

# NOTICE OF CERTIFICATION AND SETTLEMENT OF THE SOUTHWESTERN CLASS ACTION

Read this notice carefully as it may affect your rights.

## PURPOSE OF THIS NOTICE

This notice is to all persons, other than certain persons associated with the Defendants, who acquired securities of Southwestern Resources Corp. ("SWR") during the period from December 3, 2002 to July 18, 2007 ("Shares") on the Toronto Stock Exchange ("TSX"), and who held some or all of those Shares at the close of trading on the TSX on June 19, 2007 or July 18, 2007 ("Class Members").

In 2007, the plaintiffs commenced class actions against SWR and John G. Paterson (together with SWR, the "Defendants") in the Ontario Superior Court of Justice, the Supreme Court of British Columbia and Québec Superior Court (the "Courts"). The plaintiffs alleged that the Defendants misrepresented the results of SWR's Boka exploration activities to the Class Members.

The parties in the class actions have reached a settlement which has been approved by the Courts. The Defendants and Margaret Joan Paterson, the wife of John G. Paterson, have agreed to pay the sum of \$15,527,500 ("Settlement Amount"), in full and final settlement of all claims, including class counsel fees, disbursements, taxes and administration costs in return for releases and a dismissal of the class actions. The Defendants do not admit any wrongdoing or liability on their part. The settlement is a compromise of disputed claims.

## TERMS OF THE SETTLEMENT

The Defendants and Margaret Joan Paterson paid the Settlement Amount in full and final settlement of all claims, including class counsel fees and administration costs. The Courts fixed class counsel fees, taxes and disbursements at \$3,209,276.20 and administration costs at a maximum of \$639,202.90.

The net settlement amount of approximately \$11,679,022 will be distributed in accordance with the Courts-approved and supervised Distribution Plan which, in general terms, provides that:

- in order to be eligible to share in the distribution of the settlement monies each Class Member must submit a Claim Form and trading information to the Administrator on or before **June 1, 2009 at 5:00 p.m.** eastern time;
- the Administrator will determine each Class Member's eligibility and calculate the amount of each eligible Class Member's damages pursuant to the Distribution Plan approved by the Courts ("Nominal Entitlement");
- each Class Member will be paid a share of the net settlement monies calculated as the ratio of his/her/its calculated Nominal Entitlement to the total Nominal Entitlements of all eligible Class Members multiplied by the amount of the net settlement fund; and
- in addition, depending upon the amount of all valid claims, each eligible Class Member may receive interest of up to a maximum of 4% per year.

If any settlement monies remain after distribution to the Class Members, the Courts may order the remaining funds be distributed to not-for-profit organizations for the benefit of the Class Members.

Further information on the settlement, including the Settlement Agreement and Distribution Plan, may be found at [www.southwesternclassaction.com](http://www.southwesternclassaction.com).

## APPOINTMENT OF THE ADMINISTRATOR AND REFEREE

The Courts have appointed Deloitte & Touche LLP as the Administrator of the Settlement. The Administrator will, among other things: (i) receive and process the claims and opt-out submissions; (ii) make determinations of Class Members' eligibility for compensation pursuant to the Distribution Plan; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) distribute the net Settlement Amount to those Class members whose eligibility for compensation is approved by the Courts.

The Courts have appointed Reva E. Devins as the Referee who will review any dispute arising from a decision of the Administrator at a Reference. A Reference may be requested by delivery of a written submission setting out the basis for the dispute including all relevant documents, accompanied by a certified cheque or money order in the amount of \$150 payable to the Administrator, provided that the request for a Reference is submitted within fifteen (15) days of communication of the decision in dispute. If the Referee changes the decision in dispute the \$150 will be returned to the person who requested the Reference, otherwise the deposit will be added to the Settlement Amount. Complete information on requesting a Reference may be found in the Distribution Plan available at [www.southwesternclassaction.com](http://www.southwesternclassaction.com).

## TO MAKE A CLAIM FOR COMPENSATION

To receive compensation, each Class Member must submit a completed Claim Form and supporting documents, on or before 5:00 p.m. eastern time on **June 1, 2009**. The Claim Form is available at [www.southwesternclassaction.com](http://www.southwesternclassaction.com) or by calling the Administrator at 1.866.669.6615.

The Claim Form should be submitted by using the secure Online Claims System at [www.southwesternclassaction.com](http://www.southwesternclassaction.com). You should submit a paper Claim Form only if you do not have a computer with a connection to the internet.

The paper Claim Form may be sent by mail or courier to: Administrator, Southwestern Class Action Settlement, Deloitte & Touche LLP, Suite 1400, 181 Bay Street, Toronto, Ontario M5J 2V1, or by fax to: 1.866.405.3710 or by email to: [southwestern@deloitte.ca](mailto:southwestern@deloitte.ca)

If you fail to submit a Claim Form and the supporting documents, on or before 5:00 p.m. eastern time on **June 1, 2009**, you will not receive any part of the net settlement monies.

## TO OPT OUT OF THE CLASS ACTION

All Class Members will be bound by the terms of the settlement, unless they opt out. Any Class Member who does not wish to participate in the settlement must opt out of the class action by sending a completed Opt-Out Form on or before **February 5, 2009** at 5:00 p.m. eastern time by mail or courier to: Administrator, Southwestern Class Action Settlement, Deloitte & Touche LLP, Suite 1400, 181 Bay Street, Toronto, Ontario M5J 2V1 or by fax to: 1.866.405.3710 or by email to: [southwestern@deloitte.ca](mailto:southwestern@deloitte.ca)

If you are a resident of Québec (other than the Excluded Québec Members as defined in the Settlement Agreement) and wish to opt out of the class, you must, in addition to the above, send a complete copy of your Opt-Out Form to the Clerk of the Québec Court, at the following address: The Québec Superior Court, Québec City Court House, 300, boul. Jean-Lesage, Québec City, Québec, G1K 8K6 (Court File No.: 200-06-000085-079).

The Opt-Out Form is available at [www.southwesternclassaction.com](http://www.southwesternclassaction.com) or by calling 1.866.669.6615.

## PERSONAL LEGAL ADVICE

Class Members who seek the advice or guidance of their personal lawyers do so at their own expense.

## INTERPRETATION

This Notice is a summary of the Approval Orders. If there is a conflict between the provisions of this Notice and the terms of the Approval Orders, the Approval Orders will prevail.

## INQUIRIES

If you need help, or are having difficulty with the Online Claims Process, or if you do not have access to a computer, or if you prefer not to register Online, you may telephone:  
**The Claims Administration Help Line**  
**1.866.669.6615**

This notice has been approved by Justice John Brockenshire of the Superior Court of Justice for Ontario,  
Madam Justice Brown of the Supreme Court of British Columbia and Judge Robert Dufresne, J.C.S. of the Québec Superior Court.  
Questions about this notice should NOT be directed to the Courts.