FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company:

Western Prospector Group Ltd.
Suite 400 – 601 West Broadway Street
Vancouver, British Columbia V5Z 4C2

2. Date of Material Change:

July 15, 2008

3. News Release:

A news release was issued concurrently with this material change report. A copy of the news release is attached as Schedule "A" hereto.

4. Summary of Material Change:

On July 15, 2008, Western Prospector Group Ltd. ("**Western**") entered into a support agreement (the "**Support Agreement**") with 0829984 B.C. Ltd. (the "**Offeror**"), which is an affiliate of Tinpo Holdings Industrial Company Limited ("**Tinpo**"), pursuant to which the Offeror has agreed to make an all-cash offer to acquire all of the issued and outstanding common shares of Western (the "**Common Shares**"), including any and all Common Shares issued after the date thereof upon the exercise or surrender of options to acquire Common Shares (the "**Western Options**"), by way of a take-over bid (the "**Offer**") at a price of $1.34 per Common Share. Tinpo has guaranteed all of the obligations of the Offeror under the Support Agreement.

Tinpo and the Offeror are acting jointly with Anchorage Capital Master Offshore Ltd. ("**Anchorage**") in connection with the Offer and Tinpo has entered into an agreement with Anchorage pursuant to which Anchorage will acquire an equity interest in the Offeror or an affiliate in exchange for Anchorage's holding of 10,257,610 Common Shares, representing approximately 19% of the Common Shares outstanding. Under this agreement, Anchorage is entitled to accept an unsolicited superior proposal. Neither the Offeror nor Tinpo holds any Common Shares.

5. Full Description of Material Change:

The Offeror and Western entered into the Support Agreement pursuant to which the Offeror agreed to make the Offer. Tinpo has guaranteed all of the obligations of the Offeror under the Support Agreement. The Offer has been unanimously approved by the board of directors of Western (the "**Board of Directors**") called to consider the proposed transaction and the directors concluded that the transaction is in the best interests of the holders of the Common Shares ("**Shareholders**"). In addition, those directors voting on the proposed transaction unanimously resolved to recommend that all Shareholders tender their Common Shares to the Offer, subject to the conditions set out in the Support Agreement. National Bank Financial Inc., as financial advisor to Western, has provided a verbal opinion to the Board of Directors indicating that the consideration to be received by the Shareholders pursuant to the Offer is fair, from a financial point of view, to the Shareholders.

Tinpo is acting jointly with Anchorage in connection with the Offer and has entered into an agreement with Anchorage pursuant to which Anchorage will acquire an equity interest in the Offeror or an affiliate in exchange for Anchorage's holding of 10,257,610 Common Shares, representing approximately 19% of the Common Shares outstanding. Under this agreement, Anchorage is entitled to accept an unsolicited superior proposal. Neither the Offeror nor Tinpo holds any Common Shares.

The following description of the Support Agreement is a summary only. The text of the Support Agreement was filed on SEDAR on July 15, 2008 and is available at www.sedar.com.

The Offer

The Support Agreement provides that the Offer is subject to certain conditions including, among other things, that at least $66^{2}/_{3}$% of the issued and outstanding Common Shares (calculated on a fully-diluted basis) shall be deposited and not withdrawn under the Offer (the "**Minimum Condition**"). The Offer shall be open for acceptance until a time or times that is (i) not earlier than 5:00 p.m. (Toronto time) on the 36th day after the day that the Offer is mailed to Shareholders, subject to the right of the Offeror to extend from time to time the period during which Common Shares may be deposited under the Offer and (ii) not later than October 13, 2008 (the "**Outside Date**"), or such later date as may be agreed to in writing by Western and the Offeror (the time at which the Offer initially expires being referred to as its "**Expiry Time**"). In addition, the Offer is conditional on any appropriate regulatory approvals, waivers and consents being obtained.

Compulsory Acquisition or Subsequent Transaction

Pursuant to the Support Agreement, if the Offeror takes-up and pays for Common Shares pursuant to the terms of the Offer, the Offeror has agreed to use reasonable commercial efforts to acquire, and Western has agreed to use reasonable commercial efforts to enable the Offeror to acquire, the balance of the Common Shares as soon as practicable after completion of the Offer by way of a Subsequent Acquisition Transaction (as defined in the Support Agreement). Nothing in the Support Agreement prevents the Offeror from acquiring, directly or indirectly, additional Common Shares through the open market or otherwise in accordance with applicable securities laws.

