SPECIAL WARRANT INDENTURE

Providing for the Creation and Issue of
Special Warrants

BETWEEN

WHITEMUD RESOURCES INC.

- and -

OLYMPIA TRUST COMPANY

Dated as of June 26, 2008

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THIS SPECIAL WARRANT INDENTURE is made as of the 26th day of June, 2008,

BETWEEN:

WHITEMUD RESOURCES INC., a corporation incorporated under the laws of Alberta, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as the "**Corporation**")

OF THE FIRST PART

\- and -

OLYMPIA TRUST COMPANY, a trust company existing under the laws of Alberta (hereinafter referred to as the "**Warrant Agent**")

OF THE SECOND PART

WHEREAS the Corporation has offered for sale to the public up to 2,143,000 Special Warrants at an issue price of $7.00 per Special Warrant upon the terms and conditions set forth in this Indenture;

AND WHEREAS one (1) Special Warrant shall, subject to adjustment as provided for in this Indenture, entitle the holder to acquire one (1) Common Share at no additional cost upon the terms and conditions set forth in this Indenture provided that one Special Warrant shall, subject to adjustment as provided for this Indenture, entitle the holder thereof to acquire 1.1 Common Shares in the event that a Receipt for the Prospectus is not obtained prior to August 9, 2008, being the date which is 45 days following the date of Closing;

AND WHEREAS all necessary acts and deeds have been undertaken and performed to make the Special Warrants, when created as provided in this Indenture, legal, valid and binding upon the Corporation, with the benefits set forth in, and subject to the terms of, this Indenture;

NOW THEREFORE, THIS INDENTURE WITNESSETH that for good and valuable consideration mutually given and received, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Indenture, including the recitals and schedules hereto and in all indentures supplemental hereto, the following words and terms shall have the indicated meanings:

(a) "**1933 Act**" means the United States Securities Act of 1933, as amended;

(b) "**Applicable Legislation**" means such provisions of any statute of Canada or of a province thereof, and of regulations under any such statute, relating to trust indentures or to the rights, duties and obligations of corporations and of trustees under trust indentures, as are from time to time in force and applicable to this Indenture;

(c) “**Business Day**” means a day other than a Saturday, Sunday or other statutory holiday in Alberta;

(d) “**Closing**” means the completion of the purchase and sale of the Special Warrants;

(e) “**Common Shares**” means fully paid and non-assessable Class “A” Common Shares in the capital of the Corporation, as presently constituted;

(f) “**Corporation's Auditors**” means a firm of chartered accountants duly appointed as auditors of the Corporation;

(g) “**Counsel**” means a barrister or solicitor or a firm of barristers and solicitors, which may include counsel for the Corporation, retained by the Warrant Agent or retained by the Corporation and acceptable to the Warrant Agent;

(h) “**director**” means a director of the Corporation for the time being and, unless otherwise specified herein, reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever duly empowered, action by any committee of such board;

(i) “**Dividend Funds**” means all cash dividends and other distributions deposited with the Warrant Agent pursuant to Subsection 6.2(k);

(j) “**Effective Date**” means June 26, 2008;

(k) “**Exercise Date**” means, with respect to any Special Warrant, the date on which the Special Warrant Certificate representing such Special Warrant is deemed to be exercised pursuant to Section 3.6;

(l) “**Expiry Date**” means the earlier of:

(i) three (3) Business Days after the Qualification Date; and

(ii) the Qualifying Deadline;

(m) “**Expiry Time**” means 4:30 p.m. (Calgary time) on the Expiry Date;

(n) “**MI 11-102**” means Multilateral Instrument 11-102 – *Passport System*;

(o) “**NP 11-202**” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

(p) “**person**” means an individual, body corporate, partnership, trust, trustee, executor, administrator, legal representative or any unincorporated organization;

(q) “**Preliminary Prospectus**” means the preliminary prospectus, and any amendment thereto, to be filed under NP 11-202 with the Securities Commissions in each of the Selling Jurisdictions in respect of the distribution of Common Shares upon the exercise of the Special Warrants;

(r) “**Principal Regulator**” means the Alberta Securities Commission or such other securities regulatory authority as may be determined pursuant to MI 11-102.

(s) "**Property**" means all property and securities deposited with the Warrant Agent pursuant to Subsection 6.2(k);

(t) “**Prospectus**” means the final prospectus, and any amendment thereto, to be filed with the Securities Commissions in each of the Selling Jurisdictions in respect of the distribution of Common Shares upon the exercise of the Special Warrants;

(u) “**Qualification Date**” means the day on which a Receipt for the Prospectus has been obtained by the Corporation from the Principal Regulator;

(v) “**Qualifying Deadline**” means August 9, 2008 being the date which is 45 days following the date of Closing;

(w) “**Receipt**” means a receipt for the Prospectus issued by the Principal Regulator in accordance with MI 11-102 and the Ontario Securities Commission has indicated on SEDAR that it is “clear for final” in accordance with NP 11-202;

(x) “**Securities Commissions**” means the securities commissions or similar regulatory authorities in the Selling Jurisdictions;

(y) “**Selling Jurisdictions**” means the provinces of Alberta, Ontario and Quebec in which the Corporation was required to file a prospectus pursuant to the terms of the Underwriting Agreement;

(z) “**Shareholder**” means a holder of record of one or more Common Shares;

(aa) “**Special Warrant Certificate**” means a certificate, in substantially the form set forth in Schedule "A", issued on or after the Effective Date to evidence Special Warrants;

(bb) “**Special Warrantholders**” or “**holders**” without reference to Common Shares means the persons who, on or after the Effective Date, are registered owners of Special Warrants;

(cc) “**Special Warrantholders' Request**” means an instrument signed in one or more counterparts by Special Warrantholders entitled to acquire in the aggregate not less than 25% of the aggregate number of Common Shares which could be acquired pursuant to the exercise of all Special Warrants then unexercised and outstanding, requesting that the Warrant Agent take some action or proceeding specified in such instrument;

(dd) "**Special Warrants**" means the warrants created, issued and certified hereunder and for the time being outstanding entitling the holders thereof to acquire Common Shares;

(ee) "**Subsidiary of the Corporation**" or "**Subsidiary**" means any corporation of which more than fifty (50%) percent of the outstanding Voting Shares are owned, directly or indirectly, by or for the Corporation, provided that the ownership of such shares confers the right to elect at least a majority of the board of directors of such corporation and includes any corporation in like relation to a Subsidiary;

(ff) "**this Special Warrant Indenture**", "**this Indenture**", "**herein**", "**hereby**" and similar expressions mean and refer to this Indenture and any indenture, deed or instrument supplemental hereto; and the expressions "Article", "Section", "subsection" and "paragraph" followed by a number mean and refer to the specified article, section, subsection or paragraph of this Indenture;

(gg) "**Trading Day**" means a day on which the TSX Venture Exchange is open for the transaction of business;

(hh) "**Underwriters**" means Thomas Weisel Partners Canada Inc. and Dundee Securities Corporation;

(ii) "**Underwriting Agreement**" means the underwriting agreement dated as of June 26, 2008 among the Corporation and the Underwriters;

(jj) "**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

(kk) "**U.S. Person**" means a U. S. person as defined in Rule 902 of Regulation S under the 1933 Act;

(ll) "**Voting Shares**" means shares of the capital stock of any class of any corporation carrying voting rights under all circumstances, provided that, for the purposes of such definition, shares which only carry the right to vote conditionally on the happening of an event shall not be considered Voting Shares, whether or not such event shall have occurred, nor shall any shares be deemed to cease to be Voting Shares solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of any such event;

(mm) "**Warrant Agency**" means the principal office of the Warrant Agent in the City of Calgary, Alberta, or such other places as may be designated in accordance with subsection 3.1(c);

(nn) "**Warrant Agent**" means Olympia Trust Company or its successors from time to time in the trust hereby created;

(oo) "**written order of the Corporation**", "**written request of the Corporation**", "**written consent of the Corporation**" and "**certificate of the Corporation**" means, respectively, a written order, request, consent and certificate signed in the name of the Corporation by its Chief Executive Officer, President or Chief Financial Officer, and may consist of one or more instruments so executed.

1.2 **Gender and Number**

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 **Interpretation not Affected by Headings, etc.**

The division of this Indenture into Articles and Sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or any provision hereof.

1.4 **Day not a Business Day**

In the event that any day on or before which any action is required to be taken under this Indenture is not a Business Day, then such action shall be required to be taken at or before the requisite time on the next succeeding day that is a Business Day.

1.5 **Time of the Essence**

Time shall be of the essence of this Indenture.

1.6 **English Language Only**

The parties to this Indenture hereby agree and request that this Indenture, and any documents related thereto, including without limitation the Special Warrant Certificates, be drafted only in the English language.

ARTICLE 2
THE SPECIAL WARRANTS

2.1 **Creation and Issue of Special Warrants**

Subject to adjustments contained herein, up to a maximum of 2,143,000 Special Warrants, entitling the holders thereof to acquire Common Shares on the terms and subject to the conditions herein provided, are hereby created and authorized for issuance at a price of $7.00 for each Special Warrant, and, on the date of issuance of the Special Warrants, Special Warrant Certificates shall be executed by the Corporation and delivered to the Warrant Agent, to be certified and delivered by or on behalf of the Warrant Agent upon the written order of the Corporation.

2.2 Form of Special Warrants

(a) The Special Warrant Certificates (including all replacements issued in accordance with this Indenture) shall be substantially in the form set out in Schedule "A" hereto, shall be dated on or after the Effective Date, shall bear such legends and distinguishing letters and numbers as the Corporation may, with the approval of the Warrant Agent, prescribe and shall be issuable in any denomination excluding fractions.

(b) The Special Warrant Certificates may be engraved, lithographed or printed (the expression "printed", including for purposes hereof, mechanically, photographically, photostatically or electronically reproduced, typewritten or other written material), or partly in one form and partly in another, as the Corporation may determine.

2.3 Terms of Special Warrants

(a) Subject to subsection 2.3(b) and 2.3(d), each Special Warrant created and delivered hereunder shall entitle the holder thereof, upon exercise, to acquire one (1) Common Share at any time after the Effective Date until the Expiry Time at no additional cost to the holder.

(b) Subject to subsection 2.3(d), if a Receipt for the Prospectus is not obtained prior to the Qualifying Deadline, holders of Special Warrants shall be entitled to acquire, for each Special Warrant exercised or deemed to be exercised by such holders, 1.1 Common Shares at no additional cost;

(c) No fractional Special Warrants shall be created or otherwise provided for hereunder.

(d) The number of Common Shares which may be acquired pursuant to the exercise of Special Warrants shall be adjusted in the events and in the manner specified in Article 5.

2.4 Warrantholder not a Shareholder

Except as provided for in Subsection 6.2(k), nothing in this Indenture or in the holding of a Special Warrant or Special Warrant Certificate or otherwise, shall, in itself, confer or be construed as conferring upon a Warrantholder any right or interest whatsoever as a Shareholder or as any other shareholder of the Corporation, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings of shareholders or any other proceedings of the Corporation, or the right to receive dividends and other distributions.

2.5 Special Warrants to Rank *Pari Passu*

All Special Warrants shall rank *pari passu*, whatever may be the actual date of creation thereof.

2.6 Signing of Special Warrant Certificates

The Special Warrant Certificates shall be signed by any one (1) director or officer of the Corporation. The signatures of such director or officer may be mechanically reproduced by way of photocopy or facsimile and Special Warrant Certificates bearing such photocopy or facsimile signatures shall be binding upon the Corporation as if they had been manually signed by such director or officer. Notwithstanding that any persons whose manual or facsimile signature appears on any Special Warrant Certificate as a director or officer may no longer hold office at the date of such Special Warrant Certificate or at the date of certification or delivery thereof, any Special Warrant Certificate signed as aforesaid shall, subject to Section 2.7, be valid and binding upon the Corporation and the holder thereof shall be entitled to the benefits of this Indenture.

