

# MONTELLO RESOURCES LTD.

## MANAGEMENT INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of April 15, 2008.

This Information Circular is furnished in connection with the solicitation of proxies by the management of Montello Resources Ltd. ("Montello" or the "Company") for use at the annual and special meeting (the "Meeting") of shareholders of the Company to be held at the offices of counsel to the Company, Burstall Winger LLP, 1600 Dome Tower, 333-7th Avenue SW, Calgary, Alberta T2P 2Z1 on Tuesday, May 20, 2008 at 10:30 a.m. (Calgary time) and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors, officers, employees or agents of the Company. Pursuant to National Instrument 54-101, arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the common shares of the Company (the "Shares"). The cost of any such solicitation will be borne by the Company.

### **PART 1 – VOTING**

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#### **HOW A VOTE IS PASSED**

Resolutions with respect to the election of directors, the approval of our stock option plan and the appointment of auditors are ordinary resolutions and can be passed by a simple majority – that is, if more than half of the votes that are cast are in favour, then the resolution is approved.

#### **WHO CAN VOTE?**

If you are a registered shareholder of the Corporation as at April 15, 2008, you are entitled to attend at the meeting and cast a vote for each share registered in your name on all resolutions put before the meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer's authority should be presented at the meeting. If you are a registered shareholder but do not wish to, or cannot, attend the meeting in person you can appoint someone who will attend the meeting and act as your proxyholder to vote in accordance with your instructions (see "Voting by Proxy"). If your shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "Non-registered Shareholders" set out below.

It is important that your shares be represented at the meeting regardless of the number of shares you hold. If you will not be attending the meeting in person, we invite you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

#### **VOTING BY PROXY**

All Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Shares represented by the proxy will be voted in accordance with such specifications. **In the absence of any** such specifications, the management designees, if named as proxy, will vote IN FAVOUR of all the matters set out herein.

The enclosed Instrument of Proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the date of this Information Circular, the Company is not aware of any amendments to, or variations of, or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Company.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 510 Burrard Street, 4th Floor, Vancouver, British Columbia, V6C 3B9, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment of the Meeting.

#### *What is a proxy?*

A form of proxy is a document that authorizes someone to attend the meeting and cast your votes for you. We have enclosed a form of proxy with this Information Circular. You should use it to appoint a proxyholder, although you can also use any other legal form of proxy.

#### *Appointing a proxyholder*

You can choose any individual to be your proxyholder. It is not necessary for the person whom you choose to be a shareholder. To make such an appointment, simply fill in the person's name in the blank space provided in the enclosed form of proxy. To vote your shares, your proxyholder must attend the meeting. If you do not fill a name in the blank space in the enclosed form of proxy, the persons named in the form of proxy are appointed to act as your proxyholder. Those persons are directors and/or officers of Montello.

#### *Instructing your proxy*

You may indicate on your form of proxy how you wish your proxyholder to vote your shares. To do this, simply mark the appropriate boxes on the form of proxy. If you do this, your proxyholder must vote your shares in accordance with the instructions you have given.

If you do not give any instructions as to how to vote on a particular issue to be decided at the meeting, your proxyholder can vote your shares as he or she thinks fit. If you have appointed the persons designated in the form of proxy as your proxyholder they will, unless you give contrary instructions, vote your shares at the meeting as follows:

- ✓ **FOR the election of the proposed nominees as directors;**
- ✓ **FOR the appointment of Charlton & Company Chartered Accountants, as the auditor of the Corporation;**
- ✓ **FOR the resolution authorizing the directors to fix the auditor's remuneration; and**
- ✓ **FOR the resolution approving, as required annually by the TSX Venture Exchange, Montello's previously approved rolling 10% stock option plan.**

For more information about these matters, see Part 3 - The Business of the Meeting. The enclosed form of proxy gives the persons named on it the authority to use their discretion in voting on amendments or variations to matters identified on the Notice of Meeting. At the time of printing this Information Circular, the management of Montello is not aware of any other matter to be presented for action at the meeting. If, however, other matters do properly come before the meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their best judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

#### *Changing your mind*

If you want to revoke your proxy after you have delivered it, you can do so at any time before it is used. You may do this by (a) attending the meeting and voting in person; (b) signing a proxy bearing a later date; (c) signing a written statement which indicates, clearly, that you want to revoke your proxy and delivering this signed written statement to the registered office of the Corporation at Suite 1810 – 1111 West Georgia Street, Vancouver, British Columbia V6E 4M3; or (d) in any other manner permitted by law.

Your proxy will only be revoked if a revocation is received by 5:00 in the afternoon (Vancouver time) on the last business day before the day of the meeting, or any adjournment thereof, or delivered to the person presiding at the meeting before it (or any adjournment) commences. If you revoke your proxy and do not replace it with another that is deposited with

us before the deadline, you can still vote your shares but to do so you must attend the meeting in person.

## **NON-REGISTERED SHAREHOLDERS**

If your shares are not registered in your own name, they will be held in the name of a “nominee,” usually a bank, trust company, securities dealer or other financial institution and, as such, your nominee will be the entity legally entitled to vote your common shares and must seek your instructions as to how to vote your shares.

Accordingly, unless you have previously informed your nominee that you do not wish to receive material relating to shareholders’ meetings, you will have received this Information Circular from your nominee, together with a form of proxy or a request for voting instruction form. If that is the case, **it is most important that you comply strictly with the instructions that have been given to you by your nominee on the voting instruction form.** If you have voted and wish to change your voting instructions, you should contact your nominee to discuss whether this is possible and what procedures you must follow.

