# AMALGAMATION AGREEMENT

among

**BLACKHAWK RESOURCE CORP.**

and

**1477838 ALBERTA LTD.**

and

**BLACK BORE EXPLORATION LTD.**

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**Dated as of July 31, 2009**

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# AMALGAMATION AGREEMENT

THIS AGREEMENT is made as of July 31, 2009,

**AMONG:**

**BLACKHAWK RESOURCE CORP.** , a body corporate existing under the laws of the Province of Alberta with its head office in the City of Calgary, in the Province of Alberta ("**Blackhawk**")

AND

**1477838 Alberta Ltd.**, a body corporate existing under the laws of the Province of Alberta with its head office in the City of Calgary, in the Province of Alberta (hereinafter called "**1477838**")

AND

**BLACK BORE EXPLORATION LTD.**, a body corporate existing under the laws of the Province of Alberta with its head office in the City of Calgary, in the Province of Alberta (hereinafter called "**Black Bore**")

**WHEREAS** upon the terms and subject to the conditions set out in this Agreement, the Parties hereto intend to effect a business combination transaction whereby, among other things, Black Bore, and 1477838 will amalgamate and continue as one corporation in accordance with the terms and conditions hereof;

**AND WHEREAS** 1477838 is a wholly-owned, subsidiary of Blackhawk and has not carried on an active business and Blackhawk desires that 1477838 amalgamate with Black Bore in accordance with the terms and conditions hereof;

**AND WHEREAS** the board of directors of Black Bore has unanimously: (i) determined that the Amalgamation is in the best interests of Black Bore; (ii) approved this Agreement and the transactions contemplated hereby; and (iii) determined to recommend that the Black Bore Shareholders vote in favour of the transactions contemplated by this Agreement;

**AND WHEREAS** concurrently with the execution of this Agreement, and as a condition of, and inducement to, the willingness of Blackhawk and 1477838 to enter into this Agreement certain of the directors and officers of Black Bore have entered into support agreements substantially in the form of Schedule "D" annexed hereto;

**NOW THEREFORE THIS AGREEMENT WITNESSETH THAT** in consideration of the respective covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

# ARTICLE 1
# INTERPRETATION

## 1.1 Definitions

In this Agreement, including the recitals and Schedules hereto, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings, respectively:

"**75 BOE/d Performance Right**" means the right of the holder thereof to acquire, without action, payment or consideration, within 18 months from the date of issuance of such 75 BOE/d Performance Right, one Blackhawk Common Share upon the occurrence of the Total Lands Production Factor exceeding 75 BOE/d for a 90 day period as detailed in the 75 BOE/d Performance Right Certificate attached to this Agreement as Schedule "H";

"**150 BOE/d Performance Right**" means the right of the holder thereof to acquire, without action, payment or consideration, within 18 months from the date of issuance of such 150 BOE/d Performance Right, one Blackhawk Common Share upon the occurrence of the Total Lands Production Factor exceeding 150 BOE/d for a 90 day period as detailed in the 150 BOE/d Performance Right Certificate attached to this Agreement as Schedule "I";

"**1477838 Common Shares**" means the common shares in the capital of 1477838;

"**1477838 Governing Documents**" means the Certificate of Incorporation dated July 2, 2009, the Articles of Incorporation dated July 2, 2009 and the by-laws of 1477838;

"**1477838**" means 1477838 Alberta Ltd.;

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9 as amended, including the regulations promulgated thereunder;

"**Acquisition Proposal**" means any written proposal or offer with respect to: (i) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, dissolution, liquidation, consolidation or business combination involving any purchase by a single Person (other than Blackhawk) or combination of Persons (other than Blackhawk) of Black Bore Common Shares that, if consummated, would result in any Person (other than Blackhawk) beneficially owning more than 20% of the voting rights attached to the Black Bore Common Shares, as the case may be, or any liquidation or winding up of Black Bore or any of its material subsidiaries; (ii) any acquisition by any Person of Black Bore or any of its subsidiaries or any assets, where such assets represent more than 20% of the fair market value (on a consolidated basis) ascribed to Black Bore, or contribute more than 20% of the revenues of Black Bore (on a consolidated basis) (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale) in a single transaction or a series of related transactions; (iii) any acquisition by any Person of beneficial ownership of 20% or more of the Black Bore Common Shares or other securities of Black Bore then outstanding; or (iv) any similar business combination of or involving Black Bore and/or any of its subsidiaries that, if consummated, would result in any Person (other than Blackhawk) beneficially owning more than 20% of the voting rights attached to the Black Bore Common Shares;

"**Acquired Lands Production Factor**" means the sum of the production calculated on a BOE/d basis from all lands leased or acquired by Blackhawk subsequent to the Effective Time multiplied by half (0.5);

"**Agreement**", "**this Agreement**", "**herein**", "**hereto**", and "**hereof**" and similar expressions refer to this Amalgamation Agreement, as the same may be amended or supplemented from time to time, and where applicable, to the appropriate Schedule hereto;

"**Amalco Common Shares**" means the common shares of Amalco provided for in the Articles of Amalgamation;

"**Amalco**" means the continuing corporation resulting from the Amalgamation;

"**Amalgamation**" means the amalgamation of Black Bore and 1477838 contemplated by this Agreement;

"**Articles of Amalgamation**" means the articles of amalgamation of Amalco substantially in the form set out in Schedule "C" hereto;

"**Black Bore**" means Black Bore Exploration Ltd.;

"**Black Bore Amalgamation Resolution**" means the special resolution of the Black Bore Shareholders approving the Amalgamation, as required by applicable Laws;

"**Black Bore Common Shares**" means the common shares in the capital of Black Bore which are outstanding immediately prior to the Effective Time;

"**Black Bore Convertible Debentures**" means the debentures in the principal amount of $100,000 convertible into Black Bore Common Shares at a price of $0.25 per Black Bore Common Share, the principal amount of such debentures having an interest rate of 8% payable monthly and such debentures having a maturity date of June 1, 2010;

"**Black Bore Disclosure Letter**" means the disclosure letter dated as of the date hereof from Black Bore to Blackhawk as amended, supplemented or otherwise agreed to between Black Bore and Blackhawk prior to the Effective Date;

"**Black Bore Financial Statements**" means the audited annual financial statements of Black Bore as at and for the year ended December 31, 2008 and the unaudited interim financial statements for the period ended March 31, 2009;

"**Black Bore Governing Documents**" means the Certificate of Incorporation dated September 17, 2008, the Articles of Incorporation dated September 17, 2008, the Certificate of Amendment and Registration of Restated Articles dated October 15, 2008, the Articles of Amendment dated October 15, 2008 and the by-laws of Black Bore dated September 17, 2008;

"**Black Bore Lands Production Factor**" means the sum of the production calculated on a BOE/d basis from all lands owned or leased by Black Bore immediately prior to the Effective Time;

"**Black Bore Officer Obligations**" means any obligations or liabilities of Black Bore to pay any amount to its officers, directors, employees or consultants, other than for salary, bonuses under existing bonus arrangements, vacation pay and directors' fees in the ordinary course, in each case in amounts consistent with historic practices, and obligations or liabilities in respect of insurance or indemnification contemplated by this Agreement or arising in the ordinary and usual course of business and subject to Corporate Laws and, without limiting the generality of the foregoing, Black Bore Officer Obligations shall include the obligations of Black Bore and its subsidiaries to officers, employees or consultants for: (i) severance, termination or other payments on or in connection with the change of control pursuant to any executive involuntary severance and termination agreements in the case of officers and pursuant to severance policy in the case of employees; (ii) retention bonus payments pursuant to any retention bonus program; or (iii) commissions, bonuses or other amounts payable to any employees, officers, directors or consultants in connection with acquisitions by Black Bore, including in connection with the Amalgamation;

"**Black Bore Payment Event**" has the meaning ascribed to such term in Section 8.1;

"**Black Bore Shareholders**" means the holders of Black Bore Common Shares;

"**Black Bore Special Meeting**" means the special meeting, if applicable, of the Black Bore Shareholders called to consider and vote upon the Amalgamation;

"**Blackhawk**" means Blackhawk Resource Corp.;

"**Blackhawk Common Shares**" means the common shares of Blackhawk as constituted as at the date hereof;

"**Blackhawk Disclosure Letter**" means the disclosure letter dated as of the date hereof from Blackhawk to Black Bore as amended, supplemented or otherwise agreed to between Black Bore and Blackhawk prior to the Effective Date;

"**Blackhawk Financial Statements**" means the audited comparative consolidated financial statements of Blackhawk as at and for the year ended August 31, 2008 and the unaudited comparative consolidated financial statements of Blackhawk as at and for the nine month period ended May 31, 2009;

"**Blackhawk Governing Documents**" means the Certificate of Incorporation dated March 25, 1986, the Articles of Incorporation dated March 25, 1986, the Certificate of Amendment dated March 4, 1994 the Articles of Amendment dated March 4, 1994, the Certificate of Amendment dated May 12, 2009, the Articles of Amendment dated May 12, 2009 and the By-laws of Blackhawk dated March 25, 1986, and February 28, 1997;

"**Blackhawk Officer Obligations**" means any obligations or liabilities of Blackhawk to pay any amount to its officers, directors, employees or consultants, other than for salary, bonuses under existing bonus arrangements, vacation pay and directors' fees in the ordinary course, in each case in amounts consistent with historic practices, and obligations or liabilities in respect of insurance or indemnification contemplated by this Agreement or arising in the ordinary and usual course of business and subject to Corporate Laws and, without limiting the generality of the foregoing, Blackhawk Officer Obligations shall include the obligations of Blackhawk and its subsidiaries to officers, employees or consultants for: (i) severance, termination or other payments on or in connection with the change of control pursuant to any executive involuntary severance and termination agreements in the case of officers and pursuant to severance policy in the case of employees; (ii) retention bonus payments pursuant to any retention bonus program; or (iii) commissions, bonuses or other amounts payable to any employees, officers, directors or consultants in connection with acquisitions by Blackhawk, including in connection with the Amalgamation;

"**Blackhawk Option Plan**" means the incentive stock option plan of Blackhawk;

"**Blackhawk Options**" means the options to purchase Blackhawk Common Shares granted under the Blackhawk Option Plan;

"**Blackhawk Shareholders**" means the holders of Blackhawk Common Shares;

"**Blackhawk Unit**" means one Blackhawk Common Share, one 75 BOE/d Performance Right and 0.6 of one 150 BOE/d Performance Right;

"**Blackhawk Warrants**" means the common share purchase warrants to purchase Blackhawk Common Shares;

"**Business Day**" means any day on which commercial banks are generally open for business in Calgary, Alberta other than a Saturday, a Sunday or a day observed as a holiday (i) in Calgary, Alberta under the laws of the Province of Alberta; or (ii) under the federal laws of Canada;

"**BOE**" means a barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for 6 Mcf of natural gas;

"**BOE/d**" means a barrel of oil equivalent per day;

"**Certificate of Amalgamation**" means a certificate of amalgamation issued by the Registrar under the ABCA giving effect to the Amalgamation;

"**Closing**" has the meaning ascribed to such term in Section 10.3;

"**Corporate Laws**" means all applicable corporate laws, including the ABCA;

"**Disclosure Letters**" means, collectively, the Black Bore Disclosure Letter and the Blackhawk Disclosure Letter;

"**Dissent Rights**" means the rights of dissent granted in favour of registered Black Bore Shareholders in respect of the Black Bore Amalgamation Resolution as provided pursuant to the ABCA;

"**Dissenting Shareholder**" means a registered Black Bore Shareholder, who, in connection with the Black Bore Amalgamation Resolution at the Black Bore Special Meeting, if applicable, to approve the Amalgamation, has sent to Black Bore a written objection and a demand for payment within the time limits and in the manner prescribed by section 191 of the ABCA with respect to such Black Bore Shareholder's Black Bore Common Shares;

"**Effective Date**" means the date shown on the Certificate of Amalgamation;

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date;

"**Encumbrances**" means pledges, liens, charges, security interests, leases, title retention agreements, mortgages, restrictions, developments or similar agreements, easements, rights-of-way, title defects, options, rights of first offer or rights of first refusal, areas of mutual interest, adverse claims or encumbrances of any kind or character whatsoever;

"**Environmental Laws**" means all Laws relating in full or in part to the protection of the environment, and employee and public health and safety, and includes, without limitation, those Environmental Laws relating to the storage, generation, use, handling, manufacture, processing, labelling, advertising, sale, display, transportation, treatment, Release and disposal of Hazardous Substances and Substances;

"**GAAP**" has the meaning ascribed to such term in Section 1.9;

"**Governmental Entity**" means any: (i) national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agent, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**Hazardous Substance**" means any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law;

"**Information Circular**" has the meaning ascribed to such term in Section 2.7;

"**Laws**" means all laws, by-laws, statutes, regulations, rules, orders, ordinances, judgements, decrees and other requirements, terms and conditions of any grant of approval, permission, authority, permit or license of any Governmental Entity or self-regulatory authority; and the term "**applicable**" with respect to such Laws and in the context that refers to one or more Parties, means such Laws as are applicable to such Party or Parties or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities;

"**Letter of Transmittal**" means the letter of transmittal to be submitted by all Black Bore Shareholders in relation to the exchange of certificates representing Black Bore Common Shares for certificates representing Blackhawk Units in relation to the Amalgamation;

"**Material Adverse Change**" or "**Material Adverse Effect**" means, when used in connection with a Party hereto, any change, effect, event, occurrence or change in a state of facts that is, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, assets, title to assets, properties, capitalization, condition (financial or otherwise), licenses, permits, concessions, rights, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or privileges, whether contractual or otherwise, of such Party and its subsidiaries (taken as a whole); other than a change, effect, event or occurrence resulting from: (i) a matter that has been disclosed by Black Bore to Blackhawk in the Black Bore Disclosure Letter, on the one hand, or by Blackhawk and 1477838 to Black Bore in the Blackhawk Disclosure Letter, on the other hand, as applicable, prior to the date hereof; (ii) conditions affecting the western Canadian oil and gas industry as a whole; (iii) general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; (iv) any change in the market price of crude oil, natural gas or related hydrocarbons on a current or forward basis; (v) any action taken by Black Bore on the one hand, or Blackhawk and 1477838, on the other hand, as the case may be, with the approval, consent or authority of the other (including actions permitted by this Agreement); or (vi) the results of any well commenced or completed by Black Bore, on the one hand, or Blackhawk, on the other hand, after the date hereof (it being the intention of the Parties that a determination that any one or more wells completed or commenced after the date hereof is not capable of commercial production of oil or natural gas (or both) shall not be considered to have a Material Adverse Effect for the purposes of this Agreement or the Amalgamation);

"**Parties**" means Blackhawk, 1477838 and Black Bore; and "**Party**" means any one of them;

"**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

"**Public Record**" means all information filed by Blackhawk after June 30, 2009 with any Securities Authority in compliance, or intended compliance, with any Securities Laws;

"**Registrar**" means the Registrar of Corporations or Deputy Registrar of Corporations appointed pursuant to section 263 of the ABCA;

"**Release**" has the meaning prescribed in any Environmental Law and includes, without limitation, any release, spill, leak, pumping, pouring, throwing, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, disposal, spraying, burial, abandonment, incineration, seepage, injection, inoculation, exhaust or placement;

"**Representatives**" has the meaning ascribed to such term in Section 5.3;

"**Securities Authorities**" means the appropriate securities commissions or similar regulatory authorities in Canada and each of the provinces and territories thereof;

"**Securities Laws**" means any applicable Canadian provincial securities laws and any other applicable securities law, rule, regulation, policy, notice, order and instrument promulgated thereunder;

"**Shareholder Support Agreements**" means the agreements executed and delivered by the Black Bore directors and officers as contemplated in Subsection 7.2(b), which shall be substantially in the form set forth in Schedule "D" hereto;

"**Subsidiary**" means a subsidiary as defined in the *Securities Act* (Alberta);

"**Substance**" means (i) any matter that (A) is capable of becoming dispersed in the environment, or (B) is capable of becoming transformed in the environment into matter referred to in paragraph (A), (ii) any sound, vibration, heat, radiation or other form of energy, and (iii) any combination of things referred to in subclauses (i) and (ii);

"**Superior Proposal**" means an unsolicited, *bona fide* Acquisition Proposal made after the date hereof that: (i) involves the purchase or acquisition of or offer by a Person to purchase all of the outstanding shares or all or substantially all of the assets of Black Bore and its subsidiaries; (ii) is made available to all or substantially all Black Bore Shareholders and offers or makes available substantially equivalent consideration in form and amount per share to be purchased or otherwise acquired; (iii) is not subject to a due diligence and/or access condition that would allow access to the books, records or personnel of Black Bore or its subsidiaries beyond 5:00 p.m. (Calgary time) on the tenth Business Day after which access is first afforded to the Person making the Acquisition Proposal (provided that the foregoing shall not restrict the ability of such third party to continue to review information provided to it by Black Bore during such ten Business Day period or thereafter); (iv) is reasonably likely to be completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the Person making such proposal; (v) in respect of which any required financing to complete such Acquisition Proposal has been obtained or is reasonably likely to be obtained; and (vi) in respect of which the board of directors of Black Bore determines in good faith (after consultation with its financial advisors and outside counsel) would, if consummated in accordance with its terms (but not disregarding any risk of non-completion), result in a transaction more favourable to the Black Bore Shareholders from a financial point of view than the transactions contemplated by this Agreement, provided that no Acquisition Proposal shall be a Superior Proposal if the Person making such Acquisition Proposal is in default of any standstill obligation with Black Bore;

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

"**Tax Returns**" includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether intangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes;

"**Taxes**" means, with respect to any entity, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, licence taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, Canada or Québec Pension Plan premiums, excise, severance, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, provincial Crown royalties, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity or for which such entity is responsible, and any interest, penalties, additional taxes, additions to tax or other amounts imposed with respect to the foregoing; and

"**Total Lands Production Factor**" means the sum of the Acquired Lands Production Factor and the Black Bore Lands Production Factor;

### 1.2 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include all genders.

### 1.3 Deemed Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

### 1.4 No Strict Construction

The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party will not be applicable in the interpretation of this Agreement.

### 1.5 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, Subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the construction or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, Subsection, paragraph or Schedule by number or letter or both refer to the specified Article, Section, Subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

### 1.6 Date for any Action

In the event that any date by or on which any action is required or permitted to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required or permitted to be taken, such action shall be required to be taken by or on the next succeeding day which is a Business Day.

**1.7 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

**1.8 Attornment**

The Parties hereby irrevocably and unconditionally consent to and submit to the courts of the Province of Alberta for any actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agree not to commence any action, suit or proceeding relating thereto except in such courts) and further agree that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the choosing of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Alberta and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

**1.9 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian generally accepted accounting principles ("**GAAP**") and all determinations of an accounting nature required to be made shall be made in a manner consistent with Canadian generally accepted accounting principles and past practice.

**1.10 Material**

The terms "material" and "materially" shall, when used in this Agreement, be construed, measured or assessed on the basis of whether the matter, either individually or in the aggregate with other matters, would materially affect a Party or would significantly impede the ability to complete the Amalgamation in accordance with this Agreement.