2.7 Certification by the Warrant Agent

(a) No Special Warrant Certificate shall be issued or, if issued, shall be valid for any purpose or entitle the holder thereof to the benefit of this Indenture until it has been certified by manual signature by or on behalf of the Warrant Agent substantially in the form set out in Schedule "A" or in such other form approved by the Warrant Agent and such certification by the Warrant Agent upon any Special Warrant Certificate shall be conclusive evidence as against the Corporation that the Special Warrant Certificate so certified has been duly issued hereunder and that the holder thereof is entitled to the benefits of this Indenture.

(b) The certification of the Warrant Agent on Special Warrant Certificates issued hereunder shall not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture or the Special Warrant Certificates (except the due certification thereof) and the Warrant Agent shall in no respect be liable or answerable for the use made of the Special Warrant Certificates or any of them or of the consideration therefor except, as otherwise specified herein.

2.8 Issue in Substitution for Special Warrant Certificates Lost, etc.

(a) If any Special Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Corporation, subject to applicable law, shall issue and thereupon the Warrant Agent shall certify and deliver, a new Special Warrant Certificate of like tenor as the one mutilated, lost, destroyed or stolen in exchange for and in place of and upon cancellation of such mutilated Special Warrant Certificate, or in lieu of and in substitution for such lost, destroyed or stolen Special Warrant Certificate, and the substituted Special Warrant Certificate shall be in a form approved by the Warrant Agent and the Special Warrant evidenced thereby shall be entitled to the benefits hereof and shall rank equally, in accordance with their terms, with all other Special Warrants created or to be created hereunder.

(b) The applicant for the issue of a new Special Warrant Certificate pursuant to this Section 2.8 shall bear the cost of the issue thereof and in case of loss, destruction or theft shall, as a condition precedent to the issue thereof, furnish to the Corporation and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Special Warrant Certificate so lost, destroyed or stolen as shall be satisfactory to the Corporation and to the Warrant Agent in their sole discretion, and such applicant shall also be required to furnish an indemnity or security in such amount and form as the Corporation and the Warrant Agent may, in their discretion, consider necessary or desirable and shall pay the reasonable charges of the Corporation and the Warrant Agent in connection therewith.

2.9 **Exchange of Special Warrant Certificates**

(a) Special Warrant Certificates representing any number of Special Warrants may, upon compliance with the reasonable requirements of the Warrant Agent, be exchanged for another Special Warrant Certificate or Special Warrant Certificates representing the same aggregate number of Special Warrants as represented by the Special Warrant Certificate or Special Warrant Certificates tendered for exchange.

(b) Special Warrant Certificates may be exchanged only at the Warrant Agency or at any other place that is designed by the Corporation, with the approval of the Warrant Agent. Any Special Warrant Certificate tendered for exchange shall be cancelled by the Warrant Agent.

2.10 **Charges for Exchange**

Except as otherwise provided in this Indenture, the Warrant Agent may charge to a holder requesting an exchange of a Special Warrant Certificate or Special Warrant Certificates a reasonable sum for each new certificate issued in exchange for an existing certificate or certificates, and payment of such charges and reimbursement of the Warrant Agent or the Corporation for any and all stamp taxes or governmental or other charges required to be paid shall be made by such holder as a condition precedent to such exchange.

2.11 **Transfer and Ownership of Special Warrants**

(a) The Special Warrants may only be transferred on the register maintained at the Warrant Agency by the holder or its legal representative or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent only upon surrendering to the Warrant Agent the Special Warrant Certificate or Special Warrant Certificates representing the Special Warrants to be transferred together with a payment representing any transfer fees charged by the Warrant Agent and upon compliance with:

(i) the conditions set forth in this Indenture;

(ii) such reasonable requirements as the Warrant Agent may prescribe; and

(iii) all applicable securities legislation and applicable requirements of regulatory authorities;

and such transfer shall be duly noted in such register by the Warrant Agent. Upon compliance with such requirements, the Warrant Agent shall issue to the transferee one or more Special Warrant Certificates representing the Special Warrants transferred.

(b) The Corporation and the Warrant Agent will deem and treat the registered owner of any Special Warrant Certificate as the beneficial owner thereof for all purposes and neither the Corporation nor the Warrant Agent shall be affected by any notice to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

(c) Subject to the provisions of this Indenture and applicable law, the Special Warrantholders shall be entitled to the rights and privileges attaching to the Special Warrants. In addition, holders of Special Warrants will also be entitled to any Dividend Funds, Property or securities required to be paid and delivered, respectively, pursuant to section 4.4 and Subsection 6.2(k). The issue of Common Shares by the Corporation upon the exercise or deemed exercise of Special Warrants by any Special Warrantholder, in accordance with the terms and conditions herein contained, shall discharge all responsibilities of the Corporation and the Warrant Agent with respect to such Special Warrants and neither the Corporation nor the Warrant Agent shall be bound to enquire into the title of any such holder.

2.12 Assumption by Transferee and Release of Transferor

Upon becoming a Special Warrantholder in accordance with the provisions of this Indenture, the transferee thereof shall be deemed to have acknowledged and agreed to be bound by this Indenture. Upon the registration of such transferee as the holder of a Special Warrant, the transferor shall cease to have any further rights and obligations under this Indenture with respect to such Special Warrant or the Common Shares in respect thereof.

2.13 Registration of Warrants

The Warrant Agent shall keep at the Warrant Agency: (i) a register of Special Warrantholders in which shall be entered in alphabetical order the names and addresses of the holders of Special Warrants and particulars of the Special Warrants held by them; and (ii) a register of transfers in which all transfers of Special Warrants and the date and other particulars of each transfer shall be entered. Branch registers shall also be kept at such other place or places, if any, as the Corporation, with the approval of the Warrant Agent, may designate. Such registers will at all reasonable times be open for inspection by the Corporation and/or any Special Warrantholder. The Warrant Agent will from time to time when requested to do so by the Corporation or by any Special Warrantholder, upon payment of the Warrant Agent's reasonable charges, furnish a list of the names and addresses of Special Warrantholders showing the number of Special Warrants held by each such Special Warrantholder.

2.14 **U.S. Legends**

(a) The Warrant Agent acknowledges that the Special Warrants and Common Shares have not been registered under the 1933 Act or any state securities laws.

(b) Each Special Warrant Certificate and each certificate representing Common Shares issued upon the exercise of the Special Warrants in accordance with Article 3 hereof (and each Special Warrant certificate or Common Share certificate issued in exchange therefor or in substitution on transfer thereof) shall bear the following legend:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF WHITEMUD RESOURCES INC. THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO WHITEMUD RESOURCES INC., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT (C) IN ACCORDANCE WITH RULE 144A UNDER THE 1933 ACT, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND, IN ANY EVENT, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AFTER, IN THE CASE OF TRANSFERS UNDER CLAUSE D, THE HOLDER HAS FURNISHED TO WHITEMUD RESOURCES INC. AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO WHITEMUD RESOURCES INC. TO SUCH EFFECT.

provided, that if the Special Warrants or Common Shares issuable under the Special Warrants are being sold in compliance with the requirements of Rule 904 of Regulation S, and provided that the Corporation is a "foreign issuer" within the meaning of Regulation S at the time of sale, the above legend may be removed by providing a declaration to the Warrant Agent, to the effect set forth in Schedule "B" hereto (or as the Corporation may prescribe from time to time);

provided further, that, if any of the Special Warrants or Common Shares issuable under the Special Warrants are being sold pursuant to Rule 144(b)(1) of the 1933 Act, the legend may be removed by delivery to the transfer agent for such securities of an opinion of counsel of recognized standing in form and substance satisfactory to the issuer, to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws;

and the Corporation shall use its reasonable best efforts to cause the registrar and transfer agent of the Corporation to remove the foregoing U.S. legend within three (3) business days of receipt of the foregoing.

(c) In addition, any certificates representing Common Shares issued upon exercise of the Special Warrants bearing such legend may also be overprinted with the following legend:

DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

(d) The Warrant Agent agrees to use its reasonable best efforts to remove the U.S. legend within three (3) Business Days (excluding weekends and holidays) of receipt of documentation acceptable to the Corporation in respect thereof.

2.15 Certain Transfers

(a) If the Special Warrant Certificate tendered for transfer bears the legend set forth in Section 2.14 hereof, the Warrant Agent shall not issue or register a Special Warrant Certificate for the Special Warrants represented thereby in the name of or for the benefit of a person outside the United States unless it has been established to the satisfaction of the Corporation that the transferee acquired the Special Warrants evidenced by such Special Warrant Certificate in a transaction pursuant to Rule 904 of Regulation S.

(b) If the transferee of a Special Warrant that bears the legend set forth in Section 2.14 hereof is in the United States, the Special Warrant Certificate issued to such transferee shall bear the legend set forth in Section 2.14, and the requirement of Section 2.14 relating to legending the Common Shares upon exercise of the Special Warrants shall also apply, unless the Corporation receives an opinion of counsel in form and substance satisfactory to it that no legend is required.

ARTICLE 3
EXERCISE OF SPECIAL WARRANTS

3.1 Method of Exercise of Special Warrants

(a) The holder of any Special Warrant may exercise the right conferred on such holder to acquire Common Shares (as evidenced by such Special Warrant) by surrendering to the Warrant Agent at the Warrant Agency, prior to the Expiry Time, the Special Warrant Certificate with a duly completed and executed exercise form. A Special Warrant Certificate with the duly completed and executed exercise form referred to in this subsection 3.1(a) shall be deemed to be surrendered only upon personal delivery thereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the Warrant Agency.

(b) Any exercise form referred to in subsection 3.1(a) shall be signed by the Special Warrantholder and shall specify:

(i) the number of Common Shares which the holder wishes to acquire (being not more than the number of Common Shares which the holder is entitled to acquire pursuant to the Special Warrant Certificate(s) surrendered);

(ii) the person or persons in whose name or names such Common Shares are to be issued;

(iii) the address or addresses of such person or persons; and

(iv) the number of Common Shares to be issued to each such person if more than one is so specified.

If any of the Common Shares subscribed for are to be issued to a person or persons other than the Special Warrantholder, the Special Warrantholder shall pay to the Corporation or the Warrant Agent on behalf of the Corporation, all applicable transfer or similar taxes and the Corporation shall not be required to issue or deliver certificates evidencing Common Shares unless or until such Special Warrantholder has paid to the Corporation, or the Warrant Agent on behalf of the Corporation, the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid or that no tax is due.

(c) In connection with the exchange of Special Warrant Certificates and the exercise of Special Warrants and compliance with such other terms and conditions hereof as may be required, the Corporation has appointed the principal offices of the Warrant Agent in Calgary, Alberta as the agency at which Special Warrant Certificates may be surrendered for exchange or at which Special Warrants may be exercised and the Warrant Agent has accepted such appointment. The Corporation may, from time to time, designate alternate or additional places as the Warrant Agency and shall give notice to the Warrant Agent of any change of the Warrant Agency.

3.2 Effect of Exercise of Special Warrants

(a) Upon compliance by the holder of any Special Warrant Certificate with the provisions of Section 3.1, and subject to Section 3.3, the Common Shares to be issued upon the exercise of any Special Warrants shall be deemed to have been issued and the person or persons to whom such Common Shares are to be issued shall be deemed to have become the holder or holders of record of such Common Shares on the Exercise Date, unless the transfer register of the Corporation shall be closed on such date, in which case the Common Shares to be issued upon the exercise of any Special Warrants shall be deemed to have been issued and such person or persons deemed to have become the holder or holders of record of such Common Shares on the date on which such transfer registers are reopened.