If your shares are not registered in your own name, the Corporation’s transfer agent will not have a record of your name and, as a result, unless your nominee has appointed you as a proxyholder, will have no knowledge of your entitlement to vote. If you wish to vote in person at the meeting, therefore, please insert your own name in the space provided on the form of proxy or voting instruction form that you have received from your nominee. If you do this, you will be instructing your nominee to appoint you as proxyholder. Please adhere strictly to the signature and return instructions provided by your nominee. It is not necessary to complete the form in any other respect, since you will be voting at the meeting in person. Please register with the transfer agent, Equity Transfer Services Inc., upon arrival at the meeting.

The Notice of Meeting, this Information Circular and Montello’s annual audited consolidated financial statements and related Management’s Discussion and Analysis for the fiscal year ended July 31, 2007 are being sent to both registered and non-registered owners of our common shares. If you are a non-registered owner and we have sent these materials to you directly, your name and address and information about your holdings of common shares of Montello have been obtained in accordance with applicable securities regulatory requirements from the nominee holding the securities on your behalf. By choosing to send these materials to you directly, Montello (and not your nominee) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions form (printed on blue paper).

## **PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

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The Corporation has an authorized capital consisting of an unlimited number of common shares. Each shareholder is entitled to one vote for each common share registered in his or her name at the close of business on April 15, 2008, the date fixed by our directors as the record date for determining who is entitled to receive notice of and to vote at the meeting.

At the close of business on April 15, 2008, 189,377,686 of Montello’s common shares were outstanding. To the knowledge of our directors and officers, the only persons or companies who or which beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of our common shares on that date were:

<b>Name of Shareholders</b>	<b>Number of Shares Held<sup>(1)</sup></b>	<b>Percentage (%) of Outstanding Class</b>
CDS & Co.	166,869,846	88.1%

<sup>(1)</sup> Information as to ownership of shares has been extracted from insider reports filed and publicly available on the Canadian System for Electronic Disclosure by Insiders (SEDI) at [www.sedi.ca](http://www.sedi.ca).

## PART 3 - THE BUSINESS OF THE MEETING

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### REPORT OF THE DIRECTORS

The annual report of the directors of Montello for the year ended July 31, 2007 accompanies this Information Circular.

### FINANCIAL STATEMENTS

The audited consolidated financial statements of Montello for the year ended July 31, 2007 will be placed before you at the meeting. These financial statements will be mailed to shareholders upon request and have not been included with the Notice of Meeting and this Information Circular.

### ELECTION OF DIRECTORS

The Board presently consists of four (4) directors, all of whom are elected annually. It is proposed that the number of directors for the ensuing year also be fixed at four (4). It is proposed that the persons named below will be nominated at the Meeting. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the by-laws of the Company, unless his office is earlier vacated in accordance with the provisions of the BCBCA or the Company's by-laws. **It is the intention of the management designees, if named as proxy, to vote FOR the election of said persons to the board of directors.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if, for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the shareholder has specified in his or her proxy that his or her Shares are to be withheld from voting in the election of directors.

#### *Nominees for Election*

The following are the nominees proposed for election as directors of Montello, together with the number of common shares and stock options that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee. All of the nominees are currently directors; each of the current directors has agreed to stand for re-election and we are not aware of any intention of any of them not to do so. If, however, one or more of them should become unable to stand for re-election, it is likely that one or more other persons would be nominated at the meeting for election and, in that event, the persons designated in the form of proxy will vote in their discretion for a substitute nominee.

<b>Name of Proposed Nominees, Municipality of Residence and Proposed Positions with Montello Resources Ltd.</b>	<b>Principal Occupation for Last Five Years</b>	<b>Director Since</b>	<b>Shares Beneficially Owned or Controlled, Directly or Indirectly</b>
<b>William R. Cawker</b> <sup>(1)</sup> Chairman, Chief Executive Officer, Chief Financial Officer and Director <i>Vancouver, British Columbia</i>	President and Chief Executive Officer of the Company since July, 2006. Consulting Vice President of Corporate Affairs of the Company from October, 2005 to June 2006. Registered representative Pacific International Securities, 2002 to 2005 and Registered Representative Pacific International Securities & National Bank Financial from 1998 to 2002	July 3, 2006	100,000
<b>Marc Davis</b> <sup>(1)</sup> Director <i>Vancouver, British Columbia</i>	President, Optima Minerals Inc., 2006 to present, President of M. Davis and Associates Capital Inc. from 1992 to present	November 6, 2006	Nil

Name of Proposed Nominees, Municipality of Residence and Proposed Positions with Montello Resources Ltd.	Principal Occupation for Last Five Years	Director Since	Shares Beneficially Owned or Controlled, Directly or Indirectly
<b>Joseph Dow</b> <sup>(1)</sup> Chief Financial Officer and Director <i>Calgary, Alberta</i>	Founder and President of Dowwest Management Accounting Ltd., the largest oil & gas accounting firm in Canada, for the past 28 years.	March 7, 2007	Nil
<b>Peter C. Brown</b> <sup>(1)</sup> Director <i>Calgary, Alberta</i>	Former vice-president, exploration, for Crestar Energy Intl., a division of Crestar Energy Inc.	April 1, 2008	Nil

Notes:

<sup>(1)</sup> Member or proposed member of the Audit Committee of the Company.

The directors, officers and promoters of the Company, as a group, control 1,099,686 shares representing .58% of the outstanding Shares, before giving effect to the exercise of any outstanding stock options or other rights.

The Corporation's management recommends that shareholders vote in favour of the nominees for election as directors. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the above nominees as directors of Montello for the ensuing year.**

#### APPOINTMENT OF THE AUDITOR

During the financial year ended July 31, 2007, Charlton & Company, Chartered Accountants of 1735, 555 Burrard Street, Vancouver, B.C. V7X 1M9, Vancouver, B.C., See Part 6 - Audit Committee - External Auditor Service Fees.