**1.11 Knowledge**

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of a Party, it refers to the actual knowledge: (i) in the case of Black Bore to: Hillar S. Lilles; and (ii) in the case of Blackhawk to: David Antony, in each case after due inquiry including of his direct reports.

**1.12 Incorporation of Schedules**

The following Schedules are annexed to this Agreement and are hereby incorporated by reference into the Agreement and form part hereof:

| | |
|---|---|
| Schedule "A" | Terms of the Blackhawk Common Shares |
| Schedule "B" | Form of Black Bore Shareholders' Resolution |
| Schedule "C" | Articles of Amalgamation |

## ARTICLE 2
## THE AMALGAMATION

### 2.1 General

Subject to the terms and conditions of this Agreement, each of the Parties hereto agrees to use its reasonable commercial efforts prior to the Effective Date to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or advisable to complete the transactions contemplated by this Agreement and the Amalgamation.

### 2.2 Steps to be taken by Black Bore

(a) Black Bore covenants in favour of Blackhawk that Black Bore shall use its reasonable commercial efforts to obtain, on or before August 31, 2009, the unanimous approval of the Black Bore Shareholders and the holders of the Black Bore Convertible Debentures to the Black Bore Amalgamation Resolution in the manner contemplated by section 141(1) of the ABCA or, alternatively:

(i) lawfully convene and hold the Black Bore Special Meeting for the purpose of considering the Black Bore Amalgamation Resolution (and for no other purpose unless approved in writing by Blackhawk) as soon as reasonably practicable and in any event, on or before August 31, 2009; and

(ii) except to the extent required by a Governmental Entity having jurisdiction, pursuant to an unsolicited motion approved at the Black Bore Special Meeting (which the management of Black Bore agrees to vote against and to cause any discretionary proxies in favour of management to be voted against) or as specifically contemplated herein, not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation) the Black Bore Special Meeting without the prior written consent of Blackhawk.

(b) Subject to obtaining the approval of the Black Bore Shareholders and the holders of the Black Bore Convertible Debentures to the Amalgamation, Black Bore agrees that it shall, with the co-operation and participation of Blackhawk, use its reasonable commercial efforts to make such arrangements with the Registrar as may be necessary or desirable to permit: (i) the filing with the Registrar of the Articles of Amalgamation to be made effective at 12:01 am (Calgary time) on the Effective Date, and (ii) the obtaining of the Certificate of Amalgamation.

(c) In the event that there is a failure to obtain, or if Blackhawk reasonably anticipates that there will be a failure to obtain, a consent, order or other approval of a Governmental Entity required in connection with the approval of the Amalgamation, then Black Bore shall, upon the request of Blackhawk, use its reasonable commercial efforts to assist Blackhawk to successfully implement and complete any alternative transaction structure that does not have negative financial consequences for the Parties. In the event that the transaction structure is modified as a result of any event contemplated pursuant to this Subsection 2.2(c) or otherwise, the relevant provisions of this Agreement shall forthwith be deemed modified as necessary in order that it shall apply with full force and effect, *mutatis mutandis*, to reflect the revised transaction structure and the Parties hereto shall, upon the reasonable request of any Party hereto, execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications.

**2.3 Steps to be taken by Blackhawk**

(a) Blackhawk agrees that, on the Effective Date and subject to the satisfaction or waiver of the conditions herein contained in favour of Blackhawk and 1477838, Blackhawk shall provide the number of Blackhawk Units issuable pursuant to the Amalgamation.

(b) In the event that there is a failure to obtain, or if Black Bore reasonably anticipates that there will be a failure to obtain, a consent, order or other approval of a Governmental Entity required in connection with the approval of the Amalgamation, then Blackhawk shall, upon the request of Black Bore, use its reasonable commercial efforts to assist Black Bore to successfully implement and complete any alternative transaction structure that does not have negative financial consequences for the Parties. In the event that the transaction structure is modified as a result of any event contemplated pursuant to this Subsection 2.3(b) or otherwise, the relevant provisions of this Agreement shall forthwith be deemed modified as necessary in order that it shall apply with full force and effect, *mutatis mutandis*, to reflect the revised transaction structure and the Parties hereto shall, upon the reasonable request of any Party hereto, execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications.

(c) Blackhawk agrees that, as the sole shareholder of 1477838, it will, on the Effective Date, vote its 1477838 Common Shares held in favour of the Amalgamation.

**2.4 Implementation**

(a) *Amalgamation.* Black Bore and 1477838 agree to amalgamate pursuant to the provisions of section 181 of the ABCA and to continue as one corporation on the terms and subject to the conditions set out herein.

(b) *Name.* The name of Amalco shall be 1477838 Alberta Ltd.

(c) *Registered Office.* The registered office of Amalco shall be located at 1000 - 250 2nd Street S.W., Calgary, Alberta T2P 0C1.

(d) *Authorized Capital.* Amalco shall be authorized to issue an unlimited number of Amalco Common Shares and an unlimited number of Amalco Preferred Shares, which shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation attached as Schedule "C" hereto.

(e) *Number of Directors.* The minimum number of directors of Amalco shall be one (1) and the maximum number of directors of Amalco shall be eleven (11).

(f) *First Directors.* The number of first directors of Amalco shall be two (2). The first directors of Amalco shall be the individuals whose names and addresses are set forth below:

| Name | Address |
|---|---|
| David Antony | 95 Hidden Creek Point N.W., Calgary, AB T3A 6J7 |
| Hillar S. Lilles | 15 Strathlorne Bay S.W., Calgary, AB T3H 1R1 |

The first directors shall hold office until the first annual or general meeting of the shareholders of Amalco or until their successors are duly appointed or elected. The subsequent directors shall be elected each year thereafter as provided for in the by-laws of Amalco. The management and operation of the business and affairs of Amalco shall be under the control of the board of directors as it is constituted from time to time.

(g) *Effect of Certificate of Amalgamation.* On the Effective Date, the Amalgamation of Black Bore and 1477838 and their continuance as one corporation shall become effective; the property of each of Black Bore and 1477838 shall continue to be the property of Amalco; Amalco shall continue to be liable for the obligations of each of Black Bore and 1477838; any existing cause of action, claim or liability to prosecution shall be unaffected; any civil, criminal or administrative action or proceeding pending by or against either Black Bore or 1477838 may be continued to be prosecuted by or against Amalco; a conviction against, or filing, order or judgment in favour of or against, either Black Bore or 1477838 may be enforced by or against Amalco; and the Articles of Amalgamation shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation for Amalco.

(h) *First Auditors.* The first auditors of Amalco, if any, shall be KPMG LLP. The first auditors of Amalco shall hold office until the first annual meeting of Amalco following the Amalgamation or until their successors are elected or appointed.

(i) *Restrictions on Business.* There shall be no restrictions on the business that Amalco may carry on.

(j) *Articles of Amalgamation and By-laws.* The Articles of Amalgamation of Amalco shall be in the form set forth in Schedule "C". The by-laws of Amalco shall be the existing by-laws of 1477838 Alberta Ltd.

(k) *General Effects of the Amalgamation.* On the Effective Date:

(i) each Black Bore Common Share issued and outstanding on the Effective Date (other than Black Bore Common Shares held by Dissenting Shareholders) shall be exchanged for one Blackhawk Unit;

(ii) each 1477838 Common Share issued and outstanding on the Effective Date shall be converted into one (1.0) Amalco Common Share;

(iii) with respect to each Black Bore Common Share exchanged in accordance with Section 2.4(k)(i):

(A) the holders thereof shall cease to be the holder of such Black Bore Common Shares and the name of such holder shall be removed from the register of holders of such Black Bore Common Shares;

(B) the certificates (if any) representing such Black Bore Common Shares shall be deemed to have been cancelled as of the Effective Date;

(C) the holders thereof shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to exchange or transfer such shares in accordance with Section 2.4(k)(iv); and

(iv) in consideration of the issue of the Blackhawk Units to effect the Amalgamation, Amalco will issue to Blackhawk one (1.0) fully-paid and non-assessable Amalco Common Share for each Blackhawk Unit so issued pursuant to Section 2.4(k)(i);

(v) the amount added to the stated capital in respect of the Amalco Common Shares issuable by Amalco pursuant to Section 2.4(k)(ii) and Section 2.4(k)(iv) shall be the aggregate of:

(A) the paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the 1477838 Common Shares converted into Amalco Common Shares pursuant to Section 2.4(k)(ii); and

(B) the paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the Black Bore Common Shares exchanged for Blackhawk Units pursuant to Section 2.4(k)(iv); and

(vi) the amount added to the stated capital of Blackhawk in respect of the Blackhawk Units issuable by Blackhawk pursuant to Section 2.4(k)(i) shall be the aggregate of the paid-up capital (within the meaning of the Tax Act), determined immediately before the Effective Time, of the Black Bore Common Shares exchanged for Blackhawk Units pursuant to Section 2.4(k)(i).

(l) *Dissenting Shareholders.* Black Bore Common Shares which are held by Dissenting Shareholders shall not be converted as prescribed by Subsection 2.4(k). However, if a Dissenting Shareholder fails to perfect or effectively withdraws its claim under section 191 of the ABCA or forfeits its right to make a claim under section 191 of the ABCA or if its rights as a Shareholder are otherwise reinstated, such Shareholder's shares shall thereupon be deemed to have been converted as of the Effective Date as prescribed by Subsection 2.4(k).

**2.5 Certificates**

(a) *Issuance of Certificates Representing Blackhawk Units.* At or promptly after the Effective Time, Blackhawk shall make available, for the benefit of the holders of Black Bore Common Shares who will receive Blackhawk Units in connection with the Amalgamation, certificates representing the maximum number of Blackhawk Units that are issuable in connection with the Amalgamation. Upon surrender to the Depositary for transfer to Blackhawk of a certificate which immediately prior to or upon the Effective Time represented Black Bore Common Shares in respect of which the holder is entitled to receive Blackhawk Units in connection with the Amalgamation, together with a duly completed Letter of Transmittal and such other documents and instruments as would have been required to effect the transfer of the securities formerly represented by such certificate under the ABCA and the by-laws of Black Bore, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and after the Effective Time Blackhawk shall deliver to such holder, a certificate representing that number of Blackhawk Units which such holder has the right to receive and any certificates representing the Black Bore Common Shares so surrendered shall forthwith be cancelled. No dividends and distributions, will be payable to holders of certificates in respect of Black Bore Common Shares. In the event of a transfer of ownership of Black Bore Common Shares that was not registered in the securities register of Black Bore, a certificate representing the proper number of Blackhawk Units may be issued to the transferee if the certificate representing such Black Bore Common Shares is presented to Blackhawk as provided above, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable stock transfer taxes have been paid. Until surrendered, as contemplated by this Section 2.5(a), each certificate which immediately prior to or upon the Effective Time represented one or more Black Bore Common Share under the Amalgamation, that were exchanged or were deemed to be exchanged for Blackhawk Units pursuant to Section 2.4(k), shall be deemed at all times after the Effective Time, to represent only the right to receive upon such surrender a certificate representing that number of Blackhawk Units which such holder has the right to receive.

(b) *Distributions with respect to Unsurrendered Certificates.* No dividends or other distributions paid, declared or made with respect to the Blackhawk Units with a record date after the Effective Time, shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Time represented outstanding Black Bore Common Shares that were exchanged for Blackhawk Units pursuant to Section 2.4(k) unless and until the holder of such certificate shall comply with the provisions of Section 2.5(a). Subject to applicable law, at the time such holder shall have complied with the provisions of Section 2.5(a) (or, in the case of clause (ii) below, at the appropriate payment date), there shall be paid to the holder of the certificates formerly representing Black Bore Common Shares, without interest:

(i) the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to the Blackhawk Units to which such holder is entitled pursuant hereto; and

(ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to the date of compliance by such holder with the provisions of 2.5(a) and a payment date subsequent to the date of such compliance and payable with respect to such Blackhawk Units.

(c) *Lost Certificates.* In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Black Bore Common Shares that were exchanged pursuant to Section 2.4(k) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder of Black Bore Common Shares claiming such certificate to be lost, stolen or destroyed, Blackhawk will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more Blackhawk Units pursuant to Section 2.5(a) (and any dividends or distributions with respect to the Black Bore Common Shares) in each case deliverable in accordance with Section 2.4(k). When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the holder to whom certificates representing Blackhawk Units are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Blackhawk and Black Bore and their respective transfer agents in such sum as Blackhawk and Black Bore may jointly direct or otherwise indemnify Blackhawk and Black Bore in a manner satisfactory to Blackhawk and Black Bore against any claim that may be made against Blackhawk or Black Bore with respect to the certificate alleged to have been lost, stolen or destroyed.

(d) *Extinguishment of Rights.* Any certificate which immediately prior to the Effective Time represented outstanding Black Bore Common Shares that are not held by a Dissenting Shareholder who is ultimately entitled to be paid fair value of the Black Bore Common Shares held by such Dissenting Shareholder but was exchanged or was deemed to have been exchanged pursuant to Section 2.4(k), that has not been deposited with all other instruments required by Section 2.5(a) on or prior to the earlier of the fifth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature as a holder of Blackhawk Common Shares or any other securities of Blackhawk issuable as a result of the Amalgamation. On such date, the Blackhawk Common Shares and any other securities of Blackhawk issuable as a result of the Amalgamation (and any dividends or distribution with respect thereto) to which the former holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to Blackhawk, together with all entitlements to dividends, distributions and interest in respect thereof held for such former holder. None of Blackhawk or Black Bore shall be liable to any Person in respect of any Blackhawk Units, other securities or Blackhawk issuable pursuant to the Amalgamation (or dividends and/or distribution) delivered to a public official pursuant to and in compliance with any applicable abandoned property, escheat or similar law.

(e) *Withholding Rights.* Blackhawk and Black Bore shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any holder of Blackhawk Units or Black Bore Common Shares such amounts as Blackhawk or Black Bore is required to deduct and withhold with respect to such payment under the Tax Act, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the securities in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required to be deducted or withheld from any payment to a holder exceeds the cash portion of the consideration otherwise payable to the holder, Blackhawk and Black Bore are hereby authorized to sell or otherwise dispose of such portion of the consideration as is necessary to provide sufficient funds to Blackhawk or Black Bore, as the case may be, to enable it to comply with such deduction or withholding requirement and Blackhawk and Black Bore shall notify the holder thereof and remit any unapplied balance of the net proceeds of such sale.

(f) *Termination.* Any Blackhawk Units that remain undistributed by Blackhawk to former holders of Black Bore Common Shares 18 months after the Effective Date shall be delivered to Blackhawk, upon demand therefor, and holders of certificates previously representing Black Bore Common Shares who have not theretofore complied with Section 2.5(a) shall thereafter look only to Blackhawk for payment of any claim to Blackhawk Units or dividends or distributions, if any, in respect thereof.

## 2.6 Black Bore Special Meeting

Subject to Subsection 2.2(a), Black Bore shall take all action necessary in accordance with Corporate Laws, Securities Laws (including making all necessary applications to Securities Authorities that may be necessary to consummate the transactions contemplated by this Agreement, including the Amalgamation), other applicable Laws, the Black Bore Governing Documents and any other regulatory authority having jurisdiction to duly call, give notice of, convene and hold the Black Bore Special Meeting, such meeting to be held no later than August 31, 2009.

## 2.7 Information Circular

Subject to Black Bore being unable to obtain the unanimous approval of the Black Bore Shareholders and the holders of the Black Bore Convertible Debentures to the Black Bore Amalgmation

Resolution in accordance with Subsection 2.2(a), or at the request of Blackhawk, as promptly as practicable after execution of this Agreement, Black Bore shall prepare an Information Circular (setting forth *inter alia* the recommendations of their board of directors set forth in Subsection 2.8(a), and reflecting the execution of the Shareholder Support Agreements referred to in Subsection 7.2(b) and the intention of the officers and directors referred to in Subsection 2.8(b)), and shall, on a timely basis, use their reasonable commercial efforts to co-operate in the preparation of all other documents and filings and the seeking and obtaining of all consents, orders and approvals, including the approval of any Governmental Entity, any regulatory and judicial orders and approvals and other matters reasonably determined by them to be necessary in connection with this Agreement and the Amalgamation and the necessary approvals of the Black Bore Shareholders. Black Bore shall ensure that the Information Circular and other documents, filings, consents, orders and approvals contemplated by this Section 2.7 are prepared in material compliance with, made and/or obtained in accordance with Corporate Laws, Securities Laws and all other applicable Laws and shall permit Blackhawk and its counsel to review and comment upon drafts of all such materials in connection with the Amalgamation and give reasonable consideration to such comments. Blackhawk shall ensure that all information to be provided by Blackhawk for inclusion in the Information Circular (including all financial information) shall be prepared in compliance with, made and/or obtained in accordance with Corporate Laws, Securities Laws and all other applicable Laws. Black Bore shall mail the Information Circular to the Black Bore Shareholders and to all other Persons required by Law with respect to the Black Bore Special Meeting, all in accordance with Corporate Laws, Securities Laws, other applicable Laws, the Black Bore Governing Documents and the requirements of any other regulatory authority having jurisdiction. The term "**Information Circular**" shall mean such proxy or other required information statement or circular, as the case may be, and all related materials at the time required to be mailed to the Black Bore Shareholders in connection with the Black Bore Special Meeting and all amendments or supplements thereto, if any. Each of Black Bore and Blackhawk shall use all reasonable commercial efforts to obtain and furnish the information required to be included in the Information Circular. The information to be provided by each of Black Bore and Blackhawk for use in the Information Circular, on both the date the Information Circular is first mailed to Black Bore Shareholders and on the date the Black Bore Special Meeting is held, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and will comply in all material respects with applicable Law, and each of Black Bore and Blackhawk agree to promptly notify each other and to correct any such information provided by any of them for use in the Information Circular which has ceased to meet such standard. In such event, Black Bore shall prepare a supplement or amendment to the Information Circular or such application or other document, as required and as the case may be, and, if required, shall cause the same to be distributed to the Black Bore Shareholders and/or filed with the relevant Securities Authorities and/or other Governmental Entity after Blackhawk and its counsel and advisors have had a reasonable opportunity to review and comment on all such documentation and all such documentation is in form and content reasonably satisfactory to each of Black Bore and Blackhawk as contemplated herein.

**2.8 Black Bore Board Recommendation**

(a) Black Bore represents that its board of directors has unanimously determined that:

(i) the Amalgamation is in the best interests of Black Bore, the Black Bore Shareholders and the holders of Black Bore Convertible Debentures;

(ii) the consideration in respect of the Amalgamation is fair, from a financial point of view, to the Black Bore Shareholders and the holders of Black Bore Convertible Debentures;

(iii) Black Bore's board of directors has unanimously approved the Amalgamation and the entering into of this Agreement and will unanimously recommend that Black Bore Shareholders vote in favour of the Amalgamation, which recommendation may not be withdrawn, modified or changed in any manner, except as set forth herein; and

(b) Black Bore represents that its officers and directors have advised it that, as at the date hereof, they intend to vote any Black Bore Common Shares held by them in favour of the Black Bore Amalgamation Resolution.

