

LONGACRE RESOURCES INC.

STOCK OPTION PLAN

PART I INTERPRETATION

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

“**Administrator**” has the meaning ascribed thereto in Section 3.1 hereof;

“**Affiliate**” means a corporation related to another corporation if one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same Person;

“**Applicable Laws**” means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

“**Associate**” means, where used to indicate a relationship with any Person,

- (i) any relative, including the spouse, son or daughter, of that Person or a relative of that Person’s spouse, if the relative has the same home as that Person,
- (ii) any partner, other than a limited partner, of that Person,
- (iii) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or
- (iv) any corporation of which such Person beneficially owns, directly or indirectly, voting securities carrying more than ten percent of the voting rights attached to all outstanding voting securities of the corporation;

“**Board**” means the Board of Directors of the Company;

“**Committee**” means a committee of the Board appointed in accordance with Section 3.2 hereof;

“**Company**” means Longacre Resources Inc. and its Affiliates;

“**Consultant**” means, in relation to the Company, an individual or Consultant Company, other than an Employee or a Director of the Company, that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company, other than services provided in relation to a distribution of securities,
- (ii) provides the services under a written contract between the Company and the individual or the Consultant Company,

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company, and
- (iv) has a relationship with the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

“**Consultant Company**” means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;

“**Date of Grant**” means the date on which a grant of an Option is effective;

“**Directors**” means members of the board of Directors of the Company, or of the Company’s subsidiaries to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws;

“**Disability**” means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months which causes an individual to be unable to engage in any substantial gainful activity;

“**Discounted Market Price**” has the meaning ascribed thereto from time to time in the TSXV Policies;

“**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by shareholders of the Company or their proxies at a shareholders’ meeting other than votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval;

“**Effective Date**” means the effective date of this Plan, which is December 5, 2011;

“**Employee**” means:

- (i) an individual who is considered an employee of the Company under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
- (ii) an individual who works full-time for the Company 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
- (iii) an individual who works for the Company 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 are not made at source;
- (iv) an individual who holds the position of officer, manager, and/or Vice President in the Company,

“**Exchange**” means the TSXV and any other stock exchange on which the Shares are listed for trading;

“Guardian” means the guardian, if any, appointed for an Optionee;

“Insider” means:

- (i) a director or senior officer of the Company;
- (ii) a director or senior officer of an entity that is itself an insider or subsidiary of the Company; or
- (iii) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company; or
- (iv) the Company itself if it holds any of its own securities;

“Management Company Employee” means an individual employed by a Person, firm, corporation or other entity providing management services to the Company (other than investor relations services), which are required for the ongoing successful operation of the business enterprise of the Company;

“Officer” means the chief executive officer, the chief financial officer, president, vice president, secretary, treasurer, comptroller and any person routinely performing corresponding functions and/or policy making functions with respect to the Company or its subsidiaries to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws.

“Option” means an option to purchase Shares granted pursuant to the provisions of this Plan;

“Option Agreement” means a written agreement between the Company and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which may be in the form set out in Schedule “A” hereto;

“Option Price” means the price at which an Option to purchase Shares is exercisable;

“Optionee” means a person to whom an Option has been granted;

“Person” means a natural person, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

“Plan” means this stock option plan of the Company, as amended from time to time;

“Shares” means the common shares without par value in the capital of the Company;

“Successor” means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions;

“Term” means the period of time during which an Option is exercisable;

“Terminating Event” means:

- (i) the dissolution or liquidation of the Company, or

- (ii) a material change in the capital structure of the Company that is deemed to be a Terminating Event by virtue of the last sentence of Section 10.1 of this Plan or by virtue of Section 10.5 hereof;

“TSXV” means the TSX Venture Exchange; and

“TSXV Policies” mean the policies set forth in the TSXV Corporate Finance Manual, as amended from time to time.

PART 2 ESTABLISHMENT AND PURPOSE OF THE PLAN

2.1 Establishment of the Plan. The Company hereby establishes this Plan to govern the grant, administration and exercise of incentive stock options which may be granted to eligible Optionees. The Plan is designed to be a “rolling” stock option plan under TSXV Policies, reserving at any one time a maximum of 10% of the issued Shares of the Company for the exercise of Options.

2.2 Principal Purposes. The principal purposes of this Plan are to provide the Company with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Company; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such individuals to remain with the Company; and to attract new Directors, Officers, Employees and Consultants to the Company.

2.3 Benefit to Shareholders. This Plan is expected to benefit shareholders by enabling the Company to attract and retain personnel of the highest caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

PART 3 ADMINISTRATION

3.1 Board or Committee. This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the “Administrator”.

3.2 Appointment of Committee. The Board may at any time appoint a Committee, consisting of not less than two of its members, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.