The Corporation's management recommends that shareholders vote in favour of the re-appointment of Charlton & Company, Chartered Accountants, as Montello's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Charlton & Company to act as our auditor until the close of our next annual meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.**

#### STOCK OPTION PLAN

The TSX Venture Exchange Inc. (the "Exchange") requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such plan on an annual basis. Shareholders will be asked at the Meeting to vote on a resolution to approve, for the ensuing year, the current stock option plan of the Company (the "Plan"). The old stock option plan, which is substantially similar to the Plan was previously approved on April 25, 2007. The Plan is described below.

The Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, or any subsidiary of the Company, the option to purchase Shares. The Plan provides for a floating maximum limit of 10% of the outstanding Shares, as permitted by the Policies of the Exchange. On April 15, 2008, this represents 18,937,768 Shares available under the Plan of which 16,541,368 are issued.

The number of Shares reserved for any one (1) person may not exceed five percent (5%) of the outstanding Shares. The Board determines the price per Share and the number of Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the Exchange. The price per Share set by the directors is subject to minimum pricing restrictions set by the Exchange.

Options may be exercisable for up to five (5) years from the date of grant, but the Board has the discretion to grant options that are exercisable for a shorter period. Options granted under the Plan do not require vesting provisions, although the Board may attach a vesting period or periods to individual grants as it deems appropriate. Options under the Plan are non-assignable. If prior to the exercise of an option, the holder ceases to be a director/officer, or consultant, the option shall be limited to the number of Shares purchasable by him immediately prior to the time of his cessation of office or employment and he shall have no right to purchase any other Shares. Options must be exercised within 90 days of termination of employment or cessation of position with the Company, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option must be exercised within one (1) year, subject to the expiry date. A copy of the Plan is attached hereto as Schedule "A".

At the Meeting, the shareholders will be asked to approve the following resolution:

**"BE IT RESOLVED THAT:**

- (a) The stock option plan of the Company as described in this Management Information Circular of the Company dated April 15, 2008, be and is hereby ratified and approved for the ensuing year; and
- (b) any two (2) director or officer of the Company be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."

The resolution must be approved by a simple majority approval of the votes cast at the Meeting by the holders of Shares. If the Plan is not approved by the shareholders, the Company will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

**If named as proxy, the management designees intend to vote the Shares represented by such proxy FOR approval of the Plan, unless otherwise directed in the instrument of proxy.**

**PART 4 – EXECUTIVE COMPENSATION**

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**COMPENSATION OF NAMED EXECUTIVE OFFICERS**

**Executive Officers' Compensation**

Montello has one (1) Named Officers (as defined below): William R. Cawker, President and Chief Executive Officer. The aggregate cash compensation paid to the Named Executive Officer for services rendered to the Company in the financial year ended July 31, 2007 was \$65,000. The following table sets forth all compensation paid by the Company to Montello's Named Executive Officers for services in all capacities to the Company for the three (3) most recently completed financial years.

*Summary Compensation Table*

Name and Principal Position <sup>(1)</sup>	Year	Annual Compensation			Long-Term Compensation			
		Salary or Consulting Fees (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options/SARs <sup>(3)</sup> Granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP <sup>(4)</sup> Payouts (\$)	All Other Compensation <sup>(2)</sup> (\$)
<b>William R. Cawker</b> <sup>(5)</sup> President & Chief Executive Officer	2007	65,000	Nil	Nil	2,000,000	Nil	Nil	Nil
	2006	7500.	Nil	Nil	2,900,000	Nil	Nil	Nil
	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Dwayne S. Tyrkalo</b> <sup>(5)</sup> President and Chief Operating Officer	2007	nil	Nil	Nil	Nil	Nil	Nil	Nil
	2006	82,500	N/A	N/A	2,500,000	Nil	Nil	Nil
	2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Patrick Power</b> <sup>(6)</sup> President and Director	2007	N/A	Nil	Nil	Nil	Nil	Nil	Nil
	2006	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2005	\$89,000 <sup>(3)</sup>	Nil	Nil	1,450,000	Nil	Nil	Nil

Notes:

- A. "Named Executive Officer" means the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company and each of the Company's three (3) most highly compensated executive officers other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeded \$150,000.
- B. The value of perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary and bonus for the Name Executive Officer.
- C. The Named Executive Officer has received stock options to acquire up to an aggregate of 2,000,000 Shares. No Shares are reserved under SARs. "SARs" means stock appreciation rights.
- D. "LTIP" means long-term incentive plan.
- E. Mr. Cawker was appointed Chief Executive Officer on July 3, 2006.
- F. Mr. Tyrkalo resigned as President and Chief Operating Officer on April 1, 2007.
- G. Mr. Power served as President from December 12, 1993 to April 11, 2006

*Incentive Stock Options*

The following table sets out all incentive stock option grants to the Named Executive Officers during the most recently completed financial year ended July 31, 2007.

Name	Shares Under Options Granted (#)	% of Total Options Granted in Financial Year	Exercise Price (\$/Share)	Market Value of Securities Underlying Options on the Date of Grant (\$/Share)	Expiration Date
William R. Cawker	2,000,000	21.75%	\$0.11	\$0.11	Dec. 21, 2011

<sup>(1)</sup> The underlying securities are common shares of Montello.

During the 12 months ended July 31, 2007, 500,000 incentive stock options were exercised by the Named Executive Officers.

#### **TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS**

There is no plan or arrangement in respect of compensation received or that may be received by the Company's Named Executive Officers in the most recently completed financial year with a view to compensating those officers in the event of termination of their employment or a change of responsibilities following a change in control.

#### **Other Compensation**

Other than as herein set forth, the Company has not paid any additional compensation to its Named Executive Officers during the financial year ended July 31, 2007.

#### **COMPENSATION OF DIRECTORS**

Other than as herein set forth, the aggregate cash compensation paid to the directors of the Company for services rendered in their capacities as directors, during the financial year ended July 31, 2007 was nil.

The following options were granted to directors and officers of the Company, other than the Named Executive Officers, during the financial year ended July 31, 2007. Information in respect of the Named Executive Officers is contained above under "Option Grants During the Most Recently Completed Financial Year".