Notice of such approvals, determinations and resolutions shall be included in the Information Circular.

**2.9 Outstanding Rights to Acquire Black Bore Common Shares**

Black Bore agrees and represents that:

(a) Black Bore shall use all reasonable commercial efforts to repay the Black Bore Convertible Debentures.

(b) The Black Bore Officer Obligations shall not exceed the amount set forth in the Black Bore Disclosure Letter.

(c) Black Bore acknowledges that prior to giving effect to any of the foregoing matters provided for in this Section 2.9, it shall cooperate and consult with Blackhawk in respect thereof.

**2.10 Dissenting Shareholders**

Each registered Black Bore Shareholder may exercise Dissent Rights in connection with the Amalgamation pursuant to and in the manner set forth in section 191 of the ABCA. Black Bore shall give Blackhawk (i) prompt notice of any written notices of exercise of rights of dissent, withdrawals of such notices, and any other instruments served pursuant to the ABCA and received by them and (ii) the opportunity to participate in all negotiations and proceedings with respect to such Dissent Rights. Without the prior written consent of Blackhawk, except as required by applicable Law, Black Bore shall not make any payment with respect to the exercise of any Dissent Rights or offer to settle or settle any Dissent Rights.

**2.11 Shareholder Support Agreements**

The Information Circular shall reflect the execution and delivery of the Shareholder Support Agreements described in Subsection 7.2(b) and the agreement of the directors and officers who execute such agreements and covenant to vote in favour of the Amalgamation at the Black Bore Special Meeting.

**2.12 Disclosure Letters**

Notwithstanding anything in the Disclosure Letters to the contrary, all disclosures in the Disclosure Letters must reference a particular Section in this Agreement (including the Schedules) but will also be interpreted to relate to or modify other sections of this Agreement (including the Schedules) if the intention to so relate or modify is readily apparent on the face of such disclosure. The inclusion of any item in the Disclosure Letters shall not be construed as an admission by either of Black Bore or Blackhawk of the materiality of such item.

**2.13 Guarantee**

Blackhawk hereby unconditionally and irrevocably guarantees the due and punctual performance by the 1477838 of each and every covenant and obligation of 1477838 (including the representations and warranties of 1477838) arising under this Agreement and the Amalgamation. Black Bore hereby agrees that Black Bore shall have to proceed first against 1477838 before exercising its rights under this guarantee against Blackhawk. Blackhawk hereby agrees that this guarantee will not be discharged except by complete performance of the covenants and obligations of 1477838 hereunder.

**2.14 Tax Withholdings**

Blackhawk, 1477838 and/or Amalco shall be entitled to deduct and withhold from any consideration otherwise payable to any Black Bore Shareholder and, for greater certainty, from any amount payable to a Dissenting Shareholder, as the case may be, under the Amalgamation such amounts as Blackhawk, 1477838 and/or Amalco are required or reasonably believed to be required to deduct and withhold from such consideration in accordance with the Tax Act. Any such amounts will be deducted and withheld from the consideration payable pursuant to the Amalgamation and shall be treated for all purposes as having been paid to the Black Bore Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

**2.15 Board of Directors of Blackhawk**

Blackhawk shall take all reasonable steps to ensure that from and after the date of closing the Amalgamation, the board of directors of Blackhawk will consist of three of the current directors of Blackhawk, with David M. Antony, Raymond P. Antony, and Michael Bowie and one representative from Black Bore, being Hillar S. Lilles.

**2.16 Officers of Blackhawk**

Black Bore and Blackhawk covenant and agree that, upon completion of the Amalgamation, the officers of Blackhawk will consist of Hillar S. Lilles (President), David M. Antony (CEO), Charidy Lazorko (CFO), Mark Lenson (Vice President Exploration) and Trevor Wong-Chor (Corporate Secretary).

**2.17 Blackhawk Officer Obligations**

The Blackhawk Officer Obligations shall be nil and shall be set out in the Blackhawk Disclosure Letter.

## ARTICLE 3
## PUBLICITY

**3.1 Publicity**

Each of Black Bore and Blackhawk shall advise, consult and cooperate with each other prior to issuing, or permitting any of its directors, officers, employees or agents to issue any news release or otherwise make public statements to the press with respect to this Agreement, the transactions contemplated hereby or any other material matters and in making any filing with a Governmental Entity with respect thereto, from the date hereof until the Effective Time. Neither Black Bore nor Blackhawk shall issue any such news release or make any such public statement prior to such consultation, except as may be required by applicable Law including, for greater certainty, in order to fulfill continuous disclosure obligations under Securities Laws or the fiduciary duties of the applicable board of directors and only after using its reasonable commercial efforts to consult each other taking into account the time constraints to which it is subject as a result of such Law or obligation.

## ARTICLE 4
## REPRESENTATIONS AND WARRANTIES

### 4.1 With Respect to Blackhawk

(a) *Representations and Warranties*

Blackhawk hereby makes to Black Bore the representations and warranties set forth in Schedule "E" to this Agreement and acknowledges that Black Bore is relying upon those representations and warranties in connection with entering into this Agreement.

(b) *Investigation*

Any investigation by Black Bore and its advisors shall not mitigate, diminish or affect the representations and warranties of Blackhawk made in or pursuant to this Agreement.

(c) *Survival of Representations and Warranties*

The representations and warranties of Blackhawk contained in this Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated and extinguished upon the Amalgamation becoming effective.

### 4.2 With Respect to 1477838

(a) *Representations and Warranties*

1477838 hereby makes to Black Bore the representations and warranties in relation to 1477838 set forth in Schedule "F" to this Agreement and acknowledges that Black Bore is relying upon those representations and warranties in connection with entering into this Agreement.

(b) *Investigation*

Any investigation by Black Bore and its advisors shall not mitigate, diminish or affect the representations and warranties of 1477838 made in or pursuant to this Agreement.

(c) *Survival of Representations and Warranties*

The representations and warranties of 1477838 contained in this Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated and extinguished upon the Amalgamation becoming effective.

### 4.3 With Respect to Black Bore

(a) *Representations and Warranties*

Black Bore hereby makes to Blackhawk and 1477838 the representations and warranties set forth in Schedule "G" to this Agreement and acknowledges that Blackhawk and 1477838 are relying upon those representations and warranties in connection with entering into this Agreement.

(b) *Investigation*

Any investigation by Blackhawk, 1477838 and their respective advisors shall not mitigate, diminish or affect the representations and warranties of Black Bore made in or pursuant to this Agreement.

(c) *Survival of Representations and Warranties*

The representations and warranties of Black Bore contained in this Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated and extinguished upon the Amalgamation becoming effective.

## ARTICLE 5
## COVENANTS OF BLACK BORE

### 5.1 Covenants of Black Bore

Black Bore covenants and agrees with each of Blackhawk and 1477838 that, except as contemplated in this Agreement, until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier:

(a) it shall conduct its business only in, and not take any action except in, the usual and ordinary course of business consistent with past practice and in compliance with applicable Laws and in accordance with existing budgets and, for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property;

(b) it shall not, without the prior written consent of Blackhawk, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following:

(i) issue, grant, sell, pledge, lease, dispose of, encumber or agree to issue, grant, sell, pledge, lease, dispose of or encumber:

(A) any of its shares or any options, warrants, calls, conversion privileges or rights of any kind to acquire any of its shares, except pursuant to the exercise of Black Bore Convertible Debentures currently outstanding; or

(B) any of its assets, except in the usual and ordinary course of business;

(ii) amend or propose to amend the Black Bore Governing Documents;

(iii) split, combine or reclassify any of its outstanding shares or other securities, or declare, set aside or pay any dividend, other distribution or return of capital payable in cash, stock, property or otherwise with respect to its shares or other securities;

(iv) redeem, purchase or offer to purchase any of its shares or other securities unless otherwise required by the terms of such securities;

(v) reorganize, amalgamate or merge with any other Person;

(vi) reduce its stated capital;

(vii) acquire or agree to acquire (by merger, amalgamation, acquisition of shares or assets, lease or otherwise) any Person or division or make any investment either by purchase of shares or securities, contributions of capital, property transfer or purchase of, any property or assets of any other Person;

(viii) other than as set forth in the Black Bore Disclosure Letters, incur or commit to incur any indebtedness for borrowed money or any other material liability or obligation, or issue any debt securities, or guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person or make any loans or advances;

(ix) take any action or fail to take action that would accelerate or trigger defaults or repayments in respect of any obligation, contract or regulatory approval;

(x) surrender or abandon any of its petroleum and natural gas rights or tangible depreciable property;

(xi) grant a security interest in, or any encumbrance on, or in respect of, any of its assets or otherwise enter into any material operating lease or create any material mortgages, liens, security interests or other encumbrances on the property of such party in connection with any indebtedness;

(xii) enter into, amend or terminate any material contract, or waive, release or assign any material rights or claims including any other material rights under any licence or permit;

(xiii) enter into or amend any contract, covenant or transaction for hedges, swaps, forwards, financial derivatives, exchanges, options or sales of term greater than 3 months, for any transportation, storage or other service relating to commodities or exchange of currencies or interest rates;

(xiv) adopt any plan of liquidation or resolutions providing for its liquidation or dissolution;

(xv) pay, discharge or satisfy any material claims, liabilities or obligations other than the payment, discharge or satisfaction:

(A) of liabilities incurred in the usual, ordinary and regular course of business consistent with past practice, reflected or reserved against in the Black Bore Financial Statements;

(B) incurred in the usual, ordinary and regular course of business consistent in type and amount with past practice; or

(C) incurred in connection with the transactions contemplated in this Agreement.

(xvi) commence or settle any litigation, proceeding, claim, action, assessment or investigation before any Governmental Entity;

(xvii) expend or commit to expend any amounts with respect to any operating expenses other than in the ordinary course of business; or

(xviii) incur or commit to capital expenditures prior to the Effective Date individually or in the aggregate exceeding $50,000 (other than such expenditures as are expressly approved elsewhere in this Agreement);

(c) without the prior written consent of Blackhawk, it shall not:

(i) enter into or modify any employment, severance or similar agreements, policies or arrangements with, or grant any bonuses, salary increases, stock options, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay to, or make any loan to, any of its officers or directors;

(ii) in the case of its employees or consultants who are not officers or directors, take any action with respect to the entering into or modifying of any employment, consulting, severance, collective bargaining or similar agreements, policies or arrangements or with respect to the grant of any bonuses, salary increases, stock options, deferred compensation, incentive compensation, severance or termination pay or any other form of compensation or profit sharing or with respect to any increase of benefits payable;

(iii) whether through its board of directors or otherwise, accelerate the vesting of any unvested stock options or accelerate the release of, or the expiry date of any hold period, or otherwise amend, vary or modify any plans or the terms of the Black Bore Convertible Debentures;

(iv) adopt, establish, enter into or implement any employee benefit plan, policy, severance or termination agreement providing for any form of benefits or other compensation to any former, present or future director, officer or employee of such party or amend any employee benefit plan, policy, severance or termination agreement; or

(v) make any payment to any director, officer, consultant or employee outside of their ordinary and usual compensation for services provided;

(d) it shall use its reasonable commercial efforts (taking into account insurance market conditions and offerings and industry practices) to cause its current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and reinsurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(e) it shall:

(i) duly and timely file all Tax Returns required to be filed by it on or after the date hereof and ensure that all such Tax Returns are true, complete and correct in all material respects;

(ii) timely pay all Taxes that are due and payable (other than those that are being contested in good faith and in respect of which reserves have been provided in the Black Bore Financial Statements);

(iii) not make or rescind any election relating to Taxes;

(iv) not make a request for a tax ruling or enter into any agreement with any taxing authorities;

(v) not settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; and

(vi) not change in any material respect any of its methods of reporting income, deductions or accounting for income tax purposes from those employed in the preparation of its income Tax Return for the taxation year ended December 31, 2008 except as may be required by applicable Law;

(f) it shall:

(i) use its reasonable commercial efforts to preserve intact its business organization and goodwill, to keep available the services of its officers, employees and consultants as a group and to maintain satisfactory relationships with suppliers, agents, distributors, customers and others having business relationships with it;

(ii) continue to maintain its properties and assets, to the extent the nature of its interest permits, in a proper and prudent manner, in accordance with good oilfield practice, applicable Laws and in material compliance with all applicable directives of Governmental Entities;

(iii) pay or cause to be paid all reasonable costs and expenses relating to its assets which become due from the date hereof to the Effective Date;

(iv) perform and comply with all material covenants and conditions contained in all contracts, leases, grants, agreements, permits, licences orders and documents governing its assets or to which its assets are subject;

(v) not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or that would interfere with or be inconsistent with the completion of the transactions contemplated hereby or that would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to the Effective Date if then made; and

(vi) promptly notify Blackhawk of any Material Adverse Change, or any material Governmental Entity or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated);

(g) it will satisfy the Black Bore Officer Obligations, as applicable, on the Effective Date;

(h) it shall not settle or compromise any claim brought by any present, former or purported holder of any of its securities in connection with the transactions contemplated by this Agreement or the Amalgamation prior to the Effective Date without the prior written consent of Blackhawk;

(i) except as required by applicable Laws, it shall not enter into or modify in any material respect any contract, agreement, commitment or arrangement which new contract or series of related new contracts or modification to an existing contract or series of related existing contracts would be material to it or which would have a Material Adverse Effect on it;

(j) it shall use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder to the extent the same is within its control and take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Amalgamation, including using its reasonable commercial efforts to:

  (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

  (ii) obtain all necessary consents, approvals and authorizations that are required to be obtained by it under any applicable Laws;

  (iii) effect all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Amalgamation;

  (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the transactions contemplated hereby or by the Amalgamation;

  (v) fulfill all conditions and satisfy all provisions of this Agreement and the Amalgamation; and

  (vi) cooperate with Blackhawk in connection with the performance by it of its obligations hereunder;

(k) it will, in all material respects, conduct itself so as to keep Blackhawk fully informed as to the material decisions required to be made or actions required to be taken with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;

(l) it shall discuss and consider such pre-amalgamation steps or amendments to the Amalgamation as may be proposed by Blackhawk and implement such pre-amalgamation steps or such amendments that it considers to be in the best interests of the Black Bore Shareholders, provided such steps are agreed to in writing by Blackhawk and that all costs of implementing any such pre-amalgamation steps proposed by Blackhawk are the responsibility of Blackhawk;

(m) it shall make or cooperate as necessary in the making of all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws;

(n) it shall use its reasonable commercial efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct in all material respects on and as of the Effective Date as if made thereon (except to the extent that such representations and warranties expressly speak of an earlier date);

(o) it will, in a timely and expeditious manner:

(i) if requested by Blackhawk, prepare, in consultation with Blackhawk, and mail the Information Circular in accordance with all applicable Laws, in all jurisdictions where the same is required, complying in all material respects with all applicable Laws on the date of mailing thereof and containing full, true and plain disclosure of all material facts relating to the Amalgamation and itself and not containing any misrepresentation, as defined under such applicable Laws, with respect thereto;

(ii) if necessary, solicit proxies for the approval of the Amalgamation and related matters in accordance with the applicable Laws;

(iii) if necessary, convene the Black Bore Special Meeting;

(iv) if applicable, provide notice to Blackhawk of the Black Bore Special Meeting and allow Blackhawk's representatives to attend the Black Bore Special Meeting; and

(v) if necessary, conduct the Black Bore Special Meeting in accordance with the Black Bore Governing Documents, as applicable, and all applicable Laws;

(p) it will, except for individual proxies and other non substantive communications, furnish promptly to Blackhawk a copy of each notice, report, report of proxies submitted, schedule or other document or communication delivered, filed or received by it in connection with the Amalgamation, the Black Bore Special Meeting or any other meeting of Black Bore Shareholders, any filings under applicable Laws and any dealings with Governmental Entities in connection with, or in any way affecting, the transactions contemplated herein; and

(q) it will in a timely and expeditious manner, provide to Blackhawk all information as may be reasonably requested by Blackhawk or as required by applicable Laws with respect to it and its business and properties.

## 5.2 Covenant Regarding Non Solicitation

(a) Black Bore shall immediately terminate and cause to be terminated all solicitations, initiations, encouragements, discussions or negotiations with any parties conducted prior to the date hereof, or its officers, directors, employees, financial advisors, legal counsel, representatives or agents, with respect to any Acquisition Proposal. Black Bore shall promptly send a letter to all parties who have entered into confidentiality agreements with it in connection with the process giving rise to this Agreement, requiring all materials provided to such parties by it to be destroyed or returned to it or its agents or advisors and shall use reasonable commercial efforts to ensure that such requests are honoured.

(b) Subject to Subsection 5.2(c) below, Black Bore shall not, directly or indirectly, through any of its subsidiaries or through any officer, director, employee, investment banker, lawyer or other representative or agent of it or any of its subsidiaries:

(i) solicit, initiate, invite, knowingly facilitate or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participation in, any inquiries or proposals regarding an Acquisition Proposal;

(ii) participate in any discussions or negotiations regarding an Acquisition Proposal;

(iii) withdraw or modify or propose publicly to withdraw or modify, in any manner adverse to Blackhawk or 1477838, the approval of its board of directors of the Amalgamation or the recommendation of its board of directors to vote in favour of the Amalgamation;

(iv) furnish or provide access to any information concerning it, its subsidiaries or its business, properties or assets to any Person in connection with, or that could reasonably be expected to lead to or facilitate, an Acquisition Proposal;

(v) waive any provisions of or release or terminate any confidentiality or standstill agreement between it and any Person relating to an actual or potential Acquisition Proposal, or amend any such agreement or consent to the making of an Acquisition Proposal in accordance with the terms of such agreement; or

(vi) accept, recommend, approve or enter into or propose publicly to accept, recommend, approve or enter into any agreement, arrangement or understanding (other than a confidentiality agreement as permitted hereunder) related to any Acquisition Proposal.

(c) Notwithstanding Subsection 5.2(b), prior to the Effective Date, Black Bore and its officers, directors, employees, advisors or other representatives or agents may enter into, or participate in, any discussions or negotiations with a Person who seeks to initiate such discussions or negotiations and, subject to the entering into by such Person of a confidentiality agreement, may furnish to such Person information concerning it and its business, properties and assets, in each case if, and only to the extent that:

(i) such Person has first made an unsolicited *bona fide* Acquisition Proposal which its board of directors determines in good faith (after consultation with its financial advisors) would, if consummated in accordance with its terms, be reasonably likely to result in, a Superior Proposal;

(ii) the board of directors, after receiving the advice of outside legal counsel, has determined in good faith that the failure to take such action would be inconsistent with its fiduciary duties; and

(iii) it has provided to Blackhawk the information required to be provided under Subsection 5.2(e) in respect of such Acquisition Proposal and has promptly notified Blackhawk in writing of the determinations in paragraphs 5.2(c)(i)and (ii) above.

(d) If, prior to the Effective Time, Black Bore receives a request from a Person who is subject to a standstill obligation to waive or release such Person from its standstill obligation in order to make an unsolicited *bona fide* Acquisition Proposal, Black Bore may release such Person from its standstill obligation only to the extent required to allow such Person to provide the Acquisition Proposal for consideration by its board of directors in accordance with this Section 5.2 and to enter into, or participate in, any discussions or negotiations with it, and be furnished with information, to the extent permitted pursuant to Subsection 5.2(c).