3.3 Quorum and Voting. A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee who are not disinterested Persons to the action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no such member shall act upon the granting of an Option to himself (but any such member may be

counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to the granting of Options to him).

3.4 Powers of Administrator. Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:

- (a) administer this Plan in accordance with its express terms;
- (b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;
- (c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;
- (d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;
- (e) determine the duration and purposes of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;
- (f) do the following with respect to the granting of Options:
 - (i) determine the Directors, Officers, Employees and Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan,
 - (ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement),
 - (iii) amend the terms and conditions of Option Agreements, provided the Administrator obtains:
 - A. the consent of the Optionee, and
 - B. if applicable, the approval of the Exchange and / or Disinterested Shareholder Approval,
 - (iv) determine when Options shall be granted,
 - (v) determine the Option Price of each Option, and
 - (vi) determine the number of Shares subject to each Option; and
- (g) make all other determinations necessary or advisable for administration of this Plan.

3.4 Obtain Regulatory Approvals. In administering this Plan, the Administrator will obtain any regulatory approvals which may be required pursuant to all Applicable Laws. This Plan is subject to these approvals.

3.5 Annual Shareholder Approval. This Plan must receive approval of the Company's shareholders annually at the Company's annual general meeting.

3.6 Administration by Administrator. All determinations made by the Administrator in good faith on matters referred to in Section 0 hereof shall be final, conclusive, and binding upon the Company and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with the policies and rules of the Exchange.

PART 4 ELIGIBILITY

4.1 General Eligibility. Options may be granted to any Director, Officer, Employee or Consultant. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan.

4.2 No Violation of Laws. No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws.

PART 5 SHARES SUBJECT TO THIS PLAN

5.1 Maximum Number of Shares Reserved Under Plan. The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan shall not exceed 10% of the Company's issued and outstanding shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 10 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Company prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options.

5.2 Sufficient Authorized Shares to be Reserved. If the constating documents of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.

5.3 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Company's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;

- (b) the grant to Insiders, within a 12 month period, of a number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;
- (c) the issuance to any one Optionee, within any 12 month period, of a number of Shares exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options; or
- (d) any reduction in the exercise price of Options granted to any Person who is an Insider at the time of the proposed reduction.

5.4 Number of Shares subject to this Plan. Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares thereafter shall again be available for the purposes of this Plan.

5.5 Expiry of Option. If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

PART 6 TERMS AND CONDITIONS OF OPTIONS

6.1 Option Agreement. Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:

- (a) the number of Shares subject to purchase pursuant to such Option;
- (b) the Date of Grant;
- (c) the Term; provided; that the Term shall in no event be more than ten years following the Date of Grant;
- (d) the Option Price; provided, the Option Price shall not be less than the Discounted Market Price, provided that if Options are granted within 90 days of a distribution of Shares (or shares and other securities) of the Company by way of a prospectus, the minimum exercise price of those Options will be the greater of the Discounted Market Price and the per Share price paid by the public investors for Shares acquired under the distribution. The 90 day period shall be calculated from the date a final receipt is issued for the prospectus;
- (e) the Option is not assignable or transferable; and
- (f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan.

6.2 TSXV Restrictions of Reservations. Notwithstanding any other provision hereof, for so long as the Shares are listed on the TSXV, the number of Shares reserved for issuance to: (i) any one Optionee pursuant to Options granted to such Optionee during any 12 month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;

(ii) any one Optionee, who is a Consultant, in respect of Options granted to such Consultant during any 12 month period shall not exceed 2% of the issued and outstanding Shares, calculated at the date such Options are granted; and (iii) the number of Shares reserved for issuance to Employees and Consultants who are engaged or employed in investor relations activities during any 12 month period shall not exceed in the aggregate 2% of the issued and outstanding Shares, calculated at the date such Options are granted.

6.3 No Grant after Ten Years from Effective Date. No Option shall be granted under this Plan later than ten years from the Effective Date of this Plan. Except as expressly provided herein, nothing contained in this Plan shall require that the terms and conditions of Options granted under this Plan be uniform or identical for all Optionees.

6.4 Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest on the date the option was granted.

Notwithstanding the foregoing, in the case Options granted to Optionees who provide investor relations services and where no vesting schedule is specified at the time of grant, the Options shall vest according to the following schedule:

Vesting Period	Percentage of Total Option Vested
3 Months after Date of Grant	25%
6 Months after Date of Grant	50%
9 Months after Date of Grant	75%
12 Months after Date of Grant	100%

6.5 Acceleration of Vesting. The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as it may determine in its sole discretion.

6.6 Hold Periods. In addition to any resale restrictions under any Applicable Laws, all Options granted hereunder and all Shares issued on the exercise of such Options, if issued within such hold period, will be subject to a four month and one day TSXV hold period from the date the Options are granted, and the stock option agreements and the certificates representing such Shares will bear the following legend:

WITHOUT PRIOR WRITTEN APPROVAL OF THE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL **[insert date that is four months and one day after the grant of the options]**.

