares:

TAKE NOTICE that an Annual General and Special Meeting (the “**Meeting**”) of the holders of common shares (“**Common Shares**”) of Great Western Minerals Group Ltd. (the “**Corporation**”) will be held on Friday, June 27, 2014 at 666 Burrard Street, Suite 2800, Vancouver, British Columbia, at 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2013 and the report of the auditors thereon;
2. to fix the number of directors for the ensuing year at six (6);
3. to elect the Board of Directors for the ensuing year;
4. to appoint KPMG LLP as auditors for the ensuing year and to authorize the Board of Directors to fix the remuneration to be paid to the auditors;
5. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution approving and ratifying the amended stock option plan of the Corporation, as more particularly set forth in the accompanying management information circular;
6. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the amendment and restatement of the shareholder rights plan of the Corporation, as more particularly set forth in the accompanying management information circular;
7. to approve an amendment to the Corporation’s articles permitting the consolidation of the Corporation’s issued and outstanding common shares, the timing and ratio of which is to be determined by the Board, if such consolidation is deemed appropriate by the Board; and
8. to transact such other business that may properly come before the Meeting or adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular accompanying and forming part of this Notice.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy and to mail it to or deposit it with the Corporation, c/o Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. In order to be valid and acted upon at the Meeting, proxies must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof. In addition, both telephone voting and internet voting are available to shareholders. Complete instructions for both telephone and internet voting are contained in the proxy mailing materials which (please refer to the section entitled “Submitting your Proxy”). Shareholders are cautioned that the transmission of proxies by mail, internet, and telephone is at each Shareholder’s risk.

The Board of Directors of the Corporation has fixed the record date for the Meeting at the close of business on May 23, 2014 (the “**Record Date**”). Only Shareholders of record as at that date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Common Shares owned as at the Record Date, unless any such shareholder transfers such shareholders’ Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Your participation as a shareholder is very important to the Corporation. Please ensure your Common Shares are represented at the Meeting.

DATED this 30th day of May, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

“Marc LeVier”

Marc Levier
President and Chief Executive Officer

**GREAT WESTERN MINERALS GROUP LTD.
MANAGEMENT INFORMATION CIRCULAR**

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (“CIRCULAR”) IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF GREAT WESTERN MINERALS GROUP LTD. (THE “CORPORATION”) of proxies from the holders of Common Shares (the “**Common Shares**”) for the annual general and special meeting of the shareholders of the Corporation (the “**Meeting**”) to be held on Friday, June 27, 2014 at 10:00 a.m. at 666 Burrard Street, Suite 2800, Vancouver, British Columbia, or at any adjournment(s) thereof for the purposes set out in the accompanying notice of meeting (the “**Notice of Meeting**”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 *Communications With Owners of Securities*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the shareholder’s shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation, c/o Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by fax: within North America: 1-800-249-7775, outside North America: (416) 263-9524. **Computershare provides both telephone and internet voting to shareholders. Complete instructions for both telephone and internet voting are contained in the proxy mailing materials which (please refer to the section entitled “Submitting your Proxy”).** In order to be valid and acted upon at the Meeting, proxies must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof. Shareholders are cautioned that the transmission of proxies by mail is at each shareholder’s risk. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or Computershare Trust Company of Canada, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in the Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All reference to shareholders in this Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

VOTING OF PROXIES

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting

and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

QUORUM

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders of the Corporation if at least two persons holding or representing by proxy not less than 5% of the outstanding shares entitled to vote at the meeting are present.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares. As at the effective date of this Circular (the “**Effective Date**”), which is May 30, 2014, the Corporation had 418,738,174 Common Shares issued and outstanding. Holders of Common Shares are entitled to one vote for each Common Share held.

Holders of Common Shares of record at the close of business on May 23, 2014 (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that: (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION

Role and Composition of the Compensation Committee

As of the start of the financial year ended December 31, 2013, the Corporation had a Compensation, Nominating and Corporate Governance Committee which was responsible for reviewing and making recommendations to the Board in respect of compensation matters relating to the Corporation’s executive officers, employees and directors. In April 2013, in order to more effectively address the Corporation’s compensation matters, the Board split the functions of the Compensation, Nominating and Corporate Governance Committee and constituted a compensation committee (the “**Compensation Committee**”) and a nominating and corporate governance committee (the “**Nominating and Corporate Governance Committee**”). For the financial year ended December 31, 2013, the Compensation Committee comprised of Messrs. J. Rupert Allan, Lenard Boggio and Ron Hochstein. Mr. Hochstein resigned from the Board on March 3, 2014 and was replaced by Mr. Bruce Higson-Smith. On March 20, 2014 Mr. Higson-Smith was appointed to the Compensation Committee and the Nominating and Corporate Governance Committee.

Compensation Principles and Objectives

The purpose of executive compensation is to reward management for its contribution to the Corporation’s achievements on both an annual and long term basis. The Corporation’s compensation program is designed to attract, motivate, reward and retain knowledgeable and skilled management needed to achieve corporate objectives and increase shareholder value, to recognize the contribution of management to the Corporation’s overall success and strategic growth, and to reward individual and team performance by aligning a component of the compensation with the Corporation’s performance and share value. The philosophy is to pay management a total compensation amount that is competitive with comparable companies and is consistent with the experience and responsibility level of management. Each executive’s compensation is linked to accomplishing personal and/or corporate objectives and thereby indirectly maximizing shareholder value. The Compensation Committee also recognizes that the executive compensation program must be sufficiently flexible in order to adapt to unexpected developments in the mining industry and the impact of internal and market related occurrences from time to time.

The Compensation Committee has adopted a compensation program that covers three key elements: (i) a base amount of salary and benefits; (ii) bonuses; and (iii) stock options. While the Compensation Committee does not formally consider the implications of the risks associated with the Corporation’s compensation policies and practices, the Compensation

Committee takes into consideration the various components of the Corporation's compensation program when assessing whether the program supports the Corporation's principles and objectives. A description of the criteria used in each element of compensation is set forth further below.

The Compensation Committee periodically reviews the compensation paid to directors, management and other employees based on factors such as time commitment and level of responsibility, comparative fees paid by other companies in the mining and/or manufacturing industry and the Corporation's current position as a development company with limited operating revenue. The Compensation Committee meets no less than once each year and is responsible for making recommendations to the Board regarding salaries, bonuses and option grants, with reference to industry standards and the Corporation's financial situation. The Board then determines whether to adopt the recommendations of the committee as submitted or otherwise. Prior to April 2013, directors did not receive compensation for their services, except for grants of stock options from time to time as described under "*Compensation of non-employee directors*" below. Subsequent to April 2013 directors received fees as described below. Neither the Board nor the Compensation Committee uses formal objectives, criteria or analysis in determining grant of stock options. Bonus awards are based on the performance of the Corporation and performance of the individual and their team. The Corporation has not adopted a formal policy barring Named Executive Officers (as defined below) or directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities held, directly or indirectly by Named Executive Officers or directors. However, all Named Executive Officers and directors must abide by the Corporation's Code of Business Conduct and Ethics and follow the Corporation's general corporate governance policies and practices.

The Board does not expect to make any significant changes to its compensation policies and practices in the coming financial year.

Base Salary

The objective of base salary compensation is to reward and retain Named Executive Officers. The program is designed to reward Named Executive Officers for maximizing shareholder value in a volatile commodity based business in a safe, environmentally responsible, regulatory compliant and ethical manner. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Corporation. Subjective factors such as leadership, commitment and attitude are also considered. The Corporation has reviewed the public disclosure available for other junior mining companies and engages independent consultants to assist in determining the competitiveness of base salary, bonuses, benefits and stock options paid to each of the executive officers of the Corporation. It is the goal of the Corporation to pay base salary compensation to retain the Named Executive Officers within the range of compensation demonstrated by industry peers.

Bonus Plan

The objective of performance based bonuses is to incent the maximization of shareholder value by the Named Executive Officers, taking into consideration the operating and financial performance by both the Corporation and the efforts and results of the Named Executive Officers. The amounts paid to the Named Executive Officers as bonuses are determined with reference to the achievement of personal objectives and corporate objectives, with the relative weighting determined on a case by case basis for each Named Executive Officer. The Board believes that bonuses are important for the purposes of attracting, retaining and motivating senior management to achieve greater individual and team success which is directly in alignment with the Corporation's success.

Stock Options

The objective of granting stock options ("**Options**") to the Named Executive Officers is to incent the maximization of shareholder value on a long term basis as stock options closely link the interests of the Named Executive Officers to those of the Corporation. The Corporation accomplishes this through the implementation of a share-related mechanism designed to attract, retain and motivate qualified persons, to reward such persons for their contributions toward the long term goals of the Corporation and to enable and encourage such persons to acquire Common Shares as long term investments.

The maximization of shareholder value is encouraged by the granting of Options at all levels. The Corporation has in place a stock option plan (the "**Option Plan**") under which awards have been made to executive officers in amounts relative to positions, performance, and what is considered competitive in the industry. The objective of the Option Plan is to reward and retain Named Executive Officers. The administration of the Option Plan is designed to reward Named Executive Officers for maximizing shareholder value in a volatile commodity based business in a safe, environmentally responsible, regulatory compliant and ethical manner. Increasing the value of the Corporation's Common Shares increases the value of

the Options. This incentive closely links the interests of the officers and directors to shareholders of the Corporation, and encourages a long term commitment to the Corporation.

The Corporation has reviewed the public disclosure available for other comparable mining companies and engages independent consultants to assist in determining the competitiveness of Option awards. The Compensation Committee assesses such information and then makes recommendations to the Board who consider the recommendations when determining Option awards. In general, Options are granted to executive officers upon their commencement of service. Additional grants are made periodically to recognize the exemplary performance of, or the special contribution by, eligible persons. An annual grant may be made to eligible persons based on their performance and performance of the Corporation during the most recently completed financial year in relation to performance criteria. Pursuant to the terms of the Option Plan, the expiry date of options held by outgoing directors has been extended to Dec 31 in the year following the applicable resignation date until such time as the Board resolves to change such expiry date.

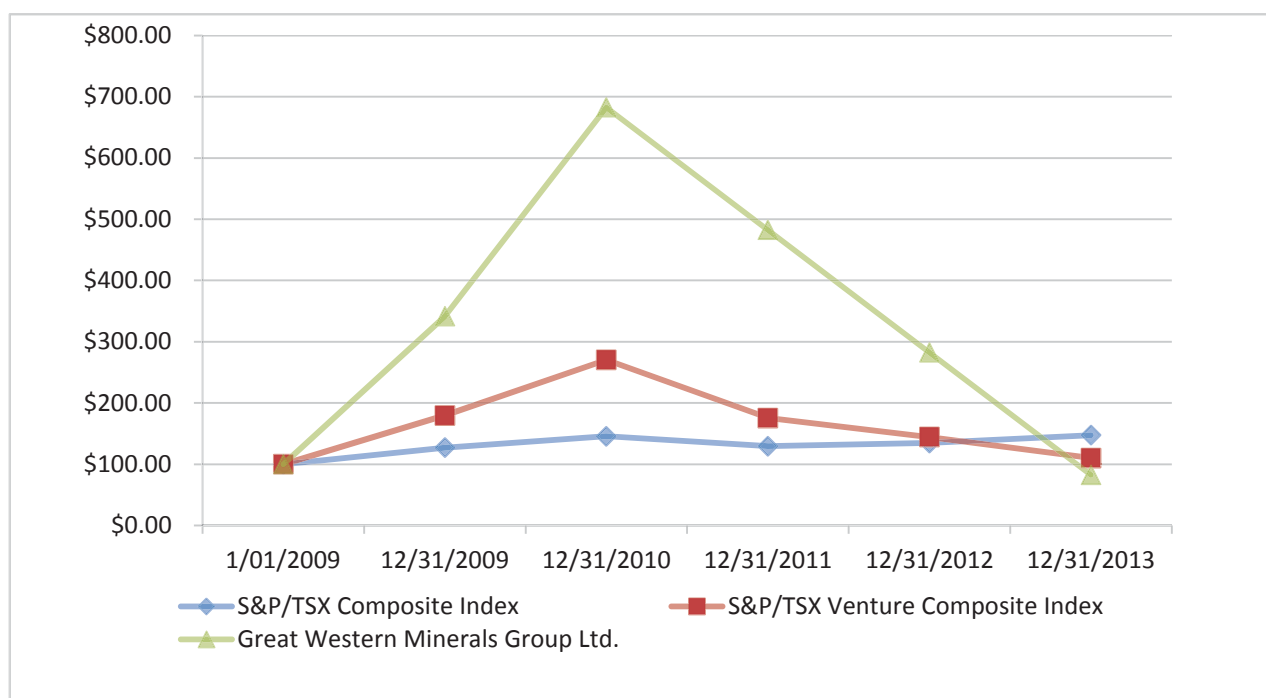
The compensation program provides incentives to its management and directors to achieve long term objectives through grants of Options under the Option Plan. The Option Plan permits the granting of Options to directors, officers, employees of, and consultants to, the Corporation. The Option Plan limits the number of Common Shares which are available for purchase pursuant to Options to 10% of the issued and outstanding Common Shares as at the Award Date (as defined in the Option Plan) of the applicable Options. The additional following limitations apply:

- (a) in no case will an Option Holder (as defined in the Option Plan) be granted an Option where the number of Common Shares that may be purchased pursuant to that Option in any 12 month period exceed 5% of the Corporation's issued and outstanding share capital over that period except in compliance with the policies of the TSX Venture Exchange (the "TSXV");
- (b) in no case will a Consultant (as defined in the Option Plan) be granted an Option where the number of Common Shares that may be purchased pursuant to that Option exceed 2% of the Corporation's issued and outstanding share capital in any 12 month period; and
- (c) in no case will the aggregate number of Common Shares that may be purchased pursuant to Options granted to employees conducting Investor Relations Activities (as defined in the Option Plan) exceed 2% of the Corporation's issued and outstanding share capital in any 12 month period. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the Options vesting in any three month period.

As of the Effective Date, 25,675,000 Options (representing 6.1% of the issued and outstanding Common Shares) are issued and outstanding to directors, officers, employees of, and consultants to, the Corporation, leaving 16,198,817 Options (3.9%) remaining available for issue. Pursuant to the requirements of the TSXV, the Option Plan has to be approved by shareholders every year, and the last approval from shareholders was received at the Corporation's annual general and special meeting held on June 6, 2013. At this Meeting, shareholders will be asked to re-approve the Option Plan and certain amendments to the Option Plan as discussed further below. See "*PARTICULARS OF MATTERS TO BE ACTED UPON - 5. Approval of Amended Stock Option Plan*" below.

Performance Graph

The Corporation's Common Shares are posted for trading on the TSXV. The following graph compares the yearly change in cumulative shareholder return over the periods indicated (assuming a \$100 investment was made on January 1, 2009) on the Common Shares of the Corporation with the cumulative total returns of the S&P/TSX Composite Index and the S&P/TSX Venture Composite Index, respectively, from January 2, 2009 to December 31, 2013.



	1/01/2009	12/31/2009	12/31/2010	12/31/2011	12/31/2012	12/31/2013
S&P/TSX Composite Index	\$ 100.00	\$ 127.20	\$ 145.58	\$ 129.47	\$ 134.65	\$ 147.51
S&P/TSX Venture Composite Index	\$ 100.00	\$ 179.61	\$ 270.21	\$ 175.35	\$ 144.24	\$ 110.07
Great Western Minerals Group Ltd.	\$ 100.00	\$ 341.18	\$ 682.35	\$ 482.35	\$ 282.35	\$ 82.35

Due in part to the overall market performance of the Corporation's share price in 2013, management of the Corporation recommended that no bonuses be awarded in 2014 for the 2013 fiscal year and that no salary increases be implemented for 2014.

Option-based Awards

The Board granted an aggregate of 6,350,000 Options to its officers and directors during the financial year ended December 31, 2013. The allocation of the number of these option-based awards granted among the directors and officers of the Corporation was determined by the entire Board based in part upon the recommendation of the Compensation Committee.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the financial year ended December 31, 2013 for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer ("CEO"), chief financial officer ("CFO") and the three most highly compensated executive officers whose total compensation exceeded \$150,000 per annum (the "Named Executive Officers").