Name	Shares Under Options Granted (#)	% of Total Options Granted in Financial Year	Exercise Price (\$/Share)	Market Value of Securities Underlying Options on the Date of Grant (\$/Share)	Expiration Date
Dwayne Tyrkalo	700,000	7.62	\$0.105	\$0.105	Aug. 11, 2011
Randy Marshall	100,000	1.09	\$0.11	\$0.11	Sept. 14, 2011
Marc Davis	700,000	7.62	\$0.11	\$0.11	Nov. 9, 2011
Randy Marshall	500,000	5.44	\$0.11	\$0.11	Dec. 21, 2011
Dwayne Tyrkalo	500,000	5.44	\$0.11	\$0.11	Dec. 21, 2011
Joseph Dow	350,000	3.81	\$0.135	\$0.135	Mar. 6, 2012

<b>Name</b>	<b>Shares Under Options Granted (#)</b>	<b>% of Total Options Granted in Financial Year</b>	<b>Exercise Price (\$/Share)</b>	<b>Market Value of Securities Underlying Options on the Date of Grant (\$/Share)</b>	<b>Expiration Date</b>
Randy Marshall	125,000	1.36	\$0.105	\$0.105	Apr. 17, 2011
Joseph Dow	150,000	1.63	\$0.105	\$0.105	Apr. 17, 2011

## **PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following information is as of July 31, 2007, Montello’s most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	14,236,355	\$0.11	925,000
Equity compensation plans not approved by securityholders	Not applicable	Not applicable	Not applicable
<b>Total</b>	<b>14,236,355</b>	<b>\$0.11</b>	<b>925,000</b>

(1) See Part 3 – The Business of the Meeting – Annual Approval of Stock Option Plan for a summary of the main features of the Plan.

## **PART 6 – AUDIT COMMITTEE**

### **AUDIT COMMITTEE CHARTER**

The charter for the Audit Committee of the Board of Directors of the Corporation is attached to this Circular as Appendix B.

### **AUDIT COMMITTEE MEMBERS**

The Audit Committee is currently comprised of William Cawker, Joseph Dow and Marc Davis. Two of members of the Audit Committee members are considered “independent” as that term is defined in applicable securities legislation, and all three of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Montello’s financial statements.

### **RELEVANT EDUCATION AND EXPERIENCE**

All of the Audit Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their

individual fields of endeavor. In addition, each of the members of the Audit Committee have knowledge of the role of an audit committee in the realm of reporting companies from their respective years of experience as directors of public companies other than Montello.

## EXTERNAL AUDITOR SERVICE FEES

Aggregate audit and audit related fees billed by, or accrued by Montello on behalf of, Charlton & Company, Chartered Accountants, Montello's external auditor, in each of the last two fiscal years are as follows:

	Fiscal year ended July 31, 2007	Fiscal year ended July 31, 2006
Audit fees	\$50,000	\$50,000
Audit related fees <sup>(1)</sup>	\$nil	\$10,000
Tax fees <sup>(2)</sup>	\$nil	\$20,000
All other fees (other than fees reported above) <sup>(3)</sup>	\$nil	\$nil

- (1) Professional services provided by the external auditor in supporting management in their preparation of interim financial statements and not included in the amount noted under audit fees.
- (2) Professional services rendered for preparation of corporate tax returns for Montello and its subsidiaries.
- (3) All meetings, discussion and correspondence in connection with various financial and tax matters including share issuances, share for debt settlements, options and warrants, directors' fees to non-residents, change of financial reporting currency and other matters.

## RELIANCE ON EXEMPTION

As Montello is a "Venture Issuer" pursuant to relevant securities legislation, Montello is relying on the exemption in Section 6.1 of Multilateral Instrument 52-110-Audit Committees ("MI 52-110") from the reporting requirements of Part 3 and Part 5 of MI 52-110.

## PART 7 – CORPORATE GOVERNANCE

### CORPORATE GOVERNANCE DISCLOSURE

#### General

The directors of the Company (the "**Board**") believe that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

#### Board of Directors

**Independent Directors** – The independent members of the Board are Marc Davis and Joseph Dow.

**Non-independent Directors** – The non-independent directors are William R. Cawker, who is the Chief Executive Officer of the Company, and Joseph Dow who is the Chief Financial Officer. Messrs. Cawker and Dow have been determined not to be independent under NI 58-101 as a result of having acted as executive officers of the Company within the last three (3) years.

Fifty percent (50%) of the Board is independent. The Board facilitates its exercise of independent judgment in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the

Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board is responsible for monitoring the Company's officers, who in turn are responsible for the maintenance of internal controls and management information systems.

***Meetings of Independent Directors***

The independent directors hold candid, open regular meetings.

***Chairman of the Board***

The Chairman of the Board, Mr. Cawker, is not independent as he is also the Chief Executive Officer. The Board holds regular Board of Directors' Meetings and conference calls.

***Involvement in Other Reporting Issuers*** – The following directors hold directorships in other reporting issuers:

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Name of Exchange or Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
<b>Marc Davis</b>	N/A				
<b>Joseph Dow</b>	N/A				
<b>Peter C. Brown</b>	Pennine Petroleum Corp.	TSXV	Director, Chief Operating Officer	January, 2007 August, 2007	Present Present

**Mandate of the Board**

The Board approved a mandate which includes among other duties and responsibilities: to approve and monitor the strategic, business and financial plans of the Company; to supervise performance and succession planning of senior officers; to assess the principal risk factors relating to the business of the Company; and to monitor and oversee the integrity of the financial reporting and disclosure. Every Director is required to act honestly and in good faith and in the best interests of the Company and the Trust and to exercise the care, diligence and skill of a reasonably prudent person. Responsibilities not delegated to senior management or to a committee of the Board remain those of the full Board.