Treatment of Options

Pursuant to the Support Agreement, all persons who hold Western Options are entitled to exercise all of their Western Options and tender all Common Shares issued in connection therewith to the Offer. All Western Options that are tendered to Western for exercise, conditional on the Offeror taking-up Common Shares under the Offer, will be deemed to have been exercised immediately prior to the take-up of Common Shares by the Offeror. To the extent holders of Western Options do not exercise their Western Options and tender the Common Shares they receive upon such exercise, Western shall agree with all remaining holders of Western Options that, in lieu of such persons exercising their Western Options, Western will make a payment to such persons on the Take-Up Date (as defined in the Support Agreement), in exchange for the termination of their Western Options, in the form of Common Shares having a fair market value equal to the amount by which the fair market value of the Common Shares which could be acquired pursuant to the exercise of the Western Option exceeds the aggregate exercise price of such Western Option.

Western has agreed to use its reasonable commercial efforts to cause the termination of all other Western Options at or prior to the Take-Up Date. Western has also agreed to use its reasonable commercial efforts to accelerate the vesting of all Western Options, such that all outstanding Western Options shall be fully vested and exercisable prior to the Take-Up Date.

Waiver of Shareholder Rights Plan

Under the Support Agreement, Western and the Board of Directors have agreed to take all further action necessary:

(a) in order to ensure that the Separation Time (as defined in Western's Shareholder Rights Plan) does not occur in connection with the Support Agreement or the Offer; and

(b) otherwise to give effect to the waiver, if required, of the application of the Shareholder Rights Plan to the Offer and to ensure that the Shareholder Rights Plan does not interfere with or impede the success of the Offer.

Representations and Warranties

The Support Agreement contains a number of customary representations and warranties of Western and the Offeror relating to, among other things: corporate status and the corporate authorization and enforceability of, and Board of Directors approval of, the Support Agreement and the Offer. The representations and warranties also address various matters relating to the business and operations of Western.

Conduct of Business by Western

Western has agreed that, during the period commencing on the date of the Support Agreement and ending on the date the Support Agreement is terminated by its terms, unless the Offeror shall otherwise agree in writing, and except as otherwise (i) expressly permitted or specifically contemplated by the Support Agreement, (ii) required by law or (iii) as otherwise disclosed to the Offeror: the business of Western shall be conducted only in, and Western shall not take any action except in, the ordinary course of business consistent with past practices. Western shall use commercially reasonable efforts to maintain and preserve its business organization and goodwill and assets, to keep available the services of its officers and employees, to maintain satisfactory relationships with suppliers, distributors, customers, employees and others having business relationships with them; and shall not make any change in its business, assets, liabilities, operations, capital or affairs other than changes in the ordinary course of business consistent with past practices. Western also agreed during such period not to take certain corporate actions and not to undertake certain measures related to the operations of Western without the prior consent of the Offeror.

Approval by the Board of Directors

The Offer has been unanimously approved by the Board of Directors, which unanimously concluded, following consultation with its financial and legal advisors, that the transaction is in the best interests of the Shareholders. In addition, the Board of Directors unanimously approved the Support Agreement and resolved to recommend that all Shareholders tender their Common Shares to the Offer, subject to the conditions set out in the Support Agreement.

Cease Negotiation

Pursuant to the Support Agreement, Western has agreed with the Offeror that it will cause its and its Subsidiaries' Representatives (as defined in the Support Agreement) to immediately terminate any existing discussions or negotiations with any parties (other than the Offeror) with respect to any proposal that constitutes, or which could reasonably be expected to constitute, an Alternative Transaction (the definition of which is provided below). Western shall not amend, modify or waive any of the standstill provisions of the confidentiality agreements entered into by it with other parties relating to a potential Alternative Transaction. Immediately upon execution of the Support Agreement, Western shall request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with it relating to any potential Alternative Transaction and shall use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of such confidentiality agreements.

Western shall, as soon as practicable and in any event within 24 hours following receipt thereof, notify the Offeror, at first orally and then in writing, of any proposal, inquiry, offer (or any amendment thereto) or request relating to or constituting a *bona fide* Alternative Transaction, any request for discussions or negotiations, and/or any request for non-public information relating to it or any of its Subsidiaries or for access to properties, books and records or a list of the Shareholders of Western or its Subsidiaries of which its Representatives, are or become aware, or any amendments to the foregoing. Such notice shall include a description of the background to such offer, the terms and conditions of, and the identity of the person making, any proposal, inquiry, offer (including any amendment thereto) or request, and shall include copies of any such proposal, inquiry, offer or request or any amendment to any of the foregoing. Western shall keep the Offeror promptly and fully informed of the status, including any change to the material terms, of any such proposal, inquiry, offer or request, or any amendment to the foregoing, and will respond promptly to all inquiries by the Offeror with respect thereto.

Notwithstanding the non-solicitation provisions contained in the Support Agreement (as described below) or any provision of the Support Agreement to the contrary, if, after the date of the Support Agreement, Western receives a request for material non-public information from a person who, prior to the date of the Support Agreement, had not signed a confidentially agreement with Western in relation to a potential Alternative Transaction and who proposes an unsolicited *bona fide* Alternative Transaction (that was not solicited, encouraged or facilitated after the date thereof in contravention of the non-solicitation provisions contained in the Support Agreement), (i) the Board of Directors determines in good faith consultation with its financial advisors and its legal counsel that such Alternative Transaction would be reasonably likely to constitute a Superior Proposal within three business days of such person being provided access to such material non-public information, and (ii) the failure to provide such party with access to such information regarding Western would reasonably be likely to result in a breach of the fiduciary duties of the Board of Directors, then, and only then, Western may provide such person with access to such information, subject to the execution of a confidentiality agreement on terms no less favourable to Western and no more favourable to the counterparty than the confidentiality agreement entered into by Western and Tinpo, provided however that Western sends a copy of any such confidentiality agreement to the Offeror promptly upon its execution and the Offeror is provided with a list of or copies of the information provided to such person and is immediately provided with access to similar information to which such person was provided.

The Support Agreement defines an "**Alternative Transaction**" as any written proposal or offer made to Western or the Shareholders (including any take-over bid initiated by advertisement or circular) relating to: (a) any merger, amalgamation, take-over bid, tender offer, arrangement, share exchange, dissolution, liquidation, recapitalization or other business combination involving any purchase by a single person (other than the Offeror or any of its subsidiaries) or combination of persons (other than the Offeror and its subsidiaries) of Common Shares that, if consummated, would result in any person (other than the Offeror or any of its subsidiaries) beneficially owning 20% or more of the voting rights attached to the Common Shares, or any liquidation or winding-up in respect of Western; (b) any purchase or sale by Western or its subsidiaries of any assets, where such assets represent 20% or more of the fair market value of the consolidated assets of

Western (on a consolidated basis) (or other arrangement having the same economic effect as a purchase or sale of assets); (c) any sale or acquisition of 20% or more of the Common Shares or rights or interests therein or thereto; or (d) any similar business combination or transaction, of or involving Western and/or any subsidiary of Western, that, if consummated, would result in any person (other than the Offeror or any of its subsidiaries) beneficially owning 20% or more of the voting rights attached to the Common Shares.

No Solicitation

Western also has agreed in the Support Agreement that it will not, directly or indirectly, through any of its or its Subsidiaries' Representatives, (i) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any inquiries, offers or proposals regarding an Alternative Transaction, (ii) enter into or participate in any discussions or negotiations regarding an Alternative Transaction, (iii) withdraw, modify or qualify (or propose to do so) in a manner adverse to the Offeror, the approval or recommendation of the Board of Directors of the Offer, (iv) approve, recommend or remain neutral regarding, or propose publicly to approve, recommend or remain neutral regarding, any Alternative Transaction, or (v) accept, recommend, approve or enter into any agreement, understanding or arrangement in respect of an Alternative Transaction; provided that nothing contained in the Support Agreement shall prevent the Board of Directors from (X) entering into an agreement or (Y) engaging in discussions or negotiations with or furnishing information to any person who has made a Superior Proposal (as defined in the Support Agreement and reproduced below).