SUMMARY COMPENSATION TABLE									
Name and Principal Position	Year Ended December 31	Consulting Fees/ Salary (\$)	Share-Based Awards ⁽¹⁾ (\$)	Option-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽³⁾ (\$)		Pension Value (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽⁴⁾	Long-Term Incentive Plans			
Marc LeVier ⁽⁶⁾ <i>President and CEO</i>	2013	294,270	Nil	77,466	Nil	Nil	Nil	14,710	386,446
	2012	Nil	Nil	38,836	Nil	Nil	Nil	Nil	38,836
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert J. Quinn <i>(Former) Interim President and CEO⁽⁶⁾</i>	2013	164,527	Nil	59,239	Nil	Nil	Nil	Nil	223,766
	2012	64,730	Nil	71,366	Nil	Nil	Nil	Nil	136,096
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Thomas G. Mair ⁽⁷⁾ <i>VP Finance and CFO</i>	2013	127,600	Nil	56,645	Nil	Nil	Nil	6,380	190,625
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Davidson ⁽⁷⁾ <i>(Former) CFO</i>	2013	152,131	Nil	18,227	Nil	Nil	Nil	1,338	171,696
	2012	175,000	Nil	111,700	29,094	Nil	Nil	1,575	317,369
	2011	158,333	Nil	Nil	38,536	Nil	Nil	1,019	197,888
Ian Higgins ⁽⁸⁾ <i>Managing Director, Less Common Metals Limited</i>	2013	178,259	Nil	22,784	Nil	Nil	Nil	57,618	258,661
	2012	168,265	Nil	102,974	67,923	Nil	Nil	46,806	385,968
	2011	124,766	Nil	193,803	38,062	Nil	Nil	27,827	384,458
Victor-Mark Fitzmaurice ⁽⁹⁾ <i>Project Director and Managing Director, Rare Earth Extraction Co. Limited</i>	2013	229,261	Nil	36,455	36,029	Nil	Nil	49,209	350,954
	2012	42,090	Nil	100,168	15,191	Nil	Nil	9,900	167,349
	2011	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Baodong Zhao ⁽¹⁰⁾ <i>(Former) VP Metallurgy</i>	2013	169,231	Nil	9,114	Nil	Nil	Nil	63,479	241,824
	2012	148,616	Nil	Nil	15,545	Nil	Nil	7,575	171,736
	2011	120,417	Nil	166,117	25,786	Nil	Nil	1,310	313,630

Notes:

- (1) “**Share-Based Award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) “**Option-Based Award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. Value based on the fair market value of the Options granted based on the Black-Scholes pricing model. The assumptions underlying the Black-Scholes valuation are disclosed in Note 17(b) in the 2013 Audited Financial Statements of the Corporation.
- (3) The Corporation does not currently award any long-term non-equity compensation.
- (4) Consists of bonuses.

- (5) Except as described herein, the value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.
- (6) Mr. LeVier was appointed President and CEO effective January 9, 2013 and succeeded Mr. Quinn, who was interim President and CEO up until that date. Mr. LeVier became a director of the Corporation on December 18, 2012.
- (7) Mr. Mair was appointed VP Finance and CFO on July 8, 2013 and succeeded Mr. Davidson, who retired.
- (8) Mr. Higgins was appointed Managing Director in November of 2011.
- (9) Mr. Fitzmaurice was appointed Operations General Manager in October of 2012. He was appointed Project Director and Managing Director in March of 2013.
- (10) Mr. Zhao resigned on December 31, 2013. All Other Compensation for 2013 includes a separation benefit of \$53,333.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the financial year ended December 31, 2013, including awards granted before the most recently completed financial year. The Corporation does not have any share-based awards.

Option-Based Awards				
Name and Title	Number of Common Shares Underlying Unexercised Option-Based Awards (#)	Option Exercise Price (\$)	Option Expiration Date⁽¹⁾	Value of Unexercised In-the-Money Option-Based Awards⁽¹⁾ (\$)
Marc LeVier <i>President and CEO</i>	850,000 400,000	0.18 0.22	April 5, 2018 December 21, 2017	Nil Nil
Robert J. Quinn <i>(Former) Interim President and CEO</i>	650,000 300,000 350,000 250,000	0.18 0.63 0.50 0.35	April 5, 2018 April 17, 2017 December 29, 2015 November 9, 2014	Nil Nil Nil Nil
Thomas G. Mair <i>VP Finance and CFO</i>	750,000	0.12	July 16, 2018	Nil
James Davison <i>(Former) VP Finance and CFO</i>	Nil	Nil	Nil	Nil
Ian Higgins <i>Managing Director, Less Common Metals Limited</i>	250,000 250,000 100,000 350,000 300,000	0.18 0.63 0.58 0.61 0.35	April 5, 2018 April 17, 2017 January 11, 2017 January 13, 2016 November 9, 2014	Nil Nil Nil Nil Nil
Victor-Mark Fitzmaurice <i>Project Director and Managing Director, Rare Earth Extraction Co. Limited</i>	400,000 600,000	0.18 0.40	April 5, 2018 November 1, 2017	Nil Nil

Option-Based Awards				
Name and Title	Number of Common Shares Underlying Unexercised Option-Based Awards (#)	Option Exercise Price (\$)	Option Expiration Date ⁽¹⁾	Value of Unexercised In-the-Money Option-Based Awards ⁽¹⁾ (\$)
Baodong Zhao	100,000	0.18	April 5, 2018	Nil
(Former) VP	300,000	0.61	January 13, 2016	Nil
Metallurgy	200,000	0.35	November 9, 2014	Nil

Note:

- (1) Calculated based on the difference between the closing price of \$0.07 per Common Share on the TSXV on December 31, 2013, and the exercise price of the option-based award, multiplied by the number of Common Shares available for the purchase under the option-based award.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards which vested or were earned during the financial year ended December 31, 2013, for each Named Executive Officer.

Name and Title	Option-Based Awards - Value of in-the-money vested during the year ⁽¹⁾ (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Marc LeVier <i>President and CEO</i>	Nil	Nil	Nil
Robert J. Quinn <i>(Former) Interim President and CEO</i>	Nil	Nil	Nil
Thomas G. Mair <i>VP Finance and CFO</i>	Nil	Nil	Nil
James Davidson <i>(Former) CFO</i>	Nil	Nil	Nil
Ian Higgins <i>Managing Director, Less Common Metals Limited</i>	Nil	Nil	Nil
Victor-Mark Fitzmaurice <i>Project Director and Managing Director, Rare Earth Extraction Co. Limited</i>	Nil	Nil	Nil
Baodong Zhao <i>(Former) VP Metallurgy</i>	Nil	Nil	Nil

Note:

- (1) Calculated based on the difference between the market price of the Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.

Pension Plan Benefits

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefits

The Corporation entered into employment and/or consulting contracts with certain of its Named Executive Officers or consulting companies controlled by the NEOs.

The Corporation has consulting or employment contracts with companies controlled by each of Mr. LeVier (President and CEO), Mr. Mair (VP Finance and CFO) and Mr. Fitzmaurice (Project Director and Managing Director). Each of these contracts stipulates that the consulting company or employee is entitled to the following upon a termination by the Corporation without cause: (i) a lump sum equal to 1 year of the base consulting fee or gross salary (being \$300,000 per annum for the company controlled by Mr. LeVier, \$264,000 per annum for the company controlled by Mr. Mair, and \$250,00 per annum for Mr. Fitzmaurice); (ii) a lump sum equal to the average performance incentive declared as payable or paid to the consulting company calculated over the 3 preceding years, which rolling average will include any years in which no performance incentive was paid or declared payable; (iii) a lump sum equal to 1 month of the base consulting fee for each full year that services have been provided, and a pro rata amount for each partial year, to a maximum of 24 months. In the event of a change of control, each is entitled to the following: (i) a lump sum equal to 18 months of the base consulting fee; (ii) a lump sum equal to 1.5 times the average performance incentive declared as payable or paid to the consulting company calculated over the 3 preceding years, which rolling average will include any years in which no performance incentive was paid or declared payable; (iii) a lump sum equal to 1 month of the base consulting fee for each full year that services have been provided, and a pro rata amount for each partial year, to a maximum of 30 months.

Under his employment agreement, Mr. Higgins is entitled to 6 months' notice or payment in lieu.

For the financial year ended December 31, 2013, the NEOs (or his consulting company) would have been entitled to the following payments upon termination by the Corporation without cause: Marc LeVier - \$324,384, Thomas G. Mair - \$274,608; Ian Higgins - \$108,935; Victor Fitzmaurice - \$314,035. Baodong Zhao was provided with a separation benefit of \$53,333 on December 31, 2013, representing 4 months gross salary.

In the event of a change of control where the applicable consulting or employment agreement is terminated within a specified period, the NEO (or his consulting company) would have been entitled to the following payments: Marc LeVier - \$486,575, Thomas G. Mair - \$411,912; Victor Fitzmaurice - \$471,053. Ian Higgins does not have a specific change of control provision in his employment contract and therefore if he was terminated due to a change in control he would be entitled to the same amount as if he was terminated without cause. Baodong Zhao's last day of employment with the Corporation was December 31, 2013.

Each of the aforementioned consulting or employment contracts contains non-competition and non-solicitation clauses.

STATEMENT OF DIRECTOR COMPENSATION

As at December 31, 2013, the Corporation had five directors - being Messrs. Robert Quinn, J. Rupert Allan, Marc LeVier, Lenard Boggio and Ron Hochstein. Each of Messrs. Ian McNaughton and Mr. David Kennedy chose to not stand for re-election as a director of the Corporation at the Corporation's last shareholders' meeting and therefore ceased to be directors of the Corporation as at June 6, 2013. Mr. Ireland resigned as a Director in December of 2013. As at December 31, 2013, then-current or former directors who were also Named Executive Officers for at least a portion of the financial year ended December 31, 2013, were Messrs. Robert Quinn (Former Interim President and CEO) and Marc LeVier (President and CEO).

Subsequent to December 31, 2013, the Corporation appointed two new directors - Mr. Donald R. Siemens on January 20, 2014 and Mr. Bruce Higson-Smith (who replaced Mr. Ron Hochstein) on March 20, 2014. The Board currently consists of six (6) directors.

In the most recently completed financial year and from the beginning of the recently completed financial year to the Effective Date, the Corporation paid no cash compensation (including salaries, director's fees, commissions, bonuses paid

for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned by the directors for services rendered) to the directors who are not Named Executive Officers (the “**Outside Directors**”) for services rendered in their capacity as directors other than reimbursement of reasonable out-of-pocket expenses other than as described below.

Named Executive Officers of the Corporation who also act as directors of the Corporation do not receive any additional compensation for services rendered as directors while also serving as Named Executive Officers. For a description of the compensation paid to the Named Executive Officers of the Corporation who also act as a director of the Corporation, see “*STATEMENT OF EXECUTIVE COMPENSATION*”, above.

Director Compensation

The following table sets forth all compensation provided to Outside Directors for the financial year ended December 31, 2013.

Name	Fees earned (\$)	Share-Based Awards⁽¹⁾ (\$)	Option-Based Awards⁽²⁾ (\$)	All Other Compensation (\$)	Total Compensation (\$)
J. Rupert Allan	17,250	Nil	22,784	Nil	40,034
George R. Ireland ⁽³⁾	13,500	Nil	59,239	Nil	72,739
Lenard Boggio	17,750	Nil	64,980	Nil	82,730
Ron Hochstein	19,500	Nil	48,415	Nil	67,915
David Kennedy ⁽⁴⁾	Nil	Nil	22,784	178,511	201,295
Ian McNaughton ⁽⁴⁾	4,313	Nil	22,784	Nil	27,097

Notes:

- (1) “**Share-Based Award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) “**Option-Based Award**” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. Value based on the fair market value of the Options granted based on the Black-Scholes pricing model. The assumptions underlying the Black-Scholes valuation are disclosed in Note 17 (b) in the 2013 Audited Financial Statements of the Corporation.
- (3) Mr. Ireland resigned from the Board in December of 2013.
- (4) Messrs. Kennedy and McNaughton were Outside Directors for part of the financial year ended December 31, 2013. Messrs. Kennedy and McNaughton did not stand for re-election as directors and therefore ceased to be directors of the Corporation effective June 6, 2013. Mr. Kennedy was also an officer of the Corporation until August of 2013 and earned \$145,230 in salary and \$33,281 in other benefits in that capacity.

Board fees for the year ended December 31, 2013 and re-approved for 2014 are as follows:

Position	Compensation
Chairman of the Board (non-independent, starting in Q4 of 2013)	\$30,000/year
Independent Director	\$10,000 / year
Independent Lead Director (in addition to Independent Director fee)	\$5,000 / year
Audit Committee Chair	\$5,000 / year
Other Committee Chair	\$2,500 / year
Meeting Fee (in person)	\$1,000 per meeting/day

Meeting Fee (by phone)	\$500 per meeting/day
Options to incoming directors	400,000

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Outside Director of the Corporation as of the financial year ended December 31, 2013, including awards granted before the most recently completed financial year. The Corporation does not have any share-based awards.

Option-Based Awards				
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option⁽¹⁾ (\$)
J. Rupert Allan	250,000 300,000 350,000 250,000	0.18 0.63 0.50 0.35	April 5, 2018 April 17, 2017 December 29, 2015 November 9, 2014	Nil Nil Nil Nil
George R. Ireland	650,000	0.18	March 4, 2014	Nil
Lenard Boggio	400,000	0.32	January 14, 2018	Nil
Ron Hochstein	400,000	0.25	January 7, 2018	Nil
David Kennedy ⁽²⁾	250,000 500,000 250,000 600,000 500,000	0.18 0.63 0.58 0.50 0.35	April 5, 2018 April 17, 2017 January 11, 2017 December 29, 2015 November 9, 2014	Nil Nil Nil Nil Nil
Ian McNaughton ⁽²⁾	250,000 300,000 350,000 250,000	0.18 0.63 0.50 0.35	April 5, 2018 April 17, 2017 December 29, 2015 November 9, 2014	Nil Nil Nil Nil

Note:

- (1) Calculated based on the difference between the closing price of \$0.07 per Common Share on the TSXV on December 31, 2013, the last day the Common Shares were traded before the year end, and the exercise price of the option-based award, multiplied by the number of Common Shares available for the purchase under the option-based award.
- (2) As a result of their ceasing to be directors of the Corporation, all of the outstanding options of Messrs. McNaughton and Kennedy expire on the earlier of their natural expiry date and December 31, 2014.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the financial year ended December 31, 2013, for Outside Directors of the Corporation.

Name	Option-Based Awards – In-the-money value vested during the year⁽¹⁾ (\$)	Share-Based Awards - Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
J. Rupert Allan	Nil	Nil	Nil

Name	Option-Based Awards – In-the-money value vested during the year⁽¹⁾ (\$)	Share-Based Awards – Value vested during the year (\$)	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
George R. Ireland	Nil	Nil	Nil
Lenard Boggio	Nil	Nil	Nil
Ron Hochstein	Nil	Nil	Nil
David Kennedy	Nil	Nil	Nil
Ian McNaughton	Nil	Nil	Nil

Note:

- (1) Calculated based on the difference between the market price of the Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's financial year ended December 31, 2013.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)
Equity compensation plans approved by securityholders ⁽¹⁾	25,675,000	\$0.41	16,198,817
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	25,675,000	\$0.41	16,198,817

Note:

- (1) The maximum number of Common Shares reserved for issuance under the Option Plan is set at 10% of the outstanding Common Shares at the time of the applicable grant. Accordingly, the number of Common Shares remaining available for future issuance will increase as the outstanding number of Common Shares increases. At December 31, 2013, 418,738,174 Common Shares were issued and outstanding.

MANAGEMENT CONTRACTS

During the financial year ended December 31, 2013, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the most recently completed financial year of the Corporation was any other director, executive officer, or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate of any such person) or any former director or executive officer of the Corporation or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided the by Corporation or any of its subsidiaries. As at December 31, 2013, there were no advances outstanding to employees.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

The Corporation's disclosure with respect to corporate governance practices is set forth in Appendix "A" hereto.

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

Except as otherwise set out herein, no director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of the Corporation, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

1. Financial Statements and Auditors' Report

At the Meeting, shareholders will receive and consider the audited financial statements of the Corporation for the year ended December 31, 2013 and the Auditor's Report on such statements. The financial statements are also available on the Corporation's SEDAR profile at www.sedar.com and will be tabled at the Meeting.

