TEAL EXPLORATION & MINING INCORPORATED

AMENDED AND RESTATED SHARE APPRECIATION RIGHTS PLAN (2006)

1. PURPOSE

The purpose of the Plan is to provide incentive compensation, based on the appreciation in value of the Shares, to directors, senior officers, employees and Consultants of the Corporation as well as those of its Subsidiaries whose participation in the Plan is voluntary, thereby providing additional incentive for their efforts in promoting the continued growth and success of the business of the Corporation, as well as to assist the Corporation and its Subsidiaries in attracting, motivating and retaining qualified directors, management personnel and consultants.

2. DEFINITIONS

As used herein:

"**Act**" means the *Securities Act* (Ontario) and the regulations and rules thereto;

"**Award Amount**" has the meaning attributed thereto in subsection 6(e);

"**Committee**" has the meaning attributed thereto in subsection 3(a);

"**Consultant**" means a person or corporation, other than an employee, senior officer, or director of the Corporation or any of its Subsidiaries, that (a) is engaged to provide services to the Corporation or its Subsidiaries, other than services provided in relation to a distribution of securities, (b) provides the services under a written contract with the Corporation or a Subsidiary, and (c) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

"**Corporation**" means TEAL Exploration & Mining Incorporated and any continuing corporation resulting from its continuation, or amalgamation of it with any other corporation, or resulting from any other form of corporate reorganization;

"**Eligible Participant**" means any director, senior officer or employee of the Corporation or any Subsidiary and any Consultant;

"**employee**" means any full-time or part-time employee of the Corporation or any Subsidiary;

"**Exchange**" means the TSX and any other stock exchange or quotation system on or through which the Shares may be, from time to time, listed or quoted for trading;

"**Exercise Period**" means, with respect to a particular grant of Share Appreciation Rights, the period or periods during which such Share Appreciation Rights are exercisable, as determined by the Committee on the Grant Date, subject to such adjustments that may be made in respect of a Termination, provided however, that in no circumstance will the Exercise Period extend beyond the eighth anniversary of the Grant Date;

"**Fair Market Value**" means for any given date:

(a) the VWAP on the TSX, or another stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days immediately preceding the relevant date;

(b) if the Shares are suspended from trading or have not traded on the TSX or another stock exchange for an extended period of time, the fair market value of the Shares as determined by the board of directors of the Corporation;

"**Grant Agreement**" means the agreement substantially in the form of the attached Schedule "A" between the Corporation and a Grantee under which Share Appreciation Rights are granted, together with such amendments, deletions or changes as are permitted under the Plan;

"**Grant Date**" means, with respect to a particular grant of Share Appreciation Rights, the date on which the Committee grants the Share Appreciation Rights;

"**Grantee**" means an Eligible Participant who has been granted Share Appreciation Rights under the Plan;

"**insider**" has the meaning ascribed thereto in the Act;

"**NI 45-106**" means National Instrument 45-106 - Prospectus and Registration Exemptions;

"**Permitted Assign**" means, for an employee, senior officer, director or Consultant of the Corporation or of a Subsidiary (a) a trustee, custodian or an administrator acting on behalf, or for the benefit, of the employee, senior officer, director or Consultant, (b) a holding entity of the employee, senior officer, director or Consultant, (c) a registered retirement savings plan ("**RRSP**") or a registered retirement income fund ("**RRIF**") as such terms are defined in the *Income Tax Act* (Canada) of the employee, senior officer, director or Consultant, (d) a spouse of the employee, senior officer, director or Consultant, (e) a trustee, custodian or administrator acting on behalf, or for the benefit, of the spouse of the employee, senior officer, director or Consultant, (f) a holding entity of the spouse of the employee, senior officer, director or Consultant, or (g) an RRSP or RRIF of the spouse of the employee, senior officer, director or Consultant;

"**Plan**" means this Share Appreciation Rights Plan effective as of November 15, 2005, as amended effective as of November 14, 2006, as it may be amended from time to time in accordance with the provisions hereof;

"**Public Take-over Bid**" means any of the following (i) a tender or exchange offer, proposal for a merger, consolidation or other business combination involving the Corporation or any proposal or offer to acquire in any manner a substantial equity interest in, or a substantial portion of the assets of, the Corporation or any of its Subsidiaries; or (ii) a bid for the Shares in respect of which a take-over bid circular is prepared and delivered to the holders of the Shares pursuant to the provisions of the securities legislation of any province of Canada or a floor-bid of which notice is given to the TSX;

"**senior officer**" means, for the Corporation, an individual who is (a) a chair, vice-chair or president, (b) a vice president in charge of a principal business unit, division or function including sales, finance or production, (c) an officer of the Corporation or any of its Subsidiaries and who performs a policy-making function in respect of the Corporation, or (d) performing a policy-making function in respect of the Corporation;

"**Share Appreciation Rights**" means the share appreciation rights granted pursuant to Section 6 of the Plan;

"**Shares**" means the common shares in the capital of the Corporation as constituted at the date of the Plan, or any shares or securities into which such shares may be changed, reclassified, subdivided, consolidated or converted;

"**Subsidiary**" means any entity that, with respect to the Corporation, now or hereafter meets the definition of a subsidiary entity found at section 1.1 of NI 45-106 as such definition appears on the original date of adoption of the Plan by the directors of the Corporation;

"**termination**" has the meaning attributed to it in Section 9(a);

"**TSX**" means the Toronto Stock Exchange; and

"**VWAP**" means the volume weighted average trading price of the Shares on the TSX, calculated by dividing the total value by the total volume of Share trades for the relevant period.

3. ADMINISTRATION OF THE PLAN

(a) The Plan shall be administered by the compensation committee (the "**Committee**") appointed by the board of directors of the Corporation consisting of not less than three non-management members of the board of directors of the Corporation. The members of the Committee shall serve at the pleasure of, and vacancies occurring in the Committee shall be filled by, the board of directors of the Corporation.