(b) Within five (5) Business Days after the Exercise Date of a Special Warrant as set forth above, the Corporation shall cause to be mailed to the person or persons in whose name or names Common Shares have been issued upon the exercise of Special Warrants, as specified in the exercise form, at the address specified in such exercise form or, if so specified in such exercise form, cause to be delivered to such person or persons at the Warrant Agency where the Special Warrant Certificate was surrendered, a certificate or certificates for the appropriate number of Common Shares.

3.3 Partial Exercise of Special Warrants; Fractions

(a) The holder of any Special Warrants may exercise his right to acquire Common Shares in part and may thereby acquire a number of Common Shares less than the aggregate number which the holder is entitled to acquire pursuant to Special Warrant Certificate(s) surrendered in connection therewith, provided that, in no event shall fractional Common Shares be issued with regard to Special Warrants exercised. In the event of any acquisition of a number of Common Shares less than the number which the holder is entitled to acquire, the holder of the Special Warrants shall, upon exercise thereof, be entitled to receive, without charge therefor, a new Special Warrant Certificate or Special Warrant Certificates representing the balance of the Common Shares which such holder was entitled to acquire pursuant to the surrendered Special Warrant Certificate(s) and which were not then acquired.

(b) Notwithstanding anything contained in this Indenture, including any adjustment provided for in Article 5, the Corporation shall not be required, upon the exercise of any Special Warrants, to issue fractions of Common Shares or to issue certificates which evidence a fractional Common Share. In lieu of a fractional Common Share, the Corporation shall pay to any holder, who would otherwise be entitled to acquire a fractional interest in a Common Share upon the exercise of Special Warrants, within five (5) Business Days after the Exercise Date, an amount in lawful money of Canada equal to the then current market value of such fractional interest, computed on the basis of the closing price of the Common Shares on the TSX Venture Exchange for the Trading Day immediately prior to the Exercise Date or where there is no sale on the applicable exchange or market on the Trading Day immediately prior to the Exercise Date, the average of the last bid and ask prices on the applicable exchange or market provided that the Corporation shall not be required to make any payment, calculated as aforesaid, that is less than $5.00.

3.4 Cancellation of Surrendered Special Warrants

All Special Warrant Certificates surrendered pursuant to Sections 2.8, 2.9, 2.11, 3.1, 3.3, 3.6 and 6.1 shall be returned to the Warrant Agent for cancellation and, after the expiry of any period of retention prescribed by law, and in accordance with the Warrant Agent's ordinary business practice, destroyed by the Warrant Agent. Upon the request of the Corporation, the

Warrant Agent shall furnish to the Corporation a destruction certificate identifying the Special Warrant Certificates so destroyed and the number of Special Warrants evidenced thereby.

3.5 **Accounting and Recording**

(a) The Warrant Agent shall promptly account to the Corporation with respect to Special Warrants exercised. Any securities or other instruments from time to time received by the Warrant Agent, shall be received in trust for, and shall be segregated and kept apart by the Warrant Agent in trust for, the Corporation.

(b) The Warrant Agent shall record the particulars of Special Warrants exercised, which shall include the date of exercise and the names and addresses of the persons who become holders of Common Shares on the exercise thereof. Within five (5) Business Days of each Exercise Date, the Warrant Agent shall provide such particulars in writing to the Corporation.

3.6 **Expiration of Special Warrants**

Subject to Section 3.7, immediately after the Expiry Time, all rights under any Special Warrants not exercised or deemed to be exercised in accordance with the terms and conditions of this Indenture shall cease and terminate and such Special Warrant shall be void and of no further force or effect.

3.7 **Deemed or Automatic Exercise and Surrender**

(a) The rights of holders of Special Warrants to acquire Common Shares shall be deemed to be exercised without any further action on the part of such holders or the Corporation immediately prior to the Expiry Time on the Expiry Date and Common Shares shall be deemed to be issued to the Warrantholders at such time.

(b) Unless, prior to the date of mailing of the Common Shares to a Warrantholder, the Corporation or the Warrant Agent has received from such Warrantholder an exercise form (accompanied by a Warrant Certificate) with all the requirements of section 3.1(b) having been met, the Common Shares issued or delivered upon such deemed exercise shall be sent by courier or first class mail registered by the Warrant Agent to the holder at his registered address, as listed on the register of Warrantholders maintained by the Warrant Agent. After deemed exercise contemplated above, Special Warrant Certificates will represent only the right of the registered holder thereof to receive the Common Shares to be issued upon exercise.

3.8 **Securities Restrictions**

Notwithstanding anything herein contained, Special Warrants and Common Shares will only be issued pursuant to the transfer or exercise of any Special Warrant, as applicable, in compliance with the securities laws of any applicable jurisdiction, and without limiting the generality of the foregoing, in respect of any Special Warrants transferred for Special Warrants or exercised for Common Shares, the certificates representing the issued

Special Warrants and Common Shares, as applicable, will bear such legend as may, in the opinion of Counsel to the Corporation, be necessary in order to avoid a violation of any securities laws of any province in Canada or of the United States or to comply with the requirements of any stock exchange on which the Common Shares are listed, provided that if, at any time, in the opinion of Counsel to the Corporation, such legends are no longer necessary in order to avoid a violation of any such laws, or the holder of any such legended certificate, at the holder's expense, provides the Corporation with evidence satisfactory in form and substance to the Corporation (which may include an opinion of counsel satisfactory to the Corporation) to the effect that such holder is entitled to sell or otherwise transfer such Special Warrants or Common Shares, as applicable, in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Corporation in exchange for a certificate which does not bear such legend.

ARTICLE 4
ADDITIONAL RIGHTS

4.1 Reliance by the Warrant Agent

The Warrant Agent may act on the opinion or advice obtained from Counsel to the Warrant Agent and shall, provided it acts in good faith in reliance thereon, not be responsible for any loss occasioned by doing so nor shall it incur any liability or responsibility for determining in good faith not to act upon such opinion or advice. The Warrant Agent shall be protected in acting and relying reasonably upon any written notice, direction, instruction, order, certificate, confirmation, request, waiver, consent, receipt, statutory declaration or other paper or document (collectively referred to as the "Documents") furnished to it and signed by any person required to or entitled to execute and deliver to the Warrant Agent any such Documents in connection with this Special Warrant Indenture, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information therein contained, which it in good faith believes to be genuine.

4.2 Indemnity of Warrant Agent

Without limiting any protection or indemnity of the Warrant Agent under any other provision hereof, or otherwise at law, the Corporation hereby agrees to indemnify and hold harmless the Warrant Agent and its directors, officers, agents and employees at all times from and against all claims, demands, losses, actions, causes of actions, costs, charges, expenses, damages and liabilities whatsoever arising in connection with this Indenture, including, without limitation, those arising out of or related to actions taken or omitted to be taken by the Warrant Agent contemplated hereby, legal fees and disbursements on a solicitor and client basis, and costs and expenses incurred in connection with the enforcement of this indemnity, which the Warrant Agent may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties hereunder as Warrant Agent. The foregoing provisions of this section do not apply to the extent that in any circumstances the Warrant Agent or its employees or agents acted with gross negligence, willful misconduct or fraud. It is understood and agreed that this indemnification shall survive the termination of this Indenture or the resignation of the Warrant Agent.

4.3 **Deposited Dividend Funds and Property**

(a) The Corporation hereby appoints the Warrant Agent, as trustee, to receive, hold and deal with the Dividend Funds and Property in accordance with the terms of this Indenture and the Warrant Agent hereby accepts such appointment and agrees to be bound by the terms of this Indenture in respect thereof.

(b) The Warrant Agent shall not release any Dividend Funds or Property except as provided in this Article 4.

4.4 **Conditions to Release of Dividend Funds and Property**

(a) If any Special Warrantholder, at anytime prior to the Expiry Time elects or is deemed to elect to exercise the entitlement to acquire Common Shares pursuant to Special Warrant(s) held by it, the Warrant Agent shall within five Business Days:

(i) pay to such Special Warrantholder from Dividend Funds an amount equal to the product obtained by multiplying the sum of the amount of Dividend Funds held by the Warrant Agent on the date of such exercise and interest earned by the Warrant Agent thereon to the date immediately preceding the date of payment (less interest thereon paid out by the Warrant Agent pursuant to this Indenture prior to the date of payment) by a fraction of which the numerator is the number of Special Warrants tendered to the Warrant Agent by such Special Warrantholder for exercise and the denominator is the number of Special Warrants outstanding at the end of the day immediately preceding the date of such exercise; and

(ii) deliver to such Special Warrantholder its pro rata share of the Property determined on the same basis as the calculation set forth in (i) above.

(b) The Warrant Agent shall within five Business Days after the Expiry Time:

(i) pay to each Special Warrantholder, in respect of Special Warrants held by it deemed to be exercised, from Dividend Funds an amount equal to the product obtained by multiplying the sum of the amount of Dividend Funds held by the Warrant Agent on the date of such exercise and interest earned by the Warrant Agent thereon to the date immediately preceding the date of payment (less any interest thereon paid out by the Warrant Agent pursuant to this Indenture prior to the date of payment) by a fraction of which the numerator is the number of Special Warrants deemed to be exercised held by the Special Warrantholder and the denominator is the number of Special Warrants deemed to be exercised; and

(ii) deliver to such Special Warrantholder its pro rata share of the Property determined on the same basis as the calculation set forth in (i) above.

4.5 Administration of Dividend Funds and Property

All Dividend Funds and Property shall be held at or administered through the principal office of the Warrant Agent at Calgary, Alberta. The Warrant Agent shall not be entitled to deal with the Dividend Funds and Property except in accordance with the terms of this Indenture. The Warrant Agent is hereby specifically authorized, and granted such powers as are necessary, to deal with the Property as it shall determine in its sole discretion to be in the best interests of the Special Warrantholders. In the event that the Warrant Agent determines the necessity for the approval by the Special Warrantholders of any matter, an extraordinary resolution of the Special Warrantholders shall provide sufficient authority upon which the Warrant Agent may act and the Warrant Agent shall not be responsible for any loss occasioned by so doing.

If: (i) a Receipt has not been issued for the Prospectus by the Qualifying Deadline, holders of Special Warrants shall be entitled to receive from the Corporation upon the exercise or deemed exercise of the Special Warrants, 1.1 Common Shares (in lieu of one Common Share otherwise receivable), for a maximum of two hundred fourteen thousand and three hundred (214,300) additional Common Shares, from the Corporation without payment of additional consideration. The Common Shares issued or delivered in such event shall be rounded to the nearest whole number, without any compensation therefor.

4.6 Location and Residence of Warrantholders

A Special Warrantholder shall be deemed to be and the Corporation and the Warrant Agent may treat, for such purposes, the subscriber for the Special Warrant(s) in question as the Special Warrantholder, and the Special Warrantholder shall be deemed to be in the province of, and resident in, the province provided as the address of such subscriber as set forth in the subscription agreement for such Special Warrants, or the address of the purchaser of the Special Warrants as set forth in the forms filed on issuance of the Special Warrants or such other filing required under applicable securities laws in respect of a transfer of the Special Warrants and where a Special Warrantholder is not deemed to be in a province pursuant to the foregoing, the Special Warrantholder shall be deemed to be in the Province of, and resident in, Alberta. If the Corporation and the Warrant Agent shall not have been provided with a copy of such form or other filing required under applicable securities laws in respect of a transfer of beneficial ownership, then the original subscriber shall be treated for all purposes hereunder to be the beneficial holder of the Special Warrants.