2. Fixing the Number of Directors

At the Meeting, shareholders will be asked to fix the number of directors for the present time at six (6), as may be adjusted between meetings of shareholders by way of resolution of the Board of the Corporation. **Unless authority to do so is withheld, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at six (6).**

3. Election of Directors

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at present and during the preceding five years (where required), the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Corporation that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Position Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date ⁽⁵⁾⁽⁶⁾
Robert J. Quinn⁽⁴⁾ Houston, Texas Director (September 2006)	Partner at Quinn & Brooks LLP, a Houston-based law firm which represents mining industry investment, exploration, development and operating clients. Prior thereto, Mr. Quinn practiced resource law with the Denver firm of Holland & Hart LLP and served as VP and General Counsel for Battle Mountain Gold Company in Houston. Mr. Quinn also serves on the boards of Mercator Minerals Ltd., North American Palladium Ltd. and Formation Metals Inc. Mr. Quinn also acted as interim President and CEO of the Corporation until the appointment of Mr. LeVier in January 2013.	200,000 0.478%
J. Rupert Allan⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ Victoria, British Columbia Director (October 2007)	Vice-President, Exploration and a director of Skeena Resources Limited, an advisor to a number of TSX-Venture listed mineral exploration companies and President of Cold Stream Exploration Ltd., a private mineral exploration consulting and investment company. Mr. Allan has over forty years of technical and management experience with Canadian junior mining and exploration companies engaged in the exploration and development of base and precious metals, diamonds and uranium. Mr. Allan has also been a director and officer of a number of mineral exploration companies and consulting firms such as Boss Power Corp. (VP Exploration).	450,000 1.753%
Marc LeVier⁽⁴⁾ Denver, Colorado President and CEO, Director (Director since December 2012, President and CEO since January 2013)	President, CEO and a director of the Corporation since January 2013. Prior thereto, President, CEO and director of Texas Rare Earth Resources Corp. Prior thereto, Mr. LeVier spent over twenty years with Newmont Mining Corporation in various senior metallurgical and management positions including General Manager of the Zarafshan/Newmont joint venture and Senior Director, Metallurgical Research and Development. Mr. LeVier holds a Bachelor of Science in Metallurgical Engineering as well as a Master of Science in Metallurgical Engineering, both from Michigan Technological University in Houston, Michigan. Mr. LeVier is also a member of the Society of Mining, Metallurgy and exploration and the Mining and Metallurgical Society of America.	10,000 0.002%
Lenard Boggio⁽¹⁾⁽²⁾⁽³⁾ Vancouver, British Columbia Director (January 2013)	Currently retired. Prior thereto, partner with PricewaterhouseCoopers LLP until May 2012. During his tenure with PricewaterhouseCoopers LLP, Mr. Boggio was Leader of the B.C. Mining Group of that firm and an audit practitioner for publicly listed Canadian, U.S. and U.K. mineral resource and energy clients. Mr. Boggio has been a member of the Institute of Chartered Accountants of British Columbia since 1985 and was awarded the Fellow Chartered Accountant designation for distinguished service to the accounting profession and community in 2007. Mr. Boggio has also been a Member of the Institute of Corporate Directors since 2010, earning his ICD.D designation in 2012.	Nil 0%
Don R. Siemens⁽¹⁾ Vancouver, British Columbia Director (January 2014)	More than 30 years of experience as a Chartered Accountant, including eight years in public practice as a partner with major accounting firms. Currently a financial advisor specializing in corporate finance, reorganizations and mergers and acquisitions. He also currently serves as a director for a number of TSX-listed companies and one private company.	Nil 0%

Bruce Higson-Smith ^{(2),(3)} Colorado, US Director (March 2014)	Senior Vice President, Corporate Strategy with Golden Star Resources Ltd., a Canadian mid-tier gold producer. A mining engineer with over 30 years' experience, Mr. Higson-Smith has worked in surface and underground mining operations in Africa and has ten years' experience reviewing projects, conducting due diligence, negotiating and structuring transactions for private equity funds. He has served in the past on the boards of two publicly listed Canadian companies.	Nil 0%
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Notes:

- (1) Current members of the Audit Committee.
- (2) Current members of the Compensation Committee.
- (3) Current members of the Nominating and Corporate Governance Committee.
- (4) Current members of the Technical, Health, Safety and Environment Committee.
- (5) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based upon information furnished to the Corporation by the above individuals.
- (6) Assumes a total of 418,738,174 Common Shares issued and outstanding as at the Effective Date.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution electing the persons named in the above table to the Board. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Canada Business Corporations Act* (the “CBCA”) to which the Corporation is subject.

The Board has adopted a majority voting policy in director elections that will apply at any meeting of the Corporation's shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Nominating and Governance Committee promptly following the certification of the results of the applicable shareholders' meeting. Following the receipt of such resignation, the Nominating and Governance Committee will consider whether or not to accept the offer of resignation and make a recommendation to the Board. Within 90 days following the applicable shareholders' meeting, the Board shall make its decision whether or not to accept such resignation and shall immediately publicly disclose such decision. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any deliberations of the Board or the Nominating and Governance Committee relating to such resignation.

Cease Trade Orders or Bankruptcies

Other than as described below, no proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On November 8, 2011, an order was issued by the United States Securities and Exchange Commission (“**SEC**”) revoking the registration of common shares of Mercator Minerals Ltd. (“**Mercator**”), a company for which Mr. Robert J. Quinn was a director at the time, for failure to file period reports. On November 8, 2011, Mercator filed a Form 40-F registration statement with the SEC to re-register Mercator's common shares in the United States. The Form 40-F registration statement became effective on January 9, 2012.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Personal Bankruptcies

No proposed director has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

Penalties and Sanctions

Other than as set forth herein, no proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

4. Appointment of Auditor

The shareholders will be asked to vote for the appointment of KPMG LLP as the auditor of the Corporation to hold office until the next annual meeting of the Shareholders at remuneration to be fixed by the directors.

Unless directed otherwise by a proxy holder, or if such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of the resolution appointing KPMG LLP as auditor of the Corporation, to hold office until the close of the next annual general and special meeting of shareholders or until KPMG LLP is removed from office or resigns, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the Board to fix the compensation of the auditor. KPMG LLP has been the Corporation's auditor since August 2010.

5. Approval of Amended Stock Option Plan

The Corporation had previously adopted, and the Shareholders have approved the Option Plan. On May 30, 2014, the Board approved an amendment to the Option Plan to reduce the number of days Options may be extended in the event that the expiry date for such Options occurs during a black-out period. A black-out period means a period during which an optionee is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to the Corporation's policies. Under the original Option Plan, Options may be extended for a period of up to thirty (30) days if the expiry date falls within a blackout period. Under the amendment, the period has been reduced to ten (10) days. The amendment was made to make the Corporation's Option Plan more in line with industry practice. A copy of the amended Option Plan is attached as Appendix "B" to the management information circular.

Terms of the Option Plan

Other than the amendment mentioned above, all other terms of the Option Plan remain the same. Please see "*STATEMENT OF EXECUTIVE COMPENSATION – Stock Options*" above for additional terms of the Option Plan.

Under the Option Plan, Options may be granted in such numbers and with such vesting provisions as the Board may determine. The maximum term of the Options is five (5) years.

The price per share at which Common Shares may be purchased under an Option shall be fixed when the Option is granted, provided that such price shall not be less than the price permitted by the TSXV and the Option Plan. Once the exercise price has been determined and the option has been granted, the exercise price of an Option may only be reduced, in the case of Options held by insiders of the Corporation, if disinterested shareholder approval is obtained at a meeting of the shareholders.

In the event of the death of a participant on or prior to the expiry time of an Option, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (including in respect of the right to purchase Shares not otherwise vested at such time), by the legal personal representatives of the participant at any time up to and including (but not after) a date one (1) year following the date of death of the participant or the expiry time of such Option, whichever occurs first.

The Option Plan limits the number of Common Shares which are available for purchase pursuant to Options to 10% of the issued and outstanding Common Shares as at the Award Date. In the event of the exercise or cancellation of any Options, the Corporation could make a further grant of Options, provided that the 10% maximum is not exceeded. In that regard, the Option Plan is a “rolling” stock option plan.

Policy 4.4 *Incentive Stock Options* of the TSXV requires that rolling stock option plans must receive shareholder approval yearly, at an issuer’s annual meeting. In accordance with Policy 4.4, shareholders will be asked to consider and if thought fit, approve an ordinary resolution approving, adopting and ratifying the Option Plan as the Corporation’s stock option plan.

In order for the resolution approving and adopting the Option Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting.

The complete text of the ordinary resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

“BE IT HEREBY RESOLVED as an ordinary resolution of the Corporation that:

- 1. the amended stock option plan of the Corporation (the “Option Plan”), as set forth in Exhibit “B” of the management information circular be and is hereby approved, ratified and confirmed, subject to applicable regulatory approval;**
- 2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the Board acting in the best interests of the Corporation without requiring further approval of the shareholders of the Corporation;**
- 3. all issued and outstanding stock options previously granted, including stock options previously granted pursuant to previous stock option plans, be and are continued and are hereby ratified, confirmed and approved;**
- 4. the shareholders of the Corporation hereby expressly authorize the Board to revoke this resolution before it is acted upon without further approval of the shareholders in that regard; and**
- 5. any one (or more) director(s) or officer(s) of the Corporation be and is hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this resolution.”**

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution approving the Option Plan.

6. Amendment and Restatement of Shareholder Rights Plan

On March 6, 2008, the Corporation adopted a shareholder rights plan, which was approved by the Corporation’s shareholders on June 10, 2008, within six months of its original effective date, and which was approved and re-confirmed by shareholders on July 12, 2011 for a further three years. The terms of the shareholder rights plan are contained in the shareholder rights plan agreement (the “**Rights Plan**”) dated March 6, 2008 between the Corporation and Computershare Investor Services Inc., as rights agent, as amended and restated on May 30, 2014 (the “**Effective Date**”). In accordance with the amended and restated terms of the Rights Plan, the Rights Plan must be re-adopted by shareholders before the end of the annual general meeting held in 2014, and if so approved it will be effective until the end of the Corporation’s annual general meeting in 2017. Accordingly, the Rights Plan will be put before shareholders for approval at the Meeting. If the Rights Plan is not so approved, it will expire immediately following termination of the Meeting.

The following summary of the Rights Plan is qualified in its entirety by reference to the full text of the Rights Plan agreement attached as Schedule “C”, a copy of which will be made available under the Corporation’s profile on the SEDAR website at www.sedar.com under the heading “Securityholder Documents” concurrently with the filing of this Circular.

Purpose of the Rights Plan

The objectives of the Rights Plan are to ensure, to the extent possible, that all shareholders of the Corporation are treated equally and fairly in connection with any take-over offer for the Corporation. Takeover offers may not always result in shareholders receiving equal or fair treatment or full value for their investment. In addition, current Canadian securities legislation only requires a take-over offer to remain open for 35 days. The Board believes that this period may be insufficient for the Shareholders to evaluate a bid, or for the Board to pursue alternatives which could maximize Shareholder value, and make informed recommendations to Shareholders.

Summary of the Plan

The Rights Plan provides the Board and the shareholders more time to fully consider any unsolicited take-over bid for the Corporation. It will also allow more time for the Board to pursue, if appropriate, other alternatives to maximize shareholder value.

The Rights Plan authorizes the issue, on the Effective Date, of one right (a “**Right**”) in respect of each common share (a “**Share**”) outstanding on the Effective Date and the issue of one Right for each Share issued after such date. Each Right entitles the registered holder thereof to purchase from the Corporation one Share at the exercise price. The exercise price and the number of Shares are subject to adjustment in certain events such as a share split or consolidation.

The Rights issued under the Rights Plan become exercisable only when a person, including any party related to it, acquires or announces its intention to acquire 20% or more of the Corporation’s outstanding Shares without complying with the “Permitted Bid” provisions of the Rights Plan or without approval of the Board. Should such an acquisition occur, each Right would, upon exercise, entitle the holder thereof, other than the Acquiring Person (as hereinafter defined) and related persons whose Rights become void, to purchase Shares at one half of the prevailing market price at the time.

Under the Rights Plan, a Permitted Bid is a bid made for all of the Corporation’s Shares to all Shareholders that is open for not less than 60 days. If, at the end of the 60 days, at least 50% of the outstanding Shares, other than those owned by the offeror and certain related parties, have been tendered to the bid, the offeror may take up and pay for the Shares but must extend the bid for a further 10 days to allow other shareholders to tender.

The issuance of Rights will not in any way alter the financial condition of the Corporation. The issuance is not itself dilutive, will not affect reporting earnings per Share and will not change the way in which shareholder would otherwise trade Shares. By permitting holders of Rights, other than an Acquiring Person (as defined below), to acquire Shares at a discount to market value, the Rights may cause substantial dilution to an Acquiring Person, defined in the Rights Plan Agreement as a person or group that acquires 20% or more of the Shares of the Corporation other than by way of a Permitted Bid or other than in circumstances where Rights are redeemed or the Board waives the application of the Rights Plan.

The Rights Plan should provide adequate time for Shareholders to assess a bid and to permit competing bids to emerge. It also gives the Board sufficient time to explore other options. A potential bidder can avoid the dilutive features of the Rights Plan by making a bid that conforms to the requirements of a Permitted Bid.

The requirements of a Permitted Bid enable each Shareholder to make two separate decisions. First, a shareholder will decide whether the bid or any competing bid is adequate on its own merits. In making this decision the shareholder need not be influenced by the likelihood that the bid will succeed. If there is sufficient support such that at least 50% of the independently held Shares have been tendered, a shareholder who has not already tendered to that bid will have a further 10 business days to decide whether to tender the bid.

Shareholder Approval

At the Meeting, shareholders will be asked to consider and, if thought advisable, to pass, with or without variation, the following resolution, to re-confirm and approve the Rights Plan (the “**Rights Plan Resolution**”):

“BE IT RESOLVED, as an ordinary resolution of the Corporation, that:

1. the shareholder rights plan containing the terms and conditions as set forth in the amended and restated rights plan agreement dated as of May 30, 2014 between the Corporation and Computershare Investor Services Inc. (the “Rights Plan”) attached to the Corporation’s information circular in respect of the Meeting, be and is hereby approved;
2. the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
3. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

In order to be approved, the Rights Plan Resolution must be approved by an ordinary resolution of the shareholders, being a majority of the votes cast by shareholders present in person or by proxy at the Meeting who voted in respect of the Rights Plan Resolution. The Board recommends that shareholders vote in favour of the Rights Plan Resolution. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the Rights Plan Resolution.**

7. Consolidation of Issued and Outstanding Common Shares

Shareholders will be asked to approve a special resolution authorizing the Board to amend the articles of the Corporation to consolidate the outstanding common shares to a smaller number of shares (the “**Consolidation**”), with the timing and ratio of the Consolidation to be determined by the Board at a later date in consultation with the Corporation’s financial advisors.

If approved and implemented, the Consolidation will affect all shareholders uniformly and will not affect any shareholder’s percentage ownership interest in the Corporation, except to the extent the Consolidation would otherwise result in a shareholder owning a fractional share. No fractional shares will be issued upon the Consolidation of the common shares. If as a result of the Consolidation a shareholder becomes entitled to a fractional common share, such fraction will be rounded to the nearest whole number.

The Corporation currently has an unlimited number of common shares available for issuance and the Consolidation will not have any effect on the number of shares that remain available for future issuance. The exercise or conversion price and the number of shares issuable under any convertible securities of the Corporation, including convertible debt securities, options and common share purchase warrants, will be proportionately adjusted should the Consolidation proceed.

The Consolidation is subject to the receipt of all required regulatory approvals, including acceptance of the TSXV and shareholder approval. If approved, the Consolidation will be effected at a time determined by the Board, however the resolution also authorizes the Board to revoke the resolution before it is acted on, if the Board determined at a later date it is no longer in the best interests of the Corporation.

In the event the Board does proceed, the Board will set a record date for the Consolidation and announce details of the consolidation process by way of press release, in accordance with the policies of the TSXV.

If the Consolidation is implemented the Corporation will issue a news release informing shareholders of the details of the Consolidation, the applicable ratio and any applicable actions that may be required by shareholders to exchange pre-consolidation share certificates for post-consolidation share certificates.

Non-registered shareholders holding their common shares through a bank, broker, or other nominee should note that such banks, brokers or other nominees may also have various procedures for processing the Consolidation. If a shareholder holds shares with such a bank, broker or other nominee and has any questions in this regard, the shareholder is encouraged to contact its nominee.

In order for the Consolidation to proceed, it must be approved by the affirmative vote of not less than $66\frac{2}{3}$ of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting.

At the Meeting, shareholders will be asked to consider, and if thought appropriate, pass a special resolution substantially in the form noted below to confirm the Consolidation. The complete text of the resolution is as follows:

“BE IT HEREBY RESOLVED as a special resolution of the Corporation that:

- 1. the Board of Directors be and are hereby authorized to amend the Articles of the Corporation to consolidate the issued and outstanding common shares into a number to be determined by the Board of Directors;**
- 2. the shareholders of the Corporation hereby expressly authorize the Board of Directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
- 3. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this special resolution.”**

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the special resolution approving the Consolidation.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

GENERAL

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the resolutions set forth herein. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation’s comparative financial statements and management discussion and analysis for the most recently completed financial year available on SEDAR. A shareholder may contact the Corporation at 2121 Airport Drive, Unit 201B, Saskatoon, SK S7L 6W5, Phone: (306) 659-4500 Attention: Chief Financial Officer, to obtain a copy of the Corporation’s most recent financial statements and management discussion and analysis.

BOARD APPROVAL

The contents and the sending of this Circular have been approved by the Board.

APPENDIX “A”

GREAT WESTERN MINERALS GROUP LTD.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101- *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1 which is attached to NI 58-101 (“**Form 58-101F1 Disclosure**”).

Set out below is a description of the Corporation’s current corporate governance practices, relative to the Form 58-101F1 Disclosure.

1. Board of Directors

(a) Disclose the identity of directors who are independent.

As at December 31, 2013, the following directors were independent (for the purposes of NI 58-101):

J. Rupert Allan
Lenard Boggio
Ron Hochstein

As of the Effective Date, the following four directors of the Corporation are independent (for purposes of NI 58-101):

J. Rupert Allan
Lenard Boggio
Don R. Siemens
Bruce Higson-Smith

(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.