The Support Agreement defines a "**Superior Proposal**" as an unsolicited *bona fide*, written proposal regarding a transaction that:

(c) did not result from a breach of the non-solicitation provisions contained in the Support Agreement;

(d) involves the acquisition or offer by such person of all of the outstanding Common Shares or all or substantially all of the consolidated assets of Western;

(e) the Board of Directors has determined in good faith is funded or in respect of which adequate arrangements (in compliance with applicable securities laws) have been made to ensure that the required funds will be available to effect payment in full for all of the Common Shares (on a fully-diluted basis) or assets as the case may be;

(f) would not be subject to any due diligence and/or access condition;

(g) the Board of Directors has determined in good faith (after consultation with its financial advisors and from its outside legal counsel) that the transaction (x) is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such transaction and the person making such transaction, and (y) would, if consummated in accordance with its terms (but not assuming away any risk of non completion) result in a transaction more favourable from a financial point of view to the Shareholders than the Offer (including any adjustment to the terms and conditions of the Offer proposed by the Offeror pursuant to the non-solicitation provisions contained in the Support Agreement); and

(h) in the case of paragraph (e) above, Western shall have complied with all of the requirements pertaining to the Offeror's right to match, as described in the Support Agreement and set forth below.

Right to Match

Western covenants that it will not accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than a confidentiality agreement permitted by the non-solicitation provisions contained within the Support Agreement) unless:

(a) Western has complied with its obligations under the other provisions relating to the Offeror's right to match, as described in the Support Agreement, and has provided the Offeror with a copy of the Superior Proposal together with a written notice from the Board of Directors regarding the value and financial terms that the Board of Directors has in consultation with its financial advisors determined should be ascribed to any non-cash consideration offered under the Superior Proposal;

(b) a period (the "**Response Period**") of five business days shall have elapsed from the date on which the Offeror received written notice from the Board of Directors that the Board of Directors determined, subject only to compliance with the provisions relating to the Offeror's right to match, as set forth in the Support Agreement, to accept, approve, recommend or enter into a binding agreement to proceed with the Superior Proposal;

(c) after the Response Period, the Board of Directors determines in good faith, after consultation with its financial advisors and outside counsel, that such Alternative Transaction continues to constitute a Superior Proposal;

(d) Western concurrently terminates the Support Agreement pursuant to paragraph (h) as set forth below under the heading *Termination*, and pays to the Offeror the Termination Fee (as defined in the Support Agreement and set forth below);

(e) Western has paid or concurrently pays to the Offeror or such person as the Offeror designates in writing, the Termination Fee; and

(f) promptly following such termination, Western enters into a definitive agreement with the person making such Superior Proposal.

Notwithstanding anything set out above, during the Response Period, the Offeror will have the right, but not the obligation, to offer to amend in writing the terms of the Offer. The Board of Directors will review any such written amendment to determine whether the Alternative Transaction to which the Offeror is responding would be a Superior Proposal when assessed against the Offer as it is proposed by the Offeror as amended. If the Board of Directors does not so determine, the Board of Directors will cause Western to enter into an amendment to the Support Agreement reflecting the offer by the Offeror to amend the terms of the Offer and upon the execution by it and the Offeror of such amendment will reaffirm its recommendation of the Offer, as so amended. If the Board of Directors does so determine, Western may approve, recommend, accept or enter into an agreement, understanding or arrangement to proceed with the Superior Proposal.

Each successive amendment to any Alternative Transaction that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders shall constitute a new Alternative Transaction for the purposes of the provisions pertaining to the Offeror's right to match as set forth in the Support Agreement and the Offeror shall be afforded a new Response Period in respect of each such Alternative Transaction.

Waiver of Conditions

Either of the Offeror or Western may (a) extend the time for the performance of any of the obligations or other acts of the other, (b) waive compliance with any of the other's agreements or the fulfillment of any conditions to its own obligations contained in the Support Agreement or (c) waive inaccuracies in any of the other's representations or warranties contained in the Support Agreement or in any document delivered by the other party; provided, however, that any such extension or waiver is valid only if set forth in an instrument in writing signed on behalf of such party.