ARTICLE 5
ADJUSTMENT OF NUMBER OF COMMON SHARES

5.1 Adjustment of Number of Common Shares

The acquisition rights in effect at any date attaching to the Special Warrants shall be subject to adjustment from time to time as follows:

(a) if and whenever at any time from the date hereof and prior to the Expiry Time, the Corporation shall:

(i) subdivide, redivide or change its outstanding Common Shares into a greater number of shares, or

(ii) reduce, combine or consolidate its outstanding Common Shares into a smaller number of shares;

then in each such event the number of Common Shares obtainable under each Special Warrant shall be adjusted immediately after the effective date of such subdivision, redivision, change, reduction, combination or consolidation, by multiplying the number of Common Shares theretofore obtainable upon the exercise of such Special Warrant by a fraction the numerator of which shall be the total number of Common Shares outstanding immediately after such date and the denominator of which shall be the total number of Common Shares outstanding immediately prior to such date. Such adjustment shall be made successively whenever any event referred to in this Subsection 5.1(a) shall occur;

(b) if and whenever at any time from the date hereof and prior to the Expiry Time, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in Subsection 5.1(a) or an amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Special Warrantholder who has not exercised its right of acquisition prior to the effective date of such reclassification, reorganization, amalgamation, arrangement, merger, sale or conveyance shall, upon the exercise of such right thereafter, be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or arrangement or to which such sale or conveyance may be made, as the case may be, that such Special Warrantholder would have been entitled to receive on such reclassification, reorganization, amalgamation, arrangement, merger, sale or conveyance, if, on the record date or the effective date thereof, as the case may be, the Special Warrantholder had been the registered holder of the number of Common Shares sought to be acquired by it. If determined appropriate by the directors of the Corporation to give effect to or to evidence the provisions of this Subsection 5.1(b), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, reorganization, amalgamation, arrangement, merger, sale or conveyance, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the Special Warrantholders to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be possible, with respect to any shares, other securities or property to which a Special Warrantholder is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Warrant Agent pursuant to the provisions of this Subsection 5.1(b) shall be a supplemental indenture entered into pursuant to the provisions of Article 9. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Warrant Agent shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 5.1 and which shall apply to successive reclassifications, reorganizations, amalgamations, arrangements, mergers, sales or conveyances; and

(c) the adjustments provided for in this Article 5 in the number of Common Shares and classes of securities which are to be received on the exercise of Special Warrants are cumulative. After any adjustment pursuant to this Section 5.1, the term "Common Shares" where used in this Indenture shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this Section 5.1, the Special Warrantholder is entitled to receive upon the exercise of its Special Warrant, and the number of Common Shares indicated by any exercise made pursuant to a Special Warrant shall be interpreted to mean the number of Common Shares or other property or securities a Special Warrantholder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this Section 5.1, upon the full exercise of a Special Warrant.

5.2 Entitlement to Shares on Exercise of Special Warrant

All shares of any class or other securities which a Special Warrantholder is at the time in question entitled to receive upon the exercise of its Special Warrants, whether or not as a result of adjustments made pursuant to this Article 5, shall, for the purposes of the interpretation of this Indenture, be deemed to be shares which such Special Warrantholder is entitled to acquire pursuant to such Special Warrant.

5.3 Determination by Corporation's Auditors

In the event of any question arising with respect to the adjustments provided for in this Article 5, such question shall be conclusively determined by the Corporation's Auditors or if they are unable or unwilling to act, such independent chartered accountants as may be selected by the directors of the Corporation acting reasonably, who shall have access to all necessary records of the Corporation, and such determination, absent of manifest error, shall be binding upon the Corporation, the Warrant Agent, all Special Warrantholders and all other persons interested therein.

5.4 Proceedings Prior to any Action Requiring Adjustment

As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Special Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any corporate action which may, in the opinion of Counsel to the Corporation, be necessary to ensure that the Corporation has sufficient authorized capital and to ensure that the Corporation may validly and legally issue, as fully paid and non-assessable shares, all of the shares which the holders of such Special Warrants are entitled to receive on the full exercise thereof in accordance with the provisions of this Indenture.

5.5 **Certificate of Adjustment**

The Corporation shall, within three (3) Business Days immediately after the occurrence of any event which requires an adjustment or readjustment as provided in this Article 5, deliver a certificate of the Corporation to the Warrant Agent specifying the nature of the event requiring such adjustment or readjustment and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which certificate shall be supported by a certificate of the Corporation's Auditors verifying such calculation.

5.6 **Notice of Special Matters**

The Corporation covenants with the Warrant Agent that, so long as any Special Warrant remains outstanding, it will give notice, in accordance with Article 11, to the Warrant Agent and to the Special Warrantholders of its intention to fix the record date for the issuance of rights, options (other than pursuant to any stock option or stock purchase plan in force from time to time for officers, directors, employees or consultants of the Corporation) or warrants (other than the Special Warrants) to all or substantially all of the holders of its outstanding Common Shares. Such notice shall specify the particulars of such event and the record date for such event, provided that the Corporation shall only be required to specify in the notice such particulars of the event as shall have been fixed and determined on the date on which the notice is given. The notice shall be given in each case not less than fourteen (14) days prior to such applicable record date.

5.7 **No Action after Notice**

The Corporation covenants with the Warrant Agent that it will not close its transfer books or take any other corporate action which might deprive the holder of a Special Warrant of the opportunity to exercise its right of acquisition pursuant thereto during the period of fourteen (14) days after the giving of the certificate or notices referred to in Sections 5.5 and 5.6.

5.8 **Participation by Special Warrantholder**

No adjustment shall be made pursuant to this Article 5 if the Special Warrantholders are entitled to participate in any event described in this Article 5 on the same terms, *mutatis mutandis*, as if the Special Warrantholders had exercised their Special Warrants prior to, or on the effective date or record date of, such event.

5.9 **Other Actions**

In case the Corporation, after the date hereof, shall take any action affecting the Common Shares other than action described in Subsection 5.1, which in the opinion of the directors of the Corporation would materially affect the rights of Warrantholders, the number of Common Shares which may be acquired upon exercise of the Special Warrants shall be adjusted in such manner and at such time, by action of the directors, in their sole discretion as they may determine to be equitable in the circumstances, provided that no such adjustment will be made unless prior approval of the Underwriters and any stock exchange on which the Common Shares are listed for trading has been obtained.

5.10 Protection of Warrant Agent

Except as provided in Section 10.2, the Warrant Agent:

(a) shall not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 5.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Special Warrant;

(c) shall be entitled to act and rely on any adjustment calculation of the Corporation or the Corporation's Auditors;

(d) shall not be responsible for any failure of the Corporation to make any cash payment, issue, transfer or deliver Common Shares or certificates for the same upon the surrender of any Special Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in this Article; and

(e) shall not incur any liability or responsibility whatsoever or be in any way responsible for the consequences of any breach on the part of the Corporation of any of the representations, warranties or covenants herein contained or of any acts of the directors, trustees, officers, employees, agents or servants of the Corporation.

ARTICLE 6
RIGHTS OF THE CORPORATION AND COVENANTS

6.1 Optional Purchases by the Corporation

Subject to compliance with securities legislation and the receipt of any necessary approvals of applicable regulatory authorities, the Corporation may from time to time purchase, by private contract or otherwise, any of the Special Warrants. Any such purchase shall be made at the lowest price or prices at which, in the opinion of the directors of the Corporation, such Special Warrants are then obtainable, plus reasonable costs of purchase, and may be made in such manner, from such persons and on such other terms as the Corporation, in its sole discretion, may determine. Any Special Warrant Certificates representing the Special Warrants purchased pursuant to this Section 6.1 shall forthwith be delivered to and cancelled by the Warrant Agent. No Special Warrants shall be issued in replacement thereof.

6.2 General Covenants

The Corporation covenants with the Warrant Agent that so long as any Special Warrants remain outstanding:

(a) it is duly authorized to create and issue the Special Warrants and the Special Warrants, when issued and countersigned as herein provided, will be valid and enforceable obligations of the Corporation;

(b) it will reserve and keep available a sufficient number of Common Shares for the purpose of enabling it to satisfy its obligations to issue Common Shares upon the exercise of the Special Warrants;

(c) it will cause the Common Shares and the certificates representing the Common Shares from time to time acquired pursuant to the exercise of the Special Warrants to be duly issued and delivered in accordance with the Special Warrant Certificates and the terms hereof;

(d) all Common Shares which shall be issued upon exercise of the right to acquire provided for herein shall be fully paid and non-assessable;

(e) it will use its best efforts to maintain its corporate existence and carry on its business in the ordinary course;

(f) it will use its commercial best efforts to ensure that the Common Shares and all outstanding common shares of the Corporation outstanding or issuable from time to time (including without limitation the Common Shares issuable upon exercise of the Special Warrants) continue to be or are listed and posted for trading on the TSX Venture Exchange or such other stock exchange on which the Common Shares are listed and posted for trading;

(g) it will use its commercial best efforts to make all requisite filings under applicable Canadian securities legislation including those necessary to remain a reporting issuer not in default in such jurisdictions in which it is presently or in which it becomes a reporting issuer;

(h) it will observe and perform its covenants set out in the Underwriting Agreement in connection with the filing of the Preliminary Prospectus and the Prospectus and the obtaining of the Receipt in respect of the Prospectus;

(i) it will use all reasonable commercial efforts to obtain a Receipt for the Prospectus as expeditiously as possible but in any event on or before the Qualifying Deadline;

(j) in the event the Receipt is obtained, it will give written notice to the Warrant Agent and each Special Warrantholder of the issuance of the Receipt and specifying the date on which the Special Warrants expire, together with a commercial copy of the Prospectus not later than two (2) Business Days after the issuance of such Receipt and such notice shall be sent by email notification followed by courier or prepaid registered mail;

(k) if the Corporation pays a dividend or makes any other distribution in cash or property or securities of the Corporation (including rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares and including evidences of its indebtedness) to all or substantially all of the holders of Common Shares of record on a date after the Effective Date and prior to the exercise of the Special Warrants, the Corporation agrees that it will pay the same amount of such dividend or make the same distribution of cash, property or securities as a deposit to the Warrant Agent, as if the Special Warrantholders on such date were the holders of the number of Common Shares which the Special Warrantholders are entitled to receive upon the exercise of the Special Warrants and such payments or other distributions shall be held and dealt with by the Warrant Agent in accordance with Article 4;

(l) it will give written notice to the Warrant Agent and each Special Warrantholder specifying the particulars of each payment or distribution made in accordance with Subsection 6.2(k), within two Business Days of such payment or distribution;

(m) it will not pay or give any consideration or other remuneration to any person in respect of the exercise of the Special Warrants except for administrative or professional services or for services performed by a registered dealer;

(n) it will provide a right of rescission to each Warrantholder as hereinafter set forth, which right shall be exercisable either by the Warrant Agent on behalf of a Warrantholder or by a Warrantholder directly:

In the event that a Warrantholder who acquires a Common Share upon the exercise of a Special Warrant as provided for in the Prospectus is or becomes entitled under applicable securities laws and regulations in the Qualifying Provinces to the remedy of rescission by reason of the Prospectus or any amendment thereto containing a misrepresentation, such Warrantholder shall be entitled to rescission not only of the Warrantholder's exercise of its Special Warrants, but also of the private placement transaction pursuant to which the Special Warrants were initially acquired and shall be entitled in connection with such rescission to a full refund of all consideration paid to the Underwriters and/or the Corporation on the acquisition of the Special Warrant. In the event such holder is a permitted assignee of the interest of the original Special Warrant subscriber, such permitted assignee shall be entitled to exercise such rights of rescission and refund granted hereunder as if such permitted assignee were the original subscriber. The foregoing is in addition to any other right or remedy available to a holder of Special Warrants under applicable securities legislation or otherwise at law; and

(o) generally, it will well and truly perform and carry out all of the acts or things to be done by it as provided in this Indenture.

6.3 **Warrant Agent's Remuneration and Expenses**

The Corporation covenants that it will pay to the Warrant Agent (in advance as may be required from time to time) reasonable remuneration for its services hereunder and will pay or reimburse the Warrant Agent upon its request, for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in the administration or execution of the trusts hereby created (including the reasonable compensation and the disbursements of its counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder shall be finally and fully performed, except any such expense, disbursement or advance as may arise out of or result from the Warrant Agent's negligence, wilful misconduct or bad faith.