As at December 31, 2013 Mr. Marc LeVier was considered non-independent as he is the President and CEO of the Corporation. Mr. Robert J. Quinn acted as interim CEO of the Corporation for part of the financial year ended December 31, 2013 and is a partner of a legal firm that provides legal services to the Corporation and is therefore not considered independent.

(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.

The Corporation has a majority of independent directors.

(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

<u>Name</u>	<u>Name of Reporting Issuer</u>
J. Rupert Allan	Skeena Resources Limited
Lenard Boggio	Alderon Iron Ore Corp. Augusta Resource Corporation Laurentian Goldfields Ltd. Polaris Minerals Corporation Sprott Resource Corp.
Robert J. Quinn	Mercator Minerals Ltd. North American Palladium Ltd. Formation Metals Inc.
Don R. Siemens	Hansa Resources Limited Nikos Explorations Ltd. Spur Ventures Inc. Argentex Mining Corporation Boss Power Corp. Goldgroup Mining Inc.
Bruce Higson-Smith	N/A

- (e) **Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

The independent directors do not hold regularly scheduled meetings of all of the independent directors without non-independent directors in attendance other than as may be incidental to the meeting of the Board's committees. The Board has adopted the practice of following each meeting with an *in camera* independent director discussion. The Board ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the *Canada Business Corporations Act* and the mandate of the Board. The Board may determine that it is appropriate to hold an *in camera* session excluding a director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself from considering and voting with respect to the matter under consideration.

- (f) **Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

Mr. Robert J. Quinn is the current Chairman of the Board and is not independent. In accordance with Section 3.2 of National Policy 58-201 – *Corporate Governance Guidelines*, the Board had appointed Mr. Ron Hochstein as independent lead director (the “**Lead Director**”), and Mr. Boggio assumed that role after Mr. Hochstein's resignation from the Board. In accordance with the mandate of the Chairman, the Chairman presides at all meetings of the Board and, unless otherwise determined and at all meetings of shareholders. Among other things, the Chairman manages the Board and its committees in a manner that ensures that the relationship between the Board, its committees and the CEO are effective, efficient and further the best interests of the Corporation. The Chairman counsels the Board and CEO, assists the CEO

to define problems, develop solutions, influence strategy, maintain accountability and build stakeholder relationships. The Chairman also ensures that the CEO is aware of concerns of the Board, shareholders and other stakeholders.

- (g) **Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.**

The attendance record of each of the directors of the Corporation for meetings and committee meetings held since January 1, 2013 is disclosed in the table below. Mr. Ian McNaughton and Mr. David Kennedy did not stand for re-election as directors and therefore ceased to be directors of the Corporation as of June 6, 2013. Mr. Don R. Siemens joined the Board on January 20, 2014. Mr. Ron Hochstein resigned from the Board on March 3, 2014 and was replaced by Mr. Bruce Higson-Smith.

Name	Board Meetings Attended / Held	Audit Committee Meetings Attended / Held	Compensation Committee Meetings Attended/Held	Nominating and Corporate Governance Committee Meetings Attended/Held	Technical, Health, Safety and Environment Committee Meetings Attended/Held ⁽¹⁾
Robert Quinn	10/10	1/1	N/A	N/A	N/A
J. Rupert Allan	10/10	4/4	N/A	N/A	N/A
Marc LeVier	10/10	N/A	N/A	N/A	N/A
Lenard Boggio	9/9	3/3	N/A	1/1	N/A
Bruce Higson-Smith <i>(Director since March 2014)</i>	N/A	N/A	N/A	N/A	N/A
Don R. Siemens <i>(Director since January 2014)</i>	N/A	N/A	N/A	N/A	N/A
Ian McNaughton <i>(former director)</i>	5/5	2/2	N/A	N/A	N/A
George R. Ireland <i>(former director)</i>	9/10	2/2	N/A	1/1	N/A
David Kennedy <i>(former director)</i>	5/5	N/A	N/A	N/A	N/A
Ron Hochstein <i>(former director)</i>	8/9	N/A	N/A	1/1	N/A

- (1) The Technical, Health, Safety, and Environment Committee did not formally meet during 2013. Technical, safety, health and environmental matters were discussed during regularly scheduled Board meetings.

2. **Board Mandate – Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The Board does not have a written mandate. The Board delineates its role and responsibilities as follows:

- (a) develop, monitor and, where appropriate, modify the Corporation's strategic plan;
- (b) review and, where appropriate, approve the financial and business goals and objectives, major corporate actions and internal controls of the Corporation;
- (c) regularly monitor the effectiveness of management policies and decisions;
- (d) select, evaluate and compensate the CEO and other senior officers and review management succession planning;
- (e) assess major risks facing the Corporation and review options for their mitigation;
- (f) ensure that the Corporation's business is conducted with the highest standards of ethical conduct and in conformity with applicable laws and regulations;
- (g) review, with input from the Audit Committee, the financial performance and financing reporting of the Corporation and assess the scope, implementation and integrity of the Corporation's internal control systems;
- (h) appoint the officers of the Corporation, ensuring that they are of the calibre required for their roles and planning their succession as appropriate from time to time; and
- (i) establish and oversee committees of the Board as appropriate, approve their mandates and approve any compensation of their members.

3. Position Descriptions

- (a) **Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

The Board has not developed a written position description for the Chairman of the Board.

The Board has adopted a written position description for the chair of the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee and the Technical Health, Safety and Environment Committee.

- (b) **Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

The Board and CEO have not developed a written position description for the CEO, however, a summary of his responsibilities is included in his employment agreement with the Corporation. The directors are kept fully informed of management actions that have a material impact on the operation and performance of the Corporation. All material contracts and agreements are put before the Board for approval and/or ratification. The Board has charged the CEO with the responsibilities for the day to day running of the Corporation and to propose strategic direction, policies and financial goals for the review, consideration and approval of the Board.

4. Orientation and Continuing Education

- (a) **Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.**

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an informal basis. When new directors are appointed, they receive an orientation package that includes: a history and background of the Corporation and key individuals, recent financial information including the most recent annual and quarterly reports, all board and committee mandates, significant corporate policies, organizational and corporate structure, articles and by-laws, minutes of board meetings held during the preceding twelvemonth period, and information with respect to insurance and indemnification. In addition, any new director will have detailed briefings with the Chairman, the CEO and the CFO. As part of continuing education, the board receives presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business.

The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, rate of turnover of the directors and the experience and expertise of the members of the Board.

- (b) **Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

No formal continuing education program currently exists for the directors of the Corporation. Individual directors are responsible for maintaining their own education, skills and knowledge at an appropriate level. Board members are encouraged to attend educational courses or presentations in relation to the Corporation's projects or the industry within which the Corporation operates.

5. Ethical Business Conduct

- (a) **Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:**

The Corporation has a Code of Business Conduct and Ethics (the "Code") for directors, officers and employees, which is available under the Corporation's profile on SEDAR at www.sedar.com

- (i) **disclose how a person or company may obtain a copy of the code;**

A copy of the Code may be obtained on the Corporation's website at www.gwmg.ca.

- (ii) **describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and**

The Corporation's President and CEO or Chairman are responsible for administering the Code. The day-to-day responsibility for administering and interpreting the Code is delegated to various department supervisors, who are responsible for reporting to the President and CEO or Chairman.

- (iii) **provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

Not applicable.

- (b) **Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.**

In accordance with the *Canada Business Corporations Act*, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

- (c) **Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.**

The Board has adopted a “Whistleblower Policy” wherein employees and consultants of the Corporation are provided with the mechanics by which they may raise concerns with respect to:

- violation of any applicable law, rule or regulation that relates to corporate reporting and disclosure;
- fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Corporation or any of its subsidiaries;
- fraud or deliberate error in the recording and maintaining of financial records of the Corporation or any of its subsidiaries;
- deficiencies in or non-compliance with the Corporation or any of its subsidiaries’ internal policies and controls;
- misrepresentation or a false statement by or to a director, officer or employee of the Corporation or any of its subsidiaries respecting a matter contained in the financial records, reports or audit reports; and
- deviation from full and fair reporting of the Corporation’s consolidated financial position

6. Nomination of Directors

- (a) **Describe the process by which the board identifies new candidates for board nomination.**

The Nominating and Corporate Governance Committee is responsible for recommending to the Board nominees for election or appointment as directors. When considering a potential candidate, the committee considers the qualities and skills that the Board, as a whole, should have and assesses the competencies and skills of the current members of the Board. Based on the talent already represented on the Board, the committee then identifies the specific skills, personal qualities or experiences that a candidate should possess in light of the opportunities and risks facing the Corporation. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, shown support for the Corporation’s mission and strategic objectives, and a willingness to serve.

- (b) **Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.**

The Nominating and Corporate Governance Committee is comprised entirely of independent directors.

- (c) **If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

See item 6(a) above.

7. Compensation

- (a) **Describe the process by which the board determines the compensation for the issuer's directors and officers.**

Please refer to the sections entitled "*STATEMENT OF EXECUTIVE COMPENSATION*" in the case of officers and "*STATEMENT OF DIRECTOR COMPENSATION*" in respect of directors in this Circular.

- (b) **Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.**

The Compensation Committee was comprised of a majority of independent directors. As described in the Circular, the Compensation Committee (and its predecessor) engaged in reviews based upon established criteria to support its deliberations and recommendations to the Board on compensation matters.

- (c) **If the board has a Committee, describe the responsibilities, powers and operation of the compensation committee.**

Please refer to the sections entitled "*STATEMENT OF EXECUTIVE COMPENSATION*" in the case of officers and "*STATEMENT OF DIRECTOR COMPENSATION*" in respect of directors in this Circular.

- (d) **If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.**

The Corporation did not retain a compensation consultant during its 2013 fiscal year.

8. Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.

In addition to the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee, the Corporation has established a Technical, Health, Safety and Environment Committee.

The Technical, Health, Safety and Environment Committee reviews and recommends for approval policies, management systems and performance with respect to technical, health, safety and environment matters affecting the Corporation.

The purpose of the Technical, Health, Safety and Environment Committee is to assist the Board in reviewing and recommending for approval policies and management systems with respect to technical, health, safety and environmental matters affecting the Corporation, and assisting the Board in reviewing corporate performance with respect to technical, health, safety and environmental matters affecting the Corporation. To that end, the Technical, Health, Safety and Environment Committee is charged with the following key responsibilities:

- Reviewing the safety, health, and environmental policies of the Corporation and, as appropriate, recommending changes to the Board.

- Receiving and reviewing written reports from management on the status of compliance with safety, health, and environment policies and applicable legislative and regulatory requirements.
- Reviewing the Corporation's safety, health, and environment emergency response planning procedures with management.

9. Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board conducts annual assessments of its members, including individual assessments, to determine that the Board, its committees and the individual directors are performing effectively. This process is completed in the first quarter of each year. Each director completes a comprehensive questionnaire and returns it to the Corporate Secretary for compilation. The results and recommendations are tabulated and discussed by the Nominating and Governance Committee. The committee will then present its recommendations to improve Board and committee effectiveness, if any, to the Board for its consideration and approval.

APPENDIX “B”

GREAT WESTERN MINERALS GROUP LTD.

AMENDED STOCK OPTION PLAN

(attached)

GREAT WESTERN MINERALS GROUP LTD.

2014 AMENDED STOCK OPTION PLAN

Approved by the Board of Directors on May 30, 2014

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STOCK OPTION PLAN

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “**Administrator**” means, initially, the President of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;
- (b) “**Associate**” has the meaning given to it in Policy 1.1 of the TSXV Corporate Finance Manual;
- (c) “**Award Date**” means the date on which the board awards a particular Option;
- (d) “**Board**” means the board of directors of the Company, or any committee thereof which the board of directors of the Company has delegated the power to administer and grant options under this Plan;
- (e) “**Black Out Period**” means the period during which the relevant Option Holder is prohibited from exercising an Option due to trading restrictions imposed by the Company pursuant to any policy of the Company respecting restrictions on trading that is in effect at that time or applicable Securities Laws;
- (f) “**Cause**” means:
 - (i) “Cause” as such term is defined in the written employment agreement, if any, between the Company and Employee; or
 - (ii) in the event there is no written employment agreement between the Company and the Employee or “Cause” is not defined in the written employment agreement between the Company and the Employee, the usual meaning of just cause under the common law or the laws of Saskatchewan;
- (g) “**Company**” means Great Western Minerals Group Ltd.;
- (h) “**Consultant**” means an individual, other than an employee or an executive of the Company, that
 - (i) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Company or to an affiliated entity of the Company, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or the affiliated entity and the individual or a consultant company or consultant partnership of the individual;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an affiliated entity of the Company; and
 - (iv) has a relationship with the Company or an affiliated entity of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

- (i) “**consultant company**” means, for an individual consultant, a company of which the individual consultant is an employee or shareholder;
- (j) “**consultant partnership**” means, for an individual consultant, a partnership of which the individual consultant is an employee or partner;
- (k) “**Director**” means directors, senior officers and Management Company Employees of the Company or a subsidiary of the Company to whom stock options can be granted in reliance on a prospectus exemption under applicable Securities Laws;
- (l) “**Discounted Market Price**” has the meaning given to it in Policy 1.1 of the TSXV Corporate Finance Manual;
- (m) “**Employee**” means an individual who:
 - (i) is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) works full-time for the Company or a subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) works for the Company or a subsidiary of the Company on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;
- (n) “**Exercise Notice**” means the notice respecting the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Option Holder;
- (o) “**Exercise Period**” means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date;
- (p) “**Exercise Price**” means the price at which an Option may be exercised as determined in accordance with paragraph 3.5;
- (q) “**Expiry Date**” means the date determined in accordance with paragraph 3.3 and after which a particular Option cannot be exercised;
- (r) “**Insider**” has the meaning given to it in the *The Securities Act, 1988* (Saskatchewan);
- (s) “**Investor Relations Activities**” has the meaning given to it in Policy 1.1 of the TSXV Corporate Finance Manual;
- (t) “**Management Company Employee**” means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in Investor Relations Activities;
- (u) “**Option**” means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;

- (v) **“Option Certificate”** means the certificate, in the form set out as Schedule “A” hereto, evidencing an Option;
- (w) **“Option Holder”** means a Director, Employee or Consultant or former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;
- (x) **“Plan”** means this stock option plan;
- (y) **“Personal Representative”** means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;
- (z) **“Regulatory Authorities”** means all stock exchanges and other organized trading facilities on which the Company's Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company;
- (aa) **“Securities Laws”** means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and orders in force from time to time that are applicable to the Company, including the rules and policies of any applicable stock exchange;
- (bb) **“Share”** or **“Shares”** means, as the case may be, one or more common shares without par value in the capital stock of the Company;
- (cc) **“Termination Date”** means:
 - (i) in the case of the resignation of the Option Holder as an Employee of the Company, the date that the Option Holder provides notice to the Company of his or her resignation as an Employee of the Company; or
 - (ii) in the case of the termination of the Option Holder's employment with the Company by the Company for any reason other than death, the date that the Company provides notice of termination of the Option Holder's employment to the Option Holder; or
 - (iii) in the case of the termination of the written contract of the Option Holder to provide consulting services to the Company, the date that one of the parties to the written contract provides notice of termination of the written contract to the other party; and
- (dd) **“TSXV”** means the TSXV Venture Exchange Inc.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of Saskatchewan.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2

PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

- (a) The Board shall, from time to time and in its sole discretion, determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded.
- (b) The Board may only grant options to an Employee or Consultant if such Employee or Consultant is a *bona fide* Employee or Consultant of the Company or a subsidiary of the Company.
- (c) The Board may, in its sole discretion, grant the majority of the Options to insiders of the Company.
- (d) In no case will an Option Holder be granted an Option where the number of Shares that may be purchased pursuant to that Option in any 12 month period exceed 5% of the Company's issued and outstanding share capital over that period except in compliance with the policies of the TSXV.
- (e) In no case will a Consultant be granted an Option where the number of Shares that may be purchased pursuant to that Option exceed 2% of the Company's issued and outstanding share capital in any 12 month period.
- (f) In no case will the aggregate number of Shares that may be purchased pursuant to Options granted to Employees conducting Investor Relations Activities exceed 2% of the Company's issued and outstanding share capital in any 12 month period.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company, does not give any Option Holder that is an Employee the right to be or to continue to be employed by the Company and does not give any Option Holder that is a Consultant the right to be or to continue to be retained as a Consultant by the Company.

ARTICLE 3

TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Issue Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be authorized and unissued Shares the issuance of which shall have been authorized by the Board.

3.2 Number of Shares

Subject to adjustment as provided for in paragraph 3.8 of this Plan, the number of Shares which will be available for purchase pursuant to Options granted under this Plan will not exceed 10% of the issued and outstanding common shares of the Company at the Award Date. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which the Option expired or terminated shall again be available for the purposes of the Plan.

3.3 Term of Option

Subject to paragraph 3.4, the Expiry Date of an Option shall be the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall be no later than the fifth anniversary of the Award Date of such Option or such later date as allowed by the policies of the TSXV.