Termination Fee

If after the execution of the Support Agreement:

(a) the Offeror shall have terminated the Support Agreement pursuant to paragraph (f) set forth below under the heading *Termination*, then Western shall pay to the Offeror, within five business days of termination of the Support Agreement, the amount of $3,683,061, in immediately available funds to an account designated by the Offeror (the "**Termination Fee**");

(b) Western shall have terminated the Support Agreement pursuant to paragraph (h) set forth below under the heading *Termination*, then Western shall pay the Offeror the Termination Fee prior to or concurrently with entering into the definitive agreement relating to the Superior Proposal;

(c) the Offeror shall have terminated the Support Agreement pursuant to clause (i) of paragraph (e) set forth below under the heading *Termination* then Western shall pay the Offeror the Termination Fee within five business days of such termination;

(d) Western is in breach of any covenant to be performed by it under the Support Agreement and such breach, individually or in the aggregate, causes or would reasonably be expected to cause a Material Adverse Change or to materially impede the completion of the transactions contemplated thereby, and Western fails to cure such breach within five business days after receipt of written notice thereof from the Offeror (except that no cure period shall be provided for a breach of the non-solicitation provisions as described in the Support Agreement or of a covenant which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or the Offeror shall have terminated the Support Agreement pursuant to clause (ii) of paragraph (e) as set forth below under the heading *Termination*, then Western shall pay the Offeror the Termination Fee within five business days of such termination;

(e) Western is in breach of any of its representations or warranties made in the Support Agreement (without giving effect to any materiality qualifiers contained therein), which breach individually or in the aggregate causes or would reasonably be expected to result in a Material Adverse Change (other than with respect to the representations and warranties set forth in relation to the company public disclosure record as described in the Support Agreement, which must be true in all respects) or to materially impede the completion of the transaction contemplated thereby, and Western fails to cure such breach within five business days after receipt of written notice thereof from the Offeror (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date) and the Offeror shall have terminated the Support Agreement pursuant to clause (iii) of paragraph

(e) as set forth below under the heading *Termination*, then Western shall pay the Offeror the Termination Fee within five business days of such termination;

(f) on or after the date thereof and prior to the Expiry Time, an Alternative Transaction is publicly announced or any person has publicly announced an intention to make an Alternative Transaction, and either:

(i) has been accepted by the Board of Directors; or

(ii) has not expired, been withdrawn or been publicly abandoned, and (i) the Offer is not completed as a result of either (1) the Minimum Condition not having been met or (2) the sale not having been consummated by the Outside Date, and (ii) within six months of the termination of the Support Agreement any person or company either (1) acquires, directly or indirectly, more than 50% of the issued and outstanding Common Shares or consolidated assets of Western, or (2) enters into a definitive agreement to acquire, directly or indirectly, more than 50% of the issued and outstanding Common Shares or consolidated assets of Western;

in which case the Termination Fee shall be paid to the Offeror on the earlier of the date that an Alternative Transaction is accepted by the Board of Directors or concurrently with such acquisition of such Common Shares.

For greater certainty, Western shall not be obligated to make more than one payment under the termination fee provisions contained in the Support Agreement if one or more of the events specified therein occurs.

Termination

The Support Agreement may:

(a) be terminated by mutual consent;

(b) be terminated either by the Offeror or by Western if any law makes the making or completion of the Offer or the transactions contemplated by the Support Agreement illegal or otherwise prohibited;

(c) be terminated by the Offeror prior to the mailing of the Bid Circular (as defined in the Support Agreement) if any of the conditions to making the Offer as described in the Support Agreement is not satisfied or waived by the Offeror at or before mailing the Bid Circular;

(d) be terminated by Western if the Offeror shall not have performed in all material respects any covenant to be performed by it under the Support Agreement or if any representation or warranty of the Offeror shall have been or become untrue in any material respect and such failure to perform or inaccuracy is (a) reasonably likely to prevent, restrict or materially delay consummation of the Offer and (b) not curable or, if curable, is not cured by the earlier of the date which is five business days from the date of written notice of such breach and the Expiry Time, *provided however*, any intentional breach shall be deemed to be not curable;

(e) be terminated by the Offeror if (i) Western shall not have performed in all material respects, or Western shall have intentionally or knowingly breached, any of its covenants as described in the Support Agreement, (ii) Western shall not have performed in all material respects any other covenant to be performed by it under the Support Agreement, or (iii) any representation or warranty of Western (without giving effect to any materiality qualifiers contained therein) shall have been or become untrue to the extent that the failure of such representation or warranty to be true and correct is (a) reasonably likely to cause a Material Adverse Change (other than with respect to the representations and warranties set forth in relation to the company public disclosure record as described in the Support Agreement, which must be true in all respects) or materially impede the transactions contemplated thereby and (b) not curable or, if curable, is not cured by the earlier of the date which is five business days from the date of written notice of such breach and the Expiry Time, provided however, that any intentional breach shall be deemed not to be curable;

