

NOTICE OF PROPOSED SETTLEMENT OF THE SOUTHWESTERN CLASS ACTION

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR RIGHTS.

PURPOSE OF THIS NOTICE

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

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

The parties in the class action have reached a proposed settlement subject to obtaining necessary approval of the Courts. The Defendants and Margaret Joan Paterson, the wife of John G. Paterson, have agreed to pay the sum of \$15.5 million ("Settlement Amount"), in full and final settlement of all claims, including class counsel fees, disbursements, taxes and administration costs in return for releases and a dismissal of the class actions. The Defendants do not admit any wrongdoing or liability on their part. The settlement is a compromise of disputed claims.

TERMS OF THE SETTLEMENT

The Defendants and Margaret Joan Paterson will pay the Settlement Amount in full and final settlement of all claims, including class counsel fees and administration costs. Additionally, SWR will pay, as a supplement to the Settlement Amount, 50% of the net after tax proceeds actually recovered by SWR through its prosecution of the *Southwestern Resources Corp. v. John Paterson, Global Gold Corporation and Glengarry Resource Management Inc.* action against Global Gold Corporation (after deduction of SWR's legal fees, taxes and disbursements in connection therewith).

The net settlement monies will be distributed in accordance with the Courts-approved and supervised Distribution Plan which, in general terms, provides that:

(a) in order to be eligible to share in the distribution of the settlement monies, each Class Member must submit a Claim Form and trading information to the Administrator on or before the deadline for submission of claims as established by the Courts;

(b) the Administrator will determine each Class Member's eligibility and calculate the amount of each eligible Class Member's damages pursuant to the Distribution Plan to be approved by the Courts ("Nominal Entitlement");

(c) each Class Member will be paid a share of the net settlement monies calculated as the ratio of his/her/its calculated Nominal Entitlement to the total Nominal Entitlements of all eligible Class Members multiplied by the amount of the net settlement fund; and

(d) in addition, depending upon the amount of all valid claims, each eligible Class Member may receive interest of up to a maximum of 4%.

If any settlement monies remain after payment of administration costs, class counsel fees and the distribution to the Class Members, the Courts may order the remaining funds be distributed to not-for-profit organizations for the benefit of the Class Members.

Further information on the settlement, including the Settlement Agreement and Distribution Plan, may be found at www.southwesternclassaction.com.

ADMINISTRATION COSTS AND CLASS COUNSEL FEES

In total, the amount of class counsel fees, disbursements, GST and administration costs, will not exceed 25% of the Settlement Amount, will be fixed by the Courts and paid from the Settlement Amount before distribution.

THE APPROVAL HEARINGS

The Courts will be asked to certify the class actions as class proceedings, appoint the representative plaintiffs and approve the proposed settlement as recommended by the plaintiffs and class counsel.

The Approval Hearings will be held:

(a) on November 3, 2008 at 9:30 a.m. E.T., at the Court House at 245 Windsor Avenue, Windsor, Ontario;

(b) on November 14, 2008 at 8:45 a.m. E.T., in courtroom 1.15, at the Québec City Court House, 300, boul. Jean-Lesage, Québec City, Québec; and

(c) on November 17, 2008 at 10:00 a.m. P.T., at The Law Courts, 800 Smithe Street, Vancouver, British Columbia.

Class Members who do not oppose the proposed settlement do not need to appear at any of the hearings or take any other action at this time to indicate their intention to participate in the proposed settlement.

If the Courts approve the proposed settlement, all Class Members will be bound by the terms of the settlement, unless they opt out. If the proposed settlement is approved, there will be a further notice to Class Members which will provide instructions on how to make a claim to receive settlement compensation or how to opt out of the class action if they do not wish to share in or be bound by the settlement.

OBJECTIONS TO THE PROPOSED SETTLEMENT

Any objections to the proposed settlement must be made in writing and submitted by no later than October 31, 2008 at 5:00 p.m. E.T. At the Approval Hearings, the Courts will consider Class Members' objections to the proposed settlement. Class Members may, but are not required to, attend at the Approval Hearings. Written objections may be sent:

By Mail to: Sarkis Isaac
Howie & Partners
Chartered Accountants
3063 Walker Road
Windsor, ON N8W 3R4

Attention: Southwestern Class Action

By Fax to: 519.250.1929

By Email to: sisaac@howieandpartners.com

A written objection should include the following information:

(a) the objector's name, address, telephone number, fax number and email address;

(b) a brief statement of the nature of and reason for the objection;

(c) documents establishing that the objector purchased Shares during the period from December 3, 2002 to and including July 18, 2007;

(d) a statement that the objector held some or all of those Shares at the close of trading on the TSX on June 19 or July 18, 2007; and

(e) a statement as to whether the objector intends to appear at the Approval Hearing in person or by counsel, and, if by counsel, the name, address, telephone number, fax number and email address of such counsel.

QUESTIONS ABOUT THIS NOTICE, THE PROPOSED SETTLEMENT OR THE CLASS ACTION

Questions for class counsel should be directed by telephone or in writing to one of the following class counsel:

A. Dimitri Lascaris
Siskinds LLP
Barristers and Solicitors
Box 2520, Station B
680 Waterloo Street
London, ON N6A 3V8
Tel: 519.660.7844
Fax: 519.660.7845
Email: dimitri.lascaris@siskinds.com

Harvey T. Strosberg
Sutts, Strosberg LLP
600-251 Goyeau Street
Windsor ON N9A 6V4
Tel: 888.460.0824
Fax: 866.316.5308
Email: harvey@strosbergco.com

Simon Hebert
Siskinds Desmeules s.e.n.c.r.l.
Les Promenades du Vieux-Quebec
43 Rue Buade, Bur 320
Quebec City, QC G1R 4A2
Tel: 418.694.2009
Fax: 418.694.0281
Email: simon.hebert@siskindsdesmeules.com

J.J. Camp
Camp Fiorante Matthews
Lawyers
4th floor, Randall Building
555 Georgia Street West
Vancouver, BC V6B 1Z5
Tel: 604.689.7555
Fax: 604.689.7554
Email: jjcamp@cfmlawyers.ca

THIS NOTICE HAS BEEN APPROVED BY JUSTICE JOHN BROCKENSHIRE OF THE SUPERIOR COURT OF JUSTICE FOR ONTARIO, MADAM JUSTICE GARSON OF THE SUPREME COURT OF BRITISH COLUMBIA AND JUSTICE ROBERT DUFRESNE OF THE QUÉBEC SUPERIOR COURT.

QUESTIONS ABOUT THIS NOTICE SHOULD NOT BE DIRECTED TO THE COURTS. IF THERE IS A CONFLICT BETWEEN THE PROVISIONS OF THIS NOTICE AND THE SETTLEMENT AGREEMENT, THE TERMS OF THE SETTLEMENT AGREEMENT SHALL PREVAIL.