



### **CONFIDENTIALITY AGREEMENT EXECUTION INSTRUCTIONS**

- The Confidentiality Agreement is to be photocopied on your Company letterhead. **DO NOT RETYPE.**
- Any modifications to the body of the Confidentiality Agreement require an initial beside each amendment made and must be reviewed and approved by Grizzly Resources Ltd. & Ironhorse Oil & Gas Inc. prior to the acceptance of the amendment and before release of data.
- After receipt of the acceptable Confidentiality Agreement, RBC Rundle shall provide you with access to Confidential Data. Access to the Confidential Data will be made available via RBC Rundle's online data room at [www.rundleenergy.com](http://www.rundleenergy.com).
- An executed copy of the Confidentiality Agreement will be returned to you after the bid date.
- The Confidential Data remains the property of Grizzly Resources Ltd. & Ironhorse Oil & Gas Inc. and upon request must be returned to Grizzly Resources Ltd. & Ironhorse Oil & Gas Inc.
- Confidentiality Agreements from undisclosed parties will not be accepted.
- **Unless specifically approved, potential purchasers are asked not to make direct contact with Grizzly Resources Ltd. & Ironhorse Oil & Gas Inc staff. Direct questions only to RBC Rundle.**
- Please sign two (2) originals, returning both to RBC Rundle at the address listed below:

**Grizzly Resources Ltd. & Ironhorse Oil & Gas Inc.**

**c/o RBC Rundle**

Suite 3900, Bankers Hall West

888 – 3<sup>rd</sup> Street SW

Calgary, Alberta T2P 5C5

Attention: Mr. Tom Caldwell

Direct: 403.299.8453

Fax: 403.299.8440

Email: [tom.r.caldwell@rbccm.com](mailto:tom.r.caldwell@rbccm.com)

---

PLEASE NOTE: EMAILED AND/OR FAXED CONFIDENTIALITY AGREEMENTS WILL BE ACCEPTED HOWEVER, RBC RUNDLE REQUIRES TWO (2) EXECUTED COPIES TO IMMEDIATELY FOLLOW.

\_\_\_\_\_, 2011

Grizzly Resources Ltd. & Ironhorse Oil & Gas Inc.  
c/o RBC Rundle  
Suite 3900, Bankers Hall West  
888 – 3<sup>rd</sup> Street SW  
Calgary, Alberta T2P 5C5

Dear Sir / Mesdames:

**Re: GRIZZLY RESOURCES LTD. & IRONHORSE OIL & GAS INC. - 2011 SHACKLETON SHALLOW GAS OFFERING CONFIDENTIALITY AGREEMENT**

In connection with our interest in considering the proposed acquisition from Grizzly Resources Ltd. And Ironhorse Oil & Gas Inc. ("the Companies"), of certain oil and gas assets as set out in **Schedule A** (the "Assets") which are owned by the Companies; the Companies have, at our request, agreed to provide us with certain "Confidential Information" which is herein defined to include, but is not limited to, geological, geophysical, engineering, environmental, land, accounting, fiscal and production data, expertise and knowledge concerning the Assets.

We understand that the Confidential Information being provided to us concerning the Assets is proprietary and confidential to the Companies and will be so treated by us. In this regard, we agree as follows:

1. The Confidential Information shall be kept in strict confidence and shall not be used for any purpose whatsoever other than evaluating a possible transaction between the undersigned and the Companies. The Confidential Information shall not be disclosed to any person other than the undersigned and to such of its employees, consultants, advisors, agents and representatives (collectively, the "Representatives") who have a need to know.
2. Without limitation and in addition to any rights the Companies may have against the undersigned arising by reason of any breach hereof, the undersigned shall:
  - (a) be liable to the Companies and RBC Rundle for all loss, cost, damages and expenses whatsoever which it may suffer, sustain, pay or incur; and in addition,
  - (b) indemnify the Companies and RBC Rundle against all actions, proceedings, claims, demands, loss, costs, damages and expenses whatsoever which may be brought against or suffered by the Companies or which the Companies may sustain, pay or incur;resulting from disclosure by the undersigned, or its Representatives, of all or any part or parts of the Confidential Information.
3. The restrictions set forth in Paragraph 1:
  - (a) shall not apply to any part of the Confidential Information which is, at the time of disclosure by the Companies, a part of the public domain or, as confirmed by written records, was in the lawful possession of the undersigned without obligations of confidentiality attached prior to its disclosure by the Companies; and
  - (b) shall no longer apply to any part of the Confidential Information at such time as it becomes a part of the public domain through no violation of this Confidentiality Agreement or is hereafter lawfully acquired by the undersigned through a third party under no obligation of confidence to the Companies,

provided however; that any combination of information which includes part of the Confidential Information shall not be included in the foregoing exceptions merely because individual parts of the combination of information were within the public domain or were within the prior possession of the