(f) be terminated by the Offeror if the Board of Directors shall have: (i) withdrawn, modified, changed or qualified its approval or recommendation of the Offer, (ii) approved or recommended or publicly proposes to approve or recommend an Alternative Transaction or entered into a binding written agreement in respect of an Alternative Transaction (other than a confidentiality agreement permitted by the non-solicitation provisions contained in the Support Agreement), or (iii) fails to publicly recommend or reaffirm its approval of the Offer within four business days of any written request by the Offeror (or, in the event that the Offer shall be scheduled to expire within such four-business day period, prior to the scheduled expiry of the Offer);

(g) be terminated by Western if (i) the Offeror has not mailed the Bid Circular as soon as reasonably practicable and, in any event, not later than 11:59 p.m. (Toronto time) on July 29, 2008; (ii) the Offer (or any amendment thereto other than as permitted hereunder or any amendment thereof that has been mutually agreed to by Western and the Offeror) does not conform in all material respects with the conditions of the Offer as contained in Schedule "A" of the Support Agreement or any amendment thereof that has been mutually agreed to by Western and the Offeror and such non conformity is not cured within five business days; or (iii) the Offer has been terminated, withdrawn or expires without the Common Shares being taken up thereunder;

(h) be terminated by Western in order to enter into a binding written agreement with respect to a Superior Proposal (other than a confidentiality agreement permitted by the non-solicitation provisions contained in the Support Agreement);

(i) by the Offeror if the Minimum Condition is not satisfied or any other condition of the Offer shall not be satisfied or waived at the Expiry Time of the Offer (as such Expiry Time may be extended from time to time by the Offeror in its sole discretion);

(j) be terminated by either Western or the Offeror if the Expiry Date does not occur on or prior to the Outside Date, provided that the failure of the Expiry Date to so occur is not the result of the breach of a representation, warranty or covenant by the party terminating the Support Agreement;

(k) by either the Offeror or Western, if the Offer terminates or expires at the Expiry Time without the Offeror taking up and paying for any of the Common Shares as a result of the failure of any condition to the Offer to be satisfied or waived, unless the failure of such condition shall be due to the failure of the party seeking to terminate the Support Agreement to perform the obligations required to be performed by it under the Support Agreement;

(l) by the Offeror, if the Termination Fee becomes payable; or

(m) by Western, if the Termination Fee becomes payable and payment thereof has been made to the Offeror;

in each case, prior to the Effective Time.

Offer and Circular

The Offer Documents (as described in the Support Agreement) will be mailed to Shareholders, together with a directors' circular of Western recommending that Shareholders accept the Offer.

6. Reliance on subsection 7.1(2) or (3) of NI 51-102:

Not applicable.

7. Omitted Information:

None.

8. Executive Officer:

For further information, please contact Eric Bohren, President and Chief Executive Officer, at (604) 675-6985.

9. Date of Report:

July 15, 2008.

Schedule "A" – News Release

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TEL.: +1604-675-6985 | FAX: +1 604-608-3413

News release #08-15

Western Prospector Announces C$74 million Cash Offer By Tinpo Holdings

Western Board Endorses C$1.34 Per Share Bid; Superior To C$0.58 Khan Bid

Vancouver, British Columbia – July 15, 2008 – Western Prospector Group Ltd. (TSX-V: WNP) and Tinpo Holdings Industrial Company Limited ("Tinpo") announced today the execution of a definitive agreement for Tinpo to acquire all the outstanding common shares of Western for C$1.34 per share in cash, valuing Western's equity at approximately C$74 million.

The offer represents an 86% premium to Western's closing price of C$0.72 on July 14, 2008, and a 168% premium to Western's closing price of C$0.50 on May 9, 2008, which was the last trading day prior to the unsolicited takeover bid by Khan Resources Inc. The offer also represents a 130% premium to Khan's bid, which consists of 0.685 of a Khan share for each Western share. Khan's bid currently values Western at C$0.58 per Western share, based on Khan's trading price of C$0.85 on July 14, 2008. There is no cash component to the Khan bid.