***Position Descriptions***

The Board develops corporate objectives which the Chairman and Chief Executive Officer is responsible to meet through its annual budget and strategic plan review, and otherwise as required.

**Orientation and Continuing Education of Board Members**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company.

**Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which

the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) or a part to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction:

- (a) relates primarily to their remuneration as a director, officer, employee or agent of the Company or an affiliate of the Company,

is for indemnity or insurance for the benefit of the director in connection with the Company, or is with an affiliate of the Company.

If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Company and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company's mission and strategic objectives, and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed but the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed

### **Compensation**

The Board periodically reviews the compensation paid to directors, management, and other employees based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in the industry in North America and the Company's current position as a oil and gas exploration Company with limited operating revenue.

The Board does not have a compensation committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of executives required to manage the Company, this policy will be reviewed.

### **Other Board Committees**

The Board has no other committees other than the Audit Committee.

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

## **PART 8 – OTHER INFORMATION**

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### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Since the beginning of the most recently completed financial year ended July 31, 2007 and as at the date of this Circular, no director, executive officer or employee nor any nominee for election as a director of the Montello, nor any associate of any such person, was indebted to Montello or its subsidiary for other than “routine indebtedness”, as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Montello.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

No proposed nominee for election as a director, and no director or executive officer of Montello or its subsidiary who has served in such capacity since the beginning of the last financial year of Montello, and no shareholder holding of record or beneficially, directly or indirectly, more than 10% of Montello’s outstanding common shares, and none of the respective associates or affiliates of any of the foregoing, had any interest in any transaction with Montello or in any proposed transaction since the beginning of the last completed financial year that has materially affected Montello or its subsidiary, or is likely to do so. See “Management Contracts” below.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING**

None of the directors or executive officers of Montello, no proposed nominee for election as a director of Montello, none of the persons who have been directors or executive officers of Montello since the commencement of Montello’s last completed financial year, none of the other insiders of Montello and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the meeting other than the election of the directors and annual approval of the 2008 Stock Option Plan. See Part 3 – The Business of the Meeting.

### **MANAGEMENT CONTRACTS**

The management functions of Montello and its subsidiary are performed by our directors and executive officers and we have no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of Montello. See Part 4 – Executive Compensation - Termination of Employment, Change in Responsibilities and Employment Contracts and See Part 4 – Executive Compensation – Compensation of Directors.

During the most recently completed financial year, Montello paid or accrued \$223,400 in management fees to its executive officers and directors and \$13,960 for consulting fees to a company owned or controlled by a former officer.

All employment, consulting or other compensation arrangements between Montello and any of its directors or senior officers (or between any subsidiary of Montello and any director or senior officer) are considered and approved by the independent directors of the Board.

### **CEASE TRADE ORDERS AND BANKRUPTCY**

As at the date of this Circular, no proposed nominee for election as a director of Montello is, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including Montello) that, while that person was acting in that capacity:

1. was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the Corporation being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period or more than 30 consecutive days; or

within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## **PERSONAL BANKRUPTCY**

As at the date of this Circular, no proposed nominee for election as a director of Montello has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

## **OTHER MATTERS**

Management of Montello is not aware of any other matters to come before the meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## **ADDITIONAL INFORMATION**

You may obtain additional financial information about Montello in our audited consolidated financial statements and Management's Discussion and Analysis for the year ended July 31, 2007, which are included with this Information Circular. Additional copies may be obtained without charge upon request to us at Suite 720, 700 West Pender Street, Vancouver, British Columbia V6C 1G8, telephone (604) 649-0080; fax (604) 608-4804. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

## **DIRECTORS' APPROVAL**

The Board of Directors of Montello Resources Ltd. has approved the contents of this Information Circular and its distribution to each shareholder entitled to receive notice of the meeting.

Vancouver, British Columbia, April 15, 2008.

“signed”

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William Cawker  
President and Chief Executive Officer

**MONTELLO RESOURCES LTD.**  
**(the “Company”)**

**2008 SHARE OPTION PLAN**

**Dated for Reference April 15, 2008**

PURPOSE AND INTERPRETATION

Purpose

1. The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the TSX Venture Policies (or, if applicable, the NEX Policies) and any inconsistencies between this Plan and the TSX Venture Policies) (or, if applicable, the NEX Policies) will be resolved in favour of the latter.

Definitions

2. In this Plan

**Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;

- a) **Associate** has the meaning set out in the Securities Act;
- b) **Board** means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- c) **Change of Control** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
  1. any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,
  2. any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- d) **Common Shares** means common shares without par value in the capital of the Company providing such class is listed on the TSX Venture (or the NEX, as the case may be);
- e) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- f) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
  3. provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
  4. provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;
  5. in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
  6. has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- g) **Consultant Company** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- h) **Directors** means the directors of the Company as may be elected from time to time;
- i) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;

- j) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- k) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- l) **Effective Date** for an Option means the date of grant thereof by the Board;
- m) **Employee** means:
  - 7. an individual who is considered an employee under the Income Tax Act (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - 8. an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - 9. an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- n) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- o) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- p) **Insider** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
- q) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- r) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
- s) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- t) **NEX Issuer** means a company listed on the NEX;
- u) **NEX Policies** means the rules and policies of the NEX as amended from time to time;
- v) **Officer** means a Board appointed officer of the Company;
- w) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- x) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- y) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- z) **Optionee** means the recipient of an Option hereunder;
- aa) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- bb) **Participant** means a Service Provider that becomes an Optionee;
- cc) **Person** includes a company, any unincorporated entity, or an individual;
- dd) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- ee) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in §2.2;
- ff) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- gg) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, or any successor legislation;
- hh) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes

a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;

- ii) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- jj) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- kk) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- ll) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

#### Other Words and Phrases

- 3. Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, the NEX Policies).