6.4 **Securities Qualification Requirements**

(a) If, in the opinion of Counsel, any instrument (not including a prospectus, except as required by subsection 6.2(h)) is required to be filed with, or any permission is required to be obtained from, any governmental authority in Canada or any other step is required under any federal law of Canada or provincial law before any Common Shares which a Special Warrantholder is entitled to acquire pursuant to the exercise of any Special Warrant may properly and legally be issued upon due exercise thereof and thereafter traded without further formality or restriction, the Corporation covenants that it will use its reasonable best efforts to take such required action.

(b) The Corporation or, if required by the Corporation, the Warrant Agent, will give notice of the issue of Common Shares pursuant to the exercise of Special Warrants, if required, and in such detail as may be required, to each securities commission or similar regulatory authority in each jurisdiction in Canada in which there is legislation or regulation permitting or requiring the giving of any such notice in order that such issue of Common Shares and the subsequent disposition of the Common Shares so issued will not be subject to the prospectus qualification requirements of such legislation or regulation.

6.5 **Performance of Covenants by Warrant Agent**

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Warrant Agent may notify the Special Warrantholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it but, subject to Section 10.2, shall be under no obligation to perform such covenants or to notify the Special Warrantholders of such performance by it. All sums expended or advanced by the Warrant Agent in so doing shall be repayable as provided in Section 6.3. No such performance, expenditure or advance by the Warrant Agent shall relieve the Corporation of any default hereunder or of its continuing obligations under the covenants contained in this Indenture.

ARTICLE 7
ENFORCEMENT

7.1 Suits by Special Warrantholders

All or any of the rights conferred upon any Special Warrantholder by any of the terms of the Special Warrant Certificates or of this Indenture, or of both, may be enforced by the Special Warrantholder by appropriate proceedings, but without prejudice to the right which is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the Special Warrantholders.

7.2 Immunity of Shareholders, etc.

(a) The Warrant Agent and, by the acceptance of the Special Warrant Certificates and as part of the consideration for the issue of the Special Warrants, the Special Warrantholders, hereby, waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any incorporator or any past, present or future shareholder, director, officer, employee or agent of the Corporation or any successor Corporation (as defined in Section 9.2) on any covenant, agreement, representation or warranty by the Corporation contained in this Indenture or in the Special Warrant Certificates. For greater clarity, the foregoing shall not effect the rights of action for rescission or damages which the Special Warrantholders may have pursuant to applicable securities laws in respect of the Prospectus.

(b) The obligations hereunder are not personally binding upon, nor shall resort hereunder be had to, the private property of any of the past, present or future directors or shareholders of the Corporation or any successor Corporation or any of the past, present or future officers, employees or agents of the Corporation or any successor Corporation, but only the property of the Corporation or any successor Corporation shall be bound in respect hereof.

7.3 Waiver of Default

Upon the happening of any default hereunder:

(a) the Special Warrantholders may, by extraordinary resolution as provided in Section 8.10, by notice in writing, instruct the Warrant Agent to waive any default hereunder and the Warrant Agent shall upon receipt of any such notice waive the default upon such terms and conditions as shall be prescribed in such notice; or

(b) the Warrant Agent shall have power to waive any default hereunder upon such terms and conditions as the Warrant Agent may deem advisable, if, in the Warrant Agent's opinion, the same shall have been cured or adequate provision made therefor;

(c) provided that no delay or omission of the Warrant Agent or of the Special Warrantholders to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein and provided further that no act or omission either of the Warrant Agent or of the Special Warrantholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent default hereunder or the rights resulting therefrom.

ARTICLE 8
MEETINGS OF SPECIAL WARRANTHOLDERS

8.1 Right to Convene Meetings

The Warrant Agent may at any time, from time to time, and shall on receipt of a written request of the Corporation or of a Special Warrantholders' Request and upon being indemnified and funded to its reasonable satisfaction by the Corporation or by the Special Warrantholders who signed such Special Warrantholders' Request against the cost which may be incurred in connection with the calling and holding of such meeting, call and convene a meeting of the Special Warrantholders. In the event of the Warrant Agent failing to so call a meeting within seven (7) days after receipt of such written request of the Corporation or such Special Warrantholders' Request and indemnity and funding given as aforesaid, the Corporation or the Special Warrantholders who signed.such Special Warrantholders' Request, as the case may be, may call and convene such meeting. Every such meeting shall be held in the City of Calgary or at such other place as may be approved or determined by the Warrant Agent.

8.2 Notice

At least twenty-one (21) days prior notice of any meeting of Special Warrantholders shall be given to the Special Warrantholders in the manner provided for in Section 11.2 and a copy of such notice shall be sent by mail to the Warrant Agent (unless the meeting has been called by the Warrant Agent) and to the Corporation (unless the meeting has been called by the Corporation). Such notice shall state the time when and the place where the meeting is to be held, shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Special Warrantholders to make a reasoned decision on the matter or matters to be brought before the meeting, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 8.

8.3 Chairman

An individual (who need not be a Special Warrantholder) designated in writing by the Warrant Agent shall be chairman of any meeting of Special Warrantholders and if no individual is so designated, or if the individual so designated is not present within fifteen (15) minutes from the time fixed for the holding of the meeting, the Special Warrantholders present in person or by proxy shall choose some individual present to be chairman.

8.4 Quorum

Subject to the provisions of Section 8.11, at any meeting of the Special Warrantholders a quorum shall consist of Special Warrantholders present in person or by proxy and holding at least 25% of the aggregate number of the then outstanding Special Warrants, provided that at least two (2) persons entitled to vote thereat are personally present. If a quorum of the Special Warrantholders shall not be present within thirty (30) minutes from the time fixed for holding any meeting, the meeting, if summoned by the Special Warrantholders or on a Special Warrantholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day, in which case it shall be adjourned to the next following Business Day) at the same time and place and no notice of the adjournment need be given. Any business may be brought before or dealt with at an adjourned meeting which might have been dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting of Special Warrantholders unless a quorum is present at the commencement of the meeting. At the adjourned meeting the Special Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that they may not hold at least 25% of the aggregate number of the then outstanding Special Warrants.

8.5 **Power to Adjourn**

The chairman of any meeting of Special Warrantholders at which a quorum of the Special Warrantholders is present may, with the consent of the meeting, adjourn any such meeting, and no notice of such adjournment need by given except such notice, if any, as the meeting may prescribe.

8.6 **Show of Hands**

Every question submitted to a meeting of Special Warrantholders shall be decided in the first place by a majority of the votes given on a show of hands except that votes on an extraordiniry resolution shall be given in the manner hereinafter provided. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact.

8.7 **Poll and Voting**

(a) On every extraordinary resolution, and on any other question submitted to a meeting of Special Warrantholders and after a vote by show of hands when demanded by the chairman or by one or more of the Special Warrantholders acting in person or by proxy and holding at least 5% of the aggregate number of Special Warrants then outstanding, a poll shall be taken in such manner as the chairman shall direct. Questions other than those required to be determined by extraordinary resolution shall be decided by a majority of the votes cast on the poll.

(b) On a show of hands, every person who is present and entitled to vote, whether as a Special Warrantholder or as proxyholder for one or more absent Special Warrantholders, or both, shall have one vote. On a poll, each Special Warrantholder present in person or represented by a proxyholder duly appointed by instrument in writing shall be entitled to one vote in respect of each Special

Warrant then held or represented by him. A proxyholder need not be a Special Warrantholder. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Special Warrants, if any, held or represented by him.

8.8 Regulations

The Warrant Agent, or the Corporation with the approval of the Warrant Agent, may from time to time make and from time to time vary such regulations as it shall think fit for:

(a) the setting of the record date for a meeting of Special Warrantholders for the purpose of determining Special Warrantholders entitled to receive notice of and to vote at the meeting;

(b) the issue of voting certificates by any bank, trust company or other depositary satisfactory to the Warrant Agent stating that the Special Warrant Certificates specified therein have been deposited with it by a named person and will remain on deposit until after the meeting, which voting certificate shall entitle the persons named therein to be present and vote at any such meeting and at any adjournment thereof or to appoint a proxyholder or holders to represent them and vote for them at any such meeting and at any adjournment thereof in the same manner and with the same effect as though the persons so named in such voting certificates were the actual bearers of the Special Warrant Certificates specified therein;

(c) the deposit of voting certificates and instruments appointing proxyholders at such place and time as the Warrant Agent, the Corporation or the Special Warrantholders convening the meeting, as the case may be, may in the notice convening the meeting direct;

(d) the deposit of voting certificates and instruments appointing proxyholders at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxyholders to be mailed, cabled or telegraphed or sent by other means of prepaid, transmitted, recorded communication before the meeting to the Corporation or to the Warrant Agent at the place where the meeting is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting;

(e) the form of the instrument of proxy; and

(f) generally for the calling of meetings of Special Warrantholders and the conduct of business thereat.

Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Except as such regulations may provide, the only persons who shall be recognized at any meeting as a Special Warrantholder, or be entitled to vote or be present at the meeting in respect thereof (subject to Section 8.9), shall be Special Warrantholders or their counsel, or proxyholders of Special Warrantholders.

8.9 Corporation and Warrant Agent May be Represented

The Corporation and the Warrant Agent, by their respective directors and officers, and the counsel for the Corporation and for the Warrant Agent may attend any meeting of the Special Warrantholders, but shall have no vote as such, unless in their capacity as a Special Warrantholder.

8.10 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred upon them by any other provisions of this Indenture or by law, the Special Warrantholders at the meeting shall, subject to the provisions of Section 8.11, have the power, exercisable from time to time by extraordinary resolution (as defined in Section 8.11:

(a) to agree to any modification, abrogation, alteration, compromise or arrangement of the rights of Special Warrantholders or the Warrant Agent in its capacity as trustee hereunder or on behalf of the Special Warrantholders against the Corporation whether such rights arise under this Indenture or the Special Warrant Certificates or otherwise;

(b) to amend, alter or repeal any extraordinary resolution previously passed or sanctioned by the Special Warrantholders;

(c) to direct or to authorize the Warrant Agent to enforce any of the covenants on the part of the Corporation contained in this Indenture or the Special Warrant Certificates or to enforce any of the rights of the Special Warrantholders in any manner specified in such extraordinary resolution or to refrain from enforcing any such covenant or right;

(d) to waive, and to direct the Warrant Agent to waive, any default on the part of the Corporation in complying with any provisions of this Indenture or the Special Warrant Certificates either unconditionally or upon any conditions specified in such extraordinary resolution;

(e) to restrain any Special Warrantholder from taking or instituting any suit, action or proceeding against the Corporation for the enforcement of any of the covenants on the part of the Corporation contained in this Indenture or the Special Warrant Certificates or to enforce any of the rights of the Special Warrantholders;

(f) to direct any Special Warrantholder who, as such, has brought any suit, action or proceeding to stay or to discontinue or otherwise to deal with the same upon payment of the costs, charges and expenses reasonably and properly incurred by such Special Warrantholder in connection therewith;

(g) to assent to any change in or omission from the provisions contained in the Special Warrant Certificates or this Indenture or any ancillary or supplemental instrument which may be agreed to by the Corporation, and to authorize the

Warrant Agent to concur in and execute any ancillary or supplemental indenture embodying the change or omission;

(h) to remove the Warrant Agent or its successors in office and to appoint a new trustee or trustees to take the place of the Warrant Agent so removed; and

(i) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Corporation.

8.11 **Meaning of Extraordinary Resolution**

(a) The expression "extraordinary resolution" when used in this Indenture means, subject to as hereinafter provided in this Section 8.11 and in Section 8.14, a resolution proposed at a meeting of Special Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article 8, at which there are present in person or by proxy Special Warrantholders holding at least 25% of the aggregate number of the then outstanding Special Warrants and passed by the affirmative votes of Special Warrantholders holding not less than 66 ⅔% of the aggregate number of the then outstanding Special Warrants represented at the meeting and voted on the poll upon such resolution.