(b) The Committee shall select one of its members as its Chairman and shall hold its meetings at such time and place as it shall deem advisable. A majority of members of the Committee shall constitute a quorum and all actions of the Committee shall be taken by a majority of the members present at any meeting. Any action of the Committee may be taken by an instrument in writing signed by all the members of the Committee and any action so taken shall be as effective as if it had been taken by a vote of the majority of the members of the Committee present at a meeting of the members of the Committee duly called and held.

(c) The Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan, to:

(i) establish policies and guidelines, and adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;

(ii) interpret and construe the Plan and determine all questions arising out of the Plan and any Share Appreciation Right granted pursuant to the Plan, and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes;

(iii) subject to the approval of the board of directors of the Corporation as contemplated in subsection 5(c) hereof, determine to which Eligible Participants Share Appreciation Rights are granted, determine the terms and conditions of each Share Appreciation Right, including, if considered appropriate by the Committee, performance conditions to be met by a Grantee before such Grantee's Share Appreciation Rights are granted or vest, and grant such Share Appreciation Rights;

(iv) determine if the Shares that are subject to a Share Appreciation Right will be subject to any additional restrictions upon the exercise of such Share Appreciation Right and, for greater certainty, the Committee shall retain the right to impose restrictions on the sale, transfer or disposition at market value by or on behalf of the Grantee of any such Shares once acquired by such Grantee or his Permitted Assign;

(v) prescribe the form of the instruments relating to the grant, exercise and other terms of Share Appreciation Rights; and

(vi) otherwise exercise the powers granted to the Committee under the Plan as set forth herein.

4. SHARES SUBJECT TO THE PLAN

(a) The maximum number of Shares issuable under this Plan upon the exercise of Share Appreciation Rights that are settled in Shares rather than cash is 5,352,000 Shares, subject to adjustment or increase of such number pursuant to the provisions of Section 12 hereof. The number of Shares subject to Share Appreciation Rights that are outstanding at any time shall not exceed the number of Shares authorized for issuance under the Plan, reduced by the number of Shares previously issued pursuant to the exercise of Share Appreciation Rights settled in Shares rather than cash. In the event of the expiration or other termination of any Share Appreciation Right granted under the Plan, any Shares which may have been otherwise issued in respect of the Share Appreciation Right not having been exercised shall be available for Share Appreciation Rights subsequently granted under the Plan. Cancellation of any Share Appreciation Right prior to its expiry in conjunction with granting of a Share Appreciation Right to the same Grantee on different terms shall be subject to receipt of applicable securities regulatory and Exchange approvals. No fractional Shares may be purchased or issued pursuant to the exercise of any Share Appreciation Right granted under the Plan.

(b) The number of Shares issuable to insiders, at any time, under the Plan and all other security based compensation arrangements of the Corporation, cannot exceed 10% of the number of issued and outstanding Shares. In addition, the number of Shares issued to insiders, within any one year period, under all security based compensation arrangements of the Corporation, cannot exceed 10% of the number of issued and outstanding Shares. Also, the maximum number of Shares that may be the subject of Share Appreciation Right grants to any individual within a twelve month period cannot exceed 5% of the number of outstanding Shares.

5. ELIGIBILITY AND GRANTS

(a) Subject to the terms of the Plan and subject to the voluntary participation in the Plan by Eligible Participants, the Committee will determine which Eligible Participants will participate in the Plan and Share Appreciation Rights may be granted to Eligible Participants at such time or times and in respect of such respective number of Shares as the Committee may determine at any time and from time to time.

(b) Share Appreciation Rights will be granted only to Eligible Participants and only if the Committee concludes that it is in the best interests of the Corporation and that membership in the Plan is being offered to the Eligible Participant because of the value of his future services to the Corporation or the relevant Subsidiary. In making such determination, the Committee may take into consideration the present or potential contribution of the Eligible Participant to the success of the Corporation or that of the relevant Subsidiary and any other factors that the Committee may deem relevant. However, the Committee may determine that an Eligible Participant is eligible to become a member of the Plan only if it concludes that it is not one of the main purposes for offering membership in the Plan to that Eligible Participant to provide the Eligible Participant with payments under the Plan that are in lieu of salary or wages of the Eligible Participant for services rendered by him or her.

(c) All grants of Share Appreciation Rights by the Committee shall be subject to the approval of the board of directors of the Corporation and no Share Appreciation Right shall be exercisable in whole or in part unless and until such approval is obtained.

6. SHARE APPRECIATION RIGHTS

(a) Each grant of Share Appreciation Rights shall be set forth in a Grant Agreement containing the terms and conditions required in this Section 6 and such other terms and conditions not inconsistent with them as the Committee, in its sole discretion, may deem appropriate. Prior to the Grant Date in respect of the initial grant of Share Appreciation Rights to an Eligible Participant, the Committee shall deliver a copy of the Plan to that Eligible Participant.

(b) As a condition to receiving Share Appreciation Rights, each Grantee must provide a written statement (which statement may be contained in the Grant Agreement) to the Corporation and, if the Grantee is a director, senior officer, employee or Consultant of a Subsidiary, to such Subsidiary, certifying that the Grantee is participating in the Plan voluntarily and was not induced to participate in the Plan by expectation of employment or continued employment with the Corporation or such Subsidiary, as the case may be.

(c) The Grantee shall have no rights whatsoever as a shareholder of the Corporation or of a Subsidiary in respect of any Share Appreciation Rights.

(d) Share Appreciation Rights shall be exercisable at such times and to the extent set forth in the Grant Agreement to which they relate; provided that in no event shall any Share Appreciation Rights be exercisable prior to the commencement of the Exercise Period.

