



NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL IN BEAR LAKE GOLD LTD. SECURITIES LITIGATION

This notice is to all individuals and entities (other than Excluded Persons, as defined below), who purchased common stock of Bear Lake Gold Ltd. (the “Company” or “BLG”) traded on the TSX-V during the period from July 18, 2006 to and including July 17, 2009 (“Class Period”) and who held some or all of those shares when trading in BLG’s common stock was halted on July 17, 2009 (“Class Members”).

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

COURT APPROVAL OF THE CLASS ACTION SETTLEMENT

In 2009, a class action was commenced in the Ontario Superior Court of Justice (the “Court”) against BLG (TSX.V:BLG) and certain of its current or former officers and directors (the “Defendants”). The action arose from the discovery by the Company in July 2009 of inconsistencies in the exploration results for its Larder Lake Property, and its consequent withdrawal of all such results. Gary Henault, the plaintiff in a proposed class action sought damages for an alleged misrepresentation.

A Settlement Agreement was reached between the parties to the class proceeding on May 12, 2010, which was subject to court approval. The Settlement provides that the Defendants will pay \$1,305,000 (the “Settlement Amount”) in full and final settlement of the claims of Class Members, including legal fees, disbursements, taxes and administration expenses in return for releases and a dismissal of the class action. The Company will also implement certain corporate governance enhancements. Mr. Bernard Boily, the Company’s former Vice President of Exploration, has agreed not to accept a position as an officer or director of an Ontario reporting issuer for a period of 10 years from the date of the Settlement. The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

On August 10, 2010, the Court issued an order certifying the class action and approving the Settlement. The Court also awarded Class Counsel legal fees, expenses and applicable taxes in the amount of \$283,812.88 (“Class Counsel Fees”). Class Counsel were retained on a contingent basis such that they were only to be paid if they were successful in the litigation. Class Counsel Fees will be deducted from the Settlement Amount before it is distributed to Class Members. Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlement (“Administration Expenses”), will also be paid from the Settlement Amount before it is distributed to Class Members.

A complete copy of the Settlement Agreement is available on the website of Class Counsel: www.classaction.ca.

ADMINISTRATOR

The Court has appointed Analytics Incorporated (“Analytics”) as the Administrator of this Settlement Agreement. The Administrator will, among other things: (i) receive and process the Claim Forms and requests to opt out; (ii) make determinations of Class Members’ eligibility for compensation pursuant to the Plan of Allocation; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Amount. The Administrator can be contacted at:

Telephone: **1-866-308-7608**

Mailing Address: **Bear Lake Gold Settlement, c/o Bowne, 220 Bay Street, Suite 200, Toronto, ON M5J 2W4, Canada**

E-mail Address: **bearlakegoldsettlement@analytics-inc.com**

Website: **www.bearlakegoldsettlement.com**

CLASS MEMBERS’ ENTITLEMENT TO COMPENSATION

Class Members will be eligible for compensation pursuant to the Settlement Agreement if they sustained a Net Loss on their Class Period transactions and if they timely submit a complete Claim Form, including any supporting documentation with the Administrator. To be eligible for compensation under the Settlement Agreement, Class Members must submit their Claim Form postmarked no later than November 29, 2010 (the “Claims Bar Deadline”).

“Excluded Persons” are not permitted to participate in the Settlement and include the Defendants, BLG’s past or present parents, subsidiaries, affiliates, officers, directors, legal representatives, heirs, predecessors, successors and assigns, and any member of the individual Defendants’ families and any entity in which any of them has or had a legal or *de facto* controlling interest.

The remainder of the Settlement Amount, after deduction of Class Counsel Fees and Administration Expenses (the “Net Settlement Amount”) will be distributed to Class Members in accordance with the Plan of Allocation, which, in general terms, provides that:

- (a) in order to be eligible to receive compensation pursuant to the settlement, a Class Member must submit a Claim Form, including trading information that demonstrates that the Class Member sustained a Net Loss on their Class Period transactions, to the Administrator by the deadline for submission of claims (an “Authorized Claimant”);
- (b) Each Authorized Claimant’s *nominal* entitlement to compensation will be determined by application of the formulae outlined in the Plan of Allocation which take into account: (i) the number and the price of BLG’s securities purchased by the Class Member during the Class Period (“Eligible Shares”); (ii) when the Class Member sold the BLG securities purchased during the Class Period and the price at which such securities were sold; and (iii) whether the Class Member continues to hold some or all of their BLG securities purchased during the Class Period.
- (c) Each Authorized Claimant’s *actual* compensation shall be the portion of the Net Settlement Amount equivalent to the ratio of their Nominal Entitlement to the total Nominal Entitlements of all Authorized Claimants multiplied by the Net Settlement Amount.

Any disputes arising from decisions of the Administrator may be appealed to the Court.

REQUESTING EXCLUSION FROM THE CLASS

All individuals and entities who come within the definition of the Class will automatically be considered Class Members unless and until they exclude themselves from the Class (“opt out”). This means that Class Members will not be able to bring or maintain any other claim or legal proceeding against the Defendants, or any other person released by the Settlement Agreement, in relation to the matters alleged in the class action.

If you do not want to be bound by the Settlement Agreement you must opt out. Please note, however, that by opting out you will also be barred from making a claim and receiving compensation from the Settlement Amount. The settlement may be cancelled if the shares purchased by those who opt out exceeds 5% of the total shares purchased by all Class Members and held at the end of the Class Period.

If you wish to opt out, you may do so by communicating all of the following information to the Administrator in writing: (i) your name, mailing address, and telephone number; (ii) the number of BLG common shares you purchased during the Class Period, along with supporting documentation thereof, including brokerage statements and/or trade confirmations; (iii) if you are filing the opt-out request on behalf of someone else, evidence that you are authorized to file documentation on behalf of the individual or entity on whose behalf you are filing the request; and (iv) a clear statement that you intend to opt out.

If you wish to opt out, you must submit your request and the required supporting information and documentation, listed above, to the Administrator, at the above-noted address, no later than October 29, 2010.

IMPORTANT DEADLINES

Opt-Out Deadline: October 29, 2010

Claims Bar Deadline: November 29, 2010

Request to opt out and/or Claim Forms will not be accepted after their respective deadlines. As a result, it is necessary that you act without delay.

CLASS COUNSEL

The law firm of *Siskinds* ^{LLP} are counsel to the Plaintiff in the class proceeding, and can be reached by telephone, toll free, at 1-800-461-6166 ext. 2380.

INTERPRETATION

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

GARY HENAULT

Plaintiff

- and -

BEAR LAKE GOLD LTD., ELAINE BENNETT,
BERNARD BOILY, ROBERT CUDNEY, DAVID FENNELL,
ALEXANDER S. HORVATH, ALAIN KRUSHNISKY,
THOMAS G. LARSEN, PHILLIP MARTIN,
MILES NAGAMATSU, STEPHEN P. QUIN
and FRANCOIS VIENS

Defendants

Proceeding under the *Class Proceedings Act, 1992*

PLAN OF ALLOCATION

(Supplement to the Settlement Agreement, dated May 12, 2010)

DEFINED TERMS

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Eligible Shares;
 - (b) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
 - (c) “**Disposition Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of his/her/its Eligible Shares; provided, however, that with respect to any Eligible Shares that the Claimant continues to hold, they shall be deemed to have been disposed of for an amount equal to the number of Eligible Shares still held, multiplied by the difference between the average price per common share paid for those Eligible Shares (including any commissions paid in respect thereof determined on a per common share basis) and \$0.23.

- (d) “**FIFO**” means the principle of first-in, first-out, wherein common shares are deemed to be sold in the same order that they were purchased (i.e. the first common shares purchased are deemed to be the first sold); and which requires, in the case of a Claimant who held common shares of BLG at the commencement of the Class Period, that those common shares be deemed to have been sold completely before Eligible Shares are sold or deemed sold;
- (e) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense;
- (f) “**Net Settlement Amount**” means the Escrow Settlement Amount remaining after payment of Administration Expenses and Class Counsel Fees
- (g) “**Nominal Entitlement**” means an Authorized Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Amount.

CALCULATION OF NET LOSS

2. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Amount.
3. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss, they become an Authorized Claimant, and the Administrator will go on to calculate his/her/its Nominal Entitlement.

CALCULATION OF COMPENSATION

4. The Administrator will apply FIFO to distinguish the sale of BLG common shares held at the beginning of the Class Period from the sale of Eligible Shares, and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Shares. The Administrator will use this data in the calculation of an Authorized Claimant’s Nominal Entitlement according to the formulas listed below.
5. The date of sale or deemed disposition shall be the trade date, as opposed to the settlement date, of the transaction.

6. For the purposes of any calculation under the Plan of Allocation, the Administrator will account for any stock splits or consolidations that occur after the Class Period, such that Authorized Claimants' holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period.

7. An Authorized Claimant's Nominal Entitlement will be calculated as follows:
 - I. No Nominal Entitlement shall be available for any Eligible Shares *disposed of* prior to the first alleged corrective disclosure, that is, *prior to July 21, 2009*.**

 - II. For Eligible Shares *disposed of* during the 10 trading day period following the alleged corrective disclosure, that is, *on or between July 28 and August 10, 2009*, the Nominal Entitlement shall be:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition).

 - III. For Eligible Shares *disposed of* after the 10 trading day period following the alleged corrective disclosure, that is, *after the close of trading on August 10, 2009*, the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); and

 - B. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and \$0.23 [being the 10 trading day volume weighted average

trading price of BLG common shares on the TSX-V from July 28 to August 10, 2009].

IV. For Eligible Shares still held at the time the Claim Form is completed, the Nominal Entitlement shall be:

- A. an amount equal to the number of Eligible Shares still held, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and \$0.23 [being the 10 trading day volume weighted average trading price of BLG common shares on the TSX-V from July 28 to August 10, 2009].

FINAL DISTRIBUTION

8. Each Authorized Claimant's actual compensation shall be the portion of the Net Settlement Amount equivalent to the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlements of all Authorized Claimants multiplied by the Net Settlement Amount, as calculated by the Administrator.

9. Compensation shall be paid to Authorized Claimants in Canadian currency.