(b) If, at the meeting of Special Warrantholders at which an extraordinary resolution is to be considered, Special Warrantholders holding at least 25% of the aggregate number of the then outstanding Special Warrants are not present in person or by proxy within thirty (30) minutes after the time appointed for the meeting, then the meeting, if convened by Special Warrantholders or on a Special Warrantholders' Request, shall be dissolved, but in any other case it shall stand adjourned to such day, being not less than fifteen (15) or more than sixty (60) days later, and to such place and time as may be determined by the chairman. Not less than ten (10) days' prior notice shall be given of the time and place of such adjourned meeting in the manner provided for in Section 11.2. Such notice shall state that at the adjourned meeting the Special Warrantholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Special Warrantholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Subsection 8.11(a) shall be an "extraordinary resolution" within the meaning of this Indenture notwithstanding that Special Warrantholders holding at least 25% of the aggregate number of the then outstanding Special Warrants are not present in person or by proxy at such adjourned meeting.

(c) Votes on an extraordinary resolution shall always be given on a poll and no demand for a poll on an extraordinary resolution shall be necessary.

8.12 **Powers Cumulative**

Any one or more of the powers or any combination of the powers in this Indenture stated to be exercisable by the Special Warrantholders by extraordinary resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time shall not be deemed to exhaust the right of the Special Warrantholders to exercise such power or powers or combination of powers then or thereafter from time to time.

8.13 **Minutes**

Minutes of all resolutions and proceedings at every meeting of Special Warrantholders shall be made and duly entered in books to be provided from time to time for that purpose by the Warrant Agent at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman or the secretary of the meeting at which such resolutions were passed or proceedings taken, shall be prima facie evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes shall have been made shall be deemed to have been duly convened and held, and all resolutions passed thereat or proceedings taken shall be deemed to have been duly passed and taken.

8.14 **Instruments in Writing**

All actions which may be taken and all powers that may be exercised by the Special Warrantholders at a meeting held as provided in this Article 8 may also be taken and exercised by Special Warrantholders holding at least 66⅔% of the aggregate number of the then outstanding Special Warrants by an instrument in writing signed in one or more counterparts by such Special Warrantholders in person or by attorney duly appointed in writing, and the expression "extraordinary resolution" when used in this Indenture shall include an instrument so signed.

8.15 **Binding Effect of Resolutions**

Every resolution and every extraordinary resolution passed in accordance with the provisions of this Article 8 at a meeting of Special Warrantholders shall be binding upon all of the Special Warrantholders, whether present at or absent from such meeting, and every instrument in writing signed by Special Warrantholders in accordance with Section 8.14 shall be binding upon all of the Special Warrantholders, whether signatories thereto or not, and each and every Special Warrantholder and the Warrant Agent (subject to the provisions for indemnity herein contained) shall be bound to give effect accordingly to every such resolution and instrument in writing.

8.16 **Holdings by Corporation or Subsidiaries Disregarded**

In determining whether Special Warrantholders holding the required number of Special Warrants are present at a meeting of Special Warrantholders for the purpose of determining a quorum or have concurred in any consent, waiver, extraordinary resolution, Special Warrantholders' Request or other action under this Indenture, Special Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation shall be disregarded in accordance with the provisions of Section 11.3.

ARTICLE 9
SUPPLEMENTAL INDENTURES

9.1 Provision for Supplemental Indentures for Certain Purposes

From time to time the Corporation (when authorized by action of the directors) and the Warrant Agent, may, subject to the provisions hereof, and they shall, when so directed in accordance with the provisions hereof, execute and deliver by their proper officers, indentures or instruments supplemental hereto, which thereafter shall form part hereof, for any one or more or all of the following purposes:

(a) setting forth any adjustments resulting from the application of the provisions of Article 5;

(b) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the circumstances, provided that the same are not in the opinion of the Warrant Agent prejudicial to the interests of the Special Warrantholders;

(c) giving effect to any extraordinary resolution passed as provided in Article 8;

(d) adding to, deleting or altering the provisions hereof in respect of the transfer of Special Warrants, making provision for the exchange of Special Warrant Certificates, and making any modification in the form of the Special Warrant Certificates which does not affect the substance thereof;

(e) modifying any of the provisions of this Indenture, including relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that such modification or relief shall be or become operative or effective only if, in the opinion of the Warrant Agent, such modification or relief in no way prejudices any of the rights of the Special Warrantholders or of the Warrant Agent, and provided further that the Warrant Agent may in its sole discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Warrant Agent when the same shall become operative;

(f) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Special Warrants on any stock exchange, provided that such provisions are not, in the opinion of the Warrant Agent, relying on the opinion of Counsel, prejudicial to the interests of the Special Warrantholders; and

(g) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective or inconsistent provisions, errors, mistakes or omissions herein, provided that in the opinion of the Warrant Agent, relying on the opinion of Counsel, the rights of the Warrant Agent and of the Special Warrantholders are in no way prejudiced thereby.

9.2 **Successor Corporations**

In the case of the consolidation, amalgamation, merger or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation ("successor Corporation"), the successor Corporation resulting from such amalgamation, merger or transfer (if not the Corporation) shall expressly assume, by supplemental indenture satisfactory in form to the Warrant Agent and executed and delivered to the Warrant Agent, the due and punctual performance and observance of each and every covenant and condition of this Indenture to be performed and observed by the Corporation.

ARTICLE 10
CONCERNING THE WARRANT AGENT

10.1 **Legislation**

(a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.

(b) The Corporation and the Warrant Agent agree that each will, at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

10.2 **Rights and Duties of Warrant Agent**

(a) In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent shall act honestly and in good faith with a view to the best interests of the Special Warrantholders and shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. No provision of this Indenture shall be construed to relieve the Warrant Agent from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct or bad faith.

(b) The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Warrant Agent or the Special Warrantholders hereunder shall be conditional upon the Special Warrantholders furnishing, when required by a notice of the Warrant Agent, sufficient funds to commence or to continue such act, action or proceeding and an indemnity reasonably satisfactory to the Warrant Agent to protect and to hold harmless the Warrant Agent against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

(c) None of the provisions contained in this Indenture shall require the Warrant Agent to expend or to risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.

(d) The Warrant Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Special Warrantholders, at whose instance it is acting, to deposit with the Warrant Agent the Special Warrants held by them, for which Special Warrants the Warrant Agent shall issue receipts.

(e) Every provision of this Indenture that, by its terms, relieves the Warrant Agent of liability or entitles it to rely upon any evidence submitted to it, is subject to the provisions of Applicable Legislation, to this Section 10.2 and to Section 10.3.

10.3 **Evidence, Experts and Advisers**

(a) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Warrant Agent such additional evidence of compliance with any provisions hereof, in such form, as may be prescribed by Applicable Legislation or as the Warrant Agent may reasonably require by written notice to the Corporation.

(b) In the exercise of its rights and duties hereunder, the Warrant Agent may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed in statutory declarations, opinions, reports, written requests, consents, or orders of the Corporation, certificates of the Corporation or other evidence furnished to the Warrant Agent pursuant to a request of the Warrant Agent, provided that such evidence complies with Applicable Legislation and that the Warrant Agent complies with Applicable Legislation and that the Warrant Agent examines the same and determines that such evidence complies with the applicable requirements of this Indenture.

(c) Whenever it is provided in this Indenture or under Applicable Legislation that the Corporation shall deposit with the Warrant Agent resolutions, certificates, reports, opinions, requests, orders and other documents, it is intended that the trust, accuracy and good faith on the effective date thereof and the facts and opinions stated in all such documents so deposited shall, in each and every such case, be conditions precedent to the right of the Corporation to have the Warrant Agent take the action to be based thereon.

(d) Proof of the execution of an instrument in writing, including a Special Warrantholders' Request, by any Special Warrantholder may be made by the certificate of a notary public, or other officer with similar powers, stating that the person signing such instrument acknowledged to it the execution thereof, or by an affidavit of a witness to such execution or in any other manner which the Warrant Agent may consider adequate.

(e) The Warrant Agent may employ or retain such Counsel, accountants, appraisers or other experts or advisers as it may reasonably require for the purpose of discharging its-duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel, and shall not be responsible for any misconduct or negligence on the part of any such experts or advisers who have been appointed with due care by the Warrant Agent. The Corporation shall pay or reimburse the Warrant Agent for any reasonable remuneration, expenses, disbursements and advances of such Counsel, accountant, appraiser or other expert or advisor.

10.4 **Documents, Monies, etc. Held by Trustee**

Any securities, documents of title or other instruments that may at any time be held by the Warrant Agent subject to the trusts hereof may be placed in the deposit vaults of the Warrant Agent or of any Canadian chartered bank listed in Schedule 1 to the Bank Act (Canada) or of any trust company registered to do business in Canada or deposited for safekeeping with any such bank or trust company. Unless herein otherwise expressly provided, any monies so held pending the application or withdrawal thereof under any provisions of this Indenture upon the written direction of the Corporation shall be or, with the consent of the Corporation may be: (i) deposited in the name of the Warrant Agent in any Canadian chartered bank listed in Schedule 1 to the Bank Act (Canada) or any trust company registered to do business in Canada at the rate of interest (if any) then current on similar deposits; or (ii) invested in treasury bills or short term interest bearing or discounted obligations issued or guaranteed by the Government of Canada or a province thereof, of any Canadian chartered bank listed in Schedule 1 of the Bank Act (Canada), provided that the securities shall not have a maturity date of more than sixty (60) days from the date of investment. Unless the Corporation shall be in default hereunder or unless otherwise specifically provided herein, all interest or other income received by the Warrant Agent in respect of such deposits and investments shall belong to the Corporation.

In the event that the Warrant Agent has not received direction from the Corporation prior to 10:00 a.m. on the date that any investment made in accordance with this Section 10.4 matures, comes due or is otherwise required to be reinvested, the Warrant Agent shall be authorized to reinvest such funds in an overnight investment until such time that the Warrant Agent receives direction from the Corporation.

10.5 **Actions by Warrant Agent to Protect Interest**

The Warrant Agent shall have power to institute and to maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Special Warrantholders.

10.6 **Warrant Agent Not Required to Give Security**

The Warrant Agent shall not be required to give any bond or security in respect of the execution of the trusts and powers of this Indenture or otherwise in respect of the premises.

10.7 Protection of Warrant Agent

Except as provided in Section 10.2, by way of supplement to the provisions of any law for the time being relating to trustees, it is expressly declared and agreed that the Warrant Agent shall not:

(a) be liable for or by reason of any statements of fact or recitals in this Indenture or in the Special Warrant Certificates (except the representation contained in Section 10.8 or in the certificate of the Warrant Agent on the Special Warrant Certificates) or be required to verify the same, but all such statements (other than those relating specifically to the Warrant Agent) or recitals are and shall be deemed to be made by the Corporation;

(b) be bound to give notice to any person or persons of the execution hereof;

(c) incur any liability or responsibility whatsoever, or be in any way responsible, for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees, agents or servants of the Corporation;

(d) at any time be under any duty or responsibility to any Special Warrantholder to determine whether any facts exist which may require any adjustment contemplated by Section 5.1, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;

(e) be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or property which may at any time be issued or delivered upon the exercise of the rights attaching to any Special Warrant; and

(f) be responsible for any failure of the Corporation to issue, transfer or deliver Common Shares or certificates representing Common Shares upon the surrender of any Special Warrants for the purpose of the exercise of such rights or to comply with any of the covenants contained in Article 5.