#### Gender

- 4. Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

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### SHARE OPTION PLAN

#### Establishment of Share Option Plan

- 5. The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

#### Maximum Plan Shares

- 6. The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time Plan Shares are reserved for issuance as a result of the grant of an Option, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies and, if applicable, the NEX Policies.

#### Eligibility

- 7. Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.
- 8. There is a provision requiring that, for stock options granted to Employees, Consultants or Management Company Employees, the Issuer represents that the Optionee is a bona fide Employee, Consultant or Management Employee, as the case may be.

#### Options Granted Under the Plan

- 9. All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.
- 10. Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

#### Limitations on Issue

- 11. Subject to §2.9, the following restrictions on issuances of Options are applicable under the Plan:
  - mm) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the

- Outstanding Shares (unless the Company is classified as a Tier 1 Issuer by the TSX Venture and has obtained Disinterested Shareholder Approval to do so);
- nn) no Options can be granted under the Plan if the Company is on notice from the TSX Venture to transfer its listed shares to the NEX;
- oo) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and
- pp) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

#### Options Not Exercised

12. In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

#### Powers of the Board

13. The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to
  - qq) allot Common Shares for issuance in connection with the exercise of Options;
  - rr) grant Options hereunder;
  - ss) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies (or, if applicable, the NEX Policies) or the Company's tier classification thereunder;
  - tt) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do; and
  - uu) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

#### Terms or Amendments Requiring Disinterested Shareholder Approval

14. The Company will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:
  - vv) the Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:
    10. the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares (in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares);
    11. the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares (in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares); or,
    12. in the case of a Tier I Issuer only, the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of Outstanding Shares;
  - or
  - ww) any reduction in the Exercise Price of an Option previously granted to an Insider.

### TERMS AND CONDITIONS OF OPTIONS

#### Exercise Price

15. The Exercise Price of an Option will be set by the Board at the time such Option is allocated under the Plan, and cannot be less than the Discounted Market Price.

#### Term of Option

16. An Option can be exercisable for a maximum of 10 years from the Effective Date for a Tier 1 Issuer, or five years from the Effective Date for a Tier 2 or a NEX Issuer.

#### Option Amendment

17. Subject to §2.9(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the date of commencement of the term of the Option, the date the Common Shares commenced trading on the TSX Venture, and the date of the last amendment of the Exercise Price.
18. An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in §3.2.
19. Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

#### Vesting of Options

20. Subject to the Stock Option Plan and the TSX Venture Policies, vesting of Options shall be at the discretion of the Board and, with respect to any particular Options granted under the Plan, in the absence of a vesting schedule being specified at the time of grant, all such Options shall vest immediately. Where applicable, the vesting of Options will be generally subject to:
- xx) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
  - yy) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

#### Vesting of Options Granted to Consultants Conducting Investor Relations Activities

21. Options granted to Consultants conducting Investor Relations Activities will vest:
- zz) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
  - aaa) such longer vesting period as the Board may determine.

#### Optionee Ceasing to be Director, Employee or Service Provider

22. No Option may be exercised after the Service Provider has left his employ/office or has been advised by the Company that his services are no longer required or his service contract has expired, except as follows:
- bbb) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
  - ccc) in the case of a Tier 1 Issuer, an Option granted to any Service Provider will expire within 90 days after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
  - ddd) in the case of a Tier 2 or NEX Issuer, Options granted to a Service Provider conducting Investor Relations Activities will expire within 30 days of the date the Optionee ceases to conduct such activities, but only to the extent that such Option has vested at the date the Optionee ceased to conduct such activities;
  - eee) in the case of a Tier 2 or NEX Issuer, any Option granted to an Optionee other than one conducting Investor Relations Activities will expire within 90 days after the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option has vested at the date the Optionee ceased to be so employed by or to provide services to the Company; and
  - fff) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

#### Non Assignable

23. Subject to TSX Venture Policies, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.
- 24.

#### Adjustment of the Number of Optioned Shares

25. The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:
- ggg) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
  - hhh) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
  - iii) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
  - jjj) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Stock Option Plan;
  - kkk) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
  - lll) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Stock Option Plan, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
  - mmm) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Stock Option Plan, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records. Such determination will be binding upon the Company and all Optionees.

#### Commitment and Exercise Procedures

##### Option Commitment

26. Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

##### Manner of Exercise

27. An Optionee who wishes to exercise his Option may do so by delivering
- nnn) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and

- ooo) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price by the Optioned Shares being acquired.

#### Delivery of Certificate and Hold Periods

28. As soon as practicable after receipt of the notice of exercise described in §4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if the Company is a Tier 2 or NEX Issuer, or the Exercise Price is set below than the then current market price of the Common Shares on the TSX Venture, the certificate will also bear a legend stipulating that the Optioned Shares are subject to a four-month TSX Venture hold period commencing the date of the grant of the Option.

### GENERAL

#### Employment and Services

29. Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

#### No Representation or Warranty

30. The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

#### Interpretation

31. The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

#### Continuation of Plan

32. The Plan will become effective from and after April 7, 2008, and will remain effective provided that the Plan, or any amended version thereof receives Shareholder Approval at each annual general meeting of the holders of Common Shares of the Company subsequent to April 7, 2008.

## APPENDIX "B"

### MONTELLO RESOURCES LTD. (the "Company")

April 15, 2008

#### AUDIT COMMITTEE MANDATE

##### OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

- 1.1 **assist the Board of Directors in its oversight role with respect to:**
  - the quality and integrity of financial information;
  - the independent auditor's performance, qualifications and independence;
  - the performance of the Company's internal audit function, if applicable; and
  - the Company's compliance with legal and regulatory requirements and
- 1.2 **prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Company in accordance with applicable laws or the rules of applicable securities regulatory authorities.**

##### MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, none of whom shall be officers or employees of the Company or any of the Company's affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Company, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

##### STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

##### SPECIFIC DUTIES

###### **Oversight of the Independent Auditor**

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.

- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Company to be included in the Company's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every 5 years).

### **Financial Reporting**

- Review and discuss with management and the independent auditor:
  - prior to the annual audit the scope, planning and staffing of the annual audit,
  - the annual audited financial statements,
  - the Company's annual and quarterly disclosures made in management's discussion and analysis,
  - approve any reports for inclusion in the Company's Annual Report, as required by applicable legislation,
  - the Company's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
  - significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements,
  - any significant changes in the Company's selection or application of accounting principles,
  - any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies, and
  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

### **AUDIT COMMITTEE'S ROLE**

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Company's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Company in accordance with Canadian generally accepted accounting principles.

### **FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS**

The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Company.

## **APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS**

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Company or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

**MONTELLO RESOURCES LTD.**  
**(the "Company")**

**April 15, 2008**

**AUDIT COMMITTEE "WHISTLE-BLOWER" PROCEDURES POLICY**

**MI 52-110 Requirement**

Pursuant to MI 52-110, the Company's Audit Committee is required to establish procedures for:

- (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

This procedures policy is designed to achieve this purpose.

**The Company's Procedure**

Employees having concerns regarding questionable accounting or auditing matters are encouraged to submit such concerns (the "**Accounting Related Complaint**") to the Chair of the Company's Audit Committee.

Any employee who wishes to make an Accounting Related Complaint may do so anonymously or in confidence by directing such Accounting Related Complaint in writing directly to the Chair of the Audit Committee. Delivery may be made directly to the Chairman or to the Chairman care of the Company and marked personal and confidential.

Upon receiving an Accounting Related Complaint, the Chair of the Audit Committee will, depending upon the apparent urgency of the matter, call a meeting of the Audit Committee or add the Accounting Related Complaint to the agenda for consideration at the next regularly scheduled meeting of the Audit Committee.

The Audit Committee shall review and discuss, on a preliminary basis, the nature of the Accounting Related Complaint and the accounting, internal accounting controls or auditing matters that are called into question. In conducting this review, the Audit Committee will hold an *in camera* session, and then may request the attendance, at its discretion, of the Chief Executive Officer, the Chief Financial Officer, the Company's auditor and/or the person making the Accounting Related Complaint (if known and if such person is amenable) and/or such other persons as it deems necessary. The purpose of the meeting and the nature of the Accounting Related Complaint shall have been communicated to all such attendees by notice prior to the meeting.

If the Audit Committee is satisfied upon a preliminary review that the Accounting Related Complaint has merit, the Audit Committee shall authorize the Chair of the Audit Committee to retain and consult with an appropriately qualified: (1) law firm; and (2) a registered public accounting firm, within the meaning of applicable securities legislation, other than the independent auditor, in order to review the Accounting Related Complaint:

Following the conclusion of its inquiries, the Audit Committee shall meet to determine the merit of the Accounting Related Complaint. Minutes of such meeting shall be kept in the normal course in order to ensure a record of the nature and treatment of the Accounting Related Complaint.

Upon reaching such determination, the Audit Committee will communicate its findings and recommendations to the Board. The Board shall consider and implement such recommendations, as it deems advisable, to rectify any deficiencies identified in the Accounting Related Complaint and shall communicate same to management.

The Audit Committee shall ensure that confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances; and the person who makes the Accounting Related Complaint (if known) shall receive a written summary of the final determination.

The Audit Committee shall retain all documentation regarding the Accounting Related Complaint, its preliminary review, any investigation, determination and implementation of recommendations for a period of no less than ten (10) years.

### **Administration**

The Company, through the Chief Executive Officer shall be responsible for the dissemination of this Policy to all Employees.

### **No Retaliation**

The Company will not allow or pursue retaliation of any kind in respect of an Accounting Related Complaint, or for assistance or information provided to applicable authorities in connection with an investigation of breaches of applicable securities law, where such are made or provided in good faith. In addition, no employee may be adversely affected because the employee refused to carry out a directive which, in fact, constitutes corporate fraud, is a violation of this Procedure, a violation of the law or presents a substantial and specific danger to the public's health and safety. Any retaliatory action should immediately be reported to the Chairman or any other member of the Company's Board of Directors.

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

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Notice is hereby given that the Annual General Meeting (the "Meeting") of the shareholders of **MONTELLO RESOURCES LTD.** (the "Company") will be held at the offices of counsel to the Company, Burstall Winger LLP, 1600 Done Tower, 333 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1 on Tuesday, May 20, 2008 at 10:30 am (Calgary time) for the following purposes:

1. to receive the audited annual financial statements of the Company for its fiscal year ended July 31, 2007;
2. to determine the number of directors of the Company at four (4) for the ensuing year;
3. to elect directors for the ensuing year;
4. to appoint Charlton & Company, Chartered Accountants, as the Company's auditor for the ensuing fiscal year and to authorize the directors to set the auditor's remuneration;
5. to consider, and if thought fit, approve the adoption of an incentive stock option plan; and
6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

Accompanying this Notice of Meeting is an Information Circular, Instrument of Proxy and Financial Statements for the fiscal year ended July 31, 2007. The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. A Registered Shareholder who is unable to attend the meeting in person is entitled to appoint a proxyholder to attend and vote in his/her stead. If you cannot be personally present, please refer to the notes accompanying the Instrument of Proxy enclosed and then complete and deposit the Instrument of Proxy with Computershare Trust Company of Canada within the time set out in the notes, as set out below.

The Instrument of Proxy must be signed by the Registered Shareholder or by his or her attorney authorized in writing, or, if the Registered Shareholder is a corporation, by an officer or director thereof as an authorized signatory. Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, 510 Burrard Street, 4th Floor, Vancouver, British Columbia, V6C 3B9, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment of the Meeting.