3.4 Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 4:30 p.m. local time in Saskatoon, Saskatchewan on the Expiry Date. The Expiry Date of an Option shall initially be the date so fixed by the Board at the time the Option is awarded as modified, if applicable, in accordance with subparagraphs (a) to (d) below:

(a) Death of Option Holder

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director), an Employee (if he or she holds his or her Option as an Employee), or a Consultant (if he or she holds his or her Option as a Consultant), the Expiry Date shall be the first anniversary of the Option Holder's date of death.

(b) Ceasing to hold Office

In the event that the Option Holder holds his or her Option as a Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Expiry Date of the Option shall be the 90th day following the date the Option Holder ceases to be a Director of the Company, subject to reasonable extension at the sole and absolute discretion of the Board, unless the Option Holder ceases to be a Director of the Company as a result of:

- (i) ceasing to meet the qualifications set forth in the *Canada Business Corporations Act*; or
- (ii) his or her removal as a director of the Company pursuant to the *Canada Business Corporations Act*; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to be a Director of the Company, subject to reasonable extension at the sole and absolute discretion of the Board.

(c) Ceasing to be an Employee or Consultant

In the event that the Option Holder holds his or her Option as an Employee or Consultant of the Company and such Option Holder ceases to be an Employee or Consultant of the Company other than by reason of death, the Expiry Date of the Option shall be the 30th day following the Termination Date unless the Option Holder ceases to be an Employee or Consultant of the Company, subject to reasonable extension at the sole and absolute discretion of the Board, unless the Option Holder ceases to be a Employee or Consultant of the Company as a result of:

- (i) termination for Cause; or
- (ii) as a result of an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the Termination Date, subject to reasonable extension at the sole and absolute discretion of the Board;

(d) Expiry During Blackout

Should the expiry date of an Option fall within a Black Out Period, such Expiry Date of the Option shall be automatically extended without any further act or formality to that date which is the 10th day after the end of the Black Out Period, such 10th day to be considered the Expiry Date for such Option for all purposes under the Plan. The thirty day period referred to in this paragraph may not be extended by the Board.

Notwithstanding anything contained herein, in no case will an Option be exercisable later than the maximum term allowable pursuant to the policies of the TSXV.

3.5 Exercise Price

The price at which an Option Holder may purchase a Share upon the exercise of an Option shall be as set forth in the Option Certificate issued in respect of such Option and in any event shall not be less than the Discounted Market Price of the Company's Shares as of the Award Date. Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Option Holder is an Insider of the Company at the time of the proposed amendment.

3.6 Additional Terms

Subject to all applicable Securities Laws of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

- (a) providing that an Option expires on a date other than as provided for herein;
- (b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events;
- (c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Company; and
- (d) providing that an Option issued to, held by or exercised by an Option Holder who is a citizen or resident of the United States of America, and otherwise meets the statutory requirements, be treated as an "Incentive Stock Option" as that term is defined for purposes of the United States of America Internal Revenue Code of 1986, as amended.

3.7 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.8 Adjustments

If prior to the complete exercise of an Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the “**Event**”), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.9 Vesting

Options granted to Directors, Employees and Consultants, other than Consultants engaged in Investor Relations Activities, will vest fully upon the expiry of the hold period of four months from the Award Date, unless otherwise approved by the relevant Regulatory Authorities.

Options granted to Employees engaged in Investor Relations Activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the Options vesting in any three month period.

3.10 Resale Restrictions

In addition to any resale restrictions under Securities laws, the Option and any Shares issued upon exercise of the Option will be subject to a hold period of four months from the Award Date of the Option in accordance with the requirements of the TSXV Corporate Finance Manual. The Option, and the Shares, if applicable, will bear the following legend:

Unless permitted under securities legislation, the holder of this security must not trade the security or the securities issuable upon the exercise hereof before [insert the date that is four months and a day after the date of distribution].

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate and the securities issuable upon the exercise hereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is four months and a day after the date of distribution].

ARTICLE 4 EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of an Option Holder may exercise an Option in whole or in part at any time or from time to time during the Exercise Period up to 4:30 p.m. local time in Saskatoon, Saskatchewan on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the Share Certificate for the balance of Shares available under the Option.

4.3 Condition of Issue

The Options and the issue of Shares by the Company pursuant to the exercise of Options are subject to the terms and conditions of this Plan and compliance with the rules and policies of all applicable Regulatory Authorities to the granting of such Options and to the issuance and distribution of such Shares, and to all applicable Securities Laws. The Option Holder agrees to comply with all Securities Laws and agrees to furnish to the Company any information, reports or undertakings required to comply with, and to fully cooperate with, the Company in complying with such Securities Laws.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director, senior officer or employee of the Company such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

5.3 Withholding Taxes

The Company shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Option Holder to the Company, of any taxes or other required source deductions which the Company is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Shares. Without limiting the generality of the foregoing, the Company may, in its sole discretion:

- (a) deduct and withhold additional amounts from other amounts payable to an Option Holder;
- (b) require, as a condition of the issuance of Shares to an Option Holder that the Option Holder make a cash payment to the Company equal to the amount, in the Company's opinion, required to be withheld and remitted by the Company for the account of the Option Holder to the appropriate governmental authority and the Company, in its discretion, may withhold the issuance or delivery of Shares until the Option Holder makes such payment; or
- (c) sell, on behalf of the Option Holder, all or any portion of Shares otherwise deliverable to the Option Holder until the net proceeds of sale equal or exceed the amount which, in the Company's

opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Option Holder.

ARTICLE 6

AMENDMENT AND TERMINATION

6.1 Prospective Amendment

The Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, regulations, rules and policies provided always that any such amendment shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

6.2 Retrospective Amendment

The Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options that have been previously granted.

6.3 Approvals

This Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities.

6.4 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

6.5 Agreement

The Company and every Option awarded hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan.

SCHEDULE "A"

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY OR THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF DISTRIBUTION].

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DATE OF DISTRIBUTION].

GREAT WESTERN MINERALS GROUP LTD.

Stock Option Plan Option Certificate

This Certificate is issued pursuant to the provisions of the **Great Western Minerals Group Ltd.** (the "**Company**") Stock Option Plan (the "**Plan**") and evidences that _____ is the holder (the "**Option Holder**") of an option (the "**Option**") to purchase up to _____ common shares (the "**Shares**") in the capital stock of the Company at a purchase price of **Cdn. \$**_____ per Share. Subject to the provisions of the Plan:

- (a) the Award Date of this Option is _____ and
- (b) the Expiry Date of this Option is _____.

This Option may be exercised at any time and from time to time from and including the Award Date through to and including up to 4:30 local time in Saskatoon, Saskatchewan on the Expiry Date by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Great Western Minerals Group Ltd." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. The foregoing Option has been awarded this ____ day of _____, 20____.

GREAT WESTERN MINERALS GROUP LTD.

Per: _____
Administrator
Great Western Minerals Group Ltd.
Stock Option Plan

OPTION CERTIFICATE - SCHEDULE

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. the right to take up _____% of the Option Shares shall vest on _____, 20____.

GREAT WESTERN MINERALS GROUP LTD.

Per: _____
Administrator
Great Western Minerals Group Ltd.
Stock Option Plan

SCHEDULE "B"

**GREAT WESTERN MINERALS GROUP LTD.
STOCK OPTION PLAN**

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
GREAT WESTERN MINERALS GROUP LTD.

The undersigned hereby irrevocably gives notice, pursuant to the **GREAT WESTERN MINERALS GROUP LTD.** (the "**Company**") Stock Option Plan (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

- (a) all of the Shares; or
- (b) _____ of the Shares; which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft (**circle one**) payable to "**GREAT WESTERN MINERALS GROUP LTD.**" in an amount equal to the aggregate Exercise Price of the aforesaid shares and directs the Company to issue the certificate evidencing said shares in the name of the undersigned to be mailed to the undersigned at the following address:

DATED the ____ day of _____, 20____

Signature of Option Holder

APPENDIX “C”

GREAT WESTERN MINERALS GROUP LTD.

AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN

(attached)

SHAREHOLDER RIGHTS PLAN AGREEMENT

Amended and Restated May 30, 2014

between

GREAT WESTERN MINERALS GROUP LTD.

and

**COMPUTERSHARE INVESTOR SERVICES INC.
as Rights Agent**

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SHAREHOLDER RIGHTS PLAN AGREEMENT

THIS AGREEMENT dated as of the 11th day of March, 2008 (as amended and restated May 30, 2014),
BETWEEN:

GREAT WESTERN MINERALS GROUP LTD., a corporation continued
under the laws of Canada (hereinafter referred to as the "**Corporation**")

OF THE FIRST PART,

- and -

COMPUTERSHARE INVESTOR SERVICES INC., a company existing
under the laws of Canada (hereinafter referred to as the "**Rights Agent**")

OF THE SECOND PART.

WHEREAS:

A. the Board of Directors has determined that it is advisable to implement a shareholder rights plan (the "**Rights Plan**"), the terms and conditions of which are set out in this Shareholder Rights Plan Agreement (the "**Agreement**") between the Corporation and Computershare Investor Services Inc., as rights agent, to ensure, to the extent possible, that all shareholders of the Corporation are treated equally and fairly in connection with any take-over bid for the Corporation and to ensure that the Board of Directors is provided with a sufficient period of time to evaluate unsolicited take-over bids and to explore and develop alternatives to maximize shareholder value;

B. in order to implement the Rights Plan, the board of directors of the Corporation ("**Board of Directors**") will hereby:

- (i) authorize the issuance of one Right in respect of each Common Share outstanding at the Record Time;
- (ii) authorize the issuance of one Right in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time; and
- (iii) authorize the issuance of Rights Certificates to holders of Rights pursuant to the terms and subject to the conditions set forth in this Agreement;

C. each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth in this Agreement;

D. the Board of Directors proposes to submit at the next general meeting of shareholders of the Corporation to be held within six months of the date hereof, provided that a Flip-in-Event has not occurred prior to that time, a resolution of the Independent Shareholders approving the Rights Plan under this Agreement and ratifying, confirming and approving this Agreement;

E. the foregoing recitals and statements of fact are made by the Corporation and not the Rights Agent; and

F. all capitalized terms used in the foregoing recitals which are not otherwise defined shall have the meanings attributed thereto in this Agreement.

NOW THEREFORE in consideration of the premises and the respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 CERTAIN DEFINITIONS

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) **"Acquiring Person"** shall mean any Person who is the Beneficial Owner of 20% or more of the outstanding Common Shares; provided, however, that the term "Acquiring Person" shall not include:
 - (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of any one or a combination of:
 - A. an acquisition or redemption or conversion by the Corporation of Common Shares which, by reducing the number of Common Shares outstanding, increases the percentage of Common Shares Beneficially Owned by such Person to 20% or more of the Common Shares then outstanding ("**Share Acquisitions or Redemptions**");
 - B. share acquisitions made pursuant to a Permitted Bid or a Competing Permitted Bid ("**Permitted Bid Acquisitions**");
 - C. share acquisitions (1) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to Sections 5.1(b), (c) or (d); or (2) which were made on or prior to the Record Time; or (3) which were made pursuant to a dividend reinvestment plan of the Corporation; or (4) pursuant to the receipt and/or exercise of rights issued by the Corporation to all the holders of the Common Shares to subscribe for or purchase Common Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation and not from any other Person and provided that such Person does not thereby acquire a greater percentage of Common Shares or Convertible Securities than the Person's percentage of Common Shares Beneficially Owned immediately prior to the receipt and/or exercise of such rights; or (5) pursuant to a distribution by the Corporation of Common Shares or Convertible Securities (and the conversion of such Convertible Securities) made pursuant to a prospectus or by way of private placement, provided that such Person does not thereby acquire a greater percentage of such Common Shares or Convertible Securities than the Person's percentage of Common Shares Beneficially Owned immediately prior to such distribution; or (6) pursuant to a plan of arrangement, amalgamation or other statutory procedure requiring shareholder approval; or (7) pursuant to a distribution by the Corporation of Common Shares or Convertible Securities upon the exercise by an individual employee of stock options granted under a stock option plan of the Corporation or rights to purchase securities granted under a share purchase plan of the Corporation, provided that (i) all necessary stock exchange approvals for such stock option plan or share purchase plan have been obtained and such stock option plan or share purchase plan complies with the terms and conditions of such approvals and (ii) such Person does not become the Beneficial Owner of more than 25% of the Common Shares outstanding immediately prior to the distribution, and in making this determination the Common Shares to be issued to such Person in the distribution shall be deemed to be held by such Person but shall not be included in the aggregate number of outstanding Common Shares immediately prior to the distribution ("**Exempt Acquisitions**");

- D. the acquisition of Common Shares upon the exercise of Convertible Securities received by such Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition (as defined below) ("**Convertible Security Acquisitions**"); or
- E. acquisitions as a result of a stock dividend, a stock split or other event pursuant to which such Person receives or acquires Common Shares or Convertible Securities on the same pro rata basis as all other holders of Common Shares, provided that such Person does not thereby acquire a greater percentage of such Common Shares or Convertible Securities than the Person's percentage of Common Shares Beneficially Owned immediately prior to such acquisition ("**Pro Rata Acquisitions**");

provided, however, that if such Person shall become the Beneficial Owner of 20% or more of the Common Shares then outstanding by reason of any one or a combination of (i) Share Acquisitions or Redemptions, (ii) Permitted Bid Acquisitions, (iii) Exempt Acquisitions, (iv) Convertible Security Acquisitions, or (v) Pro Rata Acquisitions and, after such Share Acquisitions or Redemptions or Permitted Bid Acquisitions or Exempt Acquisitions or Convertible Security Acquisitions or Pro Rata Acquisitions, such Person becomes the Beneficial Owner of more than an additional 1.00% of the number of Common Shares outstanding other than pursuant to any one or combination of Share Acquisitions or Redemptions, Permitted Bid Acquisitions, Exempt Acquisitions or Convertible Security Acquisitions or Pro Rata Acquisitions, then as of the date of any such acquisition such Person shall become an "Acquiring Person";

- (iii) a Person who is the Beneficial Owner of 20% or more of the outstanding Common Shares at the Record Time provided, however, that if such Person shall after the Record Time become the Beneficial Owner of more than an additional 1.00% of the number of Common Shares outstanding other than pursuant to Share Acquisitions or Redemptions, Permitted Bid Acquisitions, Exempt Acquisitions, Convertible Security Acquisitions or Pro Rata Acquisitions, then as of the date of any such acquisition such Person shall become an "Acquiring Person";
 - (iv) for a period of 10 days after the Disqualification Date, any Person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares as a result of such Person becoming disqualified from relying on clause 1.1(d)(B) solely because such Person makes or announces an intention to make a Take-over Bid, either alone or by acting jointly or in concert with any other Person. For the purposes of this definition, "Disqualification Date" means the first date of public announcement that any Person is making or intends to make a Take-over Bid; or
 - (v) an underwriter or member of a banking or selling group acting in such capacity that becomes the Beneficial Owner of 20% or more of the Common Shares in connection with a distribution of securities.
- (b) "**Affiliate**", when used to indicate a relationship with a specified Person, shall mean a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person.
 - (c) "**Associate**" of a specified individual shall mean any individual to whom such specified individual is married or with whom such specified individual is living in a conjugal relationship outside marriage, or any relative of such specified individual who has the same residence as such specified individual.
 - (d) A Person shall be deemed the "**Beneficial Owner**", and to have "**Beneficial Ownership**", of, and to "**Beneficially Own**":

- (i) any securities which such Person or any of such Person's Affiliates or Associates owns at law or in equity and includes any Common Shares in respect of which such Person or any of such Person's Affiliates or Associates owns at law or in equity and any related instalment receipts;
- (ii) any securities which such Person or any of such Person's Affiliates or Associates has the right to acquire (A) upon the exercise of any Convertible Securities, or (B) pursuant to any agreement, arrangement or understanding provided such right is exercisable immediately or within a period of 60 days thereafter and whether or not on condition or the happening of any contingency or the making of any payment (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities or pursuant to a pledge of securities); and
- (iii) any securities which are Beneficially Owned within the meaning of clauses 1.1(d)(i) or (ii) above by any other Person with whom such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the "Beneficial Owner", or to have "Beneficial Ownership", of, or to "Beneficially Own", any security:

- A. where (1) the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii) or (2) such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii) until the earliest time at which any such tendered security is accepted unconditionally for payment or exchange or is taken up and paid for; or
- B. where such Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii), holds such security provided that (1) the ordinary business of such Person (the "**Investment Manager**") includes the management of investment funds for others and such security is held by the Investment Manager in the ordinary course of such business in the performance of such Investment Manager's duties for the account of any other Person, including non-discretionary accounts held on behalf of a client by a broker or dealer registered under applicable laws, or (2) such Person (the "**Trust Company**") is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons or in relation to other accounts and holds such security in the ordinary course of such duties for the estates of deceased or incompetent Persons or for such other accounts, or (3) such Person (the "**Plan Trustee**") is the administrator or trustee of one or more pension funds or plans (each a "**Plan**") registered under applicable laws and holds such security for the purposes of its activity as such, or (4) such Person is a Plan or is a Person established by statute (the "**Statutory Body**") for purposes that include, and the ordinary business or activity of such Person includes the management of investment funds for employee benefit plans, pension plans, insurance plans (other than plans administered by insurance companies) or various public bodies, or (5) such Person is a Crown agent or agency; provided in any of the above cases, that the Investment Manager, the Trust Company, the Plan Trustee, the Plan, the Statutory Body or the Crown agent or agency, as the case may be, is not then making a Take-over Bid or has not announced a current intention to make a Take-over Bid, other than an Offer to Acquire Common Shares or other securities pursuant to a distribution by the Corporation, by means of a Permitted Bid or by means of ordinary market transactions (including pre-arranged trades entered into in the

ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone or by acting jointly or in concert with any other Person; or

- C. because such Person is a client of or has an account with the same Investment Manager as another Person on whose account the Investment Manager holds such security, or where such Person is a client of or has an account with the same Trust Company as another Person on whose account the Trust Company holds such security, or where such Person is a Plan and has a Plan Trustee who is also a Plan Trustee for another Plan on whose account the Plan Trustee holds such security; or
- D. where such Person (i) is a client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (ii) has an account with a Trust Company and such security is owned at law or in equity by the Trust Company, or (iii) is a Plan and such security is owned at law or in equity by the Plan Trustee; or
- E. where such Person is the registered holder of securities as a result of carrying on the business of, or acting as a nominee of, a securities depository.