Subject to the terms of the definitive agreement, the offer by Tinpo will be in the form of a takeover bid, whereby a subsidiary of Tinpo will acquire all of Western's outstanding shares. As a result, Western will effectively become a private company.

The definitive agreement provides for customary board support and non-solicitation covenants subject to customary "fiduciary out" provisions entitling Western to consider and accept an unsolicited superior offer, a five business day right to match in favor of Tinpo and the payment to Tinpo of a termination fee of approximately C$3.7 million if the acquisition is not completed in certain specified circumstances.

In connection with the offer, Tinpo is acting jointly with Anchorage Capital Master Offshore Ltd. ("Anchorage") and has entered into an agreement with Anchorage whereby Anchorage will acquire an equity interest in the offeror or an affiliate of the offeror in exchange for Anchorage's current holding of 10,257,610 Western common shares, representing approximately 19% of the Western shares outstanding. Under the agreement, subject to certain conditions including a matching right by

Tinpo, Anchorage is entitled to accept an unsolicited superior offer. Tinpo does not itself hold shares of Western.

Based on the recommendation of Western's Special Committee and advisors, the Board of Directors unanimously recommends acceptance of the Offer. National Bank Financial Inc., the financial advisor to the Special Committee, has provided an opinion that the consideration to be offered to Western's shareholders is fair, from a financial point of view.

"After an extensive review of Western's strategic alternatives launched in response to Khan's unsolicited bid, the Tinpo offer was determined to be the most attractive option for Western's shareholders," said Gordon Pridham, Chairman of the Special Committee of Western's Board of Directors.

"We thank our shareholders for their support of Western's strategic plan thus far, and we are looking forward to working with Tinpo," said Eric Bohren, President and Chief Executive Officer. "Western's management team and employees are pleased to continue our work with potential strategic partners, the Government of Mongolia and other key stakeholders, toward the successful implementation of a uranium production strategy in Mongolia."

"Tinpo's offer represents a significant premium to the recent trading price of Western and to Khan's bid, and we believe that it offers a fair value for Western's assets. We are pleased that Western's Board of Directors unanimously supports this offer," said Howard Balloch, spokesperson for and Financial Advisor to Tinpo, a privately owned investment company based in Hong Kong.

Formal documentation relating to the takeover bid is expected to be mailed by Tinpo on or before July 29, 2008. The offer will be open for acceptance for a period of not less than 35 days and will be conditional upon valid deposits under the offer of Western common shares that, together with shares held by the offeror and its affiliates and joint actors, including Anchorage, represent at least 66 2/3% of the outstanding Western shares on a fully diluted basis. In addition, the offer will be subject to certain customary conditions and relevant regulatory approvals.

National Bank Financial Inc. is acting as financial advisor to Western and Bennett Jones LLP is acting as legal counsel to Western. The Balloch Group is acting as financial advisor to Tinpo and Goodmans LLP is acting as legal counsel to Tinpo.

For further information

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The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this news release.

Note Regarding Forward-Looking Statements

This press release and other written or oral communication from the Company may include certain statements that may be considered "forward-looking statements" within the meaning of that phrase under Canadian securities laws. Statements other than historical facts that address possible future events, plans or developments are forward-looking statements. Such statements may be identified by the use of words such as "will", ""may", "expects", "estimate", "intend" or the use of the future or conditional tense. Certain material factors or assumptions were applied in drawing our conclusions and making those forward-looking statements. Forward-looking statements reflect management's current views with respect to possible future events and conditions and, by their nature, are based on management's beliefs and assumptions and subject to known and unknown risks and uncertainties, both general and specific to the Company. Although the Company believes the expectations expressed in such forward-looking statements are reasonable, such statements are not guarantees of future performance and actual results or developments may differ materially from those in our forward-looking statements. Readers are cautioned that risks may change or new risks may emerge. Additional information regarding the material factors and assumptions that were applied in making these forward looking statements as well as the various risks and uncertainties we face are described in greater detail in the "Risk Factors" section of our annual and interim Management's Discussion and Analysis of our financial results and other continuous disclosure documents and financial statements we file with the Canadian securities regulatory authorities which are available at www.sedar.com *and available on the Company's website at* www.westernprospector.com*. The Company undertakes no obligation to update this forward-looking information except as required by applicable law.*

www.westernprospector.com