The enclosed Instrument of Proxy is solicited by management but you may amend it, if you so desire, by striking out the names of the management proxyholders shown and inserting in the space provided the name of the persons you wish to represent you at the meeting.

DATED at Calgary, Alberta on this 15<sup>th</sup> day of April, 2008.

### **BY ORDER OF THE BOARD**

William R. Cawker  
Chairman of the Board and CEO

Security Class

Holder Account Number

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Fold

## Form of Proxy - Annual General and Special Meeting to be held on May 20, 2008

### This Form of Proxy is solicited by and on behalf of Management.

#### Notes to proxy

1. Every holder has the right to appoint some other person or company of their choice, who need not be a holder, to attend and act on their behalf at the meeting. If you wish to appoint a person or company other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided (see reverse).
2. If the securities are registered in the name of more than one owner (for example, joint ownership, trustees, executors, etc.), then all those registered should sign this proxy. If you are voting on behalf of a corporation or another individual you may be required to provide documentation evidencing your power to sign this proxy with signing capacity stated.
3. This proxy should be signed in the exact manner as the name appears on the proxy.
4. If this proxy is not dated, it will be deemed to bear the date on which it is mailed by Management to the holder.
5. The securities represented by this proxy will be voted as directed by the holder, however, if such a direction is not made in respect of any matter, this proxy will be voted as recommended by Management.
6. The securities represented by this proxy will be voted or withheld from voting, in accordance with the instructions of the holder, on any ballot that may be called for and, if the holder has specified a choice with respect to any matter to be acted on, the securities will be voted accordingly.
7. This proxy confers discretionary authority in respect of amendments to matters identified in the Notice of Meeting or other matters that may properly come before the meeting.
8. This proxy should be read in conjunction with the accompanying documentation provided by Management.

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Fold

**Proxies submitted must be received by 10:30 am, Calgary time on Thursday, May 15, 2008.**

### VOTE USING THE TELEPHONE OR INTERNET 24 HOURS A DAY 7 DAYS A WEEK!



#### To Vote Using the Telephone

- Call the number listed BELOW from a touch tone telephone.

**1-866-732-VOTE (8683) Toll Free**



#### To Vote Using the Internet

- Go to the following web site:  
[www.investorvote.com](http://www.investorvote.com)

**If you vote by telephone or the Internet, DO NOT mail back this proxy.**

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual.

Voting by mail or by Internet are the only methods by which a holder may appoint a person as proxyholder other than the Management nominees named on the reverse of this proxy. Instead of mailing this proxy, you may choose one of the two voting methods outlined above to vote this proxy.

To vote by telephone or the Internet, you will need to provide your CONTROL NUMBER, HOLDER ACCOUNT NUMBER and ACCESS NUMBER listed below.

**CONTROL NUMBER**

**HOLDER ACCOUNT NUMBER**

**ACCESS NUMBER**



### Appointment of Proxyholder

The undersigned "Registered Shareholder" of MONTELLO RESOURCES LTD. (the "Corporation") hereby appoints: William Cawker, or failing this person Marc Davis, or failing this person Joseph Dow,

OR

Print the name of the person you are appointing if this person is someone other than the Chairman of the Meeting.

as my/our proxyholder with full power of substitution and to vote in accordance with the following direction (or if no directions have been given, as the proxyholder sees fit) and all other matters that may properly come before the Annual General and Special Meeting of Montello Resources Ltd. to be held at Burstall Winger LLP, Suite 1600 Dome Tower 333 – 7th Ave SW Calgary, AB T2P 2Z1 on 20th May 2008 at 10:30 a.m. Calgary time and at any adjournment thereof.

VOTING RECOMMENDATIONS ARE INDICATED BY **HIGHLIGHTED TEXT** OVER THE BOXES.

**For**      **Against**

#### 1. Set the Number of Directors

Set the number of directors at four (4).

      

#### 2. Election of Directors

**For**      Withhold

**For**      Withhold

**For**      Withhold

01. William Cawker

      

02. Marc Davis

      

03. Joseph Dow

      

04. Peter Brown

      

**For**      **Withhold**

#### 3. Appointment of Auditors

Appointment of Charlton and Company, Chartered Accountants, as Auditors of the Corporation for the ensuing year and authorizing the Directors.

      

**For**      **Against**

#### 4. Stock Option Plan

To approve the 2008 Stock Option Plan.

      

### Authorized Signature(s) - This section must be completed for your instructions to be executed.

I/We authorize you to act in accordance with my/our instructions set out above. I/We hereby revoke any proxy previously given with respect to the Meeting. **If no voting instructions are indicated above, this Proxy will be voted as recommended by Management.**

Signature(s)

Date

DD / MM / YY



# MONTELLO RESOURCES LTD.

(the "Company")

## Request for Annual and/or Interim Financial Statements

National Instrument 51-102 requires the Company to send annually to the registered holders and beneficial owners of its securities ("Securityholders") a form to allow Securityholders to request a copy of the Corporation's annual financial statements and related MD&A, interim financial statements and related MD&A, or both. If you wish to receive such mailings, please complete and return this form to

**Montello Resources Ltd.  
Electronic Data Filing Inc.  
822 – 470 Granville Street  
Vancouver, BC  
V6C 1V5**

The undersigned Securityholder hereby elects to receive:

- Interim Financial Statements for the first quarter ended October 31 second quarter ended January 31 and third quarter ended April 30 and the related MD&A;
- Annual Financial Statements for the fiscal year ended December 31, 2008 and related MD&A; or
- BOTH – Interim Financial Statements and MD&A and the Annual Financial Statements and related MD&A.

Please note that a request form will be mailed each year and Securityholders must return such form each year to receive the documents indicated above.

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Postal Code:** \_\_\_\_\_

I confirm that I am a **registered/beneficial (circle one) shareholder** of the Company.

Signature of Securityholder: \_\_\_\_\_ Date: \_\_\_\_\_

May 20, 2008