(e) Black Bore shall promptly notify Blackhawk, at first orally and then in writing, of any Acquisition Proposal received after the date hereof, or any confidentiality agreement entered into in respect of any such Acquisition Proposal and any inquiry or contact received after the date hereof that could reasonably be expected to lead to an Acquisition Proposal, or any request for non-public information relating to it received after the date hereof or for access to its properties, books or records by any Person that informs it that it is considering making, or has made, an Acquisition Proposal after the date hereof; which notice will include any known terms and conditions of such Acquisition Proposal (including any form of agreement proposed to be entered into) and shall indicate such details, to the extent known, of the Acquisition Proposal, inquiry or contact as Blackhawk may reasonably request, including the identity of the Person making such proposal, inquiry or contact. Black Bore shall keep Blackhawk informed of the status, including any change to the material terms, of any such Acquisition Proposal or inquiry. In addition, Black Bore shall provide Blackhawk with a list of or copies of the information provided to any Person in respect of which a confidentiality agreement is entered into in respect of any Acquisition Proposal pursuant to Subsection 5.2(c) and shall provide Blackhawk with access to any information provided to any such Person.

(f) Black Bore shall give Blackhawk orally and in writing, at least three (3) Business Days advance notice of any decision by its board of directors to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that its board of directors has determined that such Acquisition Proposal constitutes a Superior Proposal, shall identify the Person making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. During such three (3) Business Day period, Black Bore agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not withdraw, modify or change its recommendation in respect of the Amalgamation or waive any provision of any standstill obligation with respect thereto except as permitted in Subsection 5.2(d). In addition, during such three (3) Business Day period Black Bore shall, and shall cause its financial and legal advisors to, negotiate in good faith with Blackhawk and its financial and legal advisors, to make such adjustments in the terms and conditions of this Agreement as would enable Black Bore to proceed with the Amalgamation as amended rather than the Superior Proposal. In the event Blackhawk proposes to amend this Agreement to provide that the Black Bore Shareholders shall receive a value per share equal to or having a value greater than the value per share provided in the Superior Proposal and so advises the Black Bore board of directors prior to the expiry of such three (3) Business Day period, such board of directors shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not release the Party making the Superior Proposal from any standstill provisions and shall not withdraw, modify or change its recommendation in respect of the Amalgamation. If the Black Bore board of directors continues to believe that such Superior Proposal remains a Superior Proposal and therefore rejects Blackhawk's amended proposal, Black Bore may terminate this Agreement, provided however, that Black Bore must pay to Blackhawk the non-completion fee described in Section 8.1 concurrently with such termination. In the event that Black Bore provides Blackhawk with a copy of the notice referred to in this Subsection 5.2(f) on a date that is less than three (3) Business Days prior to the Black Bore Special Meeting, Black Bore shall adjourn the Black Bore Special Meeting to a date that is not less than thee (3) Business Days and not more than 10 Business Days after the date of the notice.

(g) Nothing contained in this Section 5.2 shall prohibit the Black Bore from: (i) making any disclosure of an Acquisition Proposal to the Black Bore Shareholders prior to the Effective Time if, in the good faith judgment of such board of directors after receiving the advice of outside counsel, such disclosure is necessary for the board of directors to act in a manner consistent with its fiduciary duties or is otherwise required under applicable Law; (ii) taking any other action with regard to an Acquisition Proposal to the extent ordered or otherwise mandated by any court of competent jurisdiction; and (iii) responding to a *bona fide* request for information that could reasonably be expected to lead to an Acquisition Proposal solely by advising that no information can be provided unless a *bona fide* written Acquisition Proposal is made and then only in compliance with Subsection 5.2(c).

(h) Black Bore also acknowledges and agrees that each successive material modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of the requirement under Subsection 5.2(f) to initiate an additional three (3) Business Day notice period.

### 5.3 Access to Information

Subject to applicable Laws, upon reasonable notice, Black Bore shall afford the officers, employees, counsel, accountants and other authorized representatives and advisors ("**Representatives**") of Blackhawk access, during normal business hours from the date hereof and until the earlier of the Effective Date or the termination of this Agreement, to its properties, books, contracts and records as well as to its management personnel, and, during such period, Black Bore shall furnish promptly to Blackhawk all information concerning its business, properties and personnel as Blackhawk may reasonably request. Nothing in the foregoing shall require Black Bore to disclose information subject to a written confidentiality agreement with third parties. Where such information is "personal information" (namely, information about an identifiable individual, but excluding business contact information, provided the collection, use or disclosure as the case may be, of the business contact information is for the purposes of contacting an individual in that individual's capacity as an employee or an official of an organization and for no other purpose) Blackhawk agrees that it will, following the Amalgamation, use and disclose such personal information only for those purposes for which such personal information was initially collected from or in respect of the individual to which such personal information relates, unless (a) Black Bore or Blackhawk has first notified such individual of such additional purpose and, where required by Law, obtained the consent of such individual to such additional purpose, or (b) such use or disclosure is permitted or authorized by Law, without notice to, or consent from, such individual.

### 5.4 Merger of Covenants

The covenants applicable to Black Bore set out in this Agreement shall not survive the completion of the Amalgamation, and shall expire and be terminated without recourse between the Parties upon such completion.

## ARTICLE 6
## COVENANTS OF BLACKHAWK AND 1477838

### 6.1 Covenants of Blackhawk

Blackhawk covenants and agrees that, except as contemplated in this Agreement, until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier:

(a) it shall:

(i) not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or that would interfere with or be inconsistent with the completion of the transactions contemplated hereby or that would render, or that reasonably may be expected to render, any representation or warranty made by it in this

Agreement untrue in any material respect at any time prior to the Effective Date if then made;

(ii) promptly notify Black Bore of any Material Adverse Change or of any material Governmental Entity or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated);

(iii) use its reasonable commercial efforts to preserve intact its business organization and goodwill, to keep available the services of its officers, employees and consultants as a group and to maintain satisfactory relationships with suppliers, agents, distributors, customers and others having business relationships with it;

(iv) continue to maintain its properties and assets, to the extent the nature of its interest permits, in a proper and prudent manner, in accordance with good oilfield practice, applicable Laws and in material compliance with all applicable directives of Governmental Entities; and

(v) perform and comply with all material covenants and conditions contained in all contracts, leases, grants, agreements, permits, licences, orders and documents governing its assets or to which its assets are subject;

(b) it will satisfy the Blackhawk Officer Obligations, as applicable, on the Effective Date;

(c) except as previously disclosed in writing to Black Bore or as required by applicable Laws, it shall not enter into or modify in any material respect any contract, agreement, commitment or arrangement which new contract or series of related new contracts or modification to an existing contract or series of related existing contracts which would have a Material Adverse Effect on Blackhawk;

(d) it shall use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder to the extent the same is within its control and take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Amalgamation, including using its reasonable commercial efforts to:

(i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

(ii) obtain all necessary consents, approvals and authorizations that are required to be obtained by it under any applicable Laws;

(iii) effect all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Amalgamation;

(iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Party to consummate, the transactions contemplated hereby or by the Amalgamation;

(v) fulfill all conditions and satisfy all provisions of this Agreement; and

(vi) cooperate with Black Bore in connection with the performance by it of its obligations hereunder;

(e) it shall make or cooperate as necessary in the making of all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws;

(f) it shall use its reasonable commercial efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct in all material respects on and as of the Effective Date as if made thereon (except to the extent that such representations and warranties expressly speak of an earlier date); and

(g) it will approve or cause to be approved, the Amalgamation as sole shareholder of 1477838.

**6.2 Covenants of 1477838**

1477838 covenants and agrees that, except as contemplated in this Agreement, until the Effective Date or the day upon which this Agreement is terminated, whichever is earlier:

(a) it shall not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or that would interfere with or be inconsistent with the completion of the transactions contemplated hereby or that would render, or that reasonably may be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to the Effective Date if then made;

(b) it shall use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder to the extent the same is within its control and take, or cause to be taken, all other action and do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Amalgamation, including using its reasonable commercial efforts to:

(i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

(ii) obtain all necessary consents, approvals and authorizations that are required to be obtained by it under any applicable Laws;

(iii) effect all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Amalgamation;

(iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Party to consummate, the transactions contemplated hereby or by the Amalgamation;

(v) fulfill all conditions and satisfy all provisions of this Agreement; and

(vi) cooperate with Black Bore in connection with the performance by Black Bore of its obligations hereunder;

(c) it shall make or cooperate as necessary in the making of all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws;

(d) it shall use its reasonable commercial efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct in all material respects on and as of the Effective Date as if made thereon (except to the extent that such representations and warranties expressly speak of an earlier date);

(e) prior to the Effective Date, obtain a resolution in writing from its sole shareholder in favour of the approval of the Amalgamation, this Agreement and the transactions contemplated hereby in accordance with the ABCA; and

(f) subject to the approval of the shareholders of each of Black Bore and 1477838 being obtained and subject to all applicable regulatory approvals being obtained, thereafter jointly file with the Registrar under the ABCA, Articles of Amalgamation in the form of Schedule "C" to this Agreement and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

### 6.3 Merger of Covenants

The covenants applicable to each of Blackhawk and 1477838 set out in this Agreement shall not survive the completion of the Amalgamation, and shall expire and be terminated without recourse between the Parties upon such completion.

## ARTICLE 7
## CONDITIONS PRECEDENT TO OBLIGATIONS

### 7.1 Conditions Precedent to the Obligations of Black Bore

The obligation of Black Bore to consummate and effect the transactions contemplated hereby shall be subject to the satisfaction or waiver on or before the date specified or, if none is specified, on or before the Effective Date of the following conditions:

(a) *Shareholder Approval.* The Amalgamation shall have been approved and adopted by the Black Bore Shareholders in accordance applicable Laws and the Black Bore Governing Documents;

(b) *Covenants Fulfilled.* Neither Blackhawk nor 1477838 shall have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement;

(c) *Representations True.* All representations and warranties of Blackhawk and 1477838 contained in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties expressly speak as of an earlier date);

(d) *Certificate.* Blackhawk and 1477838 shall have each delivered to Black Bore a certificate, dated the Effective Date and signed by its President, to the effect set forth in Subsections 7.1(b) and (c) above;

(e) *Regulatory Approvals.* All necessary governmental and regulatory approvals, orders, rulings, exemptions and consents shall have been obtained on terms and conditions satisfactory to Black Bore, acting reasonably;

(f) *No Legal Prohibition.* There shall not exist any prohibition at law against Black Bore, Blackhawk or 1477838 from proceeding with or completing the Amalgamation;

(g) *No Legal Action.* No act, action, suit or proceeding shall have been threatened or taken before or by any Governmental Entity or by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law, and no Law shall have been proposed, enacted, promulgated or applied:

   (i) which has the effect or may have the effect of cease trading, enjoining, prohibiting or imposing material limitations or conditions on the Amalgamation; or

   (ii) which would have a Material Adverse Effect on the ability of the Parties to complete the Amalgamation;

(h) *Material Adverse Change.* From the date hereof, except with the consent of Black Bore, Blackhawk shall not have taken or proposed to take any action, or publicly disclosed that it intends to take any action, that would constitute a Material Adverse Change in respect of Blackhawk; and

(i) *Diligence.* Black Bore shall be satisfied with the results of its due diligence investigations, including its review of title, financial condition, all material contracts and the completion of environmental assessments in respect of Blackhawk;

The foregoing conditions precedent are for the exclusive benefit of Black Bore and may be waived, in whole or in part, by Black Bore in writing at any time in its sole discretion without prejudice to any other rights it may have. If any of the said conditions shall not be satisfied or waived in writing by Black Bore on or before the date required for their performance and provided such non-compliance did not arise from the acts or omissions of Black Bore, then Black Bore may terminate this Agreement by written notice to Blackhawk in addition to the other rights or remedies it may have at law or in equity against Blackhawk.

**7.2 Conditions Precedent to the Obligations of Blackhawk and 1477838**

The obligations of Blackhawk and 1477838 to consummate and effect the transactions contemplated hereby shall be subject to the satisfaction or waiver on or before the date specified or, if none is specified, on or before the Effective Date of the following conditions:

(a) *Shareholder Approval.* The Amalgamation shall have been approved and adopted by the Black Bore Shareholders and the holders of the Black Bore Convertible Debentures in accordance with applicable Laws and the Black Bore Governing Documents and on or prior to August 31, 2009;

(b) *Shareholder Support Agreements.* Black Bore shall have delivered prior to or concurrently with the execution of this Agreement, Shareholder Support Agreements duly executed by its directors and officers, in respect of all Black Bore Common Shares and Black Bore Convertible Debentures held by each such Shareholder;

(c) *Covenants Fulfilled.* Black Bore shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement;

(d) *Representations True.* All representations and warranties of Black Bore contained in this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties expressly speak as of an earlier date);

(e) *Certificate.* Black Bore shall have delivered to Blackhawk a certificate, dated the Effective Date and signed by its President, to the effect set forth in Subsections 7.2(c) and (d) below;

(f) *Regulatory Approvals.* All necessary governmental and regulatory approvals, orders, rulings, exemptions and consents shall have been obtained on terms and conditions satisfactory to Blackhawk, acting reasonably;

(g) *No Legal Prohibition.* There shall not exist any prohibition at law against either of Black Bore, Blackhawk or 1477838 from proceeding with or completing the Amalgamation;

(h) *No Legal Action.* No act, action, suit or proceeding shall have been threatened or taken before or by any Governmental Entity or by any elected or appointed public official or private Person in Canada or elsewhere, whether or not having the force of law, and no Law shall have been proposed, enacted, promulgated or applied:

(i) which has the effect or may have the effect of cease trading, enjoining, prohibiting or imposing material limitations or conditions on the Amalgamation; or

(ii) which would have a Material Adverse Effect on the ability of the Parties to complete the Amalgamation;

(i) *Material Adverse Change.* From the date hereof, except with the consent of Blackhawk, Black Bore shall not have taken or proposed to take any action, or publicly disclosed that it intends to take any action, that would be a Material Adverse Change in respect of it;

(j) *Dissent Rights.* Holders of no more than one percent (1%) of the Black Bore Common Shares shall have validly exercised, and not withdrawn, Dissent Rights;

(k) *No Impairment.* No material right, franchise or licence of Black Bore shall have been or may be impaired (which impairment has not been cured or waived) or otherwise adversely affected, whether as a result of the entering into of this Agreement or otherwise, which might preclude Blackhawk from proceeding with or completing the Amalgamation, and no covenant, term or condition of any instrument or agreement of Black Bore shall exist which could be materially adverse to the business of either of Black Bore to Blackhawk or that would preclude Blackhawk from proceeding with the Amalgamation;

(l) *Diligence.* Blackhawk shall be satisfied with the results of its due diligence investigations, including its review of title, financial condition, all material contracts and the completion of environmental assessments in respect of Black Bore;

(m) *Releases of Black Bore Directors.* Wade Brillon, Clarence Y. Chow and Mark Lenson shall have provided a release and resignation in favour of each of Blackhawk and Black Bore, at the Effective Date, satisfactory to Blackhawk, acting reasonably;

(n) *Black Bore Convertible Debentures.* Blackhawk and 1477838 shall be satisfied that, immediately prior to the Effective Date, all of the outstanding Black Bore Convertible Debentures shall have been repaid on the terms provided herein, and no Person shall any agreement or option or any right or privilege, whether by Law, pre-emptive right, contract or otherwise, capable of becoming an agreement, option or right for the purchase, subscription, allotment or issuance of any unissued securities of Black Bore.

The foregoing conditions precedent are for the exclusive benefit of Blackhawk and 1477838 and may be waived, in whole or in part, by Blackhawk or 1477838 in writing at any time in their sole discretion without prejudice to any other rights they may have. If any of the said conditions shall not be satisfied or waived in writing by Blackhawk and 1477838 on or before the date required for their performance and provided such non-compliance did not arise from the acts or omissions of Blackhawk or 1477838, then Blackhawk or 1477838 may terminate this Agreement by written notice to Black Bore in addition to the other rights and remedies it may have at law or in equity against Black Bore.

**7.3 Satisfaction of Conditions**

The conditions set out in this Article 7 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, Articles of Amalgamation are filed under the ABCA to give effect to the Amalgamation.

## ARTICLE 8
## AGREEMENT AS TO NON-COMPLETION FEE

**8.1 Black Bore Non-Completion Fee**

If, at any time after the execution of this Agreement and prior to the termination of this Agreement pursuant to Article 9 (provided there is no material breach or non-performance by Blackhawk or 1477838 of a material provision of this Agreement in any respect):

(a) the board of directors of Black Bore fails to make or withdraws, qualifies or changes any of its recommendations, approvals or determinations referred to in Section 2.8 or publicly proposes to do any of the foregoing, in a manner adverse to Blackhawk or 1477838 or resolves to do so prior to the Effective Date;

(b) Black Bore recommends, approves or enters into or proposes publicly to accept, recommend, approve or enter into any agreement with any Person to implement a Superior Proposal subject to compliance with Section 5.2;

(c) an Acquisition Proposal is publicly announced, proposed, offered or made to the Black Bore Shareholders prior to the date of the Black Bore Special Meeting and (i) such Acquisition Proposal has not expired or been withdrawn at the time of the Black Bore Special Meeting and (ii) the Black Bore Shareholders do not approve the Amalgamation and (iii) such Acquisition Proposal is completed within twelve months of the termination of this Agreement; or

(d) Black Bore breaches the covenants contained in Section 5.2 in any material respect;

(each of the above being a "**Black Bore Payment Event**"), then in the event of the termination of this Agreement pursuant to Article 9, Black Bore shall pay to Blackhawk $50,000 as a non-completion fee in immediately available funds to an account designated by Blackhawk within one (1) Business Day after the first to occur of any one of such Black Bore Payment Events. Following a Black Bore Payment Event, but prior to payment of the non-completion fee, Black Bore shall be deemed to hold such payment in trust for Blackhawk. Any payment made pursuant to this Section 8.1 shall be without prejudice to the rights and remedies available to Blackhawk upon the breach of any provision of this Agreement, provided that Black Bore shall only be obligated to pay one non-completion fee under this Section 8.1.

**8.2 Blackhawk Non-Completion Fee**

If, at any time after the execution of this Agreement and prior to the termination of this Agreement pursuant to Article 9 (provided there is no material breach or non-performance by Black Bore of a material provision of this Agreement in any respect):

(a) the board of directors of Blackhawk or 1477838 fails to make or withdraws, qualifies or changes any of its recommendations, approvals or determinations referred to in Section 2.8 or publicly proposes to do any of the foregoing, in a manner adverse to Black Bore or resolves to do so prior to the Effective Date; or

(b) Blackhawk or 1477838 breaches the covenants contained in Sections 6.1 or 6.2, respectively, in any material respect;

(each of the above being a "**Blackhawk Payment Event**"), then in the event of the termination of this Agreement pursuant to Article 9, Blackhawk shall pay to Black Bore $50,000 as a non-completion fee in immediately available funds to an account designated by Black Bore within one (1) Business Day after the first to occur of any one of such Blackhawk Payment Events. Following a Blackhawk Payment Event, but prior to payment of the non-completion fee, Blackhawk shall be deemed to hold such payment in trust for Black Bore. Any payment made pursuant to this Section 8.2 shall be without prejudice to the rights and remedies available to Black Bore upon the breach of any provision of this Agreement, provided that Blackhawk shall only be obligated to pay one non-completion fee under this Section 8.2.