For purposes of this Agreement, the percentage of Common Shares Beneficially Owned by any Person shall be and be deemed to be the product determined by the formula:

$$100 \times A/B$$

Where:

- A = the number of votes for the election of all directors generally attaching to the Common Shares Beneficially Owned by such Person; and
- B = the number of votes for the election of all directors generally attaching to all outstanding Common Shares.

For the purposes of the foregoing formula, where any Person is deemed to Beneficially Own unissued Common Shares which may be acquired pursuant to Convertible Securities, such Common Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Common Shares Beneficially Owned by such Person in both the numerator and the denominator, but no other unissued Common Shares which may be acquired pursuant to any other outstanding Convertible Securities held by other Persons shall, for the purposes of that calculation, be deemed to be outstanding.

- (e) "**Business Corporations Act**" shall mean the *Canada Business Corporations Act*, R.S.C. 1985 c. C-44 as amended, and the regulations thereunder, and any successor laws or regulations thereto.
- (f) "**Business Day**" shall mean any day other than a Saturday, Sunday or a day that is treated as a holiday at the Corporation's principal executive offices in Saskatoon, Saskatchewan or at the offices of the Rights Agent in Vancouver, British Columbia.
- (g) "**Canadian-U.S. Exchange Rate**" shall mean on any date the inverse of the U.S.-Canadian Exchange Rate.
- (h) "**Canadian Dollar Equivalent**" of any amount which is expressed in United States dollars shall mean on any day the Canadian dollar equivalent of such amount determined by reference to the Canadian-U.S. Exchange Rate on such date.

- (i) **"Close of Business"** on any given date shall mean the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the office of the transfer agent for the Common Shares in Vancouver, British Columbia (or, after the Separation Time, the offices of the Rights Agent in Vancouver, British Columbia) becomes closed to the public.
- (j) **"Common Shares"** shall mean the common shares in the capital of the Corporation as constituted on the date hereof and any other shares of the Corporation into which such common shares may be subdivided, consolidated, reclassified or changed.
- (k) **"Competing Permitted Bid"** shall mean a Take-over Bid that:
 - (i) is made after a Permitted Bid has been made and prior to the expiry of the Permitted Bid;
 - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in clause (ii) of that definition; and
 - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no Common Shares will be taken up or paid for pursuant to the Take-over Bid prior to the Close of Business on the date that is no earlier than the later of (1) the 60th day after the date on which the earliest Permitted Bid which preceded the Competing Permitted Bid was made, and (2) 35 days after the date of the Take-over Bid constituting the Competing Permitted Bid.
- (l) **"Convertible Securities"** shall mean at any time:
 - (i) any right (contractual or otherwise and regardless of whether such right constitutes a security) to acquire Common Shares from the Corporation; and
 - (ii) any securities issued by the Corporation from time to time (other than the Rights) carrying any exercise, conversion or exchange right;

which is then exercisable or exercisable within a period of 60 days from that time pursuant to which the holder thereof may acquire Common Shares or other securities which are convertible into or exercisable or exchangeable for Common Shares (in each case, whether such right is then exercisable or exercisable within a period of 60 days from that time and whether or not on condition or the happening of any contingency).
- (m) **"Exercise Price"** shall mean, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right and, until adjustment thereof in accordance with the terms hereof, the Exercise Price shall equal \$50.00.
- (n) **"Expiration Time"** shall mean the earlier of:
 - (i) the Termination Time; and
 - (ii) the close of business on the date that this Agreement is terminated in accordance with Section 5.17 or 5.18.
- (o) A **"Flip-in Event"** shall mean a transaction occurring as a result of which any Person shall become an Acquiring Person provided, however, that a Flip-in Event shall be deemed to occur at the Close of Business on the tenth day (or such later day as the Board of Directors may determine) after the Stock Acquisition Date.
- (p) **"Independent Shareholders"** shall mean holders of Common Shares excluding (i) any Acquiring Person; or (ii) any Person that is making or has announced a current intention to make a Take-over

Bid for Common Shares (including a Permitted Bid and a Competing Permitted Bid) other than a Person referred to in Section 1.1(d)(B), but excluding any such Person if the Take-over Bid so announced or made by such Person has been withdrawn, terminated or expired; or (iii) any Affiliate or Associate of such Acquiring Person or Persons referred to in clause (ii); or (iv) any Person acting jointly or in concert with such Acquiring Person or a Person referred to in clause (ii); or (v) a Person who is a trustee of any employee benefit plan, share purchase plan, deferred profit sharing plan or any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Common Shares are to be voted or direct whether the Common Shares are to be tendered to a Take-over Bid.

- (q) **"Market Price"** per security of any securities on any date of determination shall mean the average of the daily Closing Prices Per Security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the price used to determine the Closing Price Per Security on any Trading Day not to be fully comparable with the price used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price per security used to determine the Closing Price Per Security on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The **"Closing Price Per Security"** of any securities on any date shall be:
- (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by the principal Canadian stock exchange (as determined by the Board of Directors) on which such securities are listed or admitted to trading, or if for any reason neither such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by such other securities exchange on which such securities are listed or admitted for trading;
 - (ii) if, for any reason, none of such prices is available on such date or the securities are not listed or admitted to trading on a Canadian stock exchange or other securities exchange, the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for such securities in the over-the-counter market, as quoted by any reporting system then in use (as selected by the Board of Directors); or
 - (iii) if the securities are not listed or admitted to trading as contemplated in clause 1.1(q)(i) or (ii), the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected by the Board of Directors;

provided, however, that if on any such date the Closing Price Per Security cannot be determined in accordance with the foregoing, the Closing Price Per Security of such securities on such date shall mean the fair value per share of such securities on such date as determined in good faith by the Board of Directors after consultation with a nationally recognized investment dealer or investment banker with respect to the fair value per share of such securities; provided further that if an event of a type analogous to any of the events described in Section 2.3 hereof has caused any price used to determine the Market Price on any Trading Day not to be fully comparable with the price as so determined on the Trading Day immediately preceding such date of determination, each price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the price on the Trading Day immediately preceding such date of determination. The Market Price shall be expressed in Canadian dollars and, if initially determined in respect of any day forming part of the 20

consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars at the Canadian Dollar Equivalent thereof.

- (r) **"Offer to Acquire"** shall include:
- (i) an offer to purchase, or a solicitation of an offer to sell, Common Shares; and
 - (ii) an acceptance of an offer to sell Common Shares, whether or not such offer to sell has been solicited;
 - (iii) or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an offer to acquire to the Person that made the offer to sell.
- (s) **"Offeror's Securities"** shall mean Common Shares Beneficially Owned on the date of an Offer to Acquire by any Person who is making a Take-over Bid and by such Person's Affiliates and Associates and by any Person acting jointly and in concert with such Person or such Person's Affiliate and Associates and **"Offeror"** means a Person who has announced (and has not withdrawn) an intention to make or who has made (and has not withdrawn) a Take-over Bid other than a Person who has completed a Permitted Bid or a Competing Permitted Bid.
- (t) **"Permitted Bid"** shall mean a Take-over Bid made by a Person by means of a take-over bid circular and which also complies with the following additional provisions:
- (i) the Take-over Bid is made to all holders of record of Common Shares, other than the Offeror;
 - (ii) the Take-over Bid contains, and the take-up and payment for Common Shares tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Common Shares shall be taken up or paid for pursuant to the Take-over Bid prior to the Close of Business on a date which is not less than 60 days following the date of the Take-over Bid;
 - (iii) the Take-over Bid contains an irrevocable and unqualified condition that, unless the Take-over Bid is withdrawn, Common Shares may be deposited pursuant to the Take-over Bid at any time prior to the Close of Business on the date of first take-up or payment for Common Shares and that all Common Shares deposited pursuant to the Take-over Bid may be withdrawn at any time prior to the Close of Business on such date;
 - (iv) the Take-over Bid contains an irrevocable and unqualified condition that more than 50% of the outstanding Common Shares held by Independent Shareholders, determined as at the date of first take-up or payment for Common Shares under the Take-over Bid, must be deposited to the Take-over Bid and not withdrawn at the Close of Business on the date of first take-up or payment for Common Shares; and
 - (v) the Take-over Bid contains an irrevocable and unqualified condition that in the event that more than 50% of the then outstanding Common Shares held by Independent Shareholders shall have been deposited to the Take-over Bid and not withdrawn as at the date of first take-up or payment for Common Shares under the Take-over Bid, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Common Shares for not less than 10 Business Days from the date of such public announcement;

provided that if a Take-over Bid constitutes a Competing Permitted Bid, the term "Permitted Bid" shall also mean the Competing Permitted Bid.

(u) **"Permitted Lock-up Agreement"** shall mean an agreement (the **"Lock-up Agreement"**) between a Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii) and one or more holders of Common Shares (each such holder herein referred to as **"Locked-up Person"**) (the terms of which are publicly disclosed and a copy of which is made available to the public, including the Corporation, not later than the date the Lock-up Bid (as defined below) is publicly announced or, if the Lock-up Bid has been publicly announced prior to the date of the Lock-up Agreement, not later than the date of the Lock-up Agreement) pursuant to which each such Locked-up Person agrees to deposit or tender Common Shares to a Take-over Bid (the **"Lock-up Bid"**) made or to be made by the Person, any of such Person's Affiliates or Associates or any other Person referred to in clause 1.1(d)(iii), provided that:

(i) the Lock-up Agreement permits the Locked-up Person to withdraw its Common Shares from the Lock-up Agreement in order to deposit or tender the Common Shares to another Take-over Bid or to support another transaction prior to the Common Shares being taken up and paid for under the Lock-up Bid, so long as the other Take-over Bid or transaction:

- A. offers a price or value per Common Share that exceeds the price or value per Common Share offered under the Lock-up Bid; or
- B. is for a number of Common Shares which is greater than the number of Common Shares that the Offeror has offered to purchase under the Lockup Bid by such number as may have been agreed to in the Lock-up Agreement, provided that such agreed upon number is not greater than 7% of the number of Common Shares offered to be purchased under such Lock-up Bid at a price or value per Common Share that is not less than the price or value per Common Share offered under such Lock-up Bid; or
- C. offers a price or value for each Common Share which is greater than the price or value for each Common Share offered under the Lock-up Bid by as much as or more than a specified amount provided that such specified amount is not greater than 7% of the price or value offered under such Lock-up Bid; and,

for greater clarity, the Lock-up Agreement may (1) contain a right of first refusal, (2) require a period of delay to give the Person who made the Lock-up Bid an opportunity to match or better the consideration or value offered in the other Take-over Bid or transaction or to offer to purchase or otherwise acquire the same number of Common Shares subject to the other Take-over Bid or transaction or (3) contain other similar limitations on a Locked-up Person's right to withdraw Common Shares from the Lock-up Agreement, so long as any such limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Common Shares during the period of the other Take-over Bid or transaction; and

(ii) no "break-up" fees, "top-up" fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:

- A. the cash equivalent of 21/2% of the price or value of the consideration payable under the Lock-up Bid to the Locked-up Person; and
- B. 50% of the amount by which the price or value of the consideration payable under another Take-over Bid or transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid;

shall be payable by such Locked-up Person pursuant to the Lock-up Agreement in the event such Locked-up Person fails to deposit or tender Common Shares to the Lock-up

Bid or withdraws Common Shares previously tendered thereto in order to deposit or tender such Common Shares to another Take-over Bid or support another transaction.

- (v) **"Person"** shall mean any individual, firm, partnership, association, trust, trustee, personal representative, body corporate, corporation, unincorporated organization, syndicate, government or governmental agency, or other entity.
- (w) **"Record Time"** shall mean the Close of Business on the date of this Agreement;
- (x) **"Right"** has the meaning ascribed to that term in Section 2.1(a);
- (y) **"Rights Certificate"** has the meaning ascribed to that term in Section 2.2(c);
- (z) **"Securities Act"** shall mean *The Securities Act, 1988* (Saskatchewan) as amended, and the rules and regulations thereunder, and any comparable or successor laws, rules or regulations thereto.
- (aa) **"Separation Time"** shall mean, subject to Section 5.1(d), the Close of Business on the tenth Business Day after the earlier of:
 - (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Take-over Bid which is a Permitted Bid or a Competing Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived the application of Section 3.1), provided that, if any Take-over Bid referred to in this clause (ii) expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for purposes of this Section 1.1(y), never to have been made; and
 - (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such; or such later date as may be determined by the Board of Directors acting in good faith.
- (bb) **"Stock Acquisition Date"** shall mean the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 110 of the Securities Act or Section 13(d) of the 1934 Exchange Act) by the Corporation or an Acquiring Person of facts indicating that a Person has become an Acquiring Person.
- (cc) **"Subsidiary"** of any specified Person shall mean any corporation or other entity controlled by such specified Person.
- (dd) **"Take-over Bid"** shall mean an Offer to Acquire Common Shares or securities convertible into Common Shares, where the Common Shares subject to the Offer to Acquire, together with the Common Shares into which the securities subject to the Offer to Acquire are convertible, and the Offeror's Securities, constitute in the aggregate 20% or more of the outstanding Common Shares at the date of the Offer to Acquire.
- (ee) **"Termination Time"** shall mean the time at which the right to exercise Rights shall terminate pursuant to Section 5.1, 5.17 or 5.18 hereof.
- (ff) **"Trading Day"**, when used with respect to any securities, shall mean a day on which the principal securities exchange on which such securities are listed or admitted to trading is open for the transaction of business or, if the securities are not listed or admitted to trading on any securities exchange, a Business Day.

- (gg) **"U.S.-Canadian Exchange Rate"** shall mean on any date:
- (i) if on such date the Bank of Canada sets an average noon spot rate of exchange with a conversion of one United States dollar into Canadian dollars, such rate;
 - (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith.
- (hh) **"U.S. Dollar Equivalent"** of any amount which is expressed in Canadian dollars shall mean on any day the United States dollar equivalent of such amount determined by reference to the U.S.-Canadian Exchange Rate on such date.
- (ii) **"1933 Securities Act"** shall mean the *United States Securities Act of 1933*, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto.
- (jj) **"1934 Exchange Act"** shall mean the *United States Securities Exchange Act of 1934*, as amended, and the rules and regulations thereunder, and any comparable or successor laws or regulations thereto.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.3 Acting Jointly or in Concert

For purposes of this Agreement, a Person is acting jointly or in concert with another Person if such Person has any agreement, arrangement or understanding (whether formal or informal and whether or not in writing) with such other Person to acquire or Offer to Acquire any Common Shares (other than (i) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities, and (ii) pursuant to a pledge of securities in the ordinary course of business).

1.4 Control

A Person is "controlled" by another Person or two or more other Persons acting jointly or in concert if:

- (a) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or
- (b) in the case of a Person which is not a body corporate, more than 50% of the voting or equity interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons acting jointly or in concert;

and "controls", "controlling" and "under common control with" shall be interpreted accordingly.

1.5 Definition of Agreement

For purposes of this Agreement, **"Agreement"** means this Rights Plan Agreement as the same may be further amended or supplemented from time to time. References in this Agreement to **"hereto"**, **"hereof"**, **"herein"**, **"hereby"** and **"hereunder"** and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement.