(e) Subject to the provisions of the Plan and except as provided in the Grant Agreement, Share Appreciation Rights may be exercised from time to time during the Exercise Period or periods specified in the Grant Agreement, by delivery by the Grantee to the Corporation at its office in Toronto, Ontario, Canada, of a written notice of exercise specifying the Grant Date of the Share Appreciation Rights so exercised and the number of Share Appreciation Rights held by the Grantee to be exercised. In the event that a Grantee elects to exercise Share Appreciation Rights pursuant to a particular Grant Agreement, the Corporation or the relevant Subsidiary, as the case may be, shall pay by way of bonus and the Grantee shall be entitled to receive the amount (the "**Award Amount**") determined by multiplying:

  (i) the amount by which the Fair Market Value of one Share for the date of exercise of such Share Appreciation Rights exceeds the Fair Market Value of one Share for the Grant Date of such Share Appreciation Rights by

  (ii) the number of Share Appreciation Rights which are so exercised.

(f) Subject to Section 15, the Award Amount shall be paid, without interest, to the Grantee by the Corporation or the relevant Subsidiary either in the form of cash (either in a lump sum payment or instalments), Shares, or a combination thereof, as the Grant Agreement prescribes. In the event Shares are issued to settle, in whole or in part, the Award Amount, such Shares shall be issued at a price per Share equal to the Fair Market Value of the Shares on the date the Corporation receives from the Grantee the written notice referred to in subsection 6(e).

(g) If a Grantee of Share Appreciation Rights is a director, senior officer, employee or consultant of a Subsidiary, all amounts payable to such director, senior officer, employee or consultant shall be paid and satisfied by the Subsidiary of which the Grantee is a director, senior officer, employee or consultant.

(h) If, at any particular time, only part of the Share Appreciation Rights held by a Grantee at such time are otherwise exercisable, the Grant Agreement in the discretion of the Committee may provide, on such terms and subject to such conditions as the Committee may determine, that in the event that a Public Take-over Bid is made, the Grantee may forthwith and at any time while the Public Take-over Bid is outstanding, exercise all his Share Appreciation Rights that have not been exercised prior to the commencement of the Public Take-over Bid, including Share Appreciation Rights that, but for this subsection 6(h), would not otherwise be exercisable at such time.

7. DURATION OF SHARE APPRECIATION RIGHTS AND CERTAIN LIMITATIONS ON THE RIGHT TO EXERCISE

(a) No Share Appreciation Rights may be exercised: (i) without the prior written approval of the Committee, such approval not to be unreasonably withheld and the discretion of the Committee to be exercised in a manner consistent with the Committee's guidelines; or (ii) after the expiration of eight (8) years from the Grant Date.

(b) Except as provided in Sections 9 and 10 of the Plan, no Share Appreciation Rights may be exercised unless the Grantee has been continuously since the Grant Date, and is at the time of the exercise of Share Appreciation Rights by such Grantee, an Eligible Participant.

8. NON-TRANSFERABILITY

Share Appreciation Rights are not transferable by the Grantee except to a Permitted Assign, or by will or the laws of descent and distribution, and are exercisable, during the lifetime of the Grantee, only by the Grantee.

9. TERMINATION OF EMPLOYMENT

(a) In the event a Grantee ceases to be a director, senior officer, employee and/or consultant of the Corporation and/or its Subsidiaries, as the case may be, whether by voluntary or involuntary resignation, termination by the Corporation with or without cause, retirement, whether mandatory or otherwise, or because of ill-health or death (each, a "**termination**"), the Grantee may exercise, for 30 days following such termination, Share Appreciation Rights to the extent that the Grantee was entitled to exercise them at the date of such termination, provided that such Share Appreciation Rights shall not be exercisable after expiry of the Exercise Period.

(b) Notwithstanding Subsection 9(a) hereof, if the termination by the Corporation of a Grantee is for cause, the Exercise Period shall be deemed to have been accelerated to the time immediately prior to such Grantee's termination and such Grantee will not be entitled to exercise any Share Appreciation Rights that may have otherwise vested.

(c) Notwithstanding Subsection 9(a) hereof, if the termination of a Grantee is as a result of such Grantee's ill-health:

(i) such Grantee or his Permitted Assign may exercise any of such Grantee's Share Appreciation Rights for the six month period immediately following such termination, subject to obtaining the Committee's approval to exercise any such Share Appreciation Rights and subject to the Committee's discretion to extend such six month period for up to an additional two years, all such Grantee's vested Share Appreciation Rights that have not been exercised prior to the date of termination;

(ii) at the option of the Committee, the vesting date of any non-vested Share Appreciation Rights held by or on behalf of a Grantee or his Permitted Assign at the time of such Grantee's termination due to ill-health may be accelerated by the Committee and deemed to have vested immediately prior to such Grantee's termination; and

(iii) such Grantee or his Permitted Assign will be deemed to have exercised any awards of Share Appreciation Rights immediately prior to the end of the Expiry Period.

(d) Notwithstanding Subsection 9(a) hereto, if the termination of the Grantee was a result of such Grantee's retirement (including early retirement in accordance with the then current policies or practices of the Corporation):

(i) the vesting period of any unvested Share Appreciation Rights will be deemed to have accelerated and vested as of the day immediately prior to such Grantee's termination; and

(ii) such Grantee or his Permitted Assign may exercise all of his Share Appreciation Rights, including any Share Appreciation Rights that would not have otherwise vested but for the deemed acceleration of the vesting period as provided for in Section 9(d)(i), for the six month period immediately following such termination, subject to obtaining the Committee's approval to exercise any such Share Appreciation Rights and subject to the Committee's discretion to extend such six month period for up to an additional two years.

(e) In the event of a termination, in no circumstance, including where the Committee has extended an Exercise Period pursuant to Subsections 9(c), (d) or 10(a) hereof, will a Grantee or his Permitted Assign be entitled to exercise Share Appreciation Rights beyond the date that is the eight anniversary of the Grant Date.

(f) The Plan does not confer upon any Grantee any right with respect to employment or continued employment by the Corporation or its Subsidiaries, nor does it nullify any right that the employer may have to terminate the employment of the Grantee at any time.