10.8 Replacement of Warrant Agent; Successor by Merger

(a) The Warrant Agent may resign its trust and be discharged from all further duties and liabilities hereunder, subject to this Section 10.8, by giving to the Corporation not less than thirty (30) days prior notice in writing or such shorter prior notice as the Corporation may accept as sufficient. The Special Warrantholders by extraordinary resolution shall have power at any time to remove the existing Warrant Agent and to appoint a new trustee. In the event of the Warrant Agent resigning or being removed as aforesaid or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new trustee unless a new trustee has already been appointed by the Special Warrantholders; failing such appointment by the

Corporation, the retiring Warrant Agent or any Special Warrantholder may apply to a justice of the Court of Queen's Bench of the Province of Alberta on such notice as such justice may direct, at the Corporation's expense, for the appointment of a new trustee; but any new trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Special Warrantholders. Any new trustee appointed under this Section 10.7 shall be a corporation authorized to carry on the business of a trust company in the Province of Alberta and, if required by the Applicable Legislation of any other provinces, in such other provinces. On any such appointment the new trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent under this Indenture.

(b) Upon the appointment of a successor trustee, the Corporation shall promptly notify the Special Warrantholders thereof in the manner provided for in Section 11.2.

(c) Any corporation into which or with which the Warrant Agent may be merged, consolidated or amalgamated, or any corporation resulting therefrom to which the Warrant Agent shall be a party, or any corporation succeeding to the trust business of the Warrant Agent shall be the successor to the Warrant Agent hereunder without any further act on its part or any of the parties hereto, provided that such corporation would be eligible for appointment as a successor trustee under subsection 10.8(a).

(d) Any Special Warrant Certificates certified but not delivered by a predecessor trustee may be certified by the successor trustee in the name of the predecessor or successor trustee.

(e) The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively the "Privacy Laws") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Warrant Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Warrant Agent shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Warrant Agent agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Corporation or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

10.9 Conflict of Interest

(a) The Warrant Agent represents to the Corporation that at the time of execution and delivery hereof no material conflict of interest exists between its role as a trustee hereunder and its role in any other capacity and agrees that in the event of a material conflict of interest arising hereafter it will, within ninety (90) days after ascertaining that it has such material conflict of interest, either eliminate the same or resign its trust hereunder. Notwithstanding the foregoing provisions of this subsection 10.9(a), if any such material conflict of interest exists or hereafter shall exist, the validity and enforceability of this Indenture and the Special Warrant Certificates shall not be affected in any manner whatsoever by reason thereof.

(b) Subject to subsection 10.9(a), the Warrant Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Corporation and generally may contract and enter into financial transactions with the Corporation or any Subsidiary of the Corporation without being liable to account for any profit made thereby.

10.10 Acceptance of Trust

The Warrant Agent hereby accepts the trusts declared and provided for in this Indenture and agrees to perform the same upon the terms and conditions herein set forth.

10.11 Warrant Agent Not to be Appointed Receiver

The Warrant Agent and any person related to the Warrant Agent shall not be appointed a receiver, a receiver and manager or liquidator of all or any part of the assets or undertaking of the Corporation.

ARTICLE 11
GENERAL

11.1 Notice to the Corporation and the Warrant Agent

(a) Unless herein otherwise expressly provided, any notice to be given hereunder to the Corporation or the Warrant Agent shall be deemed to be validly given if delivered, sent by registered letter, postage prepaid or faxed:

If to the Corporation:

Whitemud Resources Inc.
301, 3345-8th Street SW
Calgary, A B T2G 3A4

Attention: Chief Executive Officer

Telephone: (403) 517-0040
Fax: (403) 517-0046

with a copy to:

Carscallen Leitch LLP
1500, 407-2nd Street SW
Calgary, A B T2P 2Y3

Attention: Donald R. Leitch

Telephone: (403) 298-8459
Fax: (403) 262-2952

If to the Warrant Agent:

Olympia Trust Company
2300. 125-9th Avenue SE
Calgary, AB T2G 0P6

Attention: Manager, Corporate & Shareholder Services

Telephone: (403) 261-0900
Fax: (403) 265-1455

and any such notice delivered or faxed in accordance with the foregoing shall be deemed to have been received on the date of delivery, on the day following the date it was faxed, or, if mailed, on the third (3rd) Business Day following the date of the postmark on such notice.

(b) The Corporation or the Warrant Agent, as the case may be, may from time to time notify the other in the manner provided in subsection 11.1(a) of a change of address which, from the effective date of such notice and until changed by like notice, shall be the address of the Corporation or the Warrant Agent, as the case may be, for all purposes of this Indenture.

(c) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Warrant Agent or to the Corporation hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered or faxed to the named officer of the party to which it is addressed.

11.2 Notice to Special Warrantholders

(a) Unless otherwise provided herein, any notice to the Special Warrantholders under the provisions of this Indenture shall be valid and effective if faxed, sent by letter, postage prepaid or delivered addressed to such holders at their addresses appearing on the register referred to above and shall be deemed to have been effectively given on the date of delivery or, if mailed, on the date that is three (3) Business Days following actual posting of the notice or, if faxed, on the next Business Day following the date of transmission provided that its contents are transmitted and received completely and accurately.

(b) If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving postal employees, any notice to be given to the Special Warrantholders hereunder could reasonably be considered unlikely to reach its destination, such notice shall be valid and effective only if it is delivered personally to such Special Warrantholders or if delivered to the address for such Special Warrantholders contained in the register of Special Warrants maintained by the Warrant Agent, by telex, fax or other means of prepaid transmitted and recorded communication.

11.3 Ownership of Special Warrants

The Corporation and the Warrant Agent may deem and treat the registered owner of any Warrant Certificate as the absolute owner of the Special Warrant represented thereby for all purposes, and the Corporation and the Warrant Agent shall not be affected by any notice or knowledge to the contrary except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction. A Warrantholder shall be entitled to the rights contained by such Warrant Certificate free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate holder of the Special Warrants and all persons may act accordingly and the issuance thereto in accordance with the terms hereof pursuant thereto shall be a good discharge to the Corporation and the Warrant Agent for the same and the Corporation and the Warrant Agent shall not be bound to inquire into the title of any such holder except where the Corporation or the Warrant Agent is required to take notice by statute or by order of a court of competent jurisdiction.

11.4 Evidence of Ownership

(a) Upon receipt of a certificate of any bank, trust company or other depository satisfactory to the Warrant Agent stating that the Special Warrants specified therein have been deposited by a named person with such bank, trust company or other depositary and will remain so deposited until the expiry of the period specified therein, the Corporation and the Warrant Agent may treat the person so named as the owner, and such certificate as sufficient evidence of the ownership by such person of such Special Warrant during such period, for the purpose of any requisition, direction, consent, instruction or other document to be made, signed or given by the holder of the Special Warrant so deposited.

(b) The Corporation and the Warrant Agent may accept as sufficient evidence of the fact and date of the signing of any requisition, direction, consent, instrument or other document by any person: (i) the signature of any officer of any bank, trust company, or other depository satisfactory to the Warrant Agent as witness of such execution, (ii) the certificate of any commissioner for oaths, notary public or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is made that the person signing acknowledged to it the execution thereof; (iii) a statutory declaration of a witness of such execution; or (iv) any other documentation satisfactory to the Corporation and the Warrant Agent.

11.5 Counterparts

This Indenture may be executed by facsimile and in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be executed as of the date hereof.

11.6 Satisfaction and Discharge of Indenture

Upon the earlier of:

(a) the date by which there shall have been delivered to the Warrant Agent for exercise or destruction all Special Warrant Certificates theretofore certified hereunder, or

(b) the Expiry Time;

and if all certificates representing Common Shares required to be issued have been issued and delivered, this Indenture shall cease to be of force or effect and the Warrant Agent, on demand of and at the cost and expense of the Corporation and upon delivery to the Warrant Agent of a certificate of the Corporation stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture. Notwithstanding the foregoing, the indemnities provided to the Warrant Agent by the Corporation hereunder shall remain in full force and effect and survive the termination of this Indenture.

11.7 Provisions of Indenture and Special Warrants for the Sole Benefit of Parties and Special Warrantholders

Nothing in this Indenture or in the Special Warrant Certificates, expressed or implied, shall give or be construed to give to any person other than the parties hereto and the Special Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Special Warrantholders.

11.8 Special Warrants Owned by the Corporation or its Subsidiaries - Certificate to be Provided

For the purpose of disregarding any Special Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation in Section 8.16, the Corporation shall provide to the Warrant Agent, from time to time, a certificate of the Corporation setting forth, as at the date of such certificate:

(a) the names (other than the name of the Corporation) of the registered holders of Special Warrants which, to the knowledge of the Corporation, are owned by or held for the account of the Corporation or any Subsidiary of the Corporation; and

(b) the number of Special Warrants owned legally or beneficially by the Corporation or any Subsidiary of the Corporation;

and the Warrant Agent, in making the computations in Section 8.16, shall be entitled to rely on such certificate without any additional evidence.

11.9 Power to Amend

All and any provisions of this Indenture and the Special Warrant Certificates may from time to time be amended by agreement between the Corporation and the Warrant Agent on its own behalf and on behalf of the Special Warrantholders in any respect which they deem necessary or desirable, without the need for any additional consent by or on behalf of the Special Warrantholders, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provisions contained herein or in any manner which the Corporation and the Warrant Agent on its own behalf and on behalf of the Special Warrantholders may deem necessary or expedient and which does not in the opinion of the Warrant Agent materially prejudice the rights exercisable by extraordinary resolution of the Special Warrantholders within the meaning of and in accordance with the procedures set forth in Article 8 hereof and any such amendments shall be binding on all Special Warrantholders from and after the effective date thereof. If this Indenture is so amended, reference herein to this Indenture shall, unless the context otherwise requires, be construed, as from the date from which such amendment is expressed to be made, as references to this Indenture and so amended.

11.10 Waiver

Each of the parties hereto shall have the right to waive any of its rights under this Indenture, in whole or in part, in its absolute discretion, and any such right once waived may thereafter, subject to the terms of the waiver, be reasserted by such party at any time and enforced pursuant to the terms of this Indenture.

11.11 **Governing Law**

This Indenture shall be governed by and construed in accordance with the laws of the Province of Alberta. Each of the parties irrevocably attorns to the exclusive jurisdiction of the courts of the province of Alberta with respect to all matters arising out of this Indenture and the transactions contemplated herein.

IN WITNESS WHEREOF the parties hereto have executed this Indenture under their respective corporate seals and the hands of their proper officers as of the date first above written.

WHITEMUD RESOURCES INC.

Per: (signed) "*Ron Love*"

Per: (signed) "*Kelly Babichuk*"

OLYMPIA TRUST COMPANY

Per: (signed) "*Rachelle Hawk*"

Per: (signed) "*W. Anne DeWaele*"

THIS IS SCHEDULE "A" to the Special Warrant Indenture made as of June 26, 2008 between WHITEMUD RESOURCES INC. and OLYMPIA TRUST COMPANY, as Warrant Agent

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UNLESS PERMITTED UNDER THE APPLICABLE SECURITIES LEGISLATION, THE HOLDER OF THIS CERTIFICATE MUST NOT TRADE THE SECURITIES REPRESENTED BY THIS CERTIFICATE UNTIL A DATE THAT IS FOUR MONTHS AND A DAY AFTER THE CLOSING.

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

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF WHITEMUD RESOURCES INC. THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO WHITEMUD RESOURCES INC., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT (C) IN ACCORDANCE WITH RULE 144A UNDER THE 1933 ACT, OR (D) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND, IN ANY EVENT, IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AFTER, IN THE CASE OF TRANSFERS UNDER CLAUSE D, THE HOLDER HAS FURNISHED TO WHITEMUD RESOURCES INC. AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO WHITEMUD RESOURCES INC. TO SUCH EFFECT.