ARTICLE 2 THE RIGHTS

2.1 Issue of Rights; Legend on Common Share Certificates

- (a) One right ("**Right**") is hereby issued in respect of each Common Share outstanding as at the Record Time and in respect of each Common Share issued after the Record Time. One Right shall continue to be issued in respect of each Common Share issued after the date of this Agreement and prior to the earlier of the Separation Time and the Expiration Time.
- (b) Certificates for the Common Shares issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall evidence one Right for each Common Share represented thereby and, commencing as soon as reasonably practicable after the Record Time, shall have impressed on, printed on, written on or otherwise affixed to them the following legend:

Until the Separation Time (as defined in the Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in a Shareholder Rights Plan Agreement, dated March 11, 2008, as such may from time to time be amended, restated, varied or replaced, (the "**Rights Agreement**") between Great Western Minerals Group Ltd. (the "**Corporation**") and Computershare Investor Services Inc., as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file at the principal executive office of the Corporation and may be inspected by shareholders of the Corporation during normal business hours. In certain circumstances, as set forth in the Rights Agreement, such Rights may be amended or redeemed, may expire, may become void (if, in certain cases, they are "Beneficially Owned" by an "Acquiring Person", as such terms are defined in the Rights Agreement, or a transferee thereof) or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate, without charge, as soon as practicable after the receipt of a written request therefor.

Certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby notwithstanding the absence of the foregoing legend until the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time and prior to the Expiration Time, to purchase, for the Exercise Price, or its U.S. Dollar Equivalent as at the Business Day immediately preceding the day of exercise of the Right, one Common Share. Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time:
 - (i) no Right may be exercised; and
 - (ii) each Right will be evidenced by the certificate for the associated Common Share registered in the name of the holder thereof (which certificate shall also be deemed to be a Rights Certificate) and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.

- (c) After the Separation Time and prior to the Expiration Time, the Rights (i) may be exercised; and (ii) the registration and transfer of the Rights shall be independent of Common Shares. Promptly following the Separation Time the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time (other than an Acquiring Person and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a "**Nominee**")) and to each holder of Convertible Securities (other than an Acquiring Person or the Nominee of an Acquiring Person) at such holder's address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose), (x) a certificate (a "**Rights Certificate**") in substantially the form of Exhibit A hereto with registration particulars appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage, and (y) a disclosure statement prepared by the Corporation describing the Rights; provided that a Nominee shall be sent the materials provided for in (x) and (y) above in respect of all Common Shares or Convertible Securities held of record by it which are not Beneficially Owned by an Acquiring Person.
- (d) Rights may be exercised in whole or in part on any Business Day (or on any other day which, in the city at which an Election to Exercise (as hereinafter defined) is duly submitted to the Rights Agent in accordance with this Agreement, is not a Saturday, Sunday or a day that is treated as a holiday in such city) after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent (at its office in Calgary, Alberta or at any other office of the Rights Agent in the cities designated from time to time for that purpose by the Corporation with the approval of the Rights Agent), the Rights Certificate evidencing such Rights together with an election to exercise such Rights (an "**Election to Exercise**") substantially in the form attached to the Rights Certificate duly completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent, accompanied by payment by certified cheque, banker's draft or money order payable to the order of the Corporation, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.
- (e) Upon receipt of a Rights Certificate, with an Election to Exercise accompanied by payment as set forth in Section 2.2(d) above, which does not indicate that the Rights represented thereby are null and void as provided by Section 3.1(b), the Rights Agent (unless otherwise instructed by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:
- (i) requisition from the transfer agent of the Common Shares certificates for the number of Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agent to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares;
 - (iii) after receipt of the Common Share certificates, deliver the same to or to the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder;

- (iv) when appropriate, after receipt, deliver such cash to or to the order of the registered holder of the Rights Certificate; and
- (v) tender to the Corporation all payments received on the exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:
 - (i) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Common Shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered as fully paid and non-assessable;
 - (ii) take all such action as may be necessary and within its power to comply with any applicable requirements of the Business Corporations Act, the Securities Act, the securities acts or comparable legislation of each of the other provinces of Canada, the 1933 Securities Act and the 1934 Exchange Act, and the rules and regulations thereunder and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any shares upon exercise of Rights;
 - (iii) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the principal exchanges or traded in the over-the-counter markets on which the Common Shares were traded immediately prior to the Stock Acquisition Date;
 - (iv) cause to be reserved and kept available out of its authorized and unissued Common Shares a number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;
 - (v) pay when due and payable any and all Canadian and United States federal, provincial, and state transfer taxes (for greater certainty not including any income taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or certificates for Common Shares, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for shares in a name other than that of the holder of the Rights being transferred or exercised; and
 - (vi) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of shares subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:

- (i) declare or pay a dividend on the Common Shares payable in Common Shares (or other shares or securities exchangeable for or convertible into or giving a right to acquire Common Shares or other shares) other than pursuant to any optional stock dividend program;
- (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
- (iii) combine or change the then outstanding Common Shares into a smaller number of Common Shares; or
- (iv) issue any Common Shares (or other shares or securities exchangeable for or convertible into or giving a right to acquire Common Shares or other shares) in respect of, in lieu of or in exchange for existing Common Shares in a reclassification, amalgamation, merger, statutory arrangement or consolidation;

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted in the manner set forth below. If the Exercise Price and number of Rights outstanding are to be adjusted (x) the Exercise Price in effect after such adjustment shall be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other shares) (the "**Expansion Factor**") that a holder of one Common Share immediately prior to such dividend, subdivision, change, combination or issuance would hold thereafter as a result thereof and (y) each Right held prior to such adjustment shall become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be allocated among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, combination or issuance, so that each such Common Share (or other share) will have exactly one Right associated with it. If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the number of securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, combination or issuance would hold thereafter as a result thereof. If after the Record Time and prior to the Expiration Time the Corporation shall issue any shares other than Common Shares in a transaction of a type described in Section 2.3(a)(i) or (iv), such shares shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect, and will not consolidate with, amalgamate with or into or enter into a statutory arrangement with, any other Person unless such Person agrees to be bound by the terms of an amendment effecting such treatment. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1 hereof, the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required pursuant to Section 3.1 hereof. Adjustments pursuant to this Section 2.3(a) shall be made successively whenever an event referred to in this Section 2.3(a) occurs.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in the preceding paragraph, each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such share.

- (b) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Common Shares of rights or warrants entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price (including the price required to

be paid to purchase such convertible or exchangeable security or right per share)) less than the Market Price per Common Share on such record date, the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date multiplied by a fraction, of which the numerator shall be the number of Common Shares outstanding on such record date plus the number of Common Shares which the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered (including the price required to be paid to purchase such convertible or exchangeable securities or rights)) would purchase at such Market Price and of which the denominator shall be the number of Common Shares outstanding on such record date plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable). In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed. For purposes of this paragraph (b), the granting of the right to purchase Common Shares (whether from treasury shares or otherwise) pursuant to any dividend or interest reinvestment plan and/or any Common Share purchase plan providing for the reinvestment of dividends or interest payable on securities of the Corporation and/or the investment of periodic optional payments and/or employee benefit or similar plans (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) shall not be deemed to constitute an issue of rights or warrants by the Corporation; provided, however, that in the case of any dividend or interest reinvestment plan, the right to purchase Common Shares is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time fix a record date for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than a regular periodic cash dividend or a dividend paid in Common Shares) or rights or warrants (excluding those referred to in Section 2.3(b)), the Exercise Price shall be adjusted in the manner set forth below. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date less the fair market value (as determined in good faith by the Board of Directors) of the portion of the assets, evidences of indebtedness, rights or warrants so to be distributed applicable to each of the securities purchasable upon exercise of one Right (such determination to be described in a statement filed with the Rights Agent and the holders of the Rights). Such adjustment shall be made successively whenever such a record date is fixed.
- (d) Each adjustment made pursuant to this Section 2.3 shall be made as of:
 - (i) the payment or effective date for the applicable dividend, subdivision, change, combination or issuance, in the case of an adjustment made pursuant to paragraph (a) above; and
 - (ii) the record date for the applicable dividend or distribution, in the case of an adjustment made pursuant to paragraph (b) or (c) above subject to readjustment to reverse the same if such distribution shall not be made.
- (e) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time issue any shares (other than Common Shares), or rights or warrants to subscribe for or purchase any such shares, or securities convertible into or exchangeable for any such shares, in a transaction referred to in clause (a)(i) or (a)(iv) above, or if the Corporation shall take any other action (other than the issue of Common Shares) which might have a negative effect on the holders of Rights, if the Board of Directors acting in good faith determines that the adjustments

contemplated by paragraphs (a), (b) and (c) above are not applicable or will not appropriately protect the interests of the holders of Rights, the Corporation may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, if the adjustments contemplated by paragraphs (a), (b) and (c) above are applicable, notwithstanding such paragraphs, the adjustments so determined by the Corporation, rather than the adjustments contemplated by paragraphs (a), (b) and (c) above, shall be made. The Corporation and the Rights Agent shall amend this Agreement in accordance with Section 5.4(b) and (c), as the case may be, to provide for such adjustments.

- (f) Whenever an adjustment to the Exercise Price is made pursuant to this Section 2.3, the Corporation shall:
 - (i) promptly prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment;
 - (ii) promptly file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate; and
 - (iii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights by way of press release or by such other means as the Corporation may determine.

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of such adjustment.

- (g) Irrespective of any adjustment or change in the securities purchasable upon exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the securities so purchasable which were expressed in the initial Rights Certificates issued hereunder.
- (h) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least one per cent in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(h) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a share. Notwithstanding the first sentence of this Section 2.3(h), any adjustment required by Section 2.3 shall be made no later than the earlier of:
 - (i) three years from the date of the transaction which gives rise to such adjustment; or
 - (ii) the Expiration Date.
- (i) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided herein.
- (j) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.

- (k) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors determines to be advisable, in order that any:

- (i) consolidation or subdivision of Common Shares;
- (ii) issuance (wholly or in part for cash) of Common Shares or securities that by their terms are convertible into or exchangeable for Common Shares;
- (iii) stock dividends; or
- (iv) issuance of rights, options or warrants referred to in this Section 2.3,

hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such shareholders.

2.4 Date on Which Exercise is Effective

Each Person in whose name any certificate for Common Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly surrendered (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of the Corporation by any two officers or directors of the Corporation. The signature of any of these officers or directors on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers or directors of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates. Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (manually or by facsimile signature in a manner satisfactory to the Corporation) and mail such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (b) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Registration of Transfer and Exchange

- (a) After the Separation Time, the Corporation will cause to be kept a register (the "**Rights Register**") in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed "Rights Registrar" for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.

- (b) After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(d) below, the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered.
- (c) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (d) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder's attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) in connection therewith.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (ii) such security and indemnity as may be required by them in their sole discretion to save each of them and any of their agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.
- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence an original additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever and the Corporation and the Rights Agent shall not be affected by any notice or knowledge to the contrary except as required by statute or by order of a court of competent jurisdiction. As used in this Agreement,

unless the context otherwise requires, the term "holder" of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, the associated Common Shares).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable law, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

Every holder of Rights by accepting the same consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights that:

- (a) such holder shall be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share;
- (c) after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) subject to the provisions of Section 5.4, without the approval of any holder of Rights and upon the sole authority of the Board of Directors acting in good faith this Agreement may be supplemented or amended from time to time to cure any ambiguity or to correct or supplement any provision contained herein which may be inconsistent with the intent of this Agreement or is otherwise defective; and
- (g) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

ARTICLE 3
ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- (a) Subject to Sections 3.1(b), 5.1(b), 5.1(c) and 5.1(d) hereof, in the event that prior to the Expiration Time a Flip-in Event shall occur, the Corporation shall take such action as shall be necessary to ensure and provide, within 10 Business Days thereafter or such longer period as may be required to satisfy the requirements of the Securities Act, the 1933 Securities Act and the applicable securities acts or comparable legislation of each of the provinces of Canada and of the United States and each of the states thereof so that, except as provided below, each Right shall thereafter constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after such date of consummation or occurrence an event of a type analogous to any of the events described in Section 2.3 shall have occurred with respect to such Common Shares).
- (b) Notwithstanding the foregoing or any other provisions of this Agreement, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time or the Stock Acquisition Date by:
 - (i) an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person); or
 - (ii) a transferee, direct or indirect, from an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) where such transferee becomes a transferee concurrently with or subsequent to the Acquiring Person becoming such, whether or not for consideration, that the Board of Directors acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any Affiliate or Associate of an Acquiring Person) that has the purpose or effect of avoiding clause (i) of this Section 3.1(b),

shall become void without any further action and any holder of such Rights (including transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement and shall not have any other rights whatsoever in respect of such Rights, whether under any provision of this Agreement or otherwise.

- (c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either clauses (i) or (ii) of Section 3.1(b) or transferred to any nominee of any such Person, and any Rights Certificate issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall contain the following legend:

The Rights represented by this Rights Certificate were Beneficially Owned by a Person who was an Acquiring Person or who was an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or a Person who was acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Section 3.1(b) of the Rights Agreement

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so by the Corporation or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person or an Affiliate or Associate thereof.

- (d) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of this Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the Business Corporations Act, the Securities Act and the securities laws or comparable legislation of each of the provinces of Canada and of the United States and each of the states thereof in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.

ARTICLE 4 THE RIGHTS AGENT

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint such co-rights agents ("**Co-Rights Agents**") as it may deem necessary or desirable, subject to the approval of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and the Co-Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses and counsel fees and other disbursements incurred in the execution and administration of this Agreement and the exercise and performance of its duties hereunder (including the reasonable fees and other disbursements of any expert retained by the Rights Agent with the approval of the Corporation, such approval not to be unreasonably withheld). The Corporation also agrees to indemnify the Rights Agent, its officers, directors, employees and agents for, and to hold them harmless against, any loss, liability, or expense, incurred without gross negligence, bad faith or willful misconduct on the part of the Rights Agent, for anything done, suffered or omitted by the Rights Agent in connection with the acceptance, execution and administration of this Agreement and the exercise and performance of its duties hereunder, including legal costs and expenses of defending against any claim or liability, which right to indemnification will survive the termination of this Agreement and the resignation or removal of the Rights Agent.
- (b) The Rights Agent shall be protected and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and at any time, upon request, shall provide to the Rights Agent an incumbency certificate with respect to the then current officers of the Corporation, provided that failure to inform the Rights Agent of any such events, or any defect therein, shall not affect the validity of any action taken hereunder in relation to such events.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent or any successor Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent or any successor Rights Agent is a party, or any corporation succeeding to the shareholder or stockholder services business of the Rights Agent or any successor Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case, at the time such successor Rights Agent succeeds to the agency created by this Agreement, any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Corporation and the holders of certificates for Common Shares and Convertible Securities and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) The Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation), and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion; the Rights Agent may also, with the approval of the Corporation (such approval not to be unreasonably withheld) and at the expense of the Corporation, consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert.
- (b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by persons believed by the Rights Agent to be any two officers or directors of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- (c) The Rights Agent will be liable hereunder only for its own gross negligence, bad faith or willful misconduct.
- (d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates

(except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.

- (e) The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Common Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.
- (f) The Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.
- (g) The Rights Agent is hereby authorized and directed to accept instructions with respect to the performance of its duties hereunder from any persons believed by the Rights Agent to be any two officers or directors of the Corporation, and to apply to such persons for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in reliance upon instructions of any such persons; it is understood that instructions to the Rights Agent shall, except where circumstances make it impracticable or the Rights Agent otherwise agrees, be given in writing and, where not in writing, such instructions shall be confirmed in writing as soon as reasonably possible after the giving of such instructions.
- (h) The Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity.
- (i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, omission, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 30 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail, and to the holders of the Rights in accordance with Section 5.8. The Corporation may remove the Rights Agent upon 30 days' notice in writing given to the Rights Agent and to each transfer agent of the Common Shares (by personal delivery, or registered or certified mail). If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent,

then the resigning Rights Agent (at the Corporation's expense) or any holder of any Rights (which holder of Rights shall also submit his Rights Certificate for inspection by the Corporation) may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Alberta. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares, and mail a notice thereof in writing to the holders of the Rights. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.5 Compliance with Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or antiterrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10-day period, then such resignation shall not be effective.

4.6 Privacy Provision

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Termination

- (a) The Board of Directors may, with the prior consent of holders of Common Shares or of the holders of Rights given in accordance with Section 5.1(f) or (g), as the case may be, and in each case prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to the provisions of this Section 5.1, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (b) The Board of Directors may, with the prior consent of the holders of Common Shares given in accordance with Section 5.1(f), determine, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this Section 5.1, if such Flip-in Event would occur by reason of an acquisition of Common Shares otherwise than pursuant to a Take-over Bid made by means of a takeover bid circular sent to all holders of record of

Common Shares and otherwise than in the circumstances set forth in Section 5.1(d), to waive the application of Section 3.1, on the same terms and conditions, to such Flip-in Event. In the event that the Board of Directors proposes such a waiver, the Board of Directors shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such waiver.

- (c) The Board of Directors acting in good faith may, at its option, prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived under this clause, determine, upon prior written notice to the Rights Agent, to waive the application of Section 3.1 to that Flip-in Event provided that the Flip-in Event would occur by reason of a Take-over Bid made by means of a take-over bid circular sent to all holders of record of Common Shares; further provided that if the Board of Directors waives the application of Section 3.1 to such a Flip-in Event, the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid made by means of a take-over bid circular to all holders of record of Common Shares which is made prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted under this Section 5.1(c).
- (d) The Board of Directors may, in respect of any Flip-in Event, waive the application of Section 3.1 to that Flip-in Event, provided that both of the following conditions are satisfied:
 - (i) the Board of Directors has determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intent or knowledge that it would become an Acquiring Person; and
 - (ii) such Acquiring Person has reduced its Beneficial Ownership of Common Shares such that at the time of waiver pursuant to this Section 5.1(d) it is no longer an Acquiring Person and has provided the Board of Directors with satisfactory evidence thereof;

and in the event of any such waiver, for the purposes of this Agreement, such Flip-in Event shall be deemed not to have occurred and the Separation Time shall be deemed not to have occurred as a result of such Person having inadvertently become an Acquiring Person.