- undersigned, unless the combination itself was in the public domain or in the prior possession of the undersigned.
4. At any time, at the request of the Companies, the undersigned shall immediately return or cause to be returned to the Companies any of the Confidential Information which may have been released to the undersigned and shall not retain any copies or other reproductions or extracts thereof. The undersigned shall at any time, at the request of the Companies, destroy or have destroyed all memoranda, notes, reports and documents prepared by or in the possession of the undersigned or its Representatives in connection with its review of the Confidential Information. Furthermore, the undersigned shall provide to the Companies a certificate certifying that it and its Representatives have complied with the terms and conditions of this paragraph.
  5. The undersigned shall ensure that each of its Representatives are aware of its and their obligations under the provisions of this Confidentiality Agreement before disclosing any Confidential Information to such Representative and the undersigned shall take all such other steps as are necessary to ensure that its Representatives comply with the terms and conditions of this Confidentiality Agreement.
  6. The undersigned shall be directly responsible to the Companies for the compliance of its Representatives hereunder and shall be liable to the Companies for damages caused to the Companies as a result of the breach of any of the terms or conditions hereof by such Representatives and, upon written request of the Companies, shall provide the Companies with a list of Representatives who have received the Confidential Information.
  7. The undersigned hereby acknowledges that it is aware, and that it will ensure that its Representatives to whom any Confidential Information is disclosed are also aware, of the general nature of applicable security laws, including, without limitation, all applicable security laws which may prohibit any person, firm or corporation who has material, non-public information concerning the matters which are the subject of this Confidentiality Agreement, from trading in securities of a company which may be party to a transaction of the type contemplated herein or from communicating such information to other persons under circumstances in which it is reasonably foreseeable that such other person is likely to purchase or sell such securities.
  8. The undersigned acknowledges and agrees that the Companies and RBC Rundle will be irreparably injured by a breach of this Confidentiality Agreement which could not be adequately compensated for by damages. The Companies and RBC Rundle shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Confidentiality Agreement. Such remedies shall not be deemed to be exclusive remedies but shall be in addition to all other remedies available at law or at equity.
  9. The undersigned shall be entitled to disclose Confidential Information to the extent required by an order issued by a court, or regulatory body of competent jurisdiction, or required by a stock exchange on which its shares or those of an affiliate are traded, provided that the undersigned shall:
    - (a) provide to the Companies immediate advance written notice of any such requirement for disclosure so that the Companies may seek a protective order or other appropriate remedy;
    - (b) consult with the Companies on the advisability of taking legally available steps to resist or narrow such order; and
    - (c) take such steps as are reasonably necessary and available to maintain confidentiality with the court, stock or regulatory body.
  10. This Confidentiality Agreement shall remain in force until the earlier of twelve months from the date hereof or such time as all of the Confidential Information becomes a part of the public domain through no violation of this Confidentiality Agreement.
  11. It is understood by the undersigned that in providing access to the Confidential Information, the Companies make no representation or warranty as to the accuracy or completeness of the Confidential Information. The undersigned agrees that neither the Companies, nor anyone representing the Companies, shall have any liability to the undersigned or any of its Representatives as a result of any errors or omissions in the Confidential Information or as a result of the use of the Confidential Information by it or its Representatives. It is specifically understood that only those particular

representations and warranties which may be made by the Companies to the acquirer of the Assets in a definitive formal agreement of purchase and sale, when and if it is executed (and subject to such limitations and restrictions as may be specified in such definitive formal agreement), shall have any legal effect. It is also specifically understood that the undersigned shall rely solely on its own estimates as to the value and condition of the Assets and shall rely solely on its own corporate, geological, geophysical, engineering, environmental, accounting and financial analyses and interpretations related thereto.

12. The undersigned and its Representatives shall not visit any of the business sites of the Companies without the prior written consent of the Companies. Any such visits as may be authorized shall be at the sole cost and risk of the undersigned and the undersigned shall indemnify the Companies against any loss, cost, damages and expenses whatsoever which the Companies may suffer, sustain, pay or incur as a result of such visits.
13. The Companies reserve the right, at its sole discretion, to:
  - (a) modify the bidding process;
  - (b) negotiate with any third party on any issue; and
  - (c) accept or reject any offer,in respect to the sale of the Assets of the Companies.
14. No failure or delay by the Companies in the exercise of any of their rights, powers or privileges under this Confidentiality Agreement shall operate as a waiver thereof.
15. If any provision of this Confidentiality Agreement is wholly or partially unenforceable for any reason, such unenforceability shall not affect the enforceability of the balance of this Confidentiality Agreement.
16. This Confidentiality Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the undersigned agrees that the courts of the Province of Alberta shall have exclusive jurisdiction in relation to the enforcement of the provisions of this Confidentiality Agreement.
17. This Confidentiality Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.
18. To view seismic data as part of the review process, the undersigned acknowledges and agrees to an absolute restriction against the use of electronic equipment to produce photographs or other digital copy or reproductions of any of the affected seismic data and or photocopies, sketches or tracings of such affected seismic data. No electronic devices, cameras, USB devices, laptops or cell phones with photographic capability may be brought into the data room or an area where data is disclosed.

We accept the Confidential Information furnished and to be furnished concerning the Companies subject to the conditions set forth in this Confidentiality Agreement.

Yours truly,

**ACCEPTED** this \_\_\_\_ day of \_\_\_\_\_, 2011

\_\_\_\_\_  
**Full Company Name**

**Grizzly Resources Ltd.**

Per: \_\_\_\_\_  
**Officer's Signature**

Per: \_\_\_\_\_

**Ironhorse Oil & Gas Inc.**

\_\_\_\_\_  
**Officer's Name and Title, Printed**

Per: \_\_\_\_\_

\_\_\_\_\_  
**Officer's Email Address**

Please check the box below to acknowledge:

I certify that no changes have been made to this confidentiality agreement that have not been clearly marked and initialed.

**SCHEDULE A TO CONFIDENTIALITY AGREEMENT**

**REQUESTED PROPERTY PACKAGES**

*(Please Check)*

1.) \_\_\_\_\_ Shackleton

**Forward the VDR access information for the Confidential Information to:**  
(Please fill in the following and attach a business card of at least 1 contact listed below)

**CONTACT #1**

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

**Title:** \_\_\_\_\_

**Company:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

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

---

**CONTACT #2**

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

**Title:** \_\_\_\_\_

**Company:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

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

---

**CONTACT #3**

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

**Title:** \_\_\_\_\_

**Company:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

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

**Attach Business Card Here**