10. **DEATH OF GRANTEE**

(a) In the event of the death of a Grantee while a director, senior officer, employee or Consultant of the Corporation or of one of its Subsidiaries, any Share Appreciation Rights held by such Grantee shall be exercisable only on or prior to the earlier of:

(i) the date that is six months following the date of death of the Grantee (subject to the Committee's discretion to extend such six month period for an additional two years); and

(ii) the date that is the last day of the Exercise Period, by the person or persons to whom the rights of the Grantee under the Share Appreciation Rights passed by the will of the Grantee or the laws of descent and distribution, and only if and to the extent that the Grantee was entitled to exercise the Share Appreciation Rights at the date of his death. No transfer of Share Appreciation Rights by the Grantee by will or by the laws of descent and distribution shall be effective to bind the Corporation or any one of its Subsidiaries unless the Corporation has been furnished with written notice of the death of the Grantee together with satisfactory proof thereof, a copy of any will and such other evidence as the Corporation may reasonably deem necessary or desirable to establish the validity of the transfer,

provided however, in either case, such Grantee or his Permitted Assign will be deemed to have exercised any of such Grantee's Share Appreciation Rights immediately prior to the end of the Expiry Period.

(b) At the option of the Committee, the vesting date of any non-vested Share Appreciation Rights held by or on behalf of a Grantee or his Permitted Assign may be accelerated and deemed to have vested immediately prior to such Grantee's death.

11. **TAKE-OVER BIDS**

In the event that a Public Take-over Bid is made for the Shares at any time after the Grant Date, the Grantee, from and after commencement of the Public Take-over Bid to the last date (the "**Bid Termination Date**") upon which an offeror under such Public Take-over Bid or a third party or parties that has made a competing Public Take-over Bid (a "**Competing Bid**") takes up and pays for Shares, shall have the right to exercise all at any time or part from time to time of the Share Appreciation Rights granted under this Grant Agreement ("**Eligible Rights**") that have not been exercised by the Grantee prior to commencement of the Public Take-over Bid, including Share Appreciation Rights that, but for this Section 11, would not otherwise be exercisable at such time.

Three business days after the later of (i) the Bid Termination Date, and (ii) the date of exercise of Eligible Rights, the Corporation shall pay by way of bonus, and each Grantee who has exercised Eligible Rights pursuant to this Section 11 shall be entitled to receive, in cash the Bid Payment Amount.

For the purposes of this Section 11, "**Bid Payment Amount**" means:

(a) where no Competing Bid is commenced prior to the expiry of the Public Take-over Bid, the amount determined by multiplying:

(i) the amount by which the amount per share paid by the offeror under the Public Take-over Bid or, in the case of a securities exchange take-over bid, the fair market value of one Share on the business day next preceding the Bid Termination Date, exceeds the Fair Market Value of one Share at the Grant Date of such Eligible Rights by

(ii) the number of Shares in respect of which Eligible Rights were exercised pursuant to this Section 11,

provided that where such Public Take-over Bid is made for less than all of the Shares and the offeror under such Public Take-over Bid takes up and pays for less than all of the Shares deposited pursuant to it, the number of Eligible Rights exercised by the Grantee pursuant to this Section 5 shall be deemed to have been reduced so that the ratio of the number of exercised Eligible Rights to the number of Eligible Rights that the Grantee has requested be exercised pursuant to this Section 11 equals the ratio of the number of Shares taken up and paid for pursuant to such bid to the number of shares deposited pursuant to the bid; and

(b) if one or more Competing Bids is commenced prior to expiry of the Public Take-over Bid, the amount determined by multiplying:

(i) the amount by which the amount per share (the "**Highest Bid Amount**") paid by the offeror that takes up and pays for Shares of the Corporation under the Public Take-over Bid or a Competing Bid, which, as determined by the Committee in its sole discretion (but having regard to the principles set out below), would result in the greatest immediate payment under the Plan to a Grantee who exercised Eligible Rights within the time provided in the first paragraph of this Section 11, exceeds the Fair Market Value of one Share at the Grant Date of such Eligible Rights by

(ii) the number of Shares in respect of which such Eligible Rights are so exercised.

In determining the Highest Bid amount, the Committee shall compare the amounts per share paid (or, in the case of a securities exchange take-over bid, the Fair Market Value of one Share on the business day next preceding the expiry date of such bid) under each Public Take-over Bid and Competing Bid in respect, of which an offeror has taken up and paid for Shares of the Corporation.

If the Committee determines that the Highest Bid Amount was paid under a Public Take-over Bid or Competing Bid for less than all of the Shares, the number of Eligible Rights exercised by the Grantee pursuant to this Section 11 shall be deemed to have been reduced so that the ratio of the number of exercised Eligible Rights to the number of Eligible Rights that the Grantee requested be exercised pursuant to this Section 11 equals the ratio of the number of Shares taken up and paid for pursuant to the bid to the number of Shares deposited pursuant to the bid.

To the extent that the number of Eligible Rights exercised by the Grantee is deemed to be reduced in any particular circumstance by reason of the provisions of this Section 11, such Eligible Rights shall be deemed, for all purposes, not to have been exercised and, subject to all the other provisions of this Grant Agreement and the Plan, may thereafter be exercised by the Grantee.

12. DILUTION OR OTHER ADJUSTMENTS

In the event of a change in capitalization affecting the Shares, such as the payment of a stock dividend, a subdivision, consolidation or reclassification of the Shares or other relevant changes in the share capital of the Corporation, such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, shall be made by the Corporation as to the aggregate number of Shares in respect of which Share Appreciation Rights may be granted under the Plan, the number of Shares in respect of which Share Appreciation Rights were granted in each outstanding Grant Agreement and the Fair Market Value at the Grant Date of each such Share Appreciation Right.

13. TERM OF PLAN

The Plan shall expire on such date as all Shares that may be issued pursuant to Section 4(a) of the Plan have been issued upon the exercise of Share Appreciation Rights and no Share Appreciation Rights remain outstanding.