6.7 Form for Non-Individuals. If a proposed Optionee is a corporation or is otherwise not an individual, it must provide the Exchange with a completed Form 4F – *Certification and*

Undertaking Required from a Company Granted an Incentive Stock Option, or any amended or replacement form.

6.8 Bona Fide Optionee. The Company shall represent that, for the grant of Options under this Plan to an Optionee who is a Director, Officer, Employee, Consultant or Management Company Employee, such Optionee is a bona fide Director, Officer, Employee, Consultant or Management Company Employee, as the case may be.

PART 7 EXERCISE OF OPTION

7.1 Method of Exercise. Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or Part 6 hereof, an Optionee may exercise an Option, prior to the expiry date thereof, by giving written notice thereof to the Company at its principal place of business or as otherwise indicated by the Company in writing.

7.2 Payment of Option Price. The notice described in Section 7.1 hereof shall be accompanied by full payment of the Option Price to the extent the Option is so exercised, and full payment of any amounts the Company determines must be withheld for tax purposes from the Optionee pursuant to the Option Agreement. Such payment shall be:

- (a) in lawful money (Canadian funds) in cash or by certified cheque;
- (b) at the discretion of the Administrator, and subject to all applicable securities laws, through delivery by the Optionee of assets having a fair market value as of the date of exercise equal to the cash exercise price of the Option plus any amounts that the Company determines must be withheld from the Optionee for Canadian tax purposes; or
- (c) at the discretion of the Administrator, by any combination of Sections 7.2(a) or (b) hereof.

7.3 Issuance of Stock Certificate. As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Company shall issue a stock certificate evidencing the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

7.4 Monitoring Trading. An Optionee who performs investor relations activities shall provide written notice to the Board of each of his trades of securities of the Company, within five business days of each trade.

PART 8 TRANSFERABILITY OF OPTIONS

8.1 Non-Transferable. Except as provided otherwise in this Part 8, Options are non-assignable and non-transferable.

8.2 Death of Optionee. If an Optionee should die while any Options remain outstanding in his name, such Options shall pass to the Successor of the Optionee and shall be exercisable by the

Successor for a period to be determined by the Administrator, which shall not be less than three months and not more than six months from the date of death.

8.3 Disability of Optionee. If the employment of an Optionee as an Employee or Consultant of the Company, or the position of an Optionee as a Director or Officer, is terminated by the Company by reason of such Optionee's Disability, any Option held by such Optionee that could have been exercised immediately prior to such termination of employment shall be exercisable by such Optionee, or by his Guardian, for a period of 90 days following the termination of employment of such Optionee.

8.4 Vesting. Options held by a Successor or exercisable by a Guardian shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

8.5 Majority Agreement. If two or more Persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such Persons.

8.6 Deemed Non-Interruption of Employment. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Optionee's right to re-employment with the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Optionee's re-employment is not so guaranteed, then his or her employment shall be deemed to have terminated on the 91st day of such leave.

PART 9 TERMINATION OF OPTIONS

9.1 Termination of Options. To the extent not earlier exercised or terminated, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) where the Optionee's position as an Employee, Consultant, Director or Officer is terminated for just cause, the date of such termination for just cause;
- (c) where the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's Disability, death, or termination for just cause, 30 days after such date of termination;
- (d) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 hereof; and
- (e) the date specified in Section 10.5 hereof for such termination in the event of a Terminating Event.

PART 10

ADJUSTMENTS TO OPTIONS

10.1 Alteration of Capital. In the event of any material change in the outstanding Shares of the Company prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the Option Price of such shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Company is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan.

10.2 No Fractions. No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.

10.3 Terminating Events. Subject to Section 10.4 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.

10.4 Notice of Terminating Event. The Administrator shall give notice to Optionees not less than 30 days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

10.5 General Offer for Shares. Notwithstanding anything else herein to the contrary, in the event (i) an offer to purchase the Shares shall be made to the holders of the Shares generally, unless the Board determines that such offer will not result in any change in control of the Company, or (ii) of a sale of all or substantially all of the assets of the Company, or (iii) the sale, pursuant to an agreement with the Company, of securities of the Company pursuant to which the Company is or becomes a subsidiary of another corporation, then unless provision is made by the acquiring corporation for the assumption of each Option or the substitution of a substantially equivalent option therefor, the Company shall give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his or its Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period will immediately terminate and such event shall be deemed to be a Terminating Event.

10.6 Determinations to be made by Administrator. Adjustments and determinations under this Part 10 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

PART 11

TERMINATION AND AMENDMENT OF PLAN

11.1 Termination of Plan. Unless earlier terminated as provided in Part 10 hereof or in Section 11.2 hereof, this Plan shall terminate on, and no Option shall be granted under this Plan, after ten years has passed from the Effective Date of this Plan.

