

Form 51-103F2

Report of Material Change, Material Related Entity Transaction or Major Acquisition

PART 1 INSTRUCTIONS

1. Title of Form

Modify the title of this form to indicate whether the report is being filed to report a material change, a material related entity transaction or a major acquisition. If the transaction falls in more than one of these categories, modify the title of the report to reflect each of the applicable categories.

2. Format

The numbering, headings and ordering of the items included in this form are guidelines only.

3. Defined Terms

Refer to National Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers* for the definition of terms that are used in this form that are not defined in the form. If terms are not defined in that instrument, refer to securities legislation and National Instrument 14-101 *Definitions*.

4. Plain Language

Use plain, easy to understand language in preparing the report of material change, material related entity transaction or major acquisition. Avoid technical terms but, if they are necessary, explain them in a clear and concise manner.

5. Incorporating Material by Reference

If the disclosure required by this form has previously been provided in another document filed by the venture issuer, a venture issuer may comply with the disclosure requirements of this form by stating the name and date of that other document and that it is available in the venture issuer's profile on SEDAR at www.sedar.com. The venture issuer must also include a statement that the applicable disclosure is incorporated by reference into this report. If the other document is lengthy, indicate the location of the relevant information in the other document.

PART 2 CONTENTS OF REPORT

6. Name and Address

State the venture issuer's full name and the address of its head office.

7. Date of Material Change, Material Related Entity Transaction or Major Acquisition

Disclose the following, as applicable:

- (a) the date of the material change;
- (b) the date of the decision to implement a material related entity transaction;
- (c) the date of the material related entity transaction;
- (d) the acquisition date for a major acquisition.

8. News Release

State the date of the news release issued under section 20 of National Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers* and the news wire or service used to disseminate it.

9. Summary of Material Change, Material Related Entity Transaction or Major Acquisition

Briefly summarize the nature and substance of the material change, material related entity transaction or major acquisition being reported.

10. Full Description of Material Change, Material Related Entity Transaction or Major Acquisition

- (1) Describe the material change, material related entity transaction or major acquisition so that a reader can appreciate management's assessment of the reasonably anticipated significance and impact of the material change, material related entity transaction or major acquisition on the venture issuer's business, operations, financial performance, financial position, risks and prospects, whether positive or negative.

Guidance:

Specific financial forecasts are not normally required in connection with disclosure of a material change, material related entity transaction or major acquisition.

- (2) Disclose the purpose of and reasons for the material change, material related entity transaction or major acquisition.
- (3) Disclose in respect of the material change, material related entity transaction or major acquisition, each of the following that are applicable, if material:
 - (a) the date(s) of each applicable agreement;

- (b) in respect of an acquisition, the acquisition date or anticipated acquisition date, as determined in accordance with the issuer's GAAP and, in respect of a disposition, the closing date or anticipated closing date;
- (c) the parties to the agreement or transaction and if the event or transaction is a material related entity transaction, the nature of the relationship that causes each applicable entity to be considered a related entity of the venture issuer;
- (d) if the venture issuer is acquiring or has acquired an asset or business from a related entity, and the related entity acquired the asset or business within the prior three calendar years, the consideration paid by that related entity for the asset or business;
- (e) for each asset, business, related business or liability acquired, disposed of or leased, a description, including its location;
- (f) the consideration paid or to be paid for each asset, business or related business or liability acquired, disposed of or leased, including
 - (i) on-going commitments arising from the event or transaction,
 - (ii) an estimate of the aggregate consideration paid or received for all assets, businesses, related business or liabilities subject to the transaction (as reasonably anticipated to be recorded in the financial statements or interim financial reports of the venture issuer),
 - (iii) how the consideration was determined, including whether a valuation was obtained, and, if so, identify the valuator and summarize the material terms of the valuation,
 - (iv) how and when the consideration is to be paid, including a description of the number and type of securities that form all or part of the consideration,
 - (v) for acquisitions, where consideration includes a cash payment, the source of funds;
- (g) risks related to the material change, material related entity transaction or major acquisition;
- (h) any plans or proposals for a significant change in the venture issuer's business affairs or those of an acquired business or related business that may have a significant effect on its financial performance or financial position, for example, plans to liquidate, amalgamate or sell or lease all or substantially all of the assets of a business;

- (i) the identity of each person or company that has or will become or who has ceased or will cease to be a director, executive officer, principal holder or control person in connection with the material change, material related entity transaction or major acquisition.

11. Additional Disclosure, Financial Statements or other information for a Major Acquisition or Restructuring Transaction

Include the additional disclosure, financial statements or other information required by Part 6 of National Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers*.

12. Additional Disclosure for Material Changes to Prior Oil and Gas Activity Disclosure

If the report relates to a material change to the disclosure made in the most recently filed Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* made by the venture issuer under National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, the venture issuer must

- (a) identify the original disclosure to which the material change relates, and
- (b) discuss how the venture issuer reasonably expects the material change would have affected the most recently filed Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* if the material change had occurred before the effective date of such statement.

13. Confidential Reports of Material Change, Material Related Entity Transactions or Major Acquisitions

If this report is being delivered on a confidential basis in reliance on section 31 of National Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers*, state the reasons for such reliance.

Guidance

Refer to section 31 of National Instrument 51-103 Ongoing Governance and Disclosure Requirements for Venture Issuers concerning continuing obligations about confidential reports of material change, material related entity transactions or major acquisitions.

14. Omitted Information

State whether any information has been omitted on the basis that it is confidential information.

In a separate letter to the applicable regulator or securities regulatory authority marked "confidential" provide the reasons for your company's omission of confidential significant facts in the report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.

15. Contact Person

State the name, position and telephone number of an executive officer of the venture issuer who is knowledgeable about the material change, material related entity transaction or major acquisition reported and the contents of the report.

16. Date of Report

Date the report.