14. AMENDMENT AND TERMINATION

14.1 Amendment and Termination of Plan

(a) The Committee may, from time to time, in its absolute discretion amend, modify and change the terms and conditions of the Plan, provided that any amendment, modification or change to the terms and conditions of the Plan that would:

- (i) materially increase the benefits under the Plan;
- (ii) (ii) increase the number of Shares that may be issued hereunder, other than by virtue of Sections 11 and 12 hereof; or
- (iii) materially modify the requirements as to eligibility for participation in the Plan,

will only be effective upon such amendment, modification or change being approved by the requisite majority of votes cast by shareholders of the Corporation eligible to vote pursuant to the rules of the Exchange and, if required, by the Exchange and any other securities regulatory authority having jurisdiction over the securities of the Corporation.

(b) The Committee may, subject to approval, if required, by any securities regulatory authority having jurisdiction over the securities of the Corporation, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in Section 14.1(a) above including, without limitation:

(i) amendments of a "housekeeping" nature;

(ii) a change to the vesting provisions of a grant of Share Appreciation Rights; and

(iii) a change to the termination provisions of a grant of Share Appreciation Rights or of the Plan that does not entail an extension beyond the original Exercise Period, subject to the exception set out in Section 16.

(c) Notwithstanding the provisions of Section 14.1(b), the Corporation shall obtain any requisite shareholder approval in respect of any amendments to the Plan contemplated by Section 14.1(b) to the extent such approval is required by any applicable laws or regulations.

(d) Notwithstanding all of the foregoing, no amendment to the Plan may alter or impair any of the terms of any Share Appreciation Rights or any rights pursuant thereto previously granted to any Grantee without the consent of such Grantee. If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the board of directors of the Corporation or the Committee and in force at the time the Plan is so terminated shall continue in effect during such time as any Share Appreciation Rights or any rights pursuant thereto remain outstanding.

14.2 Amendment and Termination of Share Appreciation Rights

Subject to the prior approval of any applicable securities regulatory authority as may be required and the consent of the Grantee affected thereby, the Committee or the board of directors of the Corporation may amend or modify any outstanding Share Appreciation Rights in any manner to the extent that the Committee or the board of directors of the Corporation would have had the authority to initially grant the Share Appreciation Rights as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, a grant of Share Appreciation Rights may become exercisable by the Grantee.

14.3 Shareholder Approval

To the extent required by the applicable rules of the Exchange, the Award Amount of any Share Appreciation Rights held by any insider may not be changed, nor may the term of such Share Appreciation Rights be extended, without the approval of the shareholders of the Corporation excluding the votes of securities held by the insiders benefiting from such amendment.

15. PAYMENTS UNDER THE PLAN

All payments made under a Grant Agreement by the Corporation or a Subsidiary shall be made, net of any income taxes or withholding taxes required to be withheld under applicable income tax legislation, in United States dollars, if the Grantee is normally resident in the United States, in Canadian dollars, if the Grantee is normally resident in Canada, or in such currency as may be applicable based on the Grantee's country of residency, in each case, at a rate of exchange to be determined by the Corporation or the Subsidiary, as the case may be, at the time of payment.

16. AUTOMATIC EXTENSION OF RESTRICTED PERIOD DURING BLACK OUT PERIODS

In the event any Exercise Period expires during a self imposed black out period on trading securities of the Corporation, such Exercise Period shall be automatically extended until ten (10) days after such black out period has been lifted and will not be subject to the discretion of either the board of directors of the Corporation or the Committee. If an Exercise Period of a particular grant of Share Appreciation Rights is automatically extended pursuant to this Section 16 and if the retirement or termination of a Grantee occurs during the time that such Exercise Period was extended, the Share Appreciation Rights so extended held by the Grantee shall not be terminated in accordance with Section 9 and shall continue to be in effect until the expiry period determined in accordance with this Section 16 of such extended Exercise Period. The rights conferred by this Section 16 will be available to all Eligible Participants.

EFFECTIVE AS OF THE 15th DAY OF NOVEMBER, 2005, AS AMENDED EFFECTIVE AS OF THE 14th DAY OF NOVEMBER, 2006.

SCHEDULE "A"

GRANT AGREEMENT

B E T W E E N :

TEAL EXPLORATION & MINING INCORPORATED, a corporation incorporated under the *Business Corporations Act* (Yukon) and having its registered head office located at 200 – 204 Lambert Street, Whitehorse, Yukon and principal business office located at 161 Bay Street, BCE Place, 27th Floor, Suite 2662, Toronto, Ontario, M5J 2S1

(the "**Corporation**")

AND

[Insert Name and Address of Grantee]

(the "**Grantee**")

WHEREAS the Corporation has established the Amended and Restated Share Appreciation Rights Plan (2006) (the "**Plan**") to provide incentive compensation, based on the appreciation in value of the Shares, to directors, senior officers, employees and Consultants of the Corporation and its Subsidiaries;

AND WHEREAS the Grantee is **[a *bona fide* senior officer/full-time/part-time/employee/Consultant]** of the Corporation **[and is a duly elected member of the board of directors of the Corporation]** and the Committee has authorized the granting to the Grantee by the Corporation of the Share Appreciation Rights contained in this Grant Agreement pursuant to and in accordance with the provisions of the Plan;

AND WHEREAS capitalized terms not otherwise defined herein shall have the respective meanings attributed to them in the Plan;

NOW THEREFORE THIS GRANT AGREEMENT WITNESSETH that in consideration of other good and valuable consideration and the sum of one dollar ($1.00) now paid by the Grantee to the Corporation (the receipt and sufficiency of which are hereby acknowledged by the Corporation), it is agreed by and between the parties as follows:

1. In this Grant Agreement and in any amendments to it, the following terms shall have the following meanings:

   "**Award Amount**" shall have the meaning attributed thereto in Section 4;

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal commercial banks located in the City of Toronto, Ontario, Canada, are not open for business during normal banking hours;

"**Committee**" has the meaning ascribed to it in the Plan;

"**Exchange**" means the TSX;

"**Exercise Period**" means, with respect to a particular grant of Share Appreciation Rights, the period or periods during which such Share Appreciation Rights are exercisable, as determined by the Committee on the Grant Date, subject to such adjustments that may be made in respect of a Termination, provided however, that in no circumstance will the Exercise Period extend beyond the eighth anniversary of the Grant Date;