11.2 Power of Administrator to Terminate or Amend Plan. Subject to the approval of the Exchange, the Administrator may terminate, suspend or amend this Plan in whole or in part; provided, however, that, except as provided in Part 10 hereof, the Administrator may not do any of the following without obtaining, within 12 months either before or after the Administrator's adoption of a resolution authorizing such action, approval by the affirmative votes of the holders of a majority of the voting securities of the Company present, or represented, and entitled to vote at a meeting duly held in accordance with the applicable corporate laws, or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

- (a) increase the aggregate number of Shares which may be issued under this Plan;
- (b) materially modify the requirements as to eligibility for participation in this Plan;
or
- (c) materially increase the benefits accruing to participants under this Plan;

provided, that the Administrator may, at any time, modify, amend or terminate this Plan or modify or amend Options granted under this Plan, including, without limitation, such modifications or amendments as are necessary to maintain compliance with any Applicable Laws. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Company to comply with or to avail the Company and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.

11.3 No Grant During Suspension of Plan. No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

PART 12

CONDITIONS PRECEDENT TO ISSUANCE OF SHARES

12.1 Compliance with Laws. Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance shall be further subject to the approval of counsel for the Company with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Company to obtain from any regulatory body the authority deemed by the Company to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration requirements for the issuance and sale of any Shares under this Plan, shall relieve the Company of any liability with respect to the non-issuance or sale of such Shares.

12.2 Representations by Optionee. As a condition precedent to the exercise of any Option, the Company may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Company, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with applicable securities laws. **THE COMPANY HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS.**

12.3 Tax Withholding. The Optionee shall hold harmless the Company and be solely responsible, upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, state, local and foreign withholding taxes, determined as a result upon exercise of an Option or from a transfer or other disposition of Shares acquired upon exercise of an Option or otherwise related to an Option or Shares acquired in connection with an Option.

PART 13 NOTICES

13.1 Notices. All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and shall be either served personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; telefaxed, in which case notice shall be deemed to have been duly given on the date the telefax is sent; or mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the tenth postal delivery day following the date of such mailing.

PART 14 MISCELLANEOUS PROVISIONS

14.1 No Obligation to Exercise. Optionees shall be under no obligation to exercise Options granted under this Plan.

14.2 No Obligation to Retain Optionee. Nothing contained in this Plan shall obligate the Company, to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Company to reduce such Optionee's compensation.

14.3 Binding Agreement. The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

14.4 Governing Law. The laws of the Province of British Columbia shall apply to this Plan and all rights and obligations hereunder shall be determined in accordance with such laws.

14.5 Use of Terms. Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

SCHEDULE "A"

LONGACRE RESOURCES INC.

STOCK OPTION PLAN

OPTION AGREEMENT

The Option granted herein is not assignable (or transferable) by the Optionee. Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities issued upon the exercise of the Option granted herein may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until _____, _____, (i.e., four months and one day after the Grant Date, as defined herein).

This Option Agreement is entered into between Longacre Resources Inc. ("the Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. On _____, _____ (the "Grant Date");
2. _____ (the "Optionee");
3. was granted the option (the "Option") to purchase _____ Common Shares (the "Option Shares") of the Company;
4. at the price (the "Option Price") of \$_____ per share;
5. which shall be exercisable ("Vested") in accordance with Section 4.4 of the Plan (check the following box if the Optionee is a person who performs Investor Relations Activities for the Company:); and
6. shall expire on _____, _____ (the "Expiry Date")

all on the terms and subject to the conditions set out in the Plan. For greater certainty, once Option Shares have become Vested, they continue to be exercisable until the first to occur of the Expiry Date or such earlier termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ____ day of _____, 20__.

LONGACRE RESOURCES INC.

OPTIONEE

By: _____

Authorized Signatory

SCHEDULE B
Stock Option Plan
Exercise Notice

TO: LONGACRE RESOURCES INC.

Re: Exercise of Options

The undersigned hereby irrevocably gives notice, pursuant to LONGACRE RESOURCES INC.'s (the "Company") stock option plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (i) all of the Shares; or
- (ii) certain of the Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (i) number of Shares to be acquired on exercise: _____ shares
 - (ii) times the Exercise Price per Share: \$_____
- Total Exercise Price, as enclosed herewith: \$_____

The undersigned tenders herewith a cheque or bank draft (circle one) in the amount of \$_____, payable to the Company in an amount equal to the total Exercise Price of the Shares, as calculated hereof, and directs the Company to issue the share certificate evidencing the Shares in the name of the undersigned to be mailed to the undersigned at the following address:

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in this Plan.

DATED the _____ day of _____.

Witness

Signature of Option Holder

Name of Witness (Print)

Name of Option Holder (Print)