SPECIAL WARRANT CERTIFICATE

WHITEMUD RESOURCES INC.
(Incorporated under the *Business Corporations Act* (Alberta))

SPECIAL WARRANT CERTIFICATE NO. ●

_____________________________ SPECIAL WARRANTS, entitling the holder to acquire, subject to adjustment, one (1) Common Share for each Special Warrant represented hereby.

THIS IS TO CERTIFY THAT

(hereinafter referred to as the "holder") is entitled to acquire (without payment of any additional consideration) in the manner and subject to the restrictions and adjustments set forth herein and in the Indenture (as such term is defined below), at any time and from time to time prior to 4:30 p.m. (Calgary time) (the "Expiry Time") on the Expiry Date, pursuant to the terms of the underwriting agreement dated as of June 26, 2008 among Whitemud Resources Inc. (the

"Corporation") and Thomas Weisel Partners Canada Inc. and Dundee Securities Corporation (the "Underwriters") relating to the distribution of Special Warrants of the Corporation, one (1) fully paid and non-assessable common share (a "Common Share") in the capital of the Corporation as such shares were constituted on June 26, 2008 for each Special Warrant represented hereby.

The Special Warrants represented by this certificate are created under and pursuant to a Special Warrant Indenture (herein referred to as the "Indenture") made as of June 26, 2008 between the Corporation and Olympia Trust Company (the "Warrant Agent"). Reference is made to the Indenture and any instruments supplemental thereto for a full description of the rights of the holders of the Special Warrants and the terms and conditions upon which the Special Warrants are, or are to be, issued and held, with the same effect as if the provisions of the Indenture and all instruments supplemental thereto were herein set forth. By acceptance hereof, the holder assents to all provisions of the Indenture.

Whenever used herein capitalized terms not defined in this Special Warrant Certificate but defined in the Indenture shall have the meanings ascribed thereto in the Indenture.

Immediately prior to the Expiry Time on the Expiry Date, the rights of all holders of Special Warrants to acquire Common Shares represented hereby shall be deemed to be exercised and the Common Shares issuable hereunder shall be deemed to be issued to the holder or holders of record hereof at such time without any further action on the part of the holder hereof. Certificates for the appropriate number of Common Shares issued upon the deemed exercise of Special Warrants will be mailed or, if so specified in the exercise form, will be delivered at the Warrant Agency, upon actual receipt by the Warrant Agent of the Special Warrant certificate with the duly completed and executed exercise form.

If a receipt for the Prospectus is not obtained in the manner described in the Indenture prior to August 9, 2008 being the date which is 45 days from the Closing Date, holders of Special Warrants shall be entitled to acquire, for each Special Warrant exercised or deemed to be exercised by such holders, 1.1 Common Shares.

The right to acquire Common Shares may be exercised by the holder within the time set forth above by:

(a) duly completing and executing the Exercise Form attached hereto; and

(b) surrendering this Special Warrant Certificate to the Warrant Agent at its principal offices in the City of Calgary, Alberta.

These Special Warrants shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt hereof by the Warrant Agent at the offices of the Warrant Agent referred to above.

Upon surrender of these Special Warrants, the person or persons in whose name or names the Common Shares issuable upon exercise of the Special Warrants are to be issued shall be deemed for all purposes (except as provided in the Indenture hereinafter referred to) to be the holder or holders of record of such Common Shares and the Corporation covenants that it will (subject to the provisions of the Indenture) cause a certificate or certificates representing such

Common Shares to be delivered or mailed to the person or persons at the address or addresses specified in the Exercise Form within five (5) business days of the date such Special Warrants are surrendered.

The registered holder of these Special Warrants may acquire any lesser number of Common Shares than the total number of Common Shares that may be acquired upon the exercise of the Special Warrants represented by this Special Warrant Certificate. In such event, the holder shall be entitled to receive a new Special Warrant Certificate for the balance of the Common Shares which may be acquired. No fractional Common Shares will be issued.

In the event of any alteration of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of any form of reorganization of the Corporation, including any amalgamation, merger or arrangement, the holders of Special Warrants shall, upon exercise of the Special Warrants following the occurrence of any such event, be entitled to receive the same number and kind of securities as they would have been entitled to receive had they exercised their Special Warrants immediately prior to the occurrence of any such event, provided that no fractional Common Shares will be issued.

The holder of this Special Warrant Certificate may, at any time prior to the Expiry Time on the Expiry Date, upon surrender hereof to the Warrant Agent at its principal office in the City of Calgary, Alberta, exchange this Special Warrant Certificate for other Special Warrant Certificates entitling the holder to acquire, in the aggregate, the same number of Common Shares as may be acquired under this Special Warrant Certificate.

The holding of the Special Warrants evidenced by this Special Warrant Certificate shall not constitute the holder thereof a shareholder of the Corporation or entitle the holder to any right or interest in respect thereof except as expressly provided in the Indenture and in this Special Warrant Certificate.

The Indenture provides that all holders of Special Warrants shall be bound by any resolution passed at a meeting of the holders held in accordance with the provisions of the Indenture and by resolutions signed by the holders of Special Warrants entitled to acquire a specified majority of the Common Shares which may be acquired pursuant to all the then outstanding Special Warrants.

The Special Warrants evidenced by this Special Warrant Certificate may be transferred on the register kept at the offices of the Warrant Agent by the registered holder hereof or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent, upon compliance with the conditions prescribed in the Indenture and upon compliance with such reasonable requirements as the Warrant Agent may prescribe. **THE TRANSFER OF THE SPECIAL WARRANTS EVIDENCED HEREBY IS RESTRICTED BY APPLICABLE SECURITIES LAWS. HOLDERS ARE ADVISED TO CONSULT THEIR LEGAL COUNSEL IN THIS REGARD.**

The Special Warrants evidenced by this Special Warrant Certificate have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the "US Securities Act"), and may not be offered or sold to a person in the United States, except pursuant to an exemption from registration under the 1933 Act. Compliance with the securities laws of any jurisdictions is the responsibility of the holder of this Special Warrant Certificate and its transferee.

This Special Warrant Certificate shall not be valid for any purpose whatever unless and until it has been certified by or on behalf of the Warrant Agent.

Time shall be of the essence hereof.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Corporation has caused this Special Warrant Certificate to be signed by a duly authorized officer as of June 26, 2008.

WHITEMUD RESOURCES INC.

Per: ________________________________

Certified by:
OLYMPIA TRUST COMPANY
Warrant Agent

By: __________________________

TRANSFER OF SPECIAL WARRANTS

NOTE: SPECIAL WARRANTS MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH APPLICABLE LAW

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfer to

________________________________	________________________________
(full name of Transferee)	(address of Transferee)

_________________________ Special Warrants of Whitemud Resources Inc. registered in the name of the undersigned on the records maintained by Olympia Trust Company represented by the Special Warrant Certificate attached and irrevocably appoints _____________ the attorney of the undersigned to transfer the said securities on the books or register with full power of substitution.

The undersigned certifies that all applicable Canadian and foreign securities laws and requirements of regulatory authorities respecting the transfer of the said securities have been complied with.

DATED the ___________ day of _______________________.

________________________________	________________________________
Signature of Guaranteed	(Signature of Special Warrantholder)

Instructions:

1. The Signature of the Special Warrantholder must be the signature of the person whose name appears on the face page of the Special Warrant Certificate.

2. If the Transfer Form is signed by the trustee, executor, administrator, curator, guardian, attorney, officer of the corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Corporation.

3. The signature on the Transfer Form must be guaranteed by an authorized officer of a chartered bank, trust company or an investment dealer who is a member of a recognized stock exchange.

4. Special Warrants shall only be transferable in accordance with applicable laws. The transfer of Special Warrants to a purchaser not resident in a Selling Jurisdiction may result in the Common Shares obtained upon the exercise of the Special Warrants (whether after or before obtaining receipts for a final prospectus relating to the distribution of Common Shares upon exercise of Special Warrants) not being freely tradeable in the jurisdiction where such purchaser is resident.

EXERCISE FORM

TO: WHITEMUD RESOURCES INC.
AND TO: OLYMPIA TRUST COMPANY

The undersigned hereby exercises the right pursuant to the Special Warrants represented by this Special Warrant Certificate to acquire _____________Common Shares of Whitemud Resources Inc. as constituted on June 26, 2008 (or such number of other securities or property to which such Special Warrants entitle the undersigned in lieu thereof or in addition thereto under the provisions of the Indenture referred to in this Special Warrant Certificate), in accordance with and subject to the provisions of such Indenture.

The Common Shares (or other securities or property) are to be issued as follows:

Name: ____

Address: ____

____

Social Insurance Number: ____

Number of Shares: ____

Note: If further nominees intended, please attach (and initial) a schedule giving these particulars.

DATED this __________ day of _______________, 20____.

Signature of Guaranteed	Signature of Warrantholder or Authorized Representative
	Print full name
	Title or Capacity of Authorized Representative
	Daytime Phone Number

NOTES:

(1) COMMON SHARES RECEIVED ON THE EXERCISE OF THE SPECIAL WARRANTS MAY BE SUBJECT TO A "HOLD PERIOD" UNDER APPLICABLE SECURITIES LAWS IF THE SPECIAL WARRANTS ARE EXERCISED PRIOR TO THE DATE ON WHICH A RECEIPT FOR A PROSPECTUS ISSUED BY THE PRINCIPLE REGULATOR IN ACCORDANCE WITH MI 11-102 AND THE ONTARIO SECURITIES COMMISSION HAS INDICATED ON SEDAR THAT IT IS "CLEAR FOR FINAL" IN ACCORDANCE WITH NP 11-202 (THE "RECEIPT") FOR A PROSPECTUS IS ISSUED OR IF A RECEIPT IS NOT ISSUED BY THE APPLICABLE SECURITIES COMMISSION WITH RESPECT TO THE COMMON SHARES OF THE CORPORATION TO BE ISSUED OR DELIVERED ON THE EXERCISE OF THIS SPECIAL WARRANT CERTIFICATE.

(2) COMMON SHARES WILL BE ISSUED IN THE NAME OF THE REGISTERED HOLDER AND DELIVERED TO THE ADDRESS OF THE REGISTERED HOLDER AS IT APPEARS ON THE SPECIAL WARRANT REGISTER UNLESS OTHERWISE DIRECTED.

Instructions:

1. The registered holder may exercise its right to receive Common Shares by completing this form and surrendering this form and the Special Warrant Certificate representing the Special Warrants being exercised to Olympia Trust Company at its principal office at 2300, 125-9th Avenue SE, Calgary, AB T2G 0P6. Certificates for Common Shares will be delivered or mailed within five (5) business days after the exercise of the Special Warrants.

2. If the Exercise Form indicates that Common Shares are to be issued to a person or persons other than the registered holder of the Special Warrant Certificate, the signature of such holder on the Exercise Form must be guaranteed by a major Canadian Schedule I chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States.

3. If the Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to Olympia Trust Company and Whitemud Resources Inc.

THIS IS SCHEDULE "B" to the Special Warrant Indenture made as of June 26, 2008 between WHITEMUD RESOURCES INC. and OLYMPIA TRUST COMPANY, as Warrant Agent

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FORM DECLARATION OF REMOVAL OF LEGEND

To: Olympia Trust Company
as registrar and warrant agent
for Special Warrants of
Whitemud Resources Inc.

And to: Whitemud Resources Inc.

The undersigned (A) acknowledges that the sale of the securities to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "1933 Act") and (B) certifies that (1) it is not an "affiliate" (as defined in Rule 405 under the 1933 Act) of Whitemud Resources Inc., (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States or (b) the transaction was executed on or through the facilities of the TSX Venture Exchange and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any person acting on its behalf has engaged or will engage in any directed selling efforts in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as that term is defined in Rule 144(a)(3) under the 1933 Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the 1933 Act. Terms used herein have the meanings given to them by Regulation S.

Dated: ____________________________

By:________________________________
Name:
Title: