



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED

DECEMBER 31, 2009

March 29, 2010

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CERTAIN DEFINITIONS

In this Annual Information Form, the following words and phrases have the following meanings, unless the context otherwise requires:

"**ABCA**" means *Business Corporations Act* (Alberta);

"**Common Shares**" means the common shares in the capital of Ironhorse;

"**Evaluators**" means GLJ and Sproule;

"**Ironhorse**" or the "**Company**" means Ironhorse Oil & Gas Inc., a corporation continued pursuant to the ABCA and includes its predecessors where the context so requires;

"**GLJ**" means GLJ Petroleum Consultants Ltd.;

"**Evaluators Report**" means the report of dated February 24, 2010 evaluating Ironhorse's crude oil, natural gas liquids and natural gas reserves as at December 31, 2009 prepared by GLJ and Sproule;

"**Gross**" means:

- (a) in relation to the Company's interest in production and reserves, the Company's working interest share (operated and non-operated) before deduction of royalties and without including any of the Company's royalty interests in production or reserves;
- (b) in relation to wells, the number of wells in which the Company has an interest; and
- (c) in relation to the Company's interest in a property, the total area in which the Company has an interest.

"**Income Tax Act**" or "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1. (5th Supp), as amended, including the regulations promulgated there under;

"**Net**" means:

- (a) in relation to the Company's interest in production and reserves, the Company's working interest share (operated and non-operated) after deduction of royalties plus the Company's royalty interest in production or reserves;
- (b) in relation to wells, the number of wells in which the Company has an interest obtained by aggregating the Company's working interest in each of the Company's gross wells; and
- (c) in relation to the Company's interest in a property, the total area in which the Company has an interest multiplied by the working interest the Company owns.

"**NRF**" means the New Royalty Framework announced by the Alberta government on October 25, 2007;

"**Shareholders**" means the holder of Common Shares;

"**Sproule**" means Sproule Associates Limited; and

"**TSX-V**" or the "**Exchange**" means the TSX Venture Exchange.

Unless otherwise specified, information in this Annual Information Form is as at the end of the Company's most recently completed financial year, being December 31, 2009.

All dollar amounts herein are in Canadian dollars, unless otherwise stated.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Information Form and in certain documents incorporated by reference into this Annual Information Form, constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form or as of the date specified in the documents incorporated by reference into this Annual Information Form, as the case may be.

In particular, this Annual Information Form and the documents incorporated by reference contain forward-looking statements pertaining to the following:

- the quantity of reserves;
- oil and natural gas production levels;
- capital expenditure programs;
- projections of oil and natural gas market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Company's ability to raise capital and to continually add to reserves through acquisitions and development; and
- treatment under government regulatory and taxation regimes.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form:

- volatility in market prices for oil and natural gas;
- liabilities and risks inherent in oil and natural gas operations;
- uncertainties associated with estimating reserves;
- risks and uncertainties inherent in exploration and development activities;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value, or failure to realize the anticipated benefits, of acquisitions; and
- geological, technical, drilling and processing problems.

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Annual Information Form and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as required by securities laws or regulations.

CORPORATE STRUCTURE

Name, Address and Incorporation

Ironhorse was originally incorporated as Keywest Resources Ltd. (N.P.L.) under the *Companies Act* (British Columbia) as a Specially Limited Company on September 18, 1972. On November 26, 2002 the Company was continued from British Columbia to Alberta. On June 27, 2003, the Company acquired its first oil and gas properties in the Boundary Lake and Lochend areas of Alberta, commencing its oil and gas operations and on May 13, 2004, the Company changed its name to Ironhorse Oil & Gas Inc.

Ironhorse's head and registered office is located at 1000, 324 - 8th Avenue SW, Calgary, Alberta T2P 2Z2.

The Common Shares trade on the TSX-V under the symbol "IOG".

Inter-Corporate Relationships

Ironhorse does not have any subsidiaries as at March 29, 2010.

GENERAL DEVELOPMENT OF THE COMPANY'S BUSINESS

Ironhorse is a Calgary based company engaged in the exploration, development, acquisition and production of oil and gas reserves in western Canada primarily in Northeast British Columbia, Central Alberta and Southwest Saskatchewan.

Three Year History

2007

In January 2007, the Company raised \$5.8 million through the issuance of 1,812,500 Common Shares at a price of \$2.00 per share and 906,250 Common Shares issued on a "flow-through" basis at a price of \$2.40 per share.

Cash flow from operations and proceeds from the share equity issue, together with advances of \$5.1 million under the Company's credit facilities, funded Ironhorse's \$12.4 million capital investment program in 2007.

During the year, the Company continued to develop its Shackleton, Saskatchewan property. The Company drilled 32 (16 net) gas wells in the Shackleton area of which 30 (15 net) were placed on production bringing the total number of producing gas wells to 37 (18.5 net); the other two gas wells were placed on production in the following year. The Company also drilled and abandoned one (0.5 net) well at Kotcho, British Columbia during the year.

During the year, the Company acquired for cancellation, 341,000 Common Shares at an average price of \$1.60 per share pursuant to the terms of its normal course issuer bid.

2008

On May 12, 2008, the Company completed a non-brokered private placement financing, to certain officers of the Company, for aggregate gross proceeds of \$0.6 million comprised of 200,000 Common Shares at a price of \$1.50 per share and 200,000 Common Shares issued on a "flow-through" basis at a price of \$1.60 per share.

On October 23, 2008, the Company completed a brokered private placement financing for aggregate gross proceeds of \$3.5 million consisting of 1,683,000 Common Shares issued on a "flow-through" basis at a price of \$2.08 per share.

Cash flow from operations together with proceeds from the private placements noted above financed a \$10.5 million capital investment program in 2008.

During the year the Company continued to develop its Shackleton property where an additional 30 (15 net) gas wells were drilled and 31 (15.5 net) gas wells were placed on production by year end bringing the total number of producing gas wells to 68 (34 net).

During the year ended December 31, 2009, the Company acquired for cancellation 231,800 Common Shares at an average price of \$1.10 per share pursuant to the terms of its normal course issuer bid (see "*Normal Course Issuer Bid*").

2009

On November 19, 2009, the Company completed a brokered private placement for aggregate gross proceeds of \$3.5 million consisting of 2,513,138 Common Shares issued on a flow-through basis at a price of \$1.40 per share.

Cash flow from operations together with proceeds from the private placement noted above and advances of \$2.4 million under the Company's credit facilities financed a capital investment program of \$10 million in 2009.

During the year the Company completed the primary development of its Shackleton property where an additional 32 (16 net) gas wells were drilled and placed on production in the first quarter of 2009, bringing the total number of producing gas wells to 100 (50 net). Ironhorse also drilled two (0.4 net) oil wells on its Pembina lands in Central Alberta. The two Pembina oil wells are waiting on construction of a pipeline to nearby sour oil battery before commencement of production. In addition, a waterflood project will be implemented with the drilling of 2 water injector wells and a water source well. Both the sales pipeline and the waterflood project require regulatory approval which is forecast to occur in 2010.

During the fourth quarter of 2009, the Company undertook preparations with respect to its 2009/2010 winter drilling program including wells to be drilled at Dawson, Alberta, Shaunavon, Saskatchewan and Jedney, British Columbia.

2009 Subsequent Events

On March 22, 2010 Ironhorse announced that it had entered into an agreement to issue 3,683,143 common shares on a flow through basis at a price of \$1.40 per share for gross proceeds of \$5.2 million. The placement is scheduled to close on April 14, 2010.

During the first quarter of 2010, the Company successfully drilled two (1.1 net) oil wells at Dawson, Alberta, one (0.8 net) oil well at Shaunavon, Saskatchewan and one (0.8 net) gas well at Jedney, British Columbia.

SIGNIFICANT ACQUISITIONS

Ironhorse has not completed any significant acquisitions during its most recently completed financial year for which disclosure would be required under Part 8 of National Instrument 51-102 – Continuous Disclosure Obligations.

DESCRIPTION OF THE BUSINESS

General

The Company is engaged in the exploration for and development and production of crude oil and natural gas in western Canada. Ironhorse has three core areas of operation located in Southwest Saskatchewan, Central Alberta and Northeast British Columbia.

The Company has developed a significant shallow gas asset at Shackleton, Saskatchewan. Primary development of the Shackleton property was completed in the first quarter of 2009, the Company has a 50% working interest in 100 producing gas wells which represents a drilling density of "one well per quarter section". The Company is evaluating increasing the drilling density in future years to two wells per quarter section. The timing of this development will depend on higher gas prices, lower royalties and gaining broader seasonal access to the property which will reduce drilling costs.

At Pembina, Alberta Ironhorse's main focus is the exploration of light oil in one of the most prolific oil trends in Alberta. In the first quarter of 2009 the Company drilled two (0.4 net) Nisku oil wells which require construction of a pipeline to a battery before the wells can be placed on production.

The 2009/2010 winter drilling program has yielded positive results which will increase Ironhorse's oil production in the first quarter of 2010.

Business Plan and Growth Strategy

Ironhorse's business plan is value creation through a combination of low risk development drilling and high impact exploration. Ironhorse pursues a growth strategy involving exploratory and development drilling augmented by strategic acquisitions of properties and companies where exploitation, development and exploration opportunities exist. The Company's current areas of focus are in the western Canada corridor trending from northeast British Columbia to southwest Saskatchewan.

Ironhorse's strategy involves acquiring crown, freehold and First Nation mineral rights where the Company's management and technical team have expertise.

Joint Operations

All of Ironhorse's operations involve joint activity with other industry partners. In addition, Ironhorse relies on Grizzly Resources Ltd. to provide the Company with certain management technical and administrative services.

Economic Dependence

In 2009, over 98% of Ironhorse's production was from its Shackleton shallow gas property, located in south western Saskatchewan. The Company's reliance on the Shackleton property will decrease in 2010 with oil production commencing from the Dawson wells in March.

Safety and Environment Protection

The Company has made a firm commitment to the safety of its staff, contractors and to the general public. Ironhorse tailors its operational efforts to safely engage resource extraction, with sensitivity to the environment and the needs of the communities in which it operates. The commitment to safety is for the protection of the Company's staff, its contractors and the residents in proximity to the Company's oil and natural gas properties. Federal, provincial and local governments have enacted laws respecting environmental protection and the discharge of materials into the environment. It is the responsibility of all of the Company's personnel to ensure that all operations are conducted in accordance with corporate policies that meet or exceed environmental laws and regulation and occupational health and safety laws and regulations. Ironhorse is committed to maintaining this standard of operations.

Competitive Conditions

The oil and natural gas industry is intensely competitive in all its phases. Ironhorse competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Ironhorse's competitors include resource companies which have greater financial resources, staff and facilities than those of Ironhorse. Competitive factors in the distribution and marketing of oil and natural gas include pricing, and methods and reliability of delivery. Ironhorse believes that its competitive position is equivalent to or better than that of other oil and gas issuers of similar size and at a similar stage of development.

HUMAN RESOURCES

At December 31, 2009, the Company had one full time employee (December 31, 2008 — one). The Company's management provides sufficient time as considered necessary to carry out the duties and responsibilities of the Company and to provide the Company with the technical and operational expertise required by an oil and gas company. Management intends to add additional professional and administrative staff as the need arises.

Ironhorse has also entered into a management agreement with Grizzly Resources Ltd. pursuant to which Grizzly Resources Ltd. personnel provide services in respect of the management, development, exploitation and operation of the assets of Ironhorse. Pursuant to this agreement, Ironhorse paid \$2.43 per producing boe and 4% of capital expenditures made by Ironhorse. These rates are adjusted annually for changes in the Consumer Price Index.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The Company's Statement of Reserves Data and Other Oil and Gas Information is available at www.sedar.com

DIVIDEND POLICY

The Company has not paid any dividends on its Common Shares to the date hereof. It is the present policy of the board of directors of the Company to retain any earnings to finance the growth and development of the Company's business and, therefore, the Company does not anticipate paying any dividends in the immediate future.

NORMAL COURSE ISSUER BID

On December 1, 2009, the Company renewed its normal course issuer bid ("NCIB") to purchase for cancellation up to 1,649,749 Common Shares on the open market through the facilities of the TSX-V. The NCIB expires December 2, 2010. The Company has retained PI Financial Corp. as its broker to conduct the NCIB on its behalf.

During the year end on December 31, 2009, the Company purchased for cancellation 231,800 Common Shares at an average price of \$1.10 per share. During the period ended March 29, 2010 the Company purchased 23,400 common shares at an average price of \$1.17 per share.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of first preferred shares. As at March 29, 2010 there were 24,162,681 Common Shares issued and outstanding and no first preferred shares issued and outstanding.

Common Shares

The Common Shares are entitled to one (1) vote per share at meetings of shareholders, to dividends in such amounts as the directors may from time to time declare and, in the event of liquidation, dissolution or winding-up of the Company, are entitled to share pro rata in the assets of the Company.

First Preferred Shares

The first preferred shares rank in priority to the Common Shares as to the payment of dividends and as to the distribution of assets in the event of liquidation, dissolution or winding-up of the Company. The first preferred shares may also be given such other preferences over the Common Shares as may be determined for any series authorized to be issued. The Company currently has no first preferred shares outstanding.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX-V under the symbols "IOG". The following sets forth trading information for the Common Shares for the periods indicated, as quoted by the Exchange:

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
2009			
January	\$1.50	\$0.88	268,165
February	\$1.60	\$1.20	130,925
March	\$1.35	\$1.00	288,018
April	\$1.25	\$0.90	125,232
May	\$1.05	\$0.85	146,437
June	\$0.95	\$0.85	54,352
July	\$0.90	\$0.75	98,800
August	\$1.09	\$0.75	38,654
September	\$1.23	\$1.02	109,981
October	\$1.29	\$1.10	125,706
November	\$1.28	\$0.99	88,969

Period	High	Low	Volume
December 2010	\$1.12	\$0.96	86,650
January	\$1.20	\$1.07	133,223
February	\$1.17	\$1.00	251,520
March 1 to March 29	\$1.29	\$1.05	308,627

DIRECTORS AND OFFICERS

The following table sets forth the name, age, municipality of residence, date first elected as a director of Ironhorse where applicable and office held for each of the directors and officers of Ironhorse together with their principal occupations during the last five years. The directors of Ironhorse shall hold office until the next annual meeting of shareholders or until their respective successors have been duly elected or appointed.

Name, Age and Jurisdiction of Residence	Office Held	Date First Elected or Appointed as Director of Ironhorse	Principal Occupation
Wayne Chow ⁽²⁾ Alberta, Canada Age: 59	Director	March 15, 2010	Mr. Chow is a professional engineer and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, and has over 33 years of oil and gas engineering & evaluation experience. Mr. Chow is a former Vice President and director of GLJ Petroleum Consultants; and has served as a Director or past-Director of numerous private companies. Since October 2005 Mr. Chow has been an independent businessman and a consultant to various oil and gas companies.
Robert Desbarats ⁽²⁾ Alberta, Canada Age: 59	Director	March 20, 2009	Mr. Desbarats is a partner in the Business Law Department in Osler's Calgary office. He is recognized in Canada and internationally as a leading energy lawyer. He has represented Canadian, U.S.-based and international clients in complex domestic and cross-border energy transactions. He has extensive experience in transactions related to the oil and gas and power generation industries, including in the acquisition and disposition of energy assets and energy corporations. He has advised clients on joint ventures and corporate finance matters in relation to crude oil, natural gas and LNG transportation and marketing.

Name, Age and Jurisdiction of Residence	Office Held	Date First Elected or Appointed as Director of Ironhorse	Principal Occupation
William G. Manley Alberta, Canada Age: 55	Vice President, Engineering & Operations	N/A	Mr. Manley has 30 years of experience in reservoir, production and exploitation engineering as well as experience with the administration, acquisition and disposition of oil and gas properties. He earned an Engineering Science Diploma from the Southern Alberta Institute of Technology in 1978 and a Bachelor of Science degree in Geological Engineering from the Montana College of Mineral Science & Technology in 1980. His employers have included Canterra Energy, North Canadian Oils, Newport Petroleum, Chancellor Energy Resources, Cairo Energy/Slade Energy and PanAtlas Energy. Mr. Manley served as Engineering Manager for Forte Energy from 1999 to 2001 and as Engineering Consultant for NCE Resources Group after it acquired Forte Energy. He is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Manley has been an officer of the Company since 2003.
Larry J. Parks⁽²⁾ Alberta, Canada Age: 54	President & Chief Executive Officer and a Director	June 26, 2003	Mr. Parks has more than 30 years of experience in all areas of oil and gas exploration and production. Mr. Parks earned a Bachelor of Science degree in Chemistry from the University of Alberta in 1976. From 1977 to 1983, Mr. Parks' employers included Esso Resources, Esso Minerals, and Imperial Oil Limited, all Canadian subsidiaries of Exxon Corporation. In 1983, Mr. Parks joined Eagle Resources Ltd. where he held a series of management and executive positions, culminating with the position of President and Chief Operating Officer. Mr. Parks was appointed President & Chief Executive Officer of Archean Energy Ltd., the successor company to Eagle Resources Ltd., in 1994 and then President & Chief Executive Officer of Grizzly Resources in 2004. Mr. Parks has been the Chairman, President & Chief Executive Officer of Ironhorse since 2003.
Gerry C. Quinn⁽¹⁾ Ontario, Canada Age: 61	Director	January 31, 2004	Mr. Quinn is a Chartered Accountant and has been President of the Erin Mills Investment Corporation since September 1989. Erin Mills is a substantial private venture capital company with a diverse investment portfolio. Prior to joining Erin Mills, Mr. Quinn served as a Senior Office in Magna International Inc. and Barrincorp, both publicly traded companies, and he served as a Partner in the public accounting firm of Ernst & Young. Mr. Quinn has been a Director of a number of public companies and is also a Director of a number of private companies in diverse industries. In

Name, Age and Jurisdiction of Residence	Office Held	Date First Elected or Appointed as Director of Ironhorse	Principal Occupation
			<p>addition, Mr. Quinn now invests his own capital and acts as an investment advisor to emerging businesses. He is and has been a Director of a number of very successful private Oil and Gas companies since 1991.</p>
<p>Michael Royan⁽¹⁾ Alberta, Canada Age: 38</p>	<p>Director</p>	<p>February 11, 2009</p>	<p>Mr. Royan is the President and Managing Director of Stonepoint Strategic Advisors Inc., which provides financial advisory services to companies primarily in the oil and gas and oilfield services. Mr. Royan has over 15 years of experience in the financial services industry in the areas of mergers, acquisitions, valuations, fairness opinions, corporate finance and corporate strategy. Mr. Royan holds a bachelor of commerce degree from the University of Calgary and both the Chartered Financial Analyst and Chartered Business Valuator designations.</p>
<p>Rob Solinger Alberta, Canada Age: 53</p>	<p>Vice President, Finance & Chief Financial Officer</p>	<p>N/A</p>	<p>Mr. Solinger joined Ironhorse on April 25, 2008 as Vice President Finance & CFO. He is a Chartered Accountant with over 25 years of finance experience in a variety of industries including junior oil and gas, technology and financial services. Mr. Solinger has held similar positions with a number of growth focused private and public junior oil and gas companies. Mr. Solinger's responsibilities have included strategic planning, finance, accounting, acquisitions and divestitures.</p>

Name, Age and Jurisdiction of Residence	Office Held	Date First Elected or Appointed as Director of Ironhorse	Principal Occupation
Cam Weston Alberta, Canada Age: 55	Vice President, Land	N/A	Mr. Weston is a professional landman and has over 30 years of experience in the oil & gas industry. Mr. Weston is a University of Calgary graduate with a Bachelor of Commerce degree. Mr. Weston has been with the Company since 2008 and is responsible for land and marketing activities. He previously held a similar position at Mancal Energy Inc., Highridge Exploration Ltd, Chancellor Energy Resources Inc. and Mohawk Oil Canada Limited. Mr. Weston is a member of the Canadian Association of Petroleum Landmen and American Association of Petroleum Landmen.
Al Williams Alberta, Canada Age: 57	Vice President, Exploration	N/A	Mr. Williams is a professional Geologist with over 30 years of experience in the oil and gas industry. Prior to joining Archean, Mr. Williams has been involved in both the management and technical aspects of several successful small to intermediate sized Canadian oil and gas companies. Mr. Williams has a track record of finding a number of significant oil and gas pools in North America and has been involved in the evaluations of a number of international oil and gas opportunities. He has been an officer of the Company since 2008.
James K. Wilson ⁽¹⁾⁽²⁾ Alberta, Canada Age: 57	Director, Vice President & Corporate Secretary	June 26, 2003	Mr. Wilson is a University of Calgary Commerce undergraduate and Canadian Chartered Accountant with over 28 years of finance and administration experience in the domestic and international oil and gas industry. Prior to joining Ironhorse in 2003, he had held executive financial positions in Canadian public, junior and intermediate oil and gas exploration and production companies. Mr. Wilson's responsibilities have included finance, treasury, tax planning and structuring, strategic planning, risk management, accounting, investor relations, corporate secretarial, human resources, information systems and administration activities. In his career, he has been actively involved in acquisition and divestiture negotiation and structuring.

Notes:

- (1) Member of Audit Committee.
- (2) Member of Reserves Committee.
- (3) The term of office of all directors expire on the date of the next annual meeting of holders of Common Shares.

As at March 29, 2010, the directors and officers of Ironhorse, as a group, beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 5,200,858 Common Shares, representing approximately 24% of the issued and outstanding Common Shares.

Cease Trade Order, Bankruptcies, Penalties or Sanctions

No director or executive officer:

- (a) is as of the date hereof, or has been, within the 10 years before the date hereof, a director or chief executive officer or chief financial officer of any company, including Ironhorse, that while that person was acting in that capacity:
 - (i) 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;
 - (ii) was the subject to an event that resulted, after the director or executive officer ceased to be a director or chief executive officer or chief financial officer, in the company 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 of more than 30 consecutive days;
 - (iii) or within a year of that person ceasing to act in that capacity, become 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 manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of the annual information form, 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 director, officer or shareholder.

In addition, no director or executive officer, or shareholder holding a sufficient number of securities of Ironhorse to affect materially the control of the Company, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of Ironhorse are subject to in connection with the operations of Ironhorse. In particular, certain of the directors and officers of Ironhorse are involved in managerial or director positions with other oil and gas companies, including Grizzly Resources Ltd. who provides technical services to the Company, whose operations may, from time to time, be in direct competition with Ironhorse or with entities which may, from time to time, provide financing to, or make equity investments in, Ironhorse's competitors. In accordance with the ABCA, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

INDUSTRY CONDITIONS

The oil and natural gas industry is subject to extensive controls and regulations governing its operations (including land tenure, exploration, development, production, refining, transportation, and marketing) imposed by legislation enacted by various levels of government and, with respect to pricing and taxation of oil and natural gas, by agreements among the governments of Canada, Alberta, British Columbia, and Saskatchewan, all of which should be carefully considered by investors in the oil and natural gas industry. It is not expected that any of these controls or regulations will affect the Company's operations in a manner materially different than they would affect other oil and natural gas companies of similar size. All current legislation is a matter of public record and the Company is unable to predict what additional legislation or amendments may be enacted. Outlined below are some of the principal aspects of legislation, regulations and agreements governing the oil and natural gas industry.