"**Fair Market Value**" means for any given date:

(a) the VWAP on the TSX, or another stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days immediately preceding the relevant date;

(b) if the Shares are suspended from trading or have not traded on the TSX or another stock exchange for an extended period of time, the fair market value of the Shares as determined by the board of directors of the Corporation;

"**Grant Date**" means **[insert Grant Date]**, being the date on which the Share Appreciation Rights subject to this Grant Agreement are granted by the Committee to the Grantee;

"**Plan**" means the Amended and Restated Share Appreciation Rights Plan (2006) as it may be amended from time to time in accordance with its provisions;

"**Public Take-over Bid**" means any of the following: (i) a tender or exchange offer, proposal for a merger, consolidation or other business combination involving the Corporation or any proposal or offer to acquire in any manner a substantial equity interest in, or a substantial portion of the assets of, the Corporation or any of its Subsidiaries; or (ii) a bid for the Shares in respect of which a take-over bid circular is prepared and delivered to the holders of the Shares pursuant to the provisions of the securities legislation of any province of Canada or a floor-bid of which notice is given to a stock exchange in Canada;

"**Share Appreciation Rights**" means the share appreciation rights of the Corporation granted pursuant to this Grant Agreement and the Plan;

"**Shares**" means the Common Shares in the share capital of the Corporation;

"**TSX**" means the Toronto Stock Exchange;

"**VWAP**" means the volume weighted average trading price of the Shares on the TSX, calculated by dividing the total value by the total volume of Share trades for the relevant period; and

"**Year**" means consecutive twelve-month periods from the Grant Date.

2. Subject to the terms and conditions set out in this Grant Agreement, the Corporation hereby grants to the Grantee **[insert number of rights granted]** Share Appreciation Rights. Each such Share Appreciation Right shall relate to one Share.

3. Subject to Section 14, the Exercise Period shall not extend beyond **[eight (8)]** years from the Grant Date. **[Insert shorter term if applicable.]** The maximum number of Share Appreciation Rights that may be exercised by the Grantee from time to time shall be based on the following vesting schedule, subject to Section 4 of this Grant Agreement and Section 7 of the Plan to obtain the prior approval of the Committee to exercise the Share Appreciation Rights, such approval not to be unreasonably withheld and the discretion of the Committee to be exercised in a manner consistent with the Committee's guidelines:

Vesting Date(s)	**Number of Vesting Share Appreciation Rights**	**Total Number of Exercisable Share Appreciation Rights**
•	•	•
•	•	•
•	•	•
Total:	•	

4. Subject to the provisions of this Grant Agreement and the Plan (including for greater certainty the approval of the Committee for the Grantee or his Permitted Assign to exercise any Share Appreciation Rights pursuant to Section 7 of the Plan) and except as provided in Section 5 of this Grant Agreement, the Share Appreciation Rights may be exercised from time to time during the Exercise Period in respect of the Share Appreciation Rights, by delivery by the Grantee to the Corporation at its office in Toronto, Ontario, Canada, of a written notice of exercise specifying the Grant Date of the Share Appreciation Rights so exercised and the number of Share Appreciation Rights held by the Grantee to be exercised. In the event that a Grantee so exercises Share Appreciation Rights, the Corporation shall pay by way of bonus and the Grantee shall be entitled to receive the amount (the "**Award Amount**") determined by multiplying:

   (a) the amount by which the Fair Market Value of one Share on the date of exercise of such Share Appreciation Rights exceeds the Fair Market Value of one Share on the Grant Date of such Share Appreciation Rights by

   (b) the number of Share Appreciation Rights that are so exercised.

   Such amount shall be paid, without interest, to the Grantee by the Corporation, at the option of the Corporation, either in cash or in Shares, such Shares to be issued at a price per Share equal to the Fair Market Value of the Shares on the date the Corporation receives from the Grantee the written notice referred to above in this Section 4.

5. In the event that a Public Take-over Bid is made for the Shares at any time after the Grant Date, the Grantee, from and after commencement of the Public Take-over Bid to the last date (the "**Bid Termination Date**") upon which an offeror under such Public Take-over Bid or a third party or parties that has made a competing Public Take-over Bid (a "**Competing Bid**") takes up and pays for Shares, shall have the right to exercise all at any time or part from time to time of the Share Appreciation Rights granted under this Grant Agreement ("**Eligible Rights**") that have not been exercised by the Grantee prior to commencement of the Public Take-over Bid, including Share Appreciation Rights that, but for this Section 5, would not otherwise be exercisable at such time.

Three business days after the later of (i) the Bid Termination Date, and (ii) the date of exercise of Eligible Rights, the Corporation shall pay by way of bonus, and each Grantee who has exercised Eligible Rights pursuant to this Section 5 shall be entitled to receive, in cash the Bid Payment Amount.

For the purposes of this Section 5, "**Bid Payment Amount**" means:

(a) where no Competing Bid is commenced prior to the expiry of the Public Take-over Bid, the amount determined by multiplying:

(i) the amount by which the amount per share paid by the offeror under the Public Take-over Bid or, in the case of a securities exchange take-over bid, the fair market value of one Share on the business day next preceding the Bid Termination Date, exceeds the Fair Market Value of one Share at the Grant Date of such Eligible Rights by

(ii) the number of Shares in respect of which Eligible Rights were exercised pursuant to this Section 5,

provided that where such Public Take-over Bid is made for less than all of the Shares and the offeror under such Public Take-over Bid takes up and pays for less than all of the Shares deposited pursuant to it, the number of Eligible Rights exercised by the Grantee pursuant to this Section 5 shall be deemed to have been reduced so that the ratio of the number of exercised Eligible Rights to the number of Eligible Rights that the Grantee has requested be exercised pursuant to this Section 5 equals the ratio of the number of Shares taken up and paid for pursuant to such bid to the number of shares deposited pursuant to the bid; and

(b) if one or more Competing Bids is commenced prior to expiry of the Public Take-over Bid, the amount determined by multiplying:

(i) the amount by which the amount per share (the "**Highest Bid Amount**") paid by the offeror that takes up and pays for Shares of the Corporation under the Public Take-over Bid or a Competing Bid, which, as determined by the Committee in its sole discretion (but having regard to the principles set out below), would result in the greatest immediate payment under the Plan to a Grantee who exercised Eligible Rights within the time provided in the first paragraph of this Section 5, exceeds the Fair Market Value of one Share at the Grant Date of such Eligible Rights by

(ii) the number of Shares in respect of which such Eligible Rights are so exercised.

In determining the Highest Bid amount, the Committee shall compare the amounts per Share paid (or, in the case of a securities exchange take-over bid, the Fair Market Value of one Share on the business day next preceding the expiry date of such bid) under each Public Take-over Bid and Competing Bid in respect, of which an offeror has taken up and paid for Shares.

If the Committee determines that the Highest Bid Amount was paid under a Public Take-over Bid or Competing Bid for less than all of the Shares, the number of Eligible Rights exercised by the Grantee pursuant to this Section 5 shall be deemed to have been reduced so that the ratio of the number of exercised Eligible Rights to the number of Eligible Rights that the Grantee requested be exercised pursuant to this Section 5 equals the ratio of the number of Shares taken up and paid for pursuant to the bid to the number of Shares deposited pursuant to the bid.

To the extent that the number of Eligible Rights exercised by the Grantee is deemed to be reduced in any particular circumstance by reason of the provisions of this Section 5, such Eligible Rights shall be deemed, for all purposes, not to have been exercised and, subject to all the other provisions of this Grant Agreement and the Plan, may thereafter be exercised by the Grantee.

6. At the expiration of the Exercise Period in respect of any Share Appreciation Rights granted under this Grant Agreement that have not then been exercised, such Share Appreciation Rights shall forthwith expire and terminate and be of no further force or effect whatsoever.

7. (a) In the event the Grantee ceases to be a director, senior officer, employee and/or Consultant of the Corporation and/or its Subsidiaries, as the case may be, whether by voluntary or involuntary resignation, termination by the Corporation with or without cause, retirement, whether mandatory or otherwise, or because of ill-health or death (each, a "**termination**"), the Grantee may exercise, for 30 days following such termination, Share Appreciation Rights to the extent that the Grantee was entitled to exercise them at the date of such termination, provided that such Share Appreciation Rights shall not be exercisable after expiry of the Exercise Period.

(b) Notwithstanding Subsection 7(a) hereof, if the termination by the Corporation of the Grantee is for cause, the Exercise Period shall be deemed to have been accelerated to the time immediately prior to the Grantee's termination and such

Grantee will not be entitled to exercise any Share Appreciation Rights that may have otherwise vested.

(c) Notwithstanding Subsection 7(a) hereof, if the termination of the Grantee is as a result of the Grantee's ill-health:

(i) the Grantee or his Permitted Assign may exercise any of the Grantee's Share Appreciation Rights for the six month period immediately following such termination, subject to obtaining the Committee's approval to exercise any such Share Appreciation Rights and subject to the Committee's discretion to extend such six month period for up to an additional two years, all of the Grantee's vested Share Appreciation Rights that have not been exercised prior to the date of termination;

(ii) at the option of the Committee, the vesting date of any non-vested Share Appreciation Rights held by or on behalf of the Grantee or his Permitted Assign at the time of the Grantee's termination due to ill-health may be accelerated by the Committee and deemed to have vested immediately prior to the Grantee's termination; and

(iii) the Grantee or his Permitted Assign will be deemed to have exercised any awards of Share Appreciation Rights immediately prior to the end of the Expiry Period.

(d) Notwithstanding Subsection 7(a) hereto, if the termination of the Grantee was a result of the Grantee's retirement (including early retirement in accordance with the then current policies or practices of the Corporation):

(iv) the vesting period of any unvested Share Appreciation Rights will be deemed to have accelerated and vested as of the day immediately prior to the Grantee's termination; and

(v) the Grantee or his Permitted Assign may exercise all of his Share Appreciation Rights, including any Share Appreciation Rights that would not have otherwise vested but for the deemed acceleration of the vesting period as provided for in Section 7(d)(i), for the six month period immediately following such termination, subject to obtaining the Committee's approval to exercise any such Share Appreciation Rights and subject to the Committee's discretion to extend such six month period for up to an additional two years.

(e) In the event of a termination, in no circumstance, including where the Committee has extended an Exercise Period pursuant to Subsections 7(c), (d) or 8(a) hereof, will the Grantee or his Permitted Assign be entitled to exercise Share Appreciation Rights beyond the date that is the eight anniversary of the Grant Date.

(f) Neither the Plan nor this Grant Agreement confers upon the Grantee any right with respect to employment or continued employment by the Corporation or its Subsidiaries, nor do they nullify any right that the employer may have to terminate the employment of the Grantee at any time.

8. (a) In the event of the death of the Grantee while a director, senior officer, employee or Consultant of the Corporation or of one of its Subsidiaries, any Share Appreciation Rights held by the Grantee shall be exercisable only on or prior to the earlier of:

(vi) the date that is six months following the date of death of the Grantee (subject to the Committee's discretion to extend such six month period for an additional two years); and

(vii) the date that is the last day of the Exercise Period, by the person or persons to whom the rights of the Grantee under the Share Appreciation Rights passed by the will of the Grantee or the laws of descent and distribution, and only if and to the extent that the Grantee was entitled to exercise the Share Appreciation Rights at the date of his death. No transfer of Share Appreciation Rights by the Grantee by will or by the laws of descent and distribution shall be effective to bind the Corporation or any one of its Subsidiaries unless the Corporation has been furnished with written notice of the death of the Grantee together with satisfactory proof thereof, a copy of any will and such other evidence as the Corporation may reasonably deem necessary or desirable to establish the validity of the transfer,

provided however, in either case, the Grantee or his Permitted Assign will be deemed to have exercised any of the Grantee's Share Appreciation Rights immediately prior to the end of the Expiry Period.

(b) At the option of the Committee, the vesting date of any non-vested Share Appreciation Rights held by or on behalf of the Grantee or his Permitted Assign may be accelerated and deemed to have vested immediately prior to the Grantee's death.

9. In the event of a change in capitalization affecting the Shares, such as the payment of a stock dividend, a subdivision, consolidation or reclassification of the Shares or other relevant changes in the share capital of the Corporation, such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, shall be made by the Corporation as to the aggregate number of Shares in respect of which Share Appreciation Rights may be granted under the Plan, the number of Shares in respect of which Share Appreciation Rights were granted in each outstanding Grant Agreement and the Fair Market Value at the Grant Date of each such Share Appreciation Right.

10. The Grantee shall have no rights whatsoever as a shareholder of the Corporation in respect of any Share Appreciation Rights.

11. (a) The Committee may, from time to time, in its absolute discretion amend, modify and change the terms and conditions of the Plan, provided that any amendment, modification or change to the terms and conditions of the Plan that would:

(i) materially increase the benefits under the Plan;

(ii) increase the number of Shares that may be issued hereunder, other than by virtue of Sections 11 and 12 of the Plan; or

(iii) materially modify the requirements as to eligibility for participation in the Plan,

will only be effective upon such amendment, modification or change being approved by the requisite majority of votes cast by shareholders of the Corporation eligible to vote pursuant to the rules of the Exchange and, if required, by the Exchange and any other securities regulatory authority having jurisdiction over the securities of the Corporation.

(b) The Committee may, subject to approval, if required, by any securities regulatory authority having jurisdiction over the securities of the Corporation, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in Section 11.1(a) above including, without limitation:

(i) amendments of a "housekeeping" nature;

(ii) a change to the vesting provisions of a grant of Share Appreciation Rights; and

(iii) a change to the termination provisions of a grant of Share Appreciation Rights or of the Plan that does not entail an extension beyond the original Exercise Period, subject to the exception set out below in Section 14.

(c) Notwithstanding the provisions of Section 11.1(b), the Corporation shall obtain any requisite shareholder approval in respect of any amendments to the Plan contemplated by Section 11.1(b) to the extent such approval is required by any applicable laws or regulations.

(d) Notwithstanding all of the foregoing, no amendment to the Plan may alter or impair any of the terms of any Share Appreciation Rights or any rights pursuant thereto previously granted to any Grantee without the consent of such Grantee. If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the board of directors or the Committee and in force at the time the Plan is so terminated shall continue in effect during such time as any Share Appreciation Rights or any rights pursuant thereto remain outstanding.

12. Subject to the prior approval of any applicable securities regulatory authority as may be required and the consent of the Grantee affected thereby, the Committee or the board of directors of the Corporation may amend or modify any outstanding Share Appreciation

Rights in any manner to the extent that the Committee or the board of directors of the Corporation would have had the authority to initially grant the Share Appreciation Rights as so modified or amended, including without limitation, to change the date or dates as of which, or the price at which, a grant of Share Appreciation Rights may become exercisable by the Grantee.

13. To the extent required by the applicable rules of the Exchange, the Award Amount of any Share Appreciation Rights held by any insider may not be changed, nor may the term of such Share Appreciation Rights be extended, without the approval of the shareholders of the Corporation excluding the votes of securities held by the insiders benefiting from such amendment.

14. In the event any Exercise Period expires during a self imposed black out period on trading securities of the Corporation, such Exercise Period shall be automatically extended until ten (10) days after such black out period has been lifted and will not be subject to the discretion of either the board of directors of the Corporation or the Committee. If an Exercise Period of a particular grant of Share Appreciation Rights is automatically extended pursuant to this Section 14 and if the retirement or termination of the Grantee occurs during the time that such Exercise Period was extended, the Share Appreciation Rights so extended held by the Grantee shall not be terminated in accordance with Section 7 hereof and shall continue to be in effect until the expiry period determined in accordance with this Section 14 of such extended Exercise Period.

15. By execution of this Grant Agreement and acceptance of the Share Appreciation Rights granted, the Grantee hereby certifies to the Corporation that the Grantee's participation in the Plan is voluntary and the Grantee was not induced to participate in the Plan by expectations of employment or continued employment with the Corporation.

16. All payments made under this Grant Agreement by the Corporation shall be made, net of any income taxes or withholding taxes required to be withheld under applicable income tax legislation, in United States dollars, if the Grantee is normally resident in the United States, in Canadian dollars, if the Grantee is normally resident in Canada, or in such currency as may be applicable based on the Grantee's country of residency, in each case, at a rate of exchange to be determined by the Corporation, at the time of payment.

17. This Grant Agreement shall enure to the benefit of and be binding upon the Corporation, its successors and assigns, and the Grantee and his heirs, executors and legal representatives.

18. Share Appreciation Rights are not transferable by the Grantee except to a Permitted Assign, or by will or the laws of descent and distribution, and are exercisable, during his lifetime, only by him.

19. All notices that may be or are required to be given by any party to any other party under this Grant Agreement, shall be in writing and (a) delivered personally or (b) sent by prepaid courier service or (c) sent by prepaid telecopier or other similar means of electronic communication to the other party at its first-above written address. Any such

notice so given shall be deemed conclusively to have been given when so personally delivered or on the first Business Day following the sending thereof by telecopier or other electronic communication or on the second Business Day following the sending thereof by private courier. Any party may from time to time change its address by notice to the other party in accordance with the above.

20. Time shall be of the essence of this Grant Agreement.

21. This Grant Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and the Corporation and the Grantee irrevocably and unconditionally submit to the jurisdiction of the Courts of the Province of Ontario**.**

IN WITNESS WHEREOF this Grant Agreement has been executed by the parties as of the • day of **[month, year]**.

TEAL EXPLORATION & MINING INCORPORATED

Name:
Title:

Witness

[Insert name of Grantee]