**8.3 Liquidated Damages**

The Parties acknowledge that the amounts set out in this Article 8 represent liquidated damages which are a genuine pre-estimate of the damages which either Blackhawk or Black Bore will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and is not a penalty. Blackhawk and Black Bore irrevocably waive any right either may have to raise as a defence that any such liquidated damages are excessive or punitive.

**8.4 Injunctive Relief and Specific Performance**

Nothing herein shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any of such act, covenant or agreement, without the necessity of posting bond or security in connection therewith.

## ARTICLE 9
## TERMINATION, AMENDMENT AND WAIVER

**9.1 Termination**

Subject to Section 9.2, this Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the Amalgamation by the Black Bore Shareholders, by the mutual agreement of Black Bore, Blackhawk and 1477838 or by written notice promptly given by one Party to the others based on the following:

(a) by Blackhawk or 1477838, if either Black Bore has not obtained the unanimous approval of the Black Bore Shareholders and the holders of the Black Bore Convertible Debentures to the Black Bore Amalgamation Resolution in the manner contemplated by section 141(1) of the ABCA by August 31, 2009, or the Information Circular is not mailed to the Black Bore Shareholders by August 31, 2009 except where the failure to obtain such or to do so is due to a delay in the provision of information by Blackhawk or 1477838 for inclusion therein; or

(b) by Black Bore, if the information required to be provided by Blackhawk or 1477838 for the Information Circular is not provided by August 31, 2009; or

(c) by Black Bore, Blackhawk or 1477838, with respect to termination rights specified in Section 7.1 or 7.2, as the case may be, or if all of the conditions for Closing the Amalgamation for the benefit of such Party shall not have been satisfied or waived on or before 5:00 p.m., (Calgary time) on September 30, 2009, other than as a result of a breach of this Agreement by the terminating Party; or

(d) by either Black Bore, Blackhawk or 1477838, if the Black Bore Shareholders do not approve the Amalgamation; or

(e) by Black Bore upon the occurrence of a Black Bore Payment Event as provided in Section 8.1 provided that Black Bore has paid to Blackhawk the non-completion fee provided in Section 8.1; or

(f) by Blackhawk or 1477838, upon the occurrence of a Blackhawk Payment Event as provided in Section 8.2 provided that Blackhawk has paid to Black Bore the non-completion fee provided in Section 8.2; or

(g) by Blackhawk or 1477838, if prior to the Effective Time, holders of more than one percent (1%) of the issued and outstanding Black Bore Common Shares have validly exercised and not withdrawn Dissent Rights; or

(h) by Blackhawk or 1477838, if (A) Black Bore is in breach of any of its covenants made in this Agreement which breach individually or in the aggregate causes or would reasonably be expected to have a Material Adverse Effect on the affairs, operations or business of such Party or materially impedes the completion of the Amalgamation and the transactions contemplated herein, and Black Bore fails to cure or cause the cure of such breach within five (5) Business Days after receipt of written notice thereof from Blackhawk (except that no cure period shall be provided for a breach which by its nature cannot be cured); or (B) Black Bore is in breach of any of its representations or warranties made in this Agreement (i) that are qualified by a reference to Material Adverse Effect or (ii) that are not qualified by a reference to a Material Adverse Effect and the breach thereof has or would reasonably be expected to have, a Material Adverse Effect (and, for this purpose, any reference to "material" or other concepts of materiality in such representations and warranties shall be ignored) on Black Bore, or such breach materially impedes the completion of the Amalgamation, and Black Bore, as applicable, fails to cure or cause the cure of such breach within five (5) Business Days after receipt of written notice thereof from Blackhawk (except that no cure period shall be provided for a breach which by its nature cannot be cured); and

(i) by Black Bore, if (A) Blackhawk or 1477838 is in breach of any of its covenants made in this Agreement which breach individually or in the aggregate causes or would reasonably be expected to have a Material Adverse Effect on the affairs, operations or business of Blackhawk or materially impedes the completion of the Amalgamation and the transactions contemplated herein, and Blackhawk fails to cure or cause the cure of such breach within five (5) Business Days after receipt of written notice thereof from Black Bore (except that no cure period shall be provided for a breach which by its nature cannot be cured); or (B) Blackhawk or 1477838 is in breach of its representations or warranties in this Agreement (i) that are qualified by a reference to Material Adverse Effect or (ii) that are not qualified by a reference to a Material Adverse Effect and the breach thereof has or would reasonably be expected to have, a Material Adverse Effect (and, for this purpose, any reference to "material" or other concepts of materiality in such representations and warranties shall be ignored) on Blackhawk, or, in either case, such breach materially impedes the completion of the Amalgamation, and Blackhawk, fails to cure or cause the cure of such breach within five (5) Business Days after receipt of written notice thereof from Black Bore (except that no cure period shall be provided for a breach which by its nature cannot be cured).

**9.2 Effect of Termination**

In the event of the termination of this Agreement as provided in Section 9.1, this Agreement shall forthwith have no further force or effect and there shall be no obligation or further liability on the part of Black Bore, Blackhawk or 1477838 hereunder except as set forth in Article 8, Article 9 and Section 11.5. Nothing in this Section 9.2 shall relieve any Party from liability for any breach by it of this Agreement that occurred prior to the date of termination.

**9.3 Amendment**

This Agreement may be amended by mutual agreement between the Parties on or before the Effective Date. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties.

**9.4 Waiver**

Black Bore, on the one hand, and Blackhawk and 1477838, on the other hand, may: (i) extend the time for the performance of any of the obligations or other acts of the other; (ii) waive compliance with any of the agreements of the other or the fulfillment of any conditions to its own obligations contained herein; or (iii) waive inaccuracies in any of the representations or warranties of the other contained herein or in any document delivered by the other; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party, and, unless otherwise provided in the written waiver, will be limited to the specific breach, covenant or condition waived.

## ARTICLE 10
## CLOSING

**10.1 Closing Date**

The date of Closing shall be the date selected by the Parties, which in any event shall not be later than the second Business Day following the approval of the Black Bore Amalgamation Resolution by the Black Bore Shareholders at the Black Bore Special Meeting, and on such date the Closing shall occur in accordance with Sections 10.2 and 10.3.

**10.2 Effect of Closing**

On the date of Closing, as promptly as practicable after the satisfaction or, to the extent permitted hereunder, the waiver of the conditions set forth in Article 7, the Parties shall cause the Amalgamation to be consummated by the filing of the Articles of Amalgamation and any other necessary documents prepared in accordance with the provisions of this Agreement and the ABCA with the Registrar in accordance with the ABCA, and at the Effective Time on the Effective Date, the Amalgamation shall occur.

**10.3 Place of Closing**

Subject to the termination of this Agreement as provided in Article 9, the closing of the transactions contemplated by this Agreement as detailed in Section 10.2 (the "**Closing**") will take place at the offices of Davis LLP, $10^{th}$ Floor Livingston Place, 250 - $2^{nd}$ Street S.W., Calgary, Alberta T2P 0C1 on the Effective Date.

**10.4 Other Closing Matters**

In addition to the other matters required to be delivered under the terms and conditions of this Agreement, each of Blackhawk, 1477838 and Black Bore shall deliver, at the Closing, such customary certificates, resolutions and other closing documents as may be required by the other Parties hereto, acting reasonably.

## ARTICLE 11
## GENERAL PROVISIONS

**11.1 Notices**

Any notice, request, consent, waiver, direction or other communication required or permitted to be given under this Agreement shall be in writing and may be given by delivering the same or sending the same by facsimile transmission addressed to the Party to which the notice is to be given at its address for service herein. Any such notice, request, consent, waiver, direction or other communication shall, if delivered, be deemed to have been given and received on the day on which it was delivered to the address provided herein (if that day is a Business Day, and if it is not, then on the next succeeding Business Day), and if sent by facsimile transmission shall be deemed to have been given and received at the time of receipt unless actually received after 4:00 p.m. at the point of delivery, in which case it shall be deemed to have been given and received on the next Business Day.

(a) If to Blackhawk or 1477838:

Blackhawk Resource Corp.
Suite 650, 816 - 7th Avenue SW
Calgary, AB T2P 1A1

Attention: President
Facsimile: 403-265-3565

(b) If to Black Bore:

Black Bore Exploration Ltd.
Suite 500, 635 8th Avenue SW
Calgary, AB T2P 3M3

Attention: President
Facsimile: 403-663-0999

or such other address as the Parties may, from time to time, advise the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such facsimile transmission is received.

**11.2 Time of Essence**

Time shall be of the essence in this Agreement.

**11.3 Entire Agreement**

This Agreement, constitutes the entire agreement between the Parties and cancel and supersede all prior agreements and understandings between the Parties with respect to the subject matter hereof.

**11.4 Assignment**

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties without the prior written consent of the other Parties.

**11.5 Expenses**

The Parties agree that all fees, costs and expenses incurred in connection with the Amalgamation, including legal fees, regulatory filing fees, all fees and disbursements by advisors, printing and mailing costs, and all other costs and expenses relating to the Amalgamation shall be paid 50/50 between the Parties incurring such expenses, whether or not the Amalgamation is completed.

**11.6 Binding Effect**

This Agreement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

**11.7 Further Assurances**

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Parties hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

**11.8 Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, the remaining terms and provisions of this Agreement shall remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible.

**11.9 Counterpart Execution**

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original instrument, and all such counterparts together shall constitute one agreement.

IN WITNESS WHEREOF, Black Bore, Blackhawk and 1477838 have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**BLACKHAWK RESOURCE CORP.**

Per: ____________________________
Name:
Title:

**BLACK BORE EXPLORATION LTD.**

Per: ____________________________
Name:
Title:

**1477838 ALBERTA LTD.**

Per: ____________________________
Name:
Title:

## SCHEDULE "A"

FORM 4

PROVINCE OF ALBERTA
CONSUMER AND CORPORATE AFFAIRS

BUSINESS CORPORATIONS ACT
(Section 27 or 171)

FILED
MAR - 4 1994
Registrar of Corporations
Calgary Office
Province of Alberta

## ARTICLES OF AMENDMENT

1. NAME OF CORPORATION: 2. CORPORATE ACCESS NUMBER

RICH MINERALS CORPORATION 20346034

3. THE ARTICLES OF THE ABOVE-NAMED CORPORATION ARE AMENDED AS FOLLOWS:

Pursuant to sections 167(l)(c), (d) and (e) of the Business Corporations Act (Alberta), Article 2 of the Articles of Incorporation, is amended as follows:

"There shall be two classes of shares which the Corporation may issue consisting of the following:

A. An unlimited number of common shares designated as "Common Shares", the holders of which are entitled:

(i) to vote at all meetings of the shareholders of the Corporation on the basis of one vote for each Common Share held at the time of the meeting;

(ii) to receive any dividends declared and payable by the Corporation on the Common Shares;

(iii) to receive the remaining property of the Corporation upon dissolution, liquidation, bankruptcy or other distribution of assets of the Corporation among its shareholders; and

B. an unlimited number of Preferred Shares without nominal or par value designated as "Preferred Shares" having the rights, privileges, restrictions, conditions and preferences set out in Schedule "A" attached hereto."

| DATE | SIGNATURE | TITLE |
| --- | --- | --- |
| March 3, 1994 | JOHN A. PETERS | Director |

FOR DEPARTMENTAL USE ONLY

File: CDCCGY/SYS:\USERS\MJK\19993_1
11/26/93

**SCHEDULE "B"**

**RESOLUTION OF ALL THE SHAREHOLDERS OF BLACK BORE EXPLORATION LTD. (THE "CORPORATION" OR "BLACK BORE") EFFECTIVE AS OF ________________, 2009**

WHEREAS the Corporation entered into a letter of intent (the "**LOI**") dated June 29, 2009, relating to a combination transaction (the "**Transaction**") pursuant to which Blackhawk Resource Corp. ("**Blackhawk**") will acquire all of the issued and outstanding securities of Black Bore, as more particularly described in the press release accompanying this resolution.

AND WHEREAS as a result of the Transaction, each Black Bore common share will be exchanged for one (1) Blackhawk Unit (as defined herein) and Black Bore will amalgamate with 1477838 Alberta Ltd., a wholly-owned subsidiary of Blackhawk, to become a wholly-owned subsidiary of Blackhawk.

AND WHEREAS as consideration for the acquisition of all of the Black Bore common shares pursuant to the Transaction Blackhawk will issue one (1) Unit for each one (1) Black Bore Common Share issued and outstanding immediately prior to the amalgamation. As there are currently 7,694,671 Black Bore common shares issued and outstanding, the Black Bore shareholders will receive 7,694,671 Blackhawk Units pursuant to the amalgamation. Each Unit of Blackhawk will comprise: (a) one Blackhawk common share ("**Blackhawk Share**"); (b) one 75 BOE/D Performance Right; and (c) 0.6 of one 150 BOE/D Performance Right. Each whole Performance Right will entitle the holder to acquire one Blackhawk Share upon satisfaction of the relevant production threshold.

AND WHEREAS assuming the conversion of the all the Performance Rights the Consideration will result in approximately 20,006,143 Blackhawk Shares being issued for all of the Black Bore Shares.

**BE IT RESOLVED THAT:**

1. the amalgamation ("**Amalgamation**") of Black Bore and 1477838 Alberta Ltd. under section 181 of the *Business Corporations Act* (*Alberta*) is hereby approved and authorized;

2. the amalgamation agreement (the "**Amalgamation Agreement**") among Black Bore, Blackhawk and 1477838 Alberta Ltd., with such amendments or variations thereto made in accordance with the terms of the Amalgamation Agreement as may be approved by the persons referred to in paragraph 4 hereof, such approval to be evidenced conclusively by their execution and delivery of any such amendments or variations, is hereby confirmed, ratified and approved;

3. notwithstanding that this resolution has been duly passed and/or has received the approval of all regulatory bodies, the Black Bore board of directors may, if permitted pursuant to the terms and conditions of the Amalgamation Agreement, and without further notice to or approval of the holders of Black Bore common shares, subject to the terms of the amalgamation, amend or terminate the Amalgamation Agreement or revoke this resolution at any time prior to the filing of articles of amalgamation giving effect to the Amalgamation; and

4. any director or officer of Black Bore is hereby authorized, for and on behalf of Black Bore, to execute and deliver articles of amalgamation and to execute, with or without the corporate seal, and, if, appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such action.

**OTHER MATTERS**

**BE IT RESOLVED THAT:**

5. this resolution may be executed in as many counterparts as are necessary and all counterparts together shall constitute this resolution; facsimile or scanned signatures shall and do hereby constitute valid approval of this resolution.

The undersigned, being a shareholder of the Corporation entitled to vote on the foregoing resolution, hereby consents to and approves the passing of the foregoing resolution, effective as of the date first above written, as evidenced by the signature hereto.

**«FULL_NAME»**

Per: ________________________________________

# SCHEDULE "C"

**ARTICLES OF AMALGAMATION**

**Business Corporations Act (Alberta)**
**Section 185**

| | |
|---|---|
| **1.** | **Name of Amalgamated Corporation:**<br>**1477838 Alberta Ltd.** |

**2.** **The classes of shares, and any maximum number of shares that the Corporation is authorized to issue:**

See Schedule "A" attached hereto

**3.** **Restriction on share transfers, if any:**

See Schedule "B" attached hereto

**4.** **Number, or minimum and maximum number of directors:**

Minimum of one (1); Maximum of eleven (11)

**5.** **If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restriction(s):**

None

**6.** **Other Provisions, if any:**

See Schedule "C" attached hereto

| **7. Name of Amalgamating Corporations:** | **Corporate Access Number:** |
|---|---|
| Black Bore Exploration Ltd. | 2014261685 |
| 1477838 Alberta Ltd. | 2014778381 |

______________________________ ______________________________
Name of Person Authorizing (please print) Signature

______________________________ August 11, 2009
Title (please print) Date

This information is being collected for purposes of corporate registry records in accordance with the *Business Corporations Act*. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Co-ordinator for Alberta Registries, Research and Program Support, 3rd Floor, Commerce Place, 10155 – 102 Street, Edmonton, Alberta T5J 4L4, (780) 422-7330.

# SCHEDULE "D"

# FORMS OF SHAREHOLDER SUPPORT AGREEMENT

**BLACK BORE EXPLORATION LTD.**

July 21, 2009

Dear Sir/Madam:

**Re: Amalgamation of Black Bore Exploration Ltd. and 1477838 Alberta Ltd., a wholly-owned subsidiary of Blackhawk Resource Corp.**

Reference is made to the Amalgamation Agreement dated as of the date hereof (the "**Amalgamation Agreement**") among Blackhawk Resource Corp. ("**Blackhawk**"), Black Bore Exploration Ltd. ("**Black Bore**"), and **1477838 Alberta Ltd.** ("**1477838**") which contemplates an amalgamation of 1477838 and Black Bore pursuant to the *Business Corporations Act* (Alberta). All capitalized terms not defined herein shall have the meanings attributed thereto in the Amalgamation Agreement.

We understand that you (the "**Securityholder**") beneficially own, directly or indirectly, or exercise control or direction over, the number and class of securities of Black Bore set forth in your acceptance below (collectively, the "**Subject Securities**" which term shall include any Black Bore Common Shares issued to the Securityholder after the date hereof pursuant to the exercise of any of such securities and all Black Bore Common Shares or other securities of Black Bore otherwise acquired by the Securityholder after the date hereof).

In consideration for Blackhawk and 1477838 entering into the Amalgamation Agreement with Black Bore, the Securityholder hereby agrees to be bound by the terms set forth in "Terms of Shareholder Support Agreement Among Shareholders of Black Bore Exploration Ltd. and Blackhawk Resource Corp.", attached hereto and forming a part hereof.

Yours truly,

**BLACKHAWK RESOURCE CORP.**

Per: ______________________________

## ACCEPTANCE

The foregoing is hereby accepted as of and with effect from the ____ day of ________________, 2009 and the undersigned hereby confirms that the undersigned beneficially owns, directly or indirectly, or exercises control or direction over the Subject Securities indicated below.

| | |
|---|---|
| ______________________________ | ______________________________ |
| Witness | Name: |
| | Title: |

______________________________
(insert number of
Black Bore Common Shares owned)

______________________________
(insert number of
Black Bore Warrants owned)

# TERMS OF SHAREHOLDER SUPPORT AGREEMENT AMONG SHAREHOLDERS OF BLACK BORE EXPLORATION LTD. AND BLACKHAWK RESOURCE CORP.

## 1. Covenants of the Securityholder

By the acceptance of this letter agreement, the Securityholder hereby irrevocably and unconditionally agrees, from the date hereof until this letter agreement is terminated pursuant to paragraph 4 of this letter agreement:

(a) not to sell, assign, convey or otherwise transfer or dispose of any or all of the Subject Securities, provided that (i) the foregoing restriction shall not prevent the Securityholder from converting or exercising any of the Subject Securities in accordance with their terms, and (ii) the Securityholder may sell, assign, convey or otherwise transfer or dispose of any or all of the Subject Securities to a Related Person provided that such Related Person enters into an agreement with Blackhawk on the same terms as this Agreement, or otherwise agrees with Blackhawk to be bound by the provisions hereof. For the purposes hereof, "**Related Person**" means: (i) a spouse, parent, grandparent, brother, sister or child of the Securityholder; (ii) a company or family trust if all of the voting securities of such company are held by, or all the beneficiaries of such trust are, one or more of the persons referred to in clause (i); (iii) an "associate" or "affiliate" within the meaning of the *Securities Act* (Alberta); or (iv) a Person whose securities are beneficially owned or controlled by substantially similar Persons that beneficially own or control the securities of the Securityholder;

(b) to do all such things and to take all such steps as may reasonably be required to be done or taken by the Securityholder to cause all of the Subject Securities to be voted in favour of the resolutions approving the Amalgamation and any and all related matters to be put before the Black Bore Shareholders at the Black Bore Special Meeting, if applicable, and to be voted to oppose any proposed action by any Person whatsoever which could prevent or delay the completion of the Amalgamation and the transactions contemplated by the Amalgamation Agreement;

(c) not to solicit, initiate or encourage inquiries, submissions, proposals or offers from any other Person relating to, or participate in any negotiations regarding, or furnish to any other Person any information with respect to, or otherwise cooperate in any way with or assist or participate in or facilitate or encourage any effort or attempt with respect to: (i) any Acquisition Proposal; (ii) except as provided by the terms of this letter agreement, the direct or indirect acquisition or disposition of all or any of the Subject Securities; or (iii) any action which is inconsistent with the successful completion of the Amalgamation;

(d) not to exercise any Dissent Rights with respect to the Subject Securities which might be available to the Securityholder in connection with the Amalgamation; and

(e) not to exercise any shareholder rights or remedies available at common law or pursuant to Corporate Law or Securities Laws to delay, hinder, upset or challenge the Amalgamation.

It is acknowledged that the covenants of the Securityholder set forth in paragraph 1(c) relate to the Securityholder acting solely in the capacity of a holder of the Subject Securities and not as a director or officer of Black Bore and shall not affect or restrict any fiduciary or legal obligation imposed on such Securityholder acting in the capacity of a director or officer of Black Bore. The

Securityholder acknowledges that pursuant to this letter agreement the Securityholder may be required to act as a holder of the Subject Securities in a manner different from the manner in which the Securityholder is obligated to act in the capacity of a director or officer of Black Bore.

**2. Representations of the Securityholder**

The Securityholder represents and warrants to Blackhawk, and hereby acknowledges that Blackhawk is relying upon such representations and warranties, that at the date hereof:

(a) the Securityholder is the beneficial owner of, or exercises control or direction over, the Subject Securities and has the power, authority and right to enter into this agreement;

(b) none of the Subject Securities is, or will be at the time of the Black Bore Special Meeting, subject to any voting trust or voting agreement (other than this letter agreement), and there will not be any proxy in existence with respect to any of the Subject Securities except for any proxy given by the Securityholder for the purpose of fulfilling the Securityholder's obligations hereunder;

(c) no Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Subject Securities or any interest therein or right thereto (other than this letter agreement);

(d) this letter agreement has been duly executed and delivered by the Securityholder and constitutes a valid and binding obligation of the Securityholder enforceable against it in accordance with its terms subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' rights generally and to general principles of equity;

(e) neither the entering into of this letter agreement nor the performance by the Securityholder of any of the Securityholder's obligations under this letter agreement will constitute a breach of any agreement to which the Securityholder is a party or by which any of the Securityholder's assets or properties (including the Subject Securities) are bound; and

(f) there are and, at all times up to and including the date of the Black Bore Special Meeting, will be no restrictions on the Subject Securities which would prevent the Securityholder from voting the Subject Securities in favour of the Amalgamation.

**3. Expenses**

Blackhawk and the Securityholder agree to pay their own respective expenses incurred in connection with this letter agreement.

**4. Termination**

It is understood and agreed that the respective rights and obligations hereunder of Blackhawk and the Securityholder shall cease and this letter agreement shall terminate on the earlier of (a) the Effective Time, (b) the date that the Amalgamation Agreement is terminated, (c) 5:00 pm (Calgary time) on September 30, 2009, or (d) if the Amalgamation is not approved by the requisite majority of Black Bore Shareholders.

**5. Amendment**

Except as expressly set forth herein, this letter agreement constitutes the entire agreement between the parties and may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the parties hereto.

**6. Assignment**

No party to this letter agreement may assign any of its rights or obligations under this letter agreement without the prior written consent of the other party.

**7. Disclosure**

Prior to the first public disclosure of the existence and terms and conditions of this letter agreement, none of the parties hereto shall disclose the existence of this letter agreement, or any details hereof, to any Person other than Blackhawk or Black Bore, or their respective directors, officers and advisors, without the prior written consent of the other parties hereto, except to the extent required by Law. The existence and terms and conditions of this letter agreement may be disclosed by Blackhawk and Black Bore in the Information Circular prepared in respect of the Black Bore Special Meeting.

**8. Enurement**

This letter agreement will be binding upon and enure to the benefit of Blackhawk, the Securityholder and their respective executors, administrators, successors and permitted assigns.

**9. Applicable Law**

This letter agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.

**10. Time of the Essence**

Time shall be of the essence of this letter agreement.

**11. Remedies**

The Securityholder agrees that if this letter agreement is breached, or if a breach hereof is threatened, damages may be an inadequate remedy, and therefore, without limiting any other remedy available at law or in equity, an injunction, restraining order, specific performance, and other forms of equitable relief for damages, or any combination thereof shall be available to Blackhawk.

**12. Further Assurances**

The Securityholder shall from time to time and at all times hereafter at the request of Blackhawk, acting reasonably, but without further consideration, do and perform all such further acts, matters and things and execute and deliver all such further documents, deeds, assignments, agreements, notices and writings and give such further assurances as shall be reasonably required for the purpose of giving effect to this letter agreement.

**13. Counterparts**

This letter agreement may be signed in counterparts which together shall be deemed to constitute one valid and binding agreement and delivery of such counterparts may be effected by means of telecopier, facsimile or electronic scan.

## SCHEDULE "E"

## REPRESENTATIONS AND WARRANTIES OF BLACKHAWK

As of the date hereof, Blackhawk hereby represents and warrants to Black Bore as follows and acknowledges that Black Bore is relying upon these representations and warranties in connection with the entering into of this Agreement:

### 1. Organization and Qualification

Blackhawk is a corporation duly organized and validly existing under the laws of Alberta and has the requisite corporate power and authority to own or lease its property and assets and to carry on its business as it is now being conducted. Blackhawk is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Blackhawk. Copies of the constating documents of Blackhawk provided to Black Bore, together with all amendments to date, are accurate and complete as of the date hereof and have not been amended or superseded.

### 2. Authority Relative to this Agreement

Blackhawk has the requisite power and authority to enter into this Agreement and to perform and carry out its obligations hereunder. The execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly authorized by the board of directors of Blackhawk, and no other proceedings on the part of Blackhawk are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Blackhawk and constitutes a legal, valid and binding obligation of Blackhawk enforceable against Blackhawk in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other Laws relating to or affecting creditors' rights generally and to general principles of equity.

### 3. No Violations

(a) Neither the execution and delivery of this Agreement by Blackhawk, the completion of the transactions contemplated hereby nor the fulfillment and compliance by Blackhawk with any of the terms and provisions hereof will: (i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Blackhawk under, any of the terms, conditions or provisions of (a) the constating documents of Blackhawk, or (b) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Blackhawk is a party or to which it, or its properties or assets, may be subject or by which Blackhawk is bound; or (ii) subject to compliance with the legislation referred to in Section 3(b) of this Schedule E, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Blackhawk (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on the business, operations or financial condition of Blackhawk or on the ability of Blackhawk to consummate the transactions contemplated hereby); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a Material Adverse Effect on Blackhawk.

(b) Other than in connection with or in compliance with the provisions of Corporate Laws and Securities Laws: (i) there is no legal impediment to Blackhawk's consummation of the transactions contemplated by this Agreement; and (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Entity is necessary by Blackhawk in connection with the consummation of the transactions contemplated by this Agreement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of Blackhawk to consummate the transactions contemplated hereby.

**4. Capitalization**

The authorized share capital of Blackhawk consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 30,033,000 Blackhawk Common Shares are issued and outstanding and no preferred shares are issued and outstanding. As of the date hereof, zero Blackhawk Common Shares are issuable pursuant to the exercise of outstanding Blackhawk Warrants and 1,985,000 Blackhawk Common Shares are issuable pursuant to the exercise of outstanding Blackhawk Options. Except as set forth above, there are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Blackhawk of any securities of Blackhawk (including the Blackhawk Common Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Blackhawk (including the Blackhawk Common Shares), nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Blackhawk. All outstanding Blackhawk Common Shares have been duly authorized and validly issued, are fully paid and non-assessable and all Blackhawk Common Shares issuable upon exercise of outstanding Blackhawk Options or Blackhawk Warrants in accordance with their respective terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

**5. No Material Adverse Change**

Since the date of the Blackhawk Financial Statements:

(i) there has been no Material Adverse Change (or any condition, event or development involving a prospective change that could be materially adverse to Blackhawk) in the business, affairs, operations, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of Blackhawk that has not been disclosed in the Public Record or to Black Bore in the Blackhawk Disclosure Letter;

(ii) Blackhawk has conducted its business only in the ordinary and normal course; and

(iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Blackhawk has been incurred other than in the ordinary and normal course of business or as disclosed in the Public Record or to Black Bore in the Blackhawk Disclosure Letter.

**6. Title**

Blackhawk has good and marketable title to its assets, free and clear of all Encumbrances, and is not aware of any defects, failures and impairments in the title of its oil and gas properties, wells and facilities, which in aggregate could have a Material Adverse Effect.

**7. No Undisclosed Material Liabilities, Guarantees**

Except for liabilities and obligations: (i) incurred in the ordinary and normal course of business; (ii) pursuant to the terms of this Agreement; or (iii) as disclosed in the Blackhawk Disclosure Letter to Black Bore, Blackhawk has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by GAAP to be reflected on a balance sheet of Blackhawk) that have constituted or would be reasonably likely to constitute a Material Adverse Change. Blackhawk is not a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation.

**8. Debt and Working Capital**

As of the date hereof, Blackhawk has working capital of not less than $500,000 (excluding current tax accruals and expenses relating to the Amalgamation including the Blackhawk Officer Obligations). No event of default or breach of any covenant has occurred under any of Blackhawk's existing banking and lending agreements for which a waiver has not been granted.

**9. Impairment**

Neither the entering into of this Agreement nor the consummation of the Amalgamation will result in a Material Adverse Change.

**10. Brokerage Fees**

Blackhawk has not retained nor will it retain any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.

**11. Conduct of Business**

Except as disclosed in the Public Record or as previously disclosed to Black Bore in the Blackhawk Disclosure Letter, since June 30, 2009, Blackhawk has not: (i) amended the constating documents of Blackhawk; (ii) made any change in its accounting principles and practices as previously applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained; and (iii) declared, paid or set aside for payment any dividend or distribution of any kind in respect of any of its outstanding securities nor made any repayments of capital to shareholders. Since June 30, 2009, Blackhawk has conducted its business in all material respects in the ordinary course of business consistent with normal industry practice and has not taken any action that would be in violation of Blackhawk's ordinary and historical business practices, other than violations which would not have any Material Adverse Effect on Blackhawk or would materially affect Blackhawk's ability to consummate the transactions contemplated hereby.

**12. Subsidiaries**

Blackhawk has no subsidiaries other than 1477838. As of the Effective Date, Blackhawk owns all of the issued and outstanding common shares in 1477838.

**13. Financial Statements**

The Blackhawk Financial Statements have been prepared in accordance with GAAP on a consistent basis with prior periods (except: (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Blackhawk's independent accountants; or (ii) in the case of unaudited interim financial statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present, in accordance with GAAP, the financial position, results of operations and changes in financial position of Blackhawk and its subsidiaries on a consolidated basis and reflect all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Blackhawk as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments).

**14. Litigation**

Except as disclosed in the Public Record or as disclosed to Black Bore in The Blackhawk Disclosure Letter, there are no actions, suits, proceedings or investigations pending, or to the knowledge of Blackhawk, commenced, contemplated or threatened against or affecting Blackhawk at law or in equity, before or by any Governmental Entity of any kind, nor to its knowledge are there any existing facts or conditions which may reasonably be expected to be a proper basis for any actions, suits, proceedings or investigations, which in any case would prevent or hinder the consummation of the transactions contemplated by this Agreement or which can reasonably be expected to have a Material Adverse Effect on Blackhawk.

**15. Books and Records**

The minute books of Blackhawk are and will be at Closing correct and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof. The books of account and other records, whether of a financial or accounting nature or otherwise, of Blackhawk have been maintained in accordance with prudent business practices and are complete and accurate in all material respects.

**16. Environmental**

Except as disclosed in the Public Record or as disclosed to Black Bore in the Blackhawk Disclosure Letter:

(a) Blackhawk is not aware of, nor has received:

(i) any order or directive which relates to environmental matters that would have a Material Adverse Effect on Blackhawk and which requires any material work, repairs, construction, or capital expenditures; or

(ii) any demand or notice with respect to the material breach of any Environmental Law applicable to Blackhawk or any of its subsidiaries or business undertakings, including, without limitation, any regulations respecting the use, storage, treatment, transportation, or disposition of environmental contaminants.

(b) to the knowledge of Blackhawk, all material environmental and health and safety permits, licences, approvals, consents, certificates and other authorizations of any kind or nature ("**Environmental Permits**") necessary for the ownership, operation, development, maintenance, or use of any of its subsidiaries and assets have been obtained and maintained in effect;

(c) to the knowledge of Blackhawk, Blackhawk and its respective assets and the ownership, operation, development, maintenance and use thereof are in material compliance with all applicable Environmental Laws and with all terms and conditions of all Environmental Permits, and all prior instances of non-compliance have been fully and finally resolved to the satisfaction of all governmental authorities with jurisdiction over such matters;

(d) no investigations or complaints by any Governmental Entity with respect to any environmental matter pertaining to or affecting the business or the assets of Blackhawk is currently outstanding or threatened to the knowledge of Blackhawk;

(e) all known spills or similar incidents pertaining to or affecting the business or the assets of Blackhawk have been reported to the appropriate Governmental Entity to the extent required by Environmental Laws; and

(f) Blackhawk is not aware of any Releases which have not been rectified, on any of the properties or assets owned or leased by Blackhawk or in which it has an interest or over which it has control; except for any such Releases which, in aggregate, would not have a Material Adverse Effect on Blackhawk.

**17. Compliance**

Blackhawk has complied with and is in compliance with all applicable Laws except where such non-compliance would not, considered individually or in the aggregate, result in a Material Adverse Change in relation to Blackhawk or materially affect the ability of Blackhawk to consummate the transactions contemplated hereby, and is in compliance in all material respects with all Securities Laws. There is no legal impediment to Blackhawk's consummation of the transactions contemplated by this Agreement. Other than as contemplated by this Agreement, no filing or registration with, or authorization, consent or approval of, any Governmental Entity is necessary by Blackhawk in connection with the consummation of the transactions contemplated hereby, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have any Material Adverse Effect on the ability of Blackhawk to consummate the transactions contemplated hereby.

**18. Permits and Licenses**

Blackhawk has not received notice of any material violation of or investigation relating to any Law with respect to its assets, business or operations and Blackhawk holds all permits, licenses and other authorizations which are required under Laws to be held by it relating to its assets, business or operations. The assets of Blackhawk operated and maintained by it are in compliance with all terms and conditions of such Laws, permits, licenses and authorizations in all material respects.

**19. Material Agreements**

All agreements, permits, licences, approvals, certificates and other rights and authorizations material to the conduct of Blackhawk's business are valid and subsisting and Blackhawk is not in material default under any such agreements, permits, licences, approvals, certificates and other rights and authorizations.

**20. Employment Agreements**

Particulars of the Blackhawk Officer Obligations set forth in the Blackhawk Disclosure Letter and true and accurate copies of all written agreements between Blackhawk and any of its respective employees, officers, directors and consultants have been provided to Black Bore in the Blackhawk Disclosure Letter, and Blackhawk is not a party to any other written or verbal employment or consulting agreement which provides for payment to any officer, employee or consultant whatsoever by Blackhawk on a change of control or severance of employment or a consulting arrangement, and Blackhawk agrees not to amend the terms and conditions of any of the foregoing.

**21. Tax Matters**

(a) Except as disclosed in writing to Black Bore in the Blackhawk Disclosure Letter, all Tax Returns required to be filed by or on behalf of Blackhawk have been duly filed on a timely basis and such Tax Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and no other Taxes are payable by Blackhawk with respect to items or periods covered by such Tax Returns.

(b) Blackhawk has paid or provided adequate accruals in its financial statements for the period ended August 31, 2008 for Taxes in conformity with GAAP.

(c) No material deficiencies exist or have been asserted with respect to Taxes or Tax Returns of Blackhawk; and Blackhawk is not a party to any material action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened against Blackhawk or any of its assets; no waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Blackhawk.

**22. Reporting Issuer**

Blackhawk is a "reporting issuer" within the meaning of the applicable securities laws in the provinces of British Columbia and Alberta and has held that status without interruption or suspension in at least one of those jurisdictions during the previous four months, and, to the knowledge of Blackhawk, is not in default of any material requirements of the applicable securities laws therein.

**23. Transfer Agent**

Olympia Trust Company, at is offices in Calgary is the duly appointed registrar and transfer agent of Blackhawk with respect to the Blackhawk Common Shares.

**24. Trading of Blackhawk Common shares**

No Securities Authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Blackhawk, no such proceeding is, to the knowledge of Blackhawk, pending, contemplated or threatened.

**25. Insurance**

Policies of insurance in force as of the date hereof naming Blackhawk as an insured adequately cover all risks reasonably and prudently foreseeable in the operation and conduct of the business of Blackhawk. All such policies of insurance shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby.

**26. Property**

To the knowledge of Blackhawk, all leases, licenses, permits and other rights to exploit crude oil and natural gas pursuant to which Blackhawk (whether as lessee or lessor) is a party are in good standing, valid and effective and there is not, under such leases, any existing or prospective default or event of default or event which, with notice or lapse of time or both, would constitute a default by Blackhawk which, individually or in aggregate, would have a Material Adverse Effect on Blackhawk and in respect to which Blackhawk has not taken adequate steps to prevent such default from occurring.

## SCHEDULE "F"

## REPRESENTATIONS AND WARRANTIES OF 1477838

As of the date hereof, 1477838 hereby represents and warrants to Black Bore as follows and acknowledge that Black Bore is relying upon these representations and warranties in connection with its entering into the Agreement:

### 1. Organization and Qualification

1477838 is a corporation duly organized and validly existing under the laws of Alberta and has the requisite corporate power and authority to own or lease its property and assets and to carry on its business as it is now being conducted. Copies of the constating documents of 1477838 provided to Black Bore, together with all amendments to date, are accurate and complete as of the date hereof and have not been amended or superseded.

### 2. Authority Relative to this Agreement

1477838 has the requisite corporate authority to enter into this Agreement and to perform and carry out its obligations hereunder. The execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly authorized by 1477838's board of directors, and no other corporate proceedings on the part of 1477838 are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by 1477838 and constitutes a legal, valid and binding obligation of 1477838 enforceable against 1477838 in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

### 3. No Violations

(a) Neither the execution and delivery of this Agreement by 1477838, the completion of the transactions contemplated hereby nor the fulfillment and compliance by 1477838 with any of the terms and provisions hereof will: (i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of 1477838 under, any of the terms, conditions or provisions of (a) the 1477838 Governing Documents, or (b) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which 1477838 is a party or to which it, or its properties or assets, may be subject or by which 1477838 is bound; or (ii) subject to compliance with the legislation referred to in Section 3(b), violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to 1477838 (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on the business, operations or financial condition of 1477838 or on the ability of 1477838 to consummate the transactions contemplated hereby); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a Material Adverse Effect on 1477838.

(b) Other than in connection with or in compliance with the provisions of Corporate Laws and Securities Laws: (i) there is no legal impediment to 1477838's consummation of the transactions contemplated by this Agreement; and (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Entity is necessary by 1477838 in connection with the consummation of the transactions contemplated by this Agreement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of 1477838 to consummate the transactions contemplated hereby.

**4. Capitalization**

The authorized share capital of 1477838 consists of an unlimited number of 1477838 Common Shares and an unlimited number of preferred shares, of which, at the date hereof, one (1) 1477838 Common Share is issued and outstanding to Blackhawk.

There are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by 1477838 of any securities of 1477838 or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of 1477838, nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of 1477838. All outstanding 1477838 Common Shares have been duly authorized and validly issued, are fully paid and non-assessable.

**5. Litigation**

There are no actions, suits, proceedings or investigations pending, or to the knowledge of 1477838, contemplated or threatened against or affecting 1477838 at law or in equity, before or by any Governmental Entity, of any kind, nor to its knowledge are there any existing facts or conditions which may reasonably be expected to be a proper basis for any actions, suits, proceedings or investigations, which in any case would prevent or hinder the consummation of the transactions contemplated by this Agreement or which can reasonably be expected to have a Material Adverse Effect on 1477838.

**6. Consents, Approvals**

No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to 1477838 in connection with the execution and delivery of this Agreement by 1477838, the performance of its obligations hereunder or the consummation by 1477838 of the transactions contemplated hereby other than:

(a) the approval of Blackhawk, being the sole shareholder of 1477838, of the Amalgamation,

(b) any filings with the Registrar, and

(c) any other consents, approvals, orders, authorizations, registrations, declarations or filings that, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on 1477838 or prevent or delay the consummation of the Amalgamation or materially impair 1477838's ability to perform its obligations hereunder.

**7. Business**

1477838 has not carried on any active business.

**8. Assets and Liabilities**

1477838 has no assets or liabilities other than nominal share capital.

## SCHEDULE "G"

## REPRESENTATIONS AND WARRANTIES OF BLACK BORE

As of the date hereof, Black Bore hereby represents and warrants to Blackhawk and 1477838 as follows and acknowledges that Blackhawk and 1477838 are relying upon these representations and warranties in connection with the entering into of this Agreement:

### 1. Organization and Qualification

Black Bore is a corporation duly organized and validly existing under the laws of Alberta and has the requisite corporate power and authority to own or lease its property and assets and to carry on its business as it is now being conducted. Black Bore is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect on Black Bore. Copies of the Black Bore Governing Documents provided to Blackhawk and 1477838, together with all amendments to date, are accurate and complete as of the date hereof and have not been amended or superseded.

### 2. Authority Relative to this Agreement

Black Bore has the requisite corporate authority to enter into this Agreement and to perform and carry out its obligations hereunder. The execution and delivery of this Agreement and the completion of the transactions contemplated hereby have been duly authorized by Black Bore's board of directors, and no other corporate proceedings, other than the approval of the Black Bore Amalgamation Resolution, on the part of Black Bore are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Black Bore and constitutes a legal, valid and binding obligation of Black Bore enforceable against Black Bore in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

### 3. No Violations

(a) Neither the execution and delivery of this Agreement by Black Bore, the completion of the transactions contemplated hereby nor the fulfillment and compliance by Black Bore with any of the terms and provisions hereof will: (i) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Black Bore under, any of the terms, conditions or provisions of (a) the Black Bore Governing Documents, or (b) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Black Bore is a party or to which it, or its properties or assets, may be subject or by which Black Bore is bound; or (ii) subject to compliance with the legislation referred to in Section 3(b), violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Black Bore (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on the business, operations or financial condition of Black Bore or on the ability of Black Bore to consummate the transactions contemplated hereby); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a Material Adverse Effect on Black Bore.

(b) Except as contemplated by this Agreement and other than in connection with or in compliance with the provisions of Corporate Laws and Securities Laws: (i) there is no legal impediment to Black Bore's consummation of the transactions contemplated by this Agreement; and (ii) no filing or registration with, or authorization, consent or approval of, any Governmental Entity is necessary by Black Bore in connection with the consummation of the transactions contemplated by this Agreement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a Material Adverse Effect on the ability of Black Bore to consummate the transactions contemplated hereby.

(c) Except as set forth in the Black Bore Disclosure Letter, there is no non-competition, area of mutual interest, right of first refusal, right of first offer, change of control, exclusivity or other similar agreement, commitment or understanding in place, whether written or oral, to which Black Bore, or, to the knowledge of Black Bore, any director, officer, employee or consultant or any affiliate of such Persons is a party or is otherwise bound that would now or hereafter, in any way limit the business or operations of Black Bore (i) in a particular manner or to a particular locality or geographic region; or (ii) for a limited period of time.

(d) The execution, delivery and performance of this Agreement does not and will not result in the restriction of Black Bore from engaging in its business or from competing with any Person or in any geographical area and do not and will not result in a Material Adverse Effect on its business or trigger or cause to arise any rights of any Person under any contract or arrangement to restrict any of the foregoing from engaging in the business currently carried on by Black Bore.

## 4. Capitalization

The authorized share capital of Black Bore consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 7,694,671 Black Bore Common Shares and no preferred shares are issued and outstanding. As of the date hereof, zero Black Bore Common Shares are issuable pursuant to the exercise of outstanding Black Bore warrants. As of the date hereof, 400,000 Black Bore Common Shares are issuable pursuant to the conversion of outstanding Black Bore Convertible Debentures. Except as set forth above, there are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Black Bore of any securities of Black Bore (including the Black Bore Common Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Black Bore (including the Black Bore Common Shares), nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attribute of Black Bore. All outstanding Black Bore Common Shares have been duly authorized and validly issued, are fully paid and non-assessable and all Black Bore Common Shares issuable upon exercise of outstanding Black Bore Warrants in accordance with their respective terms will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

**5. No Material Adverse Change**

Since the date of the Black Bore Financial Statements:

(i) there has been no Material Adverse Change (or any condition, event or development involving a prospective change that could be materially adverse to Black Bore) in the business, affairs, operations, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of Black Bore;

(ii) Black Bore has conducted its business only in the ordinary and normal course; and

(iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Black Bore has been incurred other than in the ordinary and normal course of business.

**6. Title**

Black Bore has good and marketable title to its assets, free and clear of all Encumbrances, and is not aware of any defects, failures and impairments in the title of its oil and gas properties, wells and facilities, which in aggregate could have a Material Adverse Effect.

**7. No Undisclosed Material Liabilities, Guarantees**

Except for liabilities and obligations: (i) incurred in the ordinary course of business; (ii) pursuant to the terms of this Agreement; or (iii) as disclosed to Blackhawk in the Black Bore Disclosure Letter, Black Bore has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by GAAP to be reflected on a balance sheet of Black Bore) that have constituted or would be reasonably likely to constitute a Material Adverse Change. Black Bore is not a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation.

**8. Debt and Working Capital**

As of the date hereof, Black Bore has working capital deficit of not greater than $450,000 (excluding current tax accruals and expenses relating to the Amalgamation including the Black Bore Officer Obligations). Black Bore has a secured debenture outstanding held by Crocotta Energy Inc. with a principal amount outstanding of $256,567 and an interest rate of prime plus 0.5%. Black Bore has the secured Black Bore Convertible Debentures outstanding held by Mark Lenson and Hillar Lilles, officers and directors of Black Bore, with a principal amount outstanding of $100,000 and an interest rate of 8% per annum, such Black Bore Convertible Debentures being convertible in to Black Bore Common Shares at $0.2 per share. No event of default or breach of any covenant has occurred under any of Black Bore's existing banking, lending or debenture agreements for which a waiver has not been granted.

**9. Impairment**

Neither the entering into of this Agreement nor the consummation of the Amalgamation will result in a Material Adverse Change.

**10. Brokerage Fees**

Black Bore has not retained nor will it retain any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated.

**11. Conduct of Business**

Except as disclosed to Blackhawk in the Black Bore Disclosure Letter, since June 30, 2009, Black Bore has not: (i) amended the Black Bore Governing Documents; (ii) made any change in its accounting principles and practices as previously applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings and profits and losses are ascertained; and (iii) declared, paid or set aside for payment any dividend or distribution of any kind in respect of any of its outstanding securities nor made any repayments of capital to shareholders. Since June 30, 2009, Black Bore has conducted its business in all material respects in the ordinary course of business consistent with normal industry practice, has not disposed of any assets or property out of the ordinary course of business, and has not taken any action that would be in violation of Black Bore's ordinary and historical business practices, other than violations which would not have any Material Adverse Effect on Black Bore or would materially affect Black Bore's ability to consummate the transactions contemplated hereby.

**12. Subsidiaries**

Black Bore has no subsidiaries.

**13. Reports and Financial Statements**

The Black Bore Financial Statements have been prepared in accordance with GAAP on a consistent basis with prior periods (except: (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Black Bore's independent accountants; or (ii) in the case of unaudited interim financial statements, to the extent they may not include footnotes or may be condensed or summary statements) and fairly present, in accordance with GAAP, the financial position and condition of Black Bore at the dates thereof and, results of operations and changes in financial position of Black Bore and reflect all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Black Bore as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments).

**14. Litigation**

There are no actions, suits, proceedings or investigations pending, or to the knowledge of Black Bore, contemplated or threatened against or affecting Black Bore, at law or in equity, before or by any Governmental Entity of any kind, nor to its knowledge are there any existing facts or conditions which may reasonably be expected to be a proper basis for any actions, suits, proceedings or investigations, which in any case would prevent or hinder the consummation of the transactions contemplated by this Agreement or which can reasonably be expected to have a Material Adverse Effect on Black Bore. Black Bore is not subject to any outstanding order, writ, injunction or decree that has had or is reasonably likely to have a Material Adverse Effect on Black Bore or prevent or materially delay consummation of the transactions contemplated by this Agreement or the Amalgamation.

## 15. Books and Records

The minute books of Black Bore are and will be at Closing correct and contain the minutes of all meetings and all resolutions of the directors and shareholders thereof. The books of account and other records, whether of a financial or accounting nature or otherwise, of Black Bore have been maintained in accordance with prudent business practices and are complete and accurate in all material respects.

## 16. Data and Information

To the knowledge of Black Bore, the data and information in respect of Black Bore and its assets, liabilities, business, operations and capital provided by Black Bore to Blackhawk was and is accurate and correct in all material respects as at the respective dates thereof and did not and do not now omit any data or information necessary to make any data or information provided not misleading in any material respects as at the respective dates thereof.

## 17. Environmental

(a) Black Bore is not aware of, nor has received:

  (i) any order or directive which relates to environmental matters that would have a Material Adverse Effect on Black Bore and which requires any material work, repairs, construction, or capital expenditures; or

  (ii) any demand or notice with respect to the material breach of any environmental, health or safety law applicable to Black Bore or business undertakings, including, without limitation, any regulations respecting the use, storage, treatment, transportation, or disposition of environmental contaminants.

(b) To the knowledge of Black Bore, all environmental and health and safety permits, licences, approvals, consents, certificates and other authorizations of any kind or nature ("**Environmental Permits**") necessary for the ownership, operation, development, maintenance, or use of any of its assets have been obtained and maintained in effect.

(c) To the knowledge of Black Bore, Black Bore and its assets and the ownership, operation, development, maintenance and use thereof are in material compliance with all applicable Laws relating to the protection of the environment and employees and public health and safety ("**Environmental Laws**") and with all terms and conditions of all Environmental Permits, and all prior instances of non-compliance have been fully and finally resolved to the satisfaction of all governmental authorities with jurisdiction over such matters.

(d) No investigations or complaints by any Governmental Entity with respect to any environmental matter pertaining to or affecting the business or the assets of Black Bore is currently outstanding or threatened to the knowledge of Black Bore.

(e) All known spills or similar incidents pertaining to or affecting the business or the assets of Black Bore have been reported to the appropriate Governmental Entity to the extent required by Environmental Laws.

(f) All waste disposal pertaining to or affecting the business or the assets of Black Bore has been and is being conducted in accordance with all applicable Environmental Laws.

(g) To the knowledge of Black Bore, its assets are free of all material environmental contamination, including any patent or latent environmental contamination of the atmosphere, air, soil, subsoil, groundwater or surface waters within or adjacent to its business or the assets.

(h) Black Bore is not aware of any Releases which have not been rectified, on any of the properties or assets owned or leased by Black Bore or in which it has an interest or over which it has control; except for any such Releases which, in aggregate, would not have a Material Adverse Effect on Black Bore.

**18. Compliance**

Black Bore has complied with and is in compliance with all Laws, the Black Bore Governing Documents and all material contracts, agreements and instruments to which it is a party, except where such non-compliance would not, considered individually or in the aggregate, result in a Material Adverse Change in relation to Black Bore, or materially affect the ability of Black Bore to consummate the transactions contemplated hereby, and is in compliance in all material respects with all Corporate Laws. There is no legal impediment to Black Bore's consummation of the transactions contemplated by this Agreement. Other than as contemplated by this Agreement, no filing or registration with, or authorization, consent or approval of, any Governmental Entity is necessary by Black Bore in connection with the consummation of the transactions, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have any Material Adverse Effect on the ability of Black Bore to consummate the transactions contemplated hereby.

**19. Restrictions on Business Activities**

Except as set forth in the Black Bore Disclosure Letter there is no agreement, judgement, injunction, order, decree, understanding or other restriction with any Person binding upon Black Bore which has or could have the effect of materially restricting, prohibiting or impairing:

(a) any current or currently proposed business practice of Black Bore;

(b) Black Bore from carrying on its business with any customer or within any geographic region;

(c) any acquisition of property by Black Bore; or

(d) the conduct of business by Black Bore as currently conducted or as currently proposed to be conducted by Black Bore.

**20. Permits and Licenses**

Black Bore has not received notice of any material violation of or investigation relating to any Law with respect to its assets, business or operations and Black Bore holds all permits, licenses and other authorizations which are required under Laws to be held by it relating to its assets, business or operations. The assets of Black Bore operated and maintained by it are in compliance with all terms and conditions of such Laws, permits, licenses and authorizations in all material respects.

**21. Material Agreements**

All agreements, permits, licences, approvals, certificates and other rights and authorizations material to the conduct of Black Bore's business have been provided to Blackhawk and an index listing the same has been provided in the Black Bore Disclosure Letter and each such permit, licence, approval, certificate and other right and authorization is valid and subsisting and Black Bore is not in default under any such agreements, permits, licences, approvals, certificates and other rights and authorizations.

**22. Employment Agreements**

Particulars of the Black Bore Officer Obligations set forth in the Black Bore Disclosure Letter and true and accurate copies of all written agreements between Black Bore and any of its respective employees, officers, directors and consultants have been provided to Blackhawk in the Black Bore Disclosure Letter, and Black Bore is not a party to any other written or verbal employment or consulting agreement which provides for payment to any officer, employee or consultant whatsoever by Black Bore on a change of control or severance of employment or a consulting arrangement, and Black Bore agrees not to amend the terms and conditions of any of the foregoing.

**23. Related Party Transactions and Indebtedness**

No director, officer, insider or other non-arm's length party of Black Bore (or any affiliate thereof) is has entered into a material contract or transaction with, or is indebted to, Black Bore other than Hillar Lilles and Mark Lenson who have entered into debenture agreement with Black Bore as detailed in section 8 hereof.

**24. Employee Benefit Plans**

Black Bore does not have any employee benefit, pension and/or bonus plans. Black Bore is not a party to any written contract of employment or collective bargaining agreement and there are no currently existing employment benefit plans, arrangements or agreements, vacation entitlements, health and group insurance plans other than customary government plans such as Canada Pension Plan, Employment Insurance and Workers Compensation, to which Black Bore is a party or by which it is bound.

**25. Tax Matters**

(a) All Tax Returns required to be filed by or on behalf of Black Bore have been duly filed on a timely basis and such Tax Returns are true, complete and correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and no other Taxes are payable by Black Bore with respect to items or periods covered by such Tax Returns.

(b) Black Bore has paid or provided adequate accruals in their financial statements for the year ended dated December 31, 2008 portions of income tax audit reports, statements of deficiencies, closing or other agreements received by Black Bore or on behalf of Black Bore relating to Taxes; and (ii) all material Tax Returns for Black Bore.

(c) No material deficiencies exist or have been asserted with respect to Taxes or Tax Returns of Black Bore; Black Bore is not a party to any material action or proceeding for assessment or collection of Taxes, nor has such event been asserted or to the knowledge of Black Bore threatened against Black Bore or any of its assets; no waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Black Bore; and the Tax Returns of Black Bore have not been audited by a government or taxing authority within the last three years, nor is any such audit in process or to the knowledge of Black Bore pending or threatened.

(d) Black Bore has not made or agreed to make any tax election or designations, entered into any tax agreements, filed any tax consents or waivers, or entered into any agreements with any federal, provincial, state, local, municipal or other tax authority with respect to itself or its assets.

(e) Black Bore has provided adequate accruals in its financial statements for the year ended December 31, 2008 for all pension or other employee benefit obligations of Black Bore arising under or relating to each of the pension or retirement income plans or other employee benefit plans or agreements or policies maintained by or binding on Black Bore.

(f) As at December 31, 2008, Black Bore had available for deduction against future taxable income, tax pools as set forth in the financial statements of Black Bore for the year then ended.

## 26. Insurance

Policies of insurance in force as of the date hereof naming Black Bore as an insured adequately cover all risks reasonably and prudently foreseeable in the operation and conduct of the business of Black Bore. All such policies of insurance shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby.

