

AMENDED AND RESTATED COMBINATION AGREEMENT

AMONG

SANTOY RESOURCES LTD.,

0846143 B.C. LTD.,

VIRGINIA URANIUM LTD.,

VA URANIUM HOLDINGS, INC.

AND

HOLDCO PRIVATE SHAREHOLDERS

Dated for Reference April 14, 2009

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AMENDED AND RESTATED COMBINATION AGREEMENT

THIS AMENDED AND RESTATED COMBINATION AGREEMENT made effective as of February 26, 2009, is entered into by and among Santoy Resources Ltd., a corporation existing under the laws of the Province of Alberta ("**Santoy**"), 0846143 B.C. Ltd., a corporation existing under the laws of the Province of British Columbia ("**Subco**"), Virginia Uranium Ltd., a corporation existing under the laws of the Yukon Territory ("**Virginia**"), VA Uranium Holdings, Inc., a corporation existing under the laws of the Yukon Territory ("**Holdco**") and the "**Holdco Private Shareholders**" as hereinafter defined. Virginia and Holdco are collectively referred to herein as the "**Virginia Parties**".

R E C I T A L S

A. The board of directors of Virginia has determined that the business combination to be effected by means of the Plan of Arrangement is advisable and in the best interests of Virginia, is fair from a financial perspective for the Virginia Shareholders, and that the consideration to be paid, from a financial point of view, is fair to Virginia Shareholders; has approved the transactions contemplated by this Agreement and determined to recommend approval of the Plan of Arrangement and other transactions contemplated hereby to the Virginia Shareholders.

B. The board of directors of Santoy has determined that the business combination to be effected by means of the Plan of Arrangement is advisable and in the best interest of Santoy, and is fair from a financial perspective for the Santoy Shareholders; has approved the transactions contemplated by this Agreement and has determined to recommend approval of the Plan of Arrangement and other transactions contemplated hereby to the Santoy Shareholders.

C. In furtherance of such business combination,

(i) the board of directors of Virginia has agreed to continue Virginia's jurisdiction of incorporation to the Province of British Columbia from the Yukon Territory and submit the Plan of Arrangement and other transactions contemplated hereby to the Virginia Shareholders and the Supreme Court of British Columbia for approval; and

(ii) the board of directors of Santoy has agreed to continue Santoy's jurisdiction of incorporation to the Province of British Columbia from the Province of Alberta and submit the Plan of Arrangement and other transactions contemplated hereby to the Santoy Shareholders and the Supreme Court of British Columbia for approval.

D. The parties intend that the merger of Subco and Virginia as described in the Plan of Arrangement shall qualify for United States federal income tax purposes as a tax - free reorganization under the provisions of Section 368(a) of the *United States Internal Revenue Code of 1986*, as amended (the "**U.S. Tax Code**"), the U.S. Treasury Regulations promulgated thereunder and other applicable United States federal income tax law.

E. The Holdco Private Shareholders have agreed to exchange their Holdco Private Shares (as hereinafter defined) for Santoy Common Shares (as hereinafter defined) as set forth in the Plan of Arrangement.

F. The Virginia Parties are controlled by residents of the Commonwealth of Virginia.

G. After giving effect to the Plan of Arrangement and the Holdco Amended Shareholders' Agreement, Holdco will continue to be controlled by residents of the Commonwealth of Virginia.

NOW THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, the parties hereto agree as follows:

Article 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings respectively:

"**1933 Act**" means the *United States Securities Act of 1933*, as amended;

"**1934 Act**" means the *United States Securities Exchange Act of 1934*, as amended;

"**1940 Act**" means the *United States Investment Company Act of 1940*, as amended;

"**ABCA**" means the *Business Corporations Act* (Alberta) as now in effect and as it may be amended from time to time prior to the Effective Date;

"**Acquisition Proposal**" means any inquiry or the making of any proposal to the other party or its shareholders from or by any person or group of persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104 -Take-Over Bids and Issuer Bids) which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from the party or its shareholders of 20% or more of the voting or equity securities of the party (other than shareholders on exercise of currently outstanding options, rights, warrants or other securities convertible into shares of such party) or its Affiliated Entities (as defined below); (ii) any acquisition of a substantial amount of assets of the party or its Affiliated Entities; (iii) an amalgamation, arrangement, merger, consolidation or other business combination involving the party or its Affiliated Entities; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization or similar transaction involving the party or its Affiliated Entities; and includes any public announcement of an intention to do any of the foregoing;

"**affiliate**" has the meaning ascribed thereto in the BCBCA, unless otherwise expressly stated herein. A person is an "**Affiliated Entity**" of another person if one is directly or indirectly Controlled (as defined below) by that other person or if both are directly or indirectly Controlled by the same person;

"**Agreement**" means this Amended and Restated Combination Agreement, including the Schedules hereto, as the same may be supplemented or amended from time to time;

"**Amalgamation Application**" means the application in respect of the Merged Company that is filed on the Effective Date with the BCBCA Registrar under Section 279 of the BCBCA after the Final Order is made, which shall be in form and content satisfactory to Santoy and Virginia, each acting reasonably;

"**applicable privacy laws**" means any and all applicable Laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada)

and/or any comparable provincial law (including the *Personal Information Protection Act* (British Columbia));

"Appropriate Regulatory Approvals" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities, or self-regulatory organizations, as set out in Schedule A annexed hereto;

"Arrangement" means the arrangement under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 7.1 hereof or Article 6 of the Plan of Arrangement, or made at the direction of the Court in the Final Order with the consent of Santoy and Virginia, each acting reasonably;

"Arrangement Resolution" means the special resolution of the Virginia Shareholders at the Virginia Meeting or of the Santoy Shareholders at the Santoy Meeting, as applicable, approving the Plan of Arrangement to be considered, substantially in the form and content of Schedule B3 annexed hereto;

"BCBCA" means the *Business Corporations Act* (British Columbia) as now in effect and as it may be amended from time to time prior to the Effective Date;

"BCBCA Registrar" means the registrar appointed under Section 400 of the BCBCA;

"BCSA" means the *Securities Act* (British Columbia) and the rules, regulations, instruments, policy statements, blanket orders and rulings and policies made thereunder, as now in effect and as they may be amended from time to time prior to the Effective Date;

"Business Day" means any day on which commercial banks are generally open for business in Vancouver, British Columbia other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under the Laws of the Province of British Columbia or the federal Laws of Canada;

"Change of Control" means the acquisition by any person and persons acting jointly or in concert with such person (as interpreted in MI 62-104), whether directly or indirectly, of voting securities of Santoy, which, when added to all other voting securities of Santoy at the time held by such person or by such person and persons acting "jointly or in concert with" such person (as that phrase is interpