



1. Total amount of funds to be raised: Pursuant to a private placement offering (the “**Offering**”) of: (i) common shares in the capital of the Issuer (“**Common Shares**”); and (ii) common shares in the capital of the Issuer to be issued on a flow-through basis pursuant to the *Income Tax Act (Canada)* (“**Flow-Through Shares**”), it is anticipated that an aggregate of \$1,400,000 will be raised in respect of the offering of Common Shares and an aggregate of \$1,200,000 will be raised in respect of the offering of Flow-Through Shares. The Offering may be increased by up to \$300,000 at the option (“**Over-Subscription Option**”) of Salman Partners Inc. (the “**Lead Agent**”) if subscriptions are received by the Lead Agent which, if accepted, would result in the aggregate subscription proceeds from the Offering being greater than \$2,600,000.

2. Provide full details of the use of the proceeds. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material.

The net proceeds of the Offering will be used to fund continuing exploration and development activities at the Issuer’s Hardy Bakken project.

3. Provide particulars of any proceeds which are to be paid to Related Persons of the Issuer: \_\_\_\_\_

4. If securities are issued in forgiveness of indebtedness, provide details and attach the debt agreement(s) or other documentation evidencing the debt and the agreement to exchange the debt for securities.

5. Description of securities to be issued:

(a) Class: Common Shares, Flow-Through Shares and Broker Warrants (as defined below).

(b) Number: The Offering consists of up to 9,333,334 Common Shares and upto 7,058,824 Flow-Through Shares.

(c) Price per security: The Offering Price for the Common Shares is \$0.15 per Common Shares and the Offering Price for the Flow-Through Shares is \$0.17 per Flow-Through Share.

(d) Voting rights: Each Common Share and Flow-Through Share will be entitled to one-vote per share.

6. Please provide the following information if Warrants, (options) or other convertible securities are to be issued:

(a) Number: At the closing of the Offering, the Agents (as defined below) will receive broker warrants (the “**Broker Warrants**”) equal in number to 7.0% of the aggregate number of Common Shares and Flow-Through Shares

issued pursuant to the Offering (including any Common Shares issued pursuant to the exercise of the Over-Subscription Option) \_\_\_\_\_.

- (b) Number of securities eligible to be purchased on exercise of Warrants (or options): Not yet determinable \_\_\_\_\_.
- (c) Exercise price: Each Broker Warrant will entitle the holder to purchase one (1) Common Share at a price equal to 125% of the Offering Price \_\_\_\_\_.
- (d) Expiry date: Twenty-four (24) months from the date of the closing of the Offering (the "Closing Date") \_\_\_\_\_.

7. Provide the following information if debt securities are to be issued:

- (a) Aggregate principal amount: \_\_\_\_\_.
- (b) Maturity date: \_\_\_\_\_.
- (c) Interest rate: \_\_\_\_\_.
- (d) Conversion terms: \_\_\_\_\_.
- (e) Default provisions: \_\_\_\_\_.

8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the placement (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the placement (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):

Salman Partners Inc.  
835, 401 – 9<sup>th</sup> Avenue, S.W.  
Calgary, Alberta  
T2P 3C5;

National Bank Financial Inc.  
2800, 450 – 1<sup>st</sup> Street S.W.  
Calgary, Alberta  
T2P 5H1; and

Haywood Securities Inc.  
Suite 301, 808 – 1<sup>st</sup> Street, S.W.  
Calgary, AB  
T2P 1M9,

(collectively, the "**Agents**").

- (b) Cash: The agents will be paid a fee equal to 7.0% of the gross proceeds from the Offering in cash.
  - (c) Securities: The Broker Warrants (described above).
  - (d) Other: \_\_\_\_\_.
  - (e) Expiry date of any options, warrants etc.: The Broker Warrants will expire twenty-four (24) months from the Closing Date.
  - (f) Exercise price of any options, warrants etc.: Each Broker Warrant will entitle the holder to purchase one (1) Common Share at a price equal to 125% of the Offering Price.
9. State whether the sales agent, broker, dealer or other person receiving compensation in connection with the placement is Related Person or has any other relationship with the Issuer and provide details of the relationship: Not to the Issuer's knowledge.
10. Describe any unusual particulars of the transaction (i.e. tax "flow through" shares, etc.).

It is anticipated that an aggregate of \$1,200,000 of Flow-Through Shares will be issued pursuant to the Offering. It is anticipated that the gross proceeds from the Flow-Through Shares issued pursuant to the Offering will be used during the Issuer's 2012 exploration program to incur eligible Canadian exploration expenses that will qualify as "flow-through expenditures" pursuant to the *Income Tax Act (Canada)* (the "**Qualifying Expenditures**"), which will be renounced to the subscribers with an effective date no later than December 31, 2012. In the event the Issuer is unable to renounce Qualifying Expenditures effective on or prior to December 31, 2012 to the initial purchasers of Flow-Through Shares in an aggregate amount not less than the gross proceeds raised from the issuance of the Flow-Through Shares or such expenditures are reduced by the Canada Revenue Agency, the Issuer will indemnify each Flow-Through Share subscriber for the additional taxes payable by such subscriber as a result of the Issuer's failure to renounce the Qualifying Expenditures, as agreed.

11. State whether the private placement will result in a change of control.  
Not to the Issuer's knowledge.
12. Where there is a change in the control of the Issuer resulting from the issuance of the private placement shares, indicate the names of the new controlling shareholders. \_\_\_\_\_

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13. Each purchaser has been advised of the applicable securities legislation restricted or seasoning period. All certificates for securities issued which are subject to a hold period bear the appropriate legend restricting their transfer until the expiry of the applicable hold period required by Multilateral Instrument 45-102.

This will be done \_\_\_\_\_.

**2. Acquisition**

1. Provide details of the assets to be acquired by the Issuer (including the location of the assets, if applicable). The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material: \_\_\_\_\_.
2. Provide details of the acquisition including the date, parties to and type of agreement (eg: sale, option, license etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the acquisition without reference to any other material: \_\_\_\_\_.
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3. Provide the following information in relation to the total consideration for the acquisition (including details of all cash, securities or other consideration) and any required work commitments:
- (a) Total aggregate consideration in Canadian dollars: \_\_\_\_\_.
  - (b) Cash: \_\_\_\_\_.
  - (c) Securities (including options, warrants etc.) and dollar value: \_\_\_\_\_  
\_\_\_\_\_.
  - (d) Other: \_\_\_\_\_.
  - (e) Expiry date of options, warrants, etc. if any: \_\_\_\_\_.
  - (f) Exercise price of options, warrants, etc. if any: \_\_\_\_\_.
  - (g) Work commitments: \_\_\_\_\_.
4. State how the purchase or sale price was determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

5. Provide details of any appraisal or valuation of the subject of the acquisition known to management of the Issuer: \_\_\_\_\_  
\_\_\_\_\_.
6. The names of parties receiving securities of the Issuer pursuant to the acquisition and the number of securities to be issued are described as follows:

Name of Party (If not an individual, name all insiders of the Party)	Number and Type of Securities to be Issued	Dollar value per Security (CDN\$)	Conversion price (if applicable)	Prospectus Exemption	No. of Securities, directly or indirectly, Owned, Controlled or Directed by Party	Describe relationship to Issuer <sup>(1)</sup>

(1) Indicate if Related Person

7. Details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired: \_\_\_\_\_  
\_\_\_\_\_.
8. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the acquisition (including warrants, options, etc.):
- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the acquisition (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer): \_\_\_\_\_  
\_\_\_\_\_.
  - (b) Cash \_\_\_\_\_.
  - (c) Securities \_\_\_\_\_.
  - (d) Other \_\_\_\_\_.
  - (e) Expiry date of any options, warrants etc. \_\_\_\_\_.
  - (f) Exercise price of any options, warrants etc. \_\_\_\_\_.

9. State whether the sales agent, broker or other person receiving compensation in connection with the acquisition is a Related Person or has any other relationship with the Issuer and provide details of the relationship. \_\_\_\_\_  
\_\_\_\_\_.
10. If applicable, indicate whether the acquisition is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months. \_\_\_\_\_  
\_\_\_\_\_.

### **Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance on behalf of the Issuer.
2. As of the date hereof there is not material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 9 Notice of Private Placement is true.

Dated February 27, 2012

Christopher Gulka  
Name of Director or Senior Officer

"Christopher Gulka"  
Signature

Secretary and Chief Financial Officer  
Official Capacity