Pricing and Marketing Oil and Natural Gas

In Canada the producers of oil are entitled to negotiate sales contracts directly with oil purchasers, which means that the market determines the price of oil. Oil prices are primarily based on worldwide supply and demand. The price depends in part on oil quality, prices of competing fuels, distance to market, value of refined products, the balance of supply and demand and other contractual terms. While exporters are free to negotiate prices and other terms with purchasers, crude

oil exported from Canada is subject to regulation by the National Energy Board of Canada ("NEB"). Crude oil must be exported pursuant to either an export order or an export licence from the NEB. Crude oil exports for a term less than one year for light and medium crude, or two years for heavy crude, may be made pursuant to an export order. Any oil export made pursuant to a contract of longer duration (to a maximum of 25 years) requires an exporter to obtain an export licence from the NEB, which requires the approval of the Governor in Council (i.e., federal cabinet).

The price of natural gas is also determined by negotiation between buyers and sellers, and natural gas exported from Canada is also subject to regulation by the NEB and the Government of Canada. While exporters are free to negotiate prices and other terms with purchasers, natural gas must be exported pursuant to either an export order or an export licence from the NEB. Natural gas exports for a term of less than two years, or for a term of two to 20 years in quantities of not more than 30,000 m³/day, may be made pursuant to an NEB export order. Any natural gas export to be made pursuant to a contract longer than two years and in excess of 30,000 m³/day requires an exporter to obtain an export licence from the NEB, which again requires the approval of the Governor in Council.

The government of Alberta also regulates the volume of natural gas that may be removed from the province for consumption elsewhere based on such factors as reserve availability, transportation arrangements and market considerations.

Pipeline Capacity

As a result of recent pipeline additions and expansions, an excess of natural gas pipeline capacity exists in western Canada, which provides for the ability to deliver all current production to natural gas sales markets.

Interprovincial and international natural gas pipelines are regulated by the NEB and provide the opportunity for firm pipeline capacity. Interprovincial and international crude oil pipelines are also regulated by the NEB and operate on a common carrier basis. The NEB has allowed some crude oil pipelines to meet common carrier obligations by providing firm contract service. Depending upon the pipeline, there is therefore some apportionment risk (i.e., risk of pro-rationing capacity) relating to crude oil service that is not subject to firm contracts, which may affect the ability to produce and market oil production.

The North American Free Trade Agreement

The North American Free Trade Agreement ("NAFTA") among the governments of Canada, the United States, and Mexico became effective on January 1, 1994. NAFTA carries forward most of the material energy terms that are contained in the Canada United States Free Trade Agreement. In the context of energy resources, Canada continues to remain free to determine whether exports of energy resources to the United States or Mexico will be allowed, provided that any export restrictions do not: (i) reduce the proportion of energy resources exported relative to domestic use (based upon the proportion prevailing in the most recent 36 month period); (ii) impose an export price higher than the domestic price subject to an exception with respect to certain voluntary measures which only restrict the volume of exports; and (iii) disrupt normal channels of supply. NAFTA also prohibits, in any circumstances in which any other form of quantitative restriction is prohibited, minimum or maximum export-price requirements and, except as permitted in enforcement of countervailing and antidumping orders and undertakings, minimum or maximum import-price requirements.

NAFTA contemplates the reduction of Mexican restrictive trade practices in the energy sector and prohibits discriminatory border restrictions and export taxes. NAFTA also contemplates clearer disciplines on regulators to ensure fair implementation of any regulatory changes and to minimize disruption of contractual arrangements and avoid undue interference with pricing, marketing and distribution arrangements, all of which are important for Canadian oil and natural gas exports.

Provincial Royalties and Incentives

General

In addition to federal regulation, each province has legislation and regulations which govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime in a given province is a significant factor in the profitability of crude oil, natural gas liquids, sulphur and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiation between the mineral freehold owner and the lessee and, although production from such lands may be subject to certain provincial taxes and royalties, these royalties are not eligible for the incentive programs sponsored by various governments as discussed below. Royalties from production on Crown lands are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery, and the type or quality of the

petroleum product produced. Other royalties and royalty-like interests are, from time to time, carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties, net profits interests, or net carried interests.

Occasionally the governments of the western Canadian provinces create incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays, and tax credits, and are generally introduced when commodity prices are low. The programs are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. Royalty holidays and reductions would reduce the amount of Crown royalties paid by oil and gas producers to the provincial governments and would increase the net income and funds from operations of such producers. However, the trend in recent years has been for provincial governments to eliminate, amend or allow such incentive programs to expire without renewal, and consequently few such incentive programs are currently operative and we cannot predict whether active incentive programs will be continued or new incentive programs enacted.

The Canadian federal corporate income tax rate levied on taxable income is 19% effective January 1, 2009 for active business income including resource income. With the elimination of the corporate surtax effective January 1, 2008, the federal corporate income tax rate will decrease to 15% in three additional steps: 18% on January 1, 2010, 16.5% on January 1, 2011 and 15% on January 1, 2012.

Alberta

In Alberta, companies are granted the right to explore, produce and develop petroleum and natural gas resources in exchange for royalties, bonus bid payments and rents. On October 25, 2007, the Government of Alberta released a report entitled "The New Royalty Framework" (the "NRF") containing the Government's proposals for Alberta's new royalty regime, which was followed by the Mines and Minerals (New Royalty Framework) Amendment Act, 2008, which was given Royal Assent on December 2, 2008. The new royalty rates for conventional oil are set by a single sliding rate formula which is applied monthly and increases the old royalty from 30% to 35% applied to the old and new tiers, to up to 50% and with rate caps once the price of conventional oil reaches \$120 per barrel. The sliding rate formula includes in its calculation the price of oil and well production. The NRF and the applicable new legislation became effective on January 1, 2009. On March 11, 2010 the Government of Alberta announced changes to Alberta's royalty system intended to increase Alberta's competitiveness in the upstream oil and natural gas sectors; specifically, the maximum royalty rates for conventional oil and natural gas production will be decreased effective for the January 2011 production month and certain temporary incentive programs currently in place will be made permanent. Further details with respect to the changes to Alberta's royalty system are expected to be provided in the coming months.

With respect to conventional oil, the NRF eliminated the classification system used by the previous royalty structure which classified oil based on the date of discovery of the pool. Under the NRF, royalty rates for conventional oil are set by a single sliding rate formula which is applied monthly and incorporates separate variables to account for production rates and market prices. Royalty rates for conventional oil under the NRF range from 0-50%, an increase from the previous maximum rates of 30-35% depending on the vintage of the oil, and rate caps are set at \$120 per barrel. Effective January 1, 2011, the maximum royalty payable under the NRF will be reduced to 40%.

Royalty rates for natural gas under the NRF are similarly determined using a single sliding rate formula incorporating separate variables to account for production rates and market prices. Royalty rates for natural gas under the NRF range from 5-50%, an increase from the previous maximum rates of 5-35%, and rate caps are set at \$17.75/GJ. Effective January 1, 2011, the maximum royalty payable under the NRF will be reduced to 36%.

In response to the drop in commodity prices experienced during the second half of 2008, the Government of Alberta announced on November 19, 2008, the introduction of a five-year program of transitional royalty rates with the intent of promoting new drilling, which program became effective January 1, 2009. Under this new program companies drilling new natural gas or conventional oil deep wells (between 1,000 and 3,500 metres) will be given a one-time option, on a well by well basis, to adopt either the new transitional royalty rates or those outlined in the NRF. In order to qualify for this program wells must be drilled during the period starting on January 1, 2009 and ending on December 31, 2013. Following this period all new wells drilled will automatically be subject to the NRF.

Oil sands projects are now subject to the NRF, and regulated, among others, by the Oil Sands Royalty Regulation, 2009 Oil Sands Allowed Costs (Ministerial) Regulation and the Bitumen Valuation Methodology (Ministerial) Regulation, 2009, all approved by the Alberta Government on December 10, 2008. The rates applicable to oil sands are between 1% and 9% and are calculated depending on the price of oil. The royalty payable is 1% when oil is priced below or at \$55 per barrel and it increases for every dollar over and above that price, to a maximum of 9% when oil is priced at \$120 or higher. The after payout net royalty starts at 25% and increases for every dollar when oil is priced above \$55 up to 40% when oil is priced at \$120 or higher.

On April 10, 2008, the Government of Alberta introduced two new royalty programs that will encourage the development of deep oil and gas reserves, and these are: (a) a five-year oil program for exploration wells over 2,000 metres that are spudded after January 1, 2009 that will provide upfront royalty adjustments in the form of a royalty exemption on either the first \$1 million of royalties or the first 12 months of production, whichever comes first); and (b) a five-year natural gas deep drilling program that applies to wells producing at a true vertical depth of greater than 2,500 metres. This program will have an escalating royalty credit in line with progressively deeper wells from \$625 per meter to a maximum of \$3,750 per metre. Any wells spud after December 31, 2013 or any wells that choose the transition option, will not qualify under either program. No royalty adjustments will be granted under either program described above after December 13, 2018. These new programs are to be implemented along with the NRF.

The NRF includes a policy of "shallow rights reversion". The Alberta Government started to implement this policy on January 1, 2009, and its intent is to maximize the development of currently undeveloped resources that is consistent with the Government's objective of maximizing recovery of known gas resources, while increasing royalty revenues. The policy's stated objective is for the mineral rights to shallow gas geological formations that are not being developed to revert back to the Government and be made available for resale, and in the event of non-productive shallow wells, to sever the rights from shallow zones and encourage increased production from up-hole zones. The shallow rights reversion policy affects all petroleum and natural gas leases; however, the timing of the reversion will differ depending on whether the leases and licenses were acquired prior to January 1, 2009 or subsequent to January 1, 2009. Leases granted after January 1, 2009 will be subject to shallow rights reversion at the expiry of the primary term, and in the event of a licence the policy will apply at the expiry of the intermediate term. Holders of leases or licences that have been continued indefinitely prior to January 1, 2009 will receive a notice regarding the reversion of the shallow rights, which will be implemented three years from the date of the notice. The lease or licence holder can make a request to extend this period. The order in which these agreements will receive the reversion notice will depend on the vintage of their term, with the older leases and licenses receiving a reversion notice first. Leases or licences that were granted prior January 1, 2009 but have not yet been continued will have a grace period until they are continued under section 15 of the P&G Tenure Regulation and be subject to deeper rights reversion prior to receiving a shallow rights reversion notice.

On March 3, 2009, the Government of Alberta announced a three-point incentive program which included a drilling royalty credit for new conventional oil and natural gas wells and a new well royalty incentive program. Under the drilling royalty credit program, a \$200 per meter royalty credit will be available on new conventional oil and natural gas wells drilled between April 1, 2009 and March 31, 2010, subject to certain maximum amounts. The maximum credits available will be determined by the company's production level in 2008 and its drilling activity between April 1, 2009 and March 31, 2010. The new well incentive program will apply to wells beginning production of conventional oil and natural gas between April 1, 2009 and March 31, 2010 and provides for a maximum 5% royalty rate for the first 12 months of production, up to a maximum of 50,000 barrels or 500 Mmcf of natural gas.

The three-point incentive program also includes an investment of \$30,000,000 by the Government of Alberta in abandonment and reclamation projects for orphan wells. The stated objective of this investment is to encourage the cleanup of inactive oil and gas wells and to stimulate new activity within the services sector.

British Columbia

Producers of oil and natural gas in the Province of British Columbia are required to pay annual rental payments with respect to the Crown leases and royalties and freehold production taxes in respect of oil and gas produced from Crown and freehold lands. The amount payable as a royalty in respect of oil depends on the type of oil, the value of the oil, the quantity of oil produced in a month, and the vintage of the oil. Generally, the vintage of oil is based on the determination of whether the oil is produced from a pool discovered before October 31, 1975 (old oil), between October 31, 1975, and June 1, 1998 (new oil), or after June 1, 1998 (third tier oil). The royalty rates are calculated in three stages, which take into account the vintage of the oil, if the oil produced has already been sold and any royalty exempt value applicable (exempt wells). Oil produced from newly discovered pools may be exempt from the payment of a royalty for the first 36 months of production or 11,450m³ produced, whichever comes first; and the royalties for third tier oil are the lowest reflecting the higher costs of exploration and extraction that the producers would incur. The royalty payable on natural gas is determined by a sliding scale based on a reference price, which is the greater of the price obtained by the producer, and a prescribed minimum price. However, when the reference price is below the select price (a parameter used in the royalty rate formula), the royalty rate is fixed. As an incentive for the production and marketing of natural gas, which may have been flared, natural gas produced in association with oil has a lower royalty than the royalty payable on non conservation gas.

Saskatchewan

In Saskatchewan, the amount payable as a royalty in respect of oil depends on the vintage of the oil, the type of oil, the quantity of oil produced in a month, the value of the oil, and specified adjustment factors determined monthly by the

Government of Saskatchewan. For Crown royalty and freehold production tax purposes, crude oil is considered "heavy oil", "southwest designated oil", or "non heavy oil other than southwest designated oil". The conventional royalty and production tax classifications ("fourth tier oil", "third tier oil", "new oil" and "old oil") of oil production are applicable to each of the three crude oil types. The Crown royalty and freehold production tax structure for crude oil is price sensitive and varies between the base royalty rates of 5% for all "fourth tier oil" to 20% for "old oil". Marginal royalty rates are 30% for all "fourth tier oil" to 45% for "old oil".

Heavy oil is classified as third tier oil (having a finished drilling date on or after January 1, 1994 and before October 1, 2004), fourth tier oil (having a finished drilling date on or after October 1, 2002) or new oil (not classified as either third tier oil or fourth tier oil). Southwest designated oil uses the same definitions of fourth tier oil but new oil is defined as conventional oil produced from a horizontal well having a finished drilling date on or after February 9, 1998 and before October 1, 2002 and third tier oil is defined as conventional oil produced from a vertical well having a finished drilling date on or after February 9, 1998 and before October 1, 2002. For non-heavy oil other than southwest designated oil, the same classification is used but new oil is defined as conventional oil produced from a vertical well completed after 1973 and having a finished drilling date prior to 1994, whereas old oil is defined as conventional oil not classified as third or fourth tier oil or new oil.

Base prices are used to establish lower limits in the price-sensitive royalty structure for conventional oil. Where average wellhead prices are below the established base prices of \$100 per m3 for third and fourth tier oil and \$50 per m3 for new oil and old oil, base royalty rates are applied. Base royalty rates are 5% for all fourth tier oil, 10% for heavy oil that is third tier oil or new oil, 12.5% for southwest designated oil that is third tier oil or new oil, 15% for non-heavy oil other than southwest designated oil that is third tier or new oil, and 20% for old oil. Where average wellhead prices are above base prices, marginal royalty rates are applied to the proportion of production that is above the base oil price. Marginal royalty rates are 30% for all fourth tier oil, 25% for heavy oil that is third tier oil or new oil, 35% for southwest designated oil that is third tier oil or new oil, 35% for non-heavy oil other than southwest designated oil that is third tier or new oil, and 45% for old oil.

The amount payable as a royalty in respect of natural gas production is determined by a sliding scale based on a reference price (which is the greater of the amount obtained by the producer and a prescribed minimum price), the quantity produced in a given month, the type of natural gas, and the vintage of the natural gas. Like conventional oil, natural gas is classified as "non-associated gas" or "associated gas" and royalty rates are determined according to the finished drilling date of the respective well. As an incentive for the production and marketing of natural gas which may have been flared, the royalty rate on natural gas produced in association with oil is less than on non-associated natural gas. Non-associated gas is classified as new gas (having a finished drilling date before February 9, 1998 with a first production date on or after October 1, 1976), third tier gas (having a finished drilling date on or after February 9, 1998 and before October 1, 2002), fourth tier gas (having a finished drilling date on or after October 1, 2002) and old gas (not classified as either third tier, fourth tier or new gas). A similar classification is used for associated gas except that the classification of old gas is not used, the definition of fourth tier gas also includes production from oil wells with a finished drilling date prior to October 1, 2002, where the individual oil well has a gas-oil production ratio in any month of more than 3,500 m3 of gas for every m3 of oil, and new gas is defined as gas produced from an oil well with a finished drilling date before February 9, 1998 that received special approval, prior to October 1, 2002, to produce oil and gas concurrently without gas-oil ratio penalties.

As with conventional oil production, base prices are used to establish lower limits in the price-sensitive royalty structure for natural gas. Where average field-gate prices are below the established base prices of \$50 per thousand m3 for third and fourth tier gas and \$35 per thousand m3 for new gas and old gas, base royalty rates are applied. Base royalty rates are 5% for all fourth tier gas, 15% for third tier or new gas, and 20% for old gas. Where average wellhead prices are above base prices, marginal royalty rates are applied to the proportion of production that is above the base gas price. Marginal royalty rates are 30% for all fourth tier gas, 35% for third tier and new gas, and 45% for old gas.

The Government of Saskatchewan currently provide a number of targeted incentive programs. These include both royalty reduction and incentive volume programs.

In 1975, the Government of Saskatchewan introduced a Royalty Tax Rebate ("RTR") as a response to the Federal Government disallowing crown royalties and similar taxes as a deductible business expense for income tax purposes. As of January 1, 2007, the remaining balance of any unused RTR will be limited in its carry forward to seven years since the Federal Government had the initiative to reintroduce the full deduction of provincial resource royalties from federal and provincial taxable income. Saskatchewan's RTR will be wound down as a result of the Federal Government's plan to reintroduce full deductibility of provincial resource royalties for corporate income tax purposes.

On June 19, 2007, the Government of Saskatchewan introduced the Orphan Well and Facility Liability Management Program pursuant to the amendment of the Oil and Gas Conservation Act and the Oil and Gas Conservation Regulations,

1985. The program includes a security deposit, which has two purposes: (i) preventing the individual with insufficient financial capability from acquiring oil and gas wells or facilities; and (ii) in the case of a bankrupt company, the funds cover the decommissioning and reclaiming of orphan properties. An additional change introduced is the mandatory licensing of all upstream oil and gas facilities in Saskatchewan.

Land Tenure

Crude oil and natural gas located in the western provinces is owned predominantly by the respective provincial governments. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licences, and permits for varying terms from two years, and on conditions set forth in provincial legislation including requirements to perform specific work or make payments. Oil and natural gas located in such provinces can also be privately owned and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

Environmental Regulation

The oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislation. Such legislation provides for restrictions and prohibitions on the release or emission of various substances produced in association with certain oil and gas industry operations. In addition, such legislation requires that well and facility sites be abandoned and reclaimed to the satisfaction of provincial authorities. Compliance with such legislation can require significant expenditures and a breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage, and the imposition of material fines and penalties.

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Environmental legislation in the Province of Alberta is consolidated in the Environmental Protection and Enhancement Act (Alberta) (the "EPEA"). In 2006, the Alberta Government enacted regulations pursuant to the EPEA to specifically target sulphur oxide and nitrous oxide emissions from industrial operations including the oil and gas industry. In addition, the reduction emission guidelines of the Specified Gas Emitters Regulation ("SGER"), under the Climate Change and Emissions Management Act, came into effect on July 1, 2007. Under this legislation, Alberta facilities emitting more than 100,000 tonnes of greenhouse gases a year must reduce their emissions intensity by 12%. Industries have three options to choose from in order to meet the reduction requirements outlined in this legislation, and these are: (i) by making improvement to operations that result in reductions; (ii) by purchasing emission credits from other sectors or facilities; or (iii) by contributing to the Climate Change and Emissions Management Fund (the "Fund"). Industries can either choose one of these options or a combination thereof. Pursuant to the SGER, companies are obliged to reduce their emission intensity by 12%. It is reasonably likely that the trend towards stricter standards in environmental legislation and regulation will continue.

British Columbia's Environmental Assessment Act became effective June 30, 1995. This legislation rolls the previous processes for the review of major energy projects into a single environmental assessment process with public participation in the environmental review process. On February 27, 2007 the Government of British Columbia unveiled the Energy Plan outlining the Province's strategy towards the environment and which includes targeting for zero net greenhouse gas emissions, promoting new investments in innovation, and becoming the world's leader in sustainable environmental management. For this purpose, on December 18, 2007 proposals were sought for applications to the Innovative Clean Energy Fund, in order to attract new technologies that will help solve energy and environmental issues. With regards to the oil and gas industry the objective is to achieve clean energy through conservation and energy efficient practices, while competitiveness is advocated in order to attract investment for the development of the oil and gas sector. Among the changes to be implemented are: (i) a new of Net Profit Royalty Program; (ii) the creation of a Petroleum Registry; (iii) the establishment of an infrastructure royalty program (combining roads and pipelines); (iv) the elimination of routine flaring at producing wells; (v) the creation of policies and measures for the reduction of emissions; (vi) the development of unconventional resources such as tight gas and coalbed gas; and (vii) new the Oil and Gas Technology Transfer Incentive Program that encourages the research, development and use of innovative technologies to increase recoveries from existing reserves and promotes responsible development of new oil and gas reserves. Furthering these initiatives, the Provincial Government introduced on July 1, 2008, revenue-neutral carbon tax legislation that is applied to all fossil fuels used in the Province. The tax would be phased in, and the initial rate would be based on

CO₂e of \$10 per tonne for the first six months of 2009 and \$15 per tonne for the last six months of 2009, following \$5 per tonne increases on July of every year until 2012. Tax credits and reductions will be used in order to offset the tax revenues that the Government would receive otherwise. On April 3, 2008, the Government of British Columbia introduced the Greenhouse Gas Reduction (Cap and Trade) Act which will allow the Province to participate in the Western Climate Initiative cap and trade systems being developed. The system establishes a limit on emissions, and allows regulated emitters to buy/sell emission allowances or offset emits. The emitter is obliged to obtain emission allowances (compliance units) equal to the amount of greenhouse gases emitted within a certain period of time, and that are supposed to be surrendered to the Government as compliance proof.

In December, 2002, the Government of Canada ratified the Kyoto Protocol. However, the federal government has largely abandoned its intention to comply with its Kyoto Protocol obligations.

On April 26, 2007, the Federal Government released its “Turning the Corner: An Action Plan to Reduce Greenhouse Gases and Air Pollution” regulatory framework, supplementing it on March 10, 2008, with “Turning the Corner – Taking Action to Fight Climate Change” (the “Turning the Corner Plan”). The Turning the Corner Plan envisaged an intensity-based GHG reduction framework. However, the Federal Government has subsequently indicated that it now instead expects to implement a “cap-and-trade” GHG reduction framework similar to legislation proposed in the United States.

On December 19, 2009, Canada signed the “Copenhagen Accord,” the outcome of the 2009 United Nations Climate Change Conference that committed signatory countries to take individual GHG reduction steps. On January 31, 2010 Canada registered its commitment under the Copenhagen Accord to reduce its GHG emissions by 17% from 2005 levels by 2020, adopting the same target as the United States. It is not clear when federal regulations or legislation to take this step will be released.

Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not currently possible to predict either the nature of those requirements or the impact on the Company and its operations and financial condition at this time.

RISK FACTORS

An investment in Ironhorse is speculative due to the nature of the Company's involvement in the exploration for, and the acquisition, development and production of, oil and natural gas reserves. An investor should consider carefully the risk factors set out below and consider all other information contained herein and in the Company's other public filings before making an investment decision.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Ironhorse depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. In excess of 98% of the Company's production for the year ended December 31, 2009, came from its principal property in Shackleton, Saskatchewan. Without the continual addition of new reserves, Ironhorse's existing reserves and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Ironhorse's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that Ironhorse will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of Ironhorse may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Ironhorse.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production

delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. In particular, Ironhorse may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to Ironhorse. In accordance with industry practice, Ironhorse will not be fully insured against all of these risks, nor are all such risks insurable. Although Ironhorse maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Ironhorse could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on Ironhorse.

Prices, Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by Ironhorse is and will continue to be affected by numerous factors beyond its control. Ironhorse's ability to market its oil and natural gas depends upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. Ironhorse is also affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Both oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of Ironhorse's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of oil or gas and a reduction in the volumes of Ironhorse's reserves. Ironhorse might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Ironhorse's net production revenue and a reduction in its oil and gas acquisition, development and exploration activities. In addition, bank borrowings available to Ironhorse will be in part determined by Ironhorse's borrowing base. A sustained material decline in prices from historical average prices could reduce Ironhorse's borrowing base, therefore reducing the bank credit available to Ironhorse which could require that a portion, or all, of Ironhorse's bank debt be repaid and a liquidation of assets.

Economic Dependence

In 2009, Ironhorse produced over 98% of its production from its Shackleton property, located in southwestern Saskatchewan. Although the Company has expanded its core areas of operations, the Company relies on the continued performance of this area to contribute to its future operational success.

Operational Dependence

Other companies operate some of the assets in which Ironhorse has an interest. As a result, Ironhorse has limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect Ironhorse's financial performance. Ironhorse's return on assets operated by others will therefore depend upon a number of factors that may be outside of Ironhorse's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

All of Ironhorse's operations involve joint ventures with other industry partners. The Company's fields in Pembina, Alberta, Shackleton, Saskatchewan, and north east British Columbia are carried out through joint ventures with junior to large Canadian independent oil and gas companies and Ironhorse relies on the financial, operational and business success of these companies.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Company makes acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Company. The integration of acquired business may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non core assets are periodically disposed of, so that the Company can focus its efforts and resources more efficiently. Depending on the state of the market for such non core assets, certain non core assets of the Company, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Company.

Project Risks

Ironhorse manages a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost over-runs could make a project uneconomic. Ironhorse's ability to execute projects and market oil and natural gas will depend upon numerous factors beyond Ironhorse's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of and demand for oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, Ironhorse could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Competition

The petroleum industry is competitive in all its phases. Ironhorse competes with numerous other organizations in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Ironhorse's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than Ironhorse. Ironhorse's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery and storage.

Regulatory

Oil and natural gas operations (exploration, production, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. See "*Industry Conditions*". Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase Ironhorse's costs, any of which may have a material adverse effect on Ironhorse's business, financial condition, results of operations and prospects. In order to conduct oil and gas operations, Ironhorse will require licenses from various governmental authorities. There can be no assurance that Ironhorse will be able to obtain all of the licenses and permits that may be required to conduct operations that it may wish to undertake.

Climate Change

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nationwide emissions of carbon dioxide, methane, nitrous oxide and other GHGs. Canada has also committed under the Copenhagen Accord to reduce its GHGs by 17% from 2005 levels by 2020, provided the U.S. also enacts legislation to do so. The Company's exploration and production facilities and other operations and activities emit GHGs which may require the Company to comply with any new regulatory framework announced by the Federal Government in the near term to meet its Copenhagen Accord commitment and force large industries to reduce emissions of GHGs. The direct or indirect costs of these regulations may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. See "Industry Conditions – Environmental Regulation".

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Ironhorse to incur costs to remedy such discharge. Although Ironhorse believes that it is in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Ironhorse's financial condition, results of operations or prospects. See "*Industry Conditions – Environmental Regulation*".

Variations in Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/U.S. dollar exchange rate, which will fluctuate over time. In recent years, the Canadian dollar has increased materially in value against the United States dollar. Such material increases in the value of the Canadian dollar may negatively impact Ironhorse's production revenues. Further material increases in the value of the Canadian dollar would exacerbate this potential negative impact. This increase in the exchange rate for the Canadian dollar and future Canadian/United States exchange rates could accordingly impact the future value of Ironhorse's reserves as determined by independent evaluators.

To the extent that Ironhorse engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which Ironhorse may contract.

An increase in interest rates could result in a significant increase in the amount Ironhorse pays to service future debt, which could negatively impact the market price of the Common Shares.

Substantial Capital Requirements

Ironhorse anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If Ironhorse's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Ironhorse. The inability of Ironhorse to access sufficient capital for its operations could have a material adverse effect on Ironhorse's financial condition, results of operations and prospects.

Additional Funding Requirements

Ironhorse's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, Ironhorse may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Ironhorse to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Ironhorse's revenues from its reserves decrease significantly for a sustained period of time as a result of lower oil and natural gas prices or otherwise, Ironhorse's ability to expend the necessary capital to replace its reserves or to maintain its production will be impaired. If Ironhorse's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on favourable terms.

Issuance of Debt

From time to time Ironhorse may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase Ironhorse's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, Ironhorse may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither Ironhorse's articles nor its by laws limit the amount of indebtedness that Ironhorse may incur. The level of Ironhorse's indebtedness from time to time, could impair Ironhorse's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Hedging

From time to time Ironhorse may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, Ironhorse will not benefit from such increases. Similarly, from time to time Ironhorse may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, Ironhorse will not benefit from the fluctuating exchange rate.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment (typically leased from third parties) in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Ironhorse and may delay exploration and development activities. To the extent Ironhorse is not the operator of its oil and gas properties, Ironhorse will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Title to Assets

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat Ironhorse's claim which could result in a reduction of the revenue received by Ironhorse.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and NGL reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth in this Annual Information Form are estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times may vary. Ironhorse's actual production, revenues, taxes and development

and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas were estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

In accordance with applicable securities laws, Evaluators have used forecast prices and costs in estimating the reserves and future net cash flows contained in the Evaluators Report. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Actual production and cash flows derived from Ironhorse's oil and gas reserves will vary from the estimates contained in the GLJ Report and such variations could be material. The Evaluators Report is based in part on the assumed success of activities Ironhorse intends to undertake in future years. The reserves and estimated cash flows set out in the Evaluators Report will be reduced to the extent that such activities do not achieve the level of success assumed in the Evaluators Report.

Insurance

Ironhorse's involvement in the exploration for and development of oil and natural gas properties may result in Ironhorse becoming subject to liability for pollution, blow outs, property damage, personal injury or other hazards. Although Ironhorse will maintain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, such risks are not, in all circumstances, insurable or, in certain circumstances, Ironhorse may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to Ironhorse. The occurrence of a significant event that Ironhorse is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Ironhorse.

Geo-Political Risks

The marketability and price of oil and natural gas that may be acquired or discovered by Ironhorse is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in the Middle-East, and other areas of the world, have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of Ironhorse's net production revenue.

Conflicts of Interest

Certain directors of Ironhorse are also directors of other oil and gas companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the ABCA. See "*Directors and Officers – Conflicts of Interest*".

Management of Growth

Ironhorse may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Ironhorse to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Ironhorse to deal with this growth could have a material adverse impact on its business, operations and prospects.

Expiration of Licenses and Leases

Ironhorse's properties are held in the form of licences and leases and working interests in licences and leases. If Ironhorse or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or

lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of Ironhorse's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on Ironhorse's results of operations and business.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada. Ironhorse is not aware that any claims have been made in respect of its properties and assets; however, if a claim arose and was successful this could have an adverse effect on Ironhorse and its operations.

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for the goods and services of Ironhorse.

Third Party Credit Risk

Ironhorse may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to Ironhorse, such failures could have a material adverse effect on Ironhorse and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in Ironhorse's ongoing capital program, potentially delaying the program and the results of such program until Ironhorse finds a suitable alternative partner.

Reliance on Key Personnel

Ironhorse's success depends in large measure on certain key personnel, including but not limited to the personnel who provide services to the company pursuant to the Company's technical services with Grizzly Resources Ltd. The loss of the services of such key personnel could have a material adverse affect on Ironhorse. Ironhorse does not have any key person insurance in effect for management. The contributions of the existing management team to the immediate and near term operations of Ironhorse are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Ironhorse will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Ironhorse.

Dilution

Ironhorse may take future acquisitions or enter into financing or other transactions involving the issuance of securities of the Company which may be dilutive.

Delays in Business Operations

In addition to the usual delays in payments by purchasers of oil and natural gas to Ironhorse or to the operators, and the delays by operators in remitting payment to the Company, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connections of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of the Company in a given period and expose the Company to additional third party credit risks.

Changes in Legislation

The return on an investment in securities of Ironhorse is subject to changes in Canadian federal and provincial tax laws and government incentive programs and there can be no assurance that such laws or programs will not be changed in a manner that adversely affects the Company or the holding and disposing of the securities of the Company.

Income Taxes

As the Company is engaged in the oil and natural gas business its operations are subject to certain unique provisions of the Tax Act and applicable provincial income tax legislation relating to characterization of costs incurred in their businesses which affects whether such costs are deductible and, if deductible, the rate at which they may be deducted for the purposes of calculating taxable income. Ironhorse files all required income tax returns and believes that it is in full compliance with the provisions of the Tax Act and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company, whether by re-characterization of costs or otherwise, such reassessment may have an impact on current and future taxes payable.

Accounting Write-Downs as a Result of GAAP

Canadian generally accepted accounting principles ("GAAP") require that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in the financial statements of Ironhorse. The accounting policies may result in non-cash charges to net income and write-downs of net assets in the financial statements. Such non-cash and write-downs may be viewed unfavourably by the market and result in an inability to borrow funds and/or may result in a decline in the trading price of the Company's Common Shares.

Under GAAP, the net amount at which petroleum and natural gas properties are carried are subject to a cost-recovery test which is based in part upon estimated future net cash flow from oil and natural gas reserves. If net capitalized costs exceed the future discounted cash flows, Ironhorse will have to charge the amounts of the excess to earnings. A decline in the estimated future net cash flow from oil and natural gas reserves could cause capitalized costs to exceed the cost ceiling, resulting in a charge against earnings.

GAAP requires that goodwill balances be assessed at least annually for impairment and that any permanent impairment be charged to net income. A permanent reduction in reserves, decline in commodity prices, and/or reduction in the trading price of the common shares of the Company may indicate a goodwill impairment. An impairment would result in a write-down of the goodwill value and a non-cash charge against net income. The calculation of impairment value is subject to management estimates and assumptions.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Company, there are no legal proceedings material to the Company to which the Company is or was a party to, or of which any of its properties neither are or were the subject of, during the financial year ended December 31, 2009, nor are there any such proceedings known to the Company to be contemplated.

During the year ended December 31, 2009, there were no (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, or (iii) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors or executive officers of Ironhorse, any holder of Common Shares who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year which has materially affected or is reasonably expected to materially affect Ironhorse.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Kenway Mack Slusarchuk Stewart, LLP, Chartered Accountants, 333 - 11 Avenue SW Suite 220 Calgary, Alberta T2R 1L9.

The Company's transfer agent and registrar is Valiant Trust Company, 310, 606 – 4th Street SW Calgary, Alberta T2P 1T1.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Ironhorse has not entered into any material contracts within the last financial year, or before the last financial year which are still in effect.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or related to, the Company's most recently completed financial year other than GLJ, the Company's independent engineering evaluators and Kenway Mack Slusarchuk Stewart, LLP, as auditors. None of the principals of GLJ had any registered or beneficial interests, direct or indirect, in any of the Company's securities or other property or of the Company's associates or affiliates either at the time they prepared the statement, report or valuation prepared by it, at any time thereafter or to be received by them. Kenway Mack Slusarchuk Stewart, LLP, the Company's auditors, are independent in accordance with the auditor's rules of professional conduct in Alberta.

ADDITIONAL INFORMATION

Additional information including information relating to remuneration and indebtedness of directors and officers of Ironhorse, principal holders of Common Shares and securities authorized for issuance under the Company's equity compensation plans, will be contained in the information circular relating to the Company's annual meeting of Shareholders to be held on Tuesday May 18, 2010 at 2:00 pm. Additional financial information is provided in the Company's comparative financial statements and management discussion and analysis of financial results for the year ended December 31, 2009. Alternatively, additional information relating to the Company is available on SEDAR at www.sedar.com.

For copies of the Company's information circular, the Company's comparative financial statements, including any interim comparative financial statements and additional copies of the Annual Information Form please contact:

Attention: Vice President, Finance & CFO
Ironhorse Oil & Gas Inc.
1000, 324 - 8th Avenue S.W.
Calgary, Alberta T2P 2Z2
Tel: (403) 355-3620
Fax: (403) 264-8740

SCHEDULE "A"
FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Ironhorse Oil & Gas Inc. ("**Ironhorse**") is responsible for the preparation and disclosure of information with respect to Ironhorse's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2009 estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated Ironhorse's reserves data. The report of the independent qualified reserves evaluator is presented below.

The Reserves Committee of the board of directors of Ironhorse has

- (a) reviewed Ironhorse's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors of Ironhorse has reviewed Ironhorse's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing the reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

DATED as of this 29th day of March, 2010.

(signed) "*Larry J. Parks*"
Larry J. Parks
President & Chief Executive Officer, a
Director and Member of the Reserves
Committee

(signed) "*James K. Wilson*"
James K. Wilson
Vice President, Corporate Secretary, a
Director and Member of the Reserves
Committee

(signed) "*Wayne Chow*"
Wayne Chow
Director and Member of the Reserves
Committee

(signed) "*Rob Desbarats*"
Rob Desbarats
Director and Member of the Reserves
Committee

SCHEDULE "B"
FORM 51-101F2
REPORT ON RESERVES DATA
BY INDEPENDENT QUALIFIED RESERVES EVALUATORS

To the board of directors of Ironhorse Oil & Gas Inc. (the "**Company**"):

1. We have prepared an evaluation of the Company's reserves data as at December 31, 2009. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2009 estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2009, and identifies the respective portions thereof that we have evaluated on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves (County or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - \$M)			
			Audited	Evaluated	Reviewed	Total
GLJ Petroleum Consultants	February 11, 2010	Canada	-	\$31,346		\$31,346

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook.

6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.

7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

EXECUTED as to our report referred to above.

GLJ Petroleum Consultants Ltd., Calgary, Alberta, Canada, February 24, 2010

(signed) "John E. Keith"
 John E. Keith, P.Eng.
 Manager, Engineering

SCHEDULE "B"
FORM 51-101F2
REPORT ON RESERVES DATA
BY INDEPENDENT QUALIFIED RESERVES EVALUATORS

To the board of directors of Ironhorse Oil & Gas Inc. (the "Company"):

1. We have prepared an evaluation of the Company's reserves data as at December 31, 2009. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2009 estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

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3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2009, and identifies the respective portions thereof that we have evaluated on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves (County or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - \$M)			
			Audited	Evaluated	Reviewed	Total
Sproule Associates Limited	January to February 2010	Canada	-	\$36,417		\$36,417

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook.

6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.

7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

EXECUTED as to our report referred to above.

Sproule Associates Limited, Calgary, Alberta, Canada, March 25, 2010

(signed) "Gary R. Finnis"
 Gary Finnis, P.Eng.
 Associate

(signed) "John Hanko"
 John Hanko, P.Geol
 Associate

(signed) "Robert N. Johnson"
 Robert N. Johnson, P.Eng.
 Vice-President, Engineering