## 27. Property

To the knowledge of Black Bore, all leases, licenses, permits and other rights to exploit crude oil and natural gas pursuant to which Black Bore (whether as lessee or lessor) is a party are in good standing, valid and effective and there is not, under such leases, any existing or prospective default or event of default or event which, with notice or lapse of time or both, would constitute a default by Black Bore which, individually or in aggregate, would have a Material Adverse Effect on Black Bore and in respect to which Black Bore has not taken adequate steps to prevent such default from occurring.

## 28. Disclosure

Black Bore has disclosed to Blackhawk in the Black Bore Disclosure Letter any information regarding any event, circumstance or action taken or failed to be taken which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Black Bore or materially and adversely affects the ability of Black Bore to consummate the transactions contemplated hereby.

**29. Shareholder Rights Plan**

Black Bore does not have a shareholder rights plan or other form of plan, agreement, contract or instrument that will trigger any rights to acquire Black Bore Common Shares or other securities of Black Bore or rights, entitlements, privileges in favour of any Person upon the entering into of this Agreement or in connection with the Amalgamation.

**30. Investments**

Black Bore is not the beneficial or registered owner of and has not agreed to acquire any (a) commercial paper, governmental obligations, treasury bills or money market instruments, (b) similar liquid securities intended to provide for the preservation of principal, and (c) money market mutual funds or other investment pools that invest primarily in one or more of the foregoing.

**31. Confidentiality Agreements**

Black Bore has not released the applicability of any "standstill" or other provisions of any confidentiality agreements entered into by Black Bore.

**32. Oil and Gas Practices and Assets**

(a) Black Bore has conducted and is conducting its business in accordance with good oilfield practices and in compliance in all material respects with all applicable Laws, and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirements of any Governmental Authorities applicable to Black Bore of each jurisdiction in which it carries on business and holds all licences, registrations and qualifications material to its business and assets in all jurisdictions in which it carries on business or which are necessary or desirable to carry on the business of Black Bore, as now conducted, and none of such licences, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any material adverse effect, financial or otherwise, on the business of Black Bore;

(b) to the best of Black Bore's knowledge, all *ad valorem*, property, production, severance and similar taxes and assessments based on, or measured by, the ownership of Black Bore's petroleum and natural gas interests or the production of petroleum substances from the petroleum and natural gas interests, or the receipt of proceeds from them, and all royalties and rentals accruing prior to the Effective Date, that are payable by Black Bore with respect to Black Bore's petroleum and natural gas interests will at the Effective Date have been properly paid or will be paid in a timely fashion;

(c) in those cases where Black Bore is the operator, Black Bore's petroleum and natural gas interests have been operated and maintained in a manner consistent with prudent practices in the petroleum and natural gas industry in Canada and in compliance with all material applicable laws, regulations and orders of all Governmental Entities having jurisdiction over the same and, in cases where Black Bore is not the operator thereof, Black Bore has no knowledge that such has not been, is not and will not be the case;

(d) Black Bore has not elected or refused to participate in any exploration, development or other operations on Black Bore's petroleum and natural gas interests which has or may give rise to any penalties, forfeitures or reduction of its interest by virtue of any conversion or other alteration occurring under the title and operating documents which govern Black Bore's ownership and operation of its petroleum and natural gas interests;

(e) no officer, director, employee or consultant of Black Bore, any associate or affiliate of any such person or any party not at arm's length to Black Bore owns, has or is entitled to any royalty, net profits interest, carried interest or other Encumbrances of any nature whatsoever which are based on production from Black Bore's properties or assets or any revenue or rights attributed thereto;

(f) other than as disclosed to Blackhawk in the Black Bore Disclosure Letter, Black Bore is not aware of any defects, failures or impairments in the title of Black Bore, as the case may be, to its oil and gas properties or facilities, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse effect, financial or otherwise, on the business of Black Bore or the anticipated cash-flow of Black Bore;

(g) subject to the rights, covenants, conditions and stipulations in the title documents and any agreement pertaining to Black Bore's assets and on the lessee's or holder's part thereunder to be paid or performed and observed, Black Bore, may enter into and upon, hold and enjoy its property and assets for the remainder of their respective terms and all renewals or extensions thereof for Black Bore's own use and benefit without any lawful interruption of or by any other person whomsoever claiming by, through or under Black Bore; and

(h) except with respect to changes in the prices of oil and gas, Black Bore has no knowledge of a material adverse change in any production, cost, reserves or other relevant information since the date that such information was filed on SEDAR pursuant to Black Bore's "Statement of Reserves Date and Other Oil and Gas Information" dated effective December 31, 2008 and filed on SEDAR on April 30, 2009.

**33. Reporting Issuer**

Black Bore is a "reporting issuer" within the meaning of the applicable securities laws in the provinces of British Columbia and Alberta and has held that status without interruption or suspension in at least one of those jurisdictions during the previous four months, and, to the knowledge of Black Bore, is not in default of any material requirements of the applicable securities laws therein.

**34. Trading of Black Bore Common shares**

No Securities Authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Black Bore, no such proceeding is, to the knowledge of Black Bore, pending, contemplated or threatened.

## SCHEDULE “H”

## FORM OF 75 BOE/D PERFORMANCE RIGHT CERTIFICATE

**RIGHTS CERTIFICATE**

**BLACKHAWK RESOURCE CORP.**
**(Incorporated under the laws of Alberta)**

RIGHTS CERTIFICATE NO. **«Sequence»**

RIGHTS TO ACQUIRE **«M_75_BOED_RIGHTS»** COMMON SHARES

This is to certify that for value received **«FULL_NAME»** (the "**Rights Holder**") is the registered holder of rights (the "**Rights**") issued by Blackhawk Resource Corp. (the "**Corporation**") pursuant to an Amalgamation Agreement dated July 31, 2009 ("**Amalgamation Agreement**") among the Corporation, 1477838 Alberta Ltd. and Black Bore Exploration Ltd. ("**Black Bore**"). Pursuant to the Amalgamation Agreement, the Corporation has agreed to grant to the Rights Holder Rights on the terms and conditions set out herein.

**1. Rights**

The Corporation hereby issues to the Rights Holder the number of Rights set out above. Upon the occurrence of a Performance Event, each Right shall entitle the Rights Holder to, at no additional cost, acquire one (1) common share in the capital of the Corporation ("**Common Shares**") at any time up until 11:59 p.m. Calgary time (the "**Expiry Time**") on the day that is eighteen (18) months from the date of the Effective Date (as defined herein) (the '**Expiry Date**").

A "**Performance Event**" is the occurrence of the Total Lands Production Factor exceeding seventy-five (75) BOE/d for three (3) consecutive production months measured on a monthly average basis.

For the purposes of this certificate:

(a) "**Acquired Lands Production Factor**" means the sum of the Corporation's production calculated on a BOE/d basis from all lands leased or acquired by the Corporation subsequent to the Effective Time multiplied by half (0.5);

(b) "**Black Bore Lands Production Factor**" means the sum of the Corporation's production calculated on a BOE/d basis from all lands leased or owned by Black Bore immediately prior to the Effective Time;

(c) "**BOE**" means a barrel of oil equivalent on the basis of one (1) BOE to six (6) Mcf of natural gas;

(d) "**BOE/d**" means a barrel of oil equivalent per day

(e) "**Effective Date**" has the meaning ascribed thereto in the Amalgamation Agreement;

(f) "**Effective Time**" has the meaning ascribed thereto in the Amalgamation Agreement; and

(g) "**Total Lands Production Factor**" means the sum of the Acquired Lands Production Factor and the Black Bore Lands Production Factor;

Any exercisable Rights that are vested and not exercised immediately prior to the Expiry Time on the Expiry Date shall be deemed to be exercised immediately prior to the Expiry Time on the Expiry Date without anyfurther action on the part of the Right Holder or payment of further consideration by the Right Holder. The Corporation will promptly deliver Common Share certificates to the Right Holder upon exercise.

**2. Right of a Shareholder**

As promptly as possible and in any event within three (3) business days after exercise or deemed exercise of the Rights the Corporation shall cause the Rights Holder, or such person as may be designated by the Rights Holder, to be recorded in its register of shareholders as holder of the number of fully paid, non-assessable Common Shares so issued (the date upon which the Rights Holder is so recorded as registered holder being referred to in this paragraph as the "**Registry Date**"). The Rights Holder shall have full rights as a shareholder with respect to Common Shares acquired pursuant to the Rights on or after the Registry Date, and no adjustment shall be made for dividends or other rights for which the record date is prior to the Registry Date. The Corporation agrees to issue share certificates in respect of all Common Shares so purchased as soon as possible after the Registry Date, and in any event within ten (10) business days thereafter.

The Common Shares issuable pursuant hereto may contain a legend restricting resale and will be subject to TSX Venture Exchange escrow policies, as applicable.

**3. <u>No Transfer of Rights</u>**

The Rights shall not be assignable or transferable except in accordance with applicable securities laws.

**4. <u>Adjustment in Common Shares</u>**

If and whenever from the date of this certificate to the Expiry Time on the Expiry Date:

(a) the outstanding Common Shares are subdivided or are consolidated into a greater or lesser number of Common Shares, respectively;

(b) the Common Shares are reclassified, exchanged for or converted into other shares, securities or property;

(c) a stock dividend has been declared and paid on the Common Shares;

(d) there has been an amalgamation, merger, consolidation or other reorganization affecting the Corporation (resulting in an exchange of all of the outstanding Common Shares for shares of another corporation); or

(e) there has been a transfer of all or substantially all of the undertaking or assets of the Corporation to another Corporation or entity,

(any of such events being referred to in this paragraph as a "**Change**"), then the Rights Holder, in respect of the exercise of its Rights, after the effective date of the Change shall be entitled to receive and shall accept and the Corporation shall deliver upon such exercise in accordance with this certificate, in lieu of the number of Common Shares deliverable prior to the effective date, the aggregate number and kinds of Common Shares or other securities or amount of property which the Rights Holder would have been entitled to as a result of the Change if, on the effective date thereof, it had been the registered holder of the number of Common Shares it would have received had it exercised the Rights or relevant portion hereof immediately before the effective date of the Change. The adjustments provided for in this paragraph shall be cumulative. The necessary adjustments shall be made in the application of the provisions of this certificate with respect to the rights and options of the Rights Holder after any Change to the end that the provisions hereof shall thereafter correspondingly apply, as nearly as may reasonably be, in relation to any Common Shares or other securities or property to which the Rights Holder is entitled on the exercise of the Rights granted hereunder. Notwithstanding anything contained herein, the Corporation shall not be required, upon the exercise of the Rights, to issue fractions of shares or to distribute certificates which evidence such fractions of shares.

**5. <u>Covenants of the Corporation</u>**

The Corporation hereby represents and covenants that:

(a) all Common Shares that may be issued upon the exercise of the Rights shall, upon issuance, be validly issued as fully paid and non-assessable Common Shares and free from any and all taxes, liens and charges relating to the issuance thereof; and

(b) at all times until the Expiry Time, the Corporation shall have authorized and reserved for issuance a sufficient number of Common Shares to provide for the exercise of the Rights Holder's rights hereunder.

6. **Inability to Deliver Common Shares**

If for any reason, other than the failure or default of the Rights Holder, the Corporation is unable to issue and deliver the Common Shares or other securities as contemplated herein to the Rights Holder upon the proper exercise of the Rights Holder of the Rights evidenced hereby, the Corporation will use its reasonable best efforts to obtain such orders, rulings or other relief that will enable the Corporation to issue and deliver the Common Shares or other securities as contemplated herein to the Rights Holder.

7. **Termination of Right**

Upon the Expiry Time on the Expiry Date and whether or not the Rights are exercised or deemed to be exercised, the parties acknowledge that all rights under the Rights will be terminated.

8. **Time of the Essence**

Time shall be of the essence hereof.

9. **Successors and Assigns**

This certificate shall enure to the benefit of and be binding upon the Corporation, its successors and assigns, the Rights Holder and, subject as hereinbefore provided, its permitted successors and assigns.

10. **Governing Law**

This certificate and the Rights granted hereunder shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

**IN WITNESS WHEREOF** the Corporation has duly executed this certificate as of the Effective Date.

**BLACKHAWK RESOURCE CORP.**

Per: ______________________________

Authorized Signing Officer

## SCHEDULE "I"

## FORM OF 150 BOE/D PERFORMANCE RIGHT CERTIFICATE

**RIGHTS CERTIFICATE**

**BLACKHAWK RESOURCE CORP.**
**(Incorporated under the laws of Alberta)**

RIGHTS CERTIFICATE NO. «**Sequence**» RIGHTS TO ACQUIRE «**M_150_RIGHTS**» COMMON SHARES

This is to certify that for value received «**FULL_NAME**» (the "**Rights Holder**") is the registered holder of rights (the "**Rights**") issued by Blackhawk Resource Corp. (the "**Corporation**") pursuant to an Amalgamation Agreement dated July 31, 2009 ("**Amalgamation Agreement**") among the Corporation, 1477838 Alberta Ltd. and Black Bore Exploration Ltd. ("**Black Bore**"). Pursuant to the Amalgamation Agreement, the Corporation has agreed to grant to the Rights Holder Rights on the terms and conditions set out herein.

1. **Rights**

The Corporation hereby issues to the Rights Holder the number of Rights set out above. Upon the occurrence of a Performance Event, each Right shall entitle the Rights Holder to, at no additional cost, acquire one (1) common share in the capital of the Corporation ("**Common Shares**") at any time up until 11:59 p.m. Calgary time (the "**Expiry Time**") on the day that is eighteen (18) months from the date of the Effective Date (as defined herein) (the '**Expiry Date**").

A "**Performance Event**" is the occurrence of the Total Lands Production Factor exceeding one hundred and fifty (150) BOE/d for three (3) consecutive production months measured on a monthly average basis.

For the purposes of this certificate:

(a) "**Acquired Lands Production Factor**" means the sum of the Corporation's production calculated on a BOE/d basis from all lands leased or acquired by the Corporation subsequent to the Effective Time multiplied by half (0.5);

(b) "**Black Bore Lands Production Factor**" means the sum of the Corporation's production calculated on a BOE/d basis from all lands leased or owned by Black Bore immediately prior to the Effective Time;

(c) "**BOE**" means a barrel of oil equivalent on the basis of one (1) BOE to six (6) Mcf of natural gas;

(d) "**BOE/d**" means a barrel of oil equivalent per day

(e) "**Effective Date**" has the meaning ascribed thereto in the Amalgamation Agreement;

(f) "**Effective Time**" has the meaning ascribed thereto in the Amalgamation Agreement; and

(g) "**Total Lands Production Factor**" means the sum of the Acquired Lands Production Factor and the Black Bore Lands Production Factor;

Any exercisable Rights that are vested and not exercised immediately prior to the Expiry Time on the Expiry Date shall be deemed to be exercised immediately prior to the Expiry Time on the Expiry Date without anyfurther action on the part of the Right Holder or payment of further consideration by the Right Holder. The Corporation will promptly deliver Common Share certificates to the Right Holder upon exercise.

2. **Right of a Shareholder**

As promptly as possible and in any event within three (3) business days after exercise or deemed exercise of the Rights the Corporation shall cause the Rights Holder, or such person as may be designated by the Rights Holder, to be recorded in its register of shareholders as holder of the number of fully paid, non-assessable Common Shares so issued (the date upon which the Rights Holder is so recorded as registered holder being referred to in this paragraph as the "**Registry Date**"). The Rights Holder shall have full rights as a shareholder with respect to Common Shares acquired pursuant to the Rights on or after the Registry Date, and no adjustment shall be made for dividends or other rights for which the record date is prior to the Registry Date. The Corporation agrees to issue share certificates in respect of all Common Shares so purchased as soon as possible after the Registry Date, and in any event within ten (10) business days thereafter.

The Common Shares issuable pursuant hereto may contain a legend restricting resale and will be subject to TSX Venture Exchange escrow policies, as applicable.

## 3. No Transfer of Rights

The Rights shall not be assignable or transferable except in accordance with applicable securities laws.

## 4. Adjustment in Common Shares

If and whenever from the date of this certificate to the Expiry Time on the Expiry Date:

(a) the outstanding Common Shares are subdivided or are consolidated into a greater or lesser number of Common Shares, respectively;

(b) the Common Shares are reclassified, exchanged for or converted into other shares, securities or property;

(c) a stock dividend has been declared and paid on the Common Shares;

(d) there has been an amalgamation, merger, consolidation or other reorganization affecting the Corporation (resulting in an exchange of all of the outstanding Common Shares for shares of another corporation); or

(e) there has been a transfer of all or substantially all of the undertaking or assets of the Corporation to another Corporation or entity,

(any of such events being referred to in this paragraph as a "**Change**"), then the Rights Holder, in respect of the exercise of its Rights, after the effective date of the Change shall be entitled to receive and shall accept and the Corporation shall deliver upon such exercise in accordance with this certificate, in lieu of the number of Common Shares deliverable prior to the effective date, the aggregate number and kinds of Common Shares or other securities or amount of property which the Rights Holder would have been entitled to as a result of the Change if, on the effective date thereof, it had been the registered holder of the number of Common Shares it would have received had it exercised the Rights or relevant portion hereof immediately before the effective date of the Change. The adjustments provided for in this paragraph shall be cumulative. The necessary adjustments shall be made in the application of the provisions of this certificate with respect to the rights and options of the Rights Holder after any Change to the end that the provisions hereof shall thereafter correspondingly apply, as nearly as may reasonably be, in relation to any Common Shares or other securities or property to which the Rights Holder is entitled on the exercise of the Rights granted hereunder. Notwithstanding anything contained herein, the Corporation shall not be required, upon the exercise of the Rights, to issue fractions of shares or to distribute certificates which evidence such fractions of shares.

## 5. Covenants of the Corporation

The Corporation hereby represents and covenants that:

(a) all Common Shares that may be issued upon the exercise of the Rights shall, upon issuance, be validly issued as fully paid and non-assessable Common Shares and free from any and all taxes, liens and charges relating to the issuance thereof; and

(b) at all times until the Expiry Time, the Corporation shall have authorized and reserved for issuance a sufficient number of Common Shares to provide for the exercise of the Rights Holder's rights hereunder.

## 6. Inability to Deliver Common Shares

If for any reason, other than the failure or default of the Rights Holder, the Corporation is unable to issue and deliver the Common Shares or other securities as contemplated herein to the Rights Holder upon the proper exercise of the Rights Holder of the Rights evidenced hereby, the Corporation will use its reasonable best efforts to obtain such orders, rulings or other relief that will enable the Corporation to issue and deliver the Common Shares or other securities as contemplated herein to the Rights Holder.

**7. Termination of Right**

Upon the Expiry Time on the Expiry Date and whether or not the Rights are exercised or deemed to be exercised, the parties acknowledge that all rights under the Rights will be terminated.

**8. Time of the Essence**

Time shall be of the essence hereof.

**9. Successors and Assigns**

This certificate shall enure to the benefit of and be binding upon the Corporation, its successors and assigns, the Rights Holder and, subject as hereinbefore provided, its permitted successors and assigns.

**10. Governing Law**

This certificate and the Rights granted hereunder shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

**IN WITNESS WHEREOF** the Corporation has duly executed this certificate as of the Effective Date.

**BLACKHAWK RESOURCE CORP.**

Per: ______________________________

Authorized Signing Officer