- (e) The Board of Directors shall, without further formality, be deemed to have elected to redeem the Rights at the Redemption Price on the date that a Person who has made a Permitted Bid or a Take-over Bid in respect of which the Board of Directors has waived, or is deemed to have waived, pursuant to Section 5.1(c), the application of Section 3.1, takes up and pays for the Common Shares pursuant to the terms and conditions of the Permitted Bid or Take-over Bid, as the case may be.
- (f) If a redemption of Rights pursuant to Section 5.1(a) or a waiver of a Flip-in Event pursuant to Section 5.1(b) is proposed at any time prior to the Separation Time, such redemption or waiver shall be submitted for approval to the holders of Common Shares.

Such approval shall be deemed to have been given if the redemption or waiver is approved by the affirmative vote of a majority of the votes cast by Independent Shareholders represented in person or by proxy at a meeting of such holders duly held in accordance with applicable laws and the Corporation's by-laws.

- (g) If a redemption of Rights pursuant to Section 5.1(a) is proposed at any time after the Separation Time, such redemption shall be submitted for approval to the holders of Rights. Such approval shall be deemed to have been given if the redemption is approved by holders of Rights by a majority of the votes cast by the holders of Rights represented in person or by proxy at and entitled to vote at a meeting of such holders. For the purposes hereof, each outstanding Right (other than Rights which are Beneficially Owned by any Person referred to in clauses (i) to (v) inclusive of the definition of Independent Shareholders) shall be entitled to one vote, and the

procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the Business Corporations Act with respect to meetings of shareholders of the Corporation.

- (h) Where a Take-over Bid that is not a Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price and reissue Rights under this Agreement to holders of record of Common Shares immediately following such time of redemption. Notwithstanding such redemption, all of the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and it shall be deemed not to have occurred and Rights shall remain attached to the outstanding Common Shares, subject to and in accordance with the provisions of this Agreement.
- (i) If the Board of Directors elects or is deemed to have elected to redeem the Rights, and, in circumstances where Section 5.1(a) is applicable, such redemption is approved by the holders of Common Shares or the holders of Rights in accordance with Section 5.1(f) or (g), as the case may be, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights will be to receive the Redemption Price.
- (j) Within 10 Business Days after the Board of Directors electing or having been deemed to have elected to redeem the Rights or, if Section 5.1(a) is applicable within 10 Business Days after the holders of Common Shares or the holders of Rights have approved a redemption of Rights in accordance with Section 5.1(f) or (g), as the case may be, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at its last address as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Transfer Agent for the Common Shares. Any notice which is mailed in the manner herein provided will be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made. The Corporation may not redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 5.1 or in connection with the purchase of Common Shares prior to the Separation Time.
- (k) The Corporation shall give prompt notice to the Rights Agent of any waiver of the application of Section 3.1 made by the Board of Directors under this Section 5.1.

5.2 Expiration

No Person shall have any rights pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the number of or kind or class of shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may make amendments to this Agreement to correct any clerical or typographical error or which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulations thereunder. Notwithstanding Section 5.4(b) below, the Corporation may, prior to the date of the shareholders' meeting referred to in Section 5.17 or any adjournment thereof, supplement, amend, vary, rescind or delete any of the provisions of this

Agreement without the approval of any holders of Rights or Common Shares (whether or not such action would materially adversely affect the interests of the holders of Rights generally) where the Board of Directors acting in good faith deems such action necessary or desirable. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.

- (b) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Common Shares obtained as set forth below, at any time prior to the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally) provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if the action requiring such approval is authorized by the affirmative vote of a majority of the votes cast by Independent Shareholders present or represented at and entitled to be voted at a meeting of the holders of Common Shares duly called and held in compliance with applicable laws and the articles and by-laws of the Corporation.
- (c) The Corporation may, with the prior consent of the holders of Rights, at any time on or after the Separation Time, supplement, amend, vary, rescind or delete any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if such amendment, variation or deletion is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders and representing 50% plus one of the votes cast in respect thereof.
- (d) Any approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are void pursuant to the provisions hereof) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's by-laws and the Business Corporations Act with respect to meetings of shareholders of the Corporation.
- (e) Any amendments made by the Corporation to this Agreement pursuant to Section 5.4(a) which are required to maintain the validity of this Agreement as a result of any change in any applicable legislation, rules or regulation thereunder shall:
 - (i) if made before the Separation Time, be submitted to the shareholders of the Corporation at the next meeting of shareholders and the shareholders may, by the majority referred to in Section 5.4(b), confirm or reject such amendment;
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Subsection 5.4(d), confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to

which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights as the case may be.

- (f) The Corporation shall give notice in writing to the Rights Agent of any supplement, amendment, deletion, variation or rescission to this Agreement pursuant to Section 5.4 within five Business Days of the date of any such supplement, amendment, deletion, variation or rescission, provided that failure to give such notice, or any defect therein, shall not affect the validity of any such supplement, amendment, deletion, variation or rescission.

5.5 Fractional Rights and Fractional Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. After the Separation Time there shall be paid to the registered holders of the Rights Certificates (provided the Rights represented by such Rights Certificates are not void pursuant to the provisions of Section 3.1(b)) with regard to which fractional Rights would otherwise be issuable, an amount in cash (rounded to the nearest cent) equal to the same fraction of the Market Price of a whole Right in lieu of such fractional Rights as of the date such fractional Rights would otherwise be issuable.
- (b) The Corporation shall not be required to issue fractional Common Shares upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holder of Rights Certificates at the time such Rights are exercised as herein provided, an amount in cash (rounded to the nearest cent) equal to the same fraction of the Market Price of one Common Share at the date of such exercise.
- (c) The Rights Agent shall have no obligation to make any payments in lieu of issuing fractions of Rights or Common Shares pursuant to paragraph (a) or (b) above, respectively, unless and until the Corporation shall have provided to the Rights Agent the amount of cash to be paid in lieu of issuing such fractional Rights or Common Shares as the case may be.

5.6 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights; and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights, or Rights to which he is entitled, in the manner provided in this Agreement and in such holder's Rights Certificate. Without limiting the foregoing or any remedies available to the holders of Rights it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of, the obligations of any Person subject to this Agreement.

5.7 Holder of Rights Not Deemed a Shareholder

No holder, as such, of any Rights shall be entitled to vote, receive dividends or be deemed for any purpose the holder of Common Shares or any other securities which may at any time be issuable on the exercise of Rights, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting Shareholders (except as provided in Section 5.8 hereof), or

to receive dividends or subscription rights or otherwise, until such Rights, or Rights to which such holder is entitled, shall have been exercised in accordance with the provisions hereof.

5.8 Notices

- (a) Notices or demands to be given or made in connection with this Agreement by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered or sent by mail, postage prepaid or by fax or other form of recorded electronic communication (with, in the case of fax or other form of recorded electronic communication, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Corporation following the giving of the notice or demand by fax or other form of recorded electronic communication), addressed (until another address is filed in writing with the Rights Agent) as follows:

Great Western Minerals Group Ltd.
c/o Davis LLP
Suite 1000 – 250 2nd Street S.W.
Calgary, Alberta T2P 0C1

Attention: Chief Executive Officer

Fax: (306) 659-4501

Phone: (306) 659-4500

- (b) Notices or demands to be given or made in connection with this Agreement by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered or sent by mail, postage prepaid, or by fax or other form of recorded electronic communication (with, in the case of fax or other form of recorded electronic communication, an original copy of the notice or demand sent by first class mail, postage prepaid, to the Rights Agent following the giving of the notice or demand by fax or other form of recorded electronic communication), addressed (until another address is filed in writing with the Corporation) as follows:

Computershare Investor Services Inc.
3rd Floor - 510 Burrard Street
Vancouver, British Columbia V6C 3B9

Attention: Client Services

Fax: (604) 661-9401

Phone: (604) 661-9400

- (c) Notices or demands to be given or made in connection with this Agreement by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by first class mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for the Common Shares.
- (d) Any notice given or made in accordance with this Section 5.8 shall be deemed to have been given and to have been received on the day of delivery, if so delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if so mailed, and on the day of faxing or sending by other means of recorded electronic communication (provided such faxing or sending is during the normal business hours of the addressee on a Business Day and if not, on the first

Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

- (e) If mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may, notwithstanding the foregoing provisions of this Section 5.8, give such notice by means of publication once in each of two successive weeks in the business section of the National Post or the national edition of the Globe and Mail and, if the Corporation has a transfer agent in the United States, in a daily publication in the United States designated by the Corporation, or in such other publication or publications as may be designated by the Corporation and notice so published shall be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

5.9 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfill any of its obligations pursuant to this Agreement, then the Corporation will reimburse the holder of any Rights for the costs and expenses (including legal fees) incurred by such holder in actions to enforce his rights pursuant to any Rights or this Agreement.

5.10 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and assigns hereunder.

5.11 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement and this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.12 Descriptive Headings

Descriptive headings appear herein for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Saskatchewan for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.14 Language

Les parties aux présentes ont exigé que la présente convention ainsi que tous les documents et avis qui s'y rattachent et/ou qui en découleront soient rédigés en langue anglaise. The parties hereto have required that this Agreement and all documents and notices related thereto and/or resulting therefrom be drawn up in the English language.

5.15 Counterparts

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5.16 Severability

If any term or provision hereof or the application thereof to any circumstance is, in any jurisdiction and to any extent, invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.17 Coming Into Effect and Confirmation

This Agreement is effective and in full force and effect in accordance with its terms from and after the date of this Agreement, provided, however, if this Agreement is not confirmed by resolution passed by a majority of the votes cast by Independent Shareholders who vote in respect of confirmation of this Agreement at a general meeting of shareholders to be held within six months of the date of this Agreement in accordance with the terms of this Agreement, then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect at and from the Close of Business on the date of termination of the meeting called to consider the confirmation of this Agreement under this Section 5.17, provided that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived by the Board of Directors pursuant to the terms of this Agreement) prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.17.

5.18 Reconfirmation

At or prior to the annual meeting of shareholders of the Corporation in the year 2011, provided that a Flip-in Event has not occurred prior to such time (other than a Flip-in-Event which has been waived by the Board of Directors in accordance with the terms of this Agreement), the Board of Directors shall submit a resolution to the Independent Shareholders for their consideration and, if thought advisable, their approval, ratifying the continued existence of this Agreement until the termination of the annual meeting of shareholders of the Corporation in the year 2014 and shall re-submit such resolution at the annual meeting of shareholders every three years thereafter. Unless a majority of the votes cast by Independent Shareholders who vote in respect of such resolution are voted in favour of the continued existence of this Agreement, this Agreement and all outstanding Rights shall terminate and be of no further force and effect as at and after the termination of such annual meeting where ratification of this Agreement was not approved.

5.19 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority having jurisdiction in respect of such matter. Without limiting the generality of the foregoing, any issuance or delivery of debt or equity securities (other than non-convertible debt securities) of the Corporation upon the exercise of Rights and any amendment or supplement to this Agreement shall be subject to the prior consent of the TSX Venture Exchange or any other stock exchange on which the Common Shares may then be listed.

5.20 Determinations and Actions by the Board of Directors

All actions and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith pursuant to or in connection with the administration of this Agreement, shall not subject any member of the Board of Directors to any liability whatsoever to the holders of the Rights.

5.21 Notice of Proposed Actions

In case the Corporation shall propose after the Separation Time and prior to the Expiration Time:

- (a) to effect or permit (in cases where the Corporation's permission is required) any Flip-in Event; or

- (b) to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets,

then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.8 hereof, a notice of such proposed action, which shall specify the date on which such Flip-in Event, liquidation, dissolution, or winding up is to take place, and such notice shall be so given at least 10 Business Days prior to the date of taking of such proposed action by the Corporation.

5.22 Time of the Essence

Time shall be of the essence in this Agreement.

5.23 Declaration as to Non-Canadian Holders

In no event has the Corporation or the Rights Agent an obligation to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada in which jurisdiction such issue or delivery would be unlawful without registration of the relevant Persons, securities or issue or delivery for such purposes.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

GREAT WESTERN MINERALS GROUP LTD.

Per: "Marc LeVier"
Name: Marc LeVier
Title: President and Chief Executive Officer

COMPUTERSHARE INVESTOR SERVICES INC.

Per: "Mariano Banting"
Name: Mariano Banting
Title: Relationship Manager

Per: "Karl Burgess"
Name: Karl Burgess
Title: Manager

EXHIBIT A

FORM OF RIGHTS CERTIFICATE

Certificate No. _____

_____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. IN CERTAIN CIRCUMSTANCES (SPECIFIED IN SECTION 3.1(b) OF THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR TRANSFEREES OF AN ACQUIRING PERSON OR ITS AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH ANY OF THEM, MAY BECOME VOID.

Rights Certificate

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of the Shareholder Rights Plan Agreement dated March 11, 2008 as such may, from time to time, be amended, restated, varied or replaced (the "**Rights Agreement**") between Great Western Minerals Group Ltd. a corporation continued under the laws of Canada (the "**Corporation**"), and Computershare Investor Services Inc., a company incorporated under the laws of Canada, as rights agent (the "**Rights Agent**", which term shall include any successor Rights Agent under the Rights Agreement), to purchase from the Corporation at any time after the Separation Time (as such term is defined in the Rights Agreement) and prior to the Termination Time (as such term is defined in the Rights Agreement), one fully paid common share of the Corporation (a "**Common Share**") at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate together with the Form of Election to Exercise duly executed and submitted to the Rights Agent at its principal office in Vancouver, British Columbia or in such other cities as may be designated by the Corporation from time to time. The Exercise Price shall initially be CDN \$50.00 per Right and shall be subject to adjustment in certain events as provided in the Rights Agreement.

In certain circumstances described in the Rights Agreement, the number of Common Shares which each Right entitles the registered holder thereof to purchase shall be adjusted as provided in the Rights Agreement.

This Rights Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the principal executive office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any of the offices of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Corporation at a redemption price of \$.00001 per Right, subject to adjustment in certain events, under certain circumstances at its option.

No fractional Common Shares will be issued upon the exercise of any Rights evidenced hereby, but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable upon the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the Rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation.

Date: _____

GREAT WESTERN MINERALS GROUP LTD.

By: _____
Authorized Officer

Countersigned

COMPUTERSHARE INVESTOR SERVICES INC.

By: _____
Authorized Officer

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Rights represented by this Rights Certificate.)

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers to

(Please print name and address of transferee) the Rights represented by this Rights Certificate, together with all right, title and interest therein, and hereby irrevocably constitutes and appoints _____ as attorney, to transfer the within Rights on the books of the Corporation, with full power of substitution.

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Schedule 1 Canadian chartered bank, a major Canadian trust company, a member of a recognized stock exchange or a member of a recognized Medallion Guarantee Program.

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____

Signature: _____

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Corporation will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.

(To be attached to each Rights Certificate)

FORM OF ELECTION TO EXERCISE

TO: GREAT WESTERN MINERALS GROUP LTD.

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares (or other securities or property) issuable upon the exercise of such Rights and requests that certificates for such shares (or other securities or title to such property) be issued in the name of:

(Name)

(Street)

(City and State or Province)

(Country, Postal Code or Zip Code)

SOCIAL INSURANCE, SOCIAL SECURITY OR OTHER
TAXPAYER IDENTIFICATION NUMBER

If such number of Rights shall not be all the Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such Rights shall be registered in the name of and delivered to:

(Name)

(Street)

(City and State or Province)

(Country, Postal Code or Zip Code)

SOCIAL INSURANCE, SOCIAL SECURITY OR OTHER
TAXPAYER IDENTIFICATION NUMBER

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever.)

Signature must be guaranteed by a Schedule 1 Canadian chartered bank, a major Canadian trust company, a member of a recognized stock exchange or a member of a recognized Medallion Guarantee Program.

(To be completed if true)

The undersigned hereby represents, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or an Affiliate or Associate thereof or by any Person acting jointly or in concert with any of the foregoing (all capitalized terms are used as defined in the Rights Agreement).

Dated: _____ Signature: _____

NOTICE

In the event the certification set forth above in the Form of Election to Exercise is not completed upon exercise of the Right(s) evidenced hereby or in the event that the certification set forth above in the Form of Assignment is not completed upon the assignment of the Right(s) evidenced hereby, the Corporation will deem the Beneficial Owner of the Right(s) evidenced by this Rights Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and, in the case of an assignment, will affix a legend to that effect on any Rights Certificates issued in exchange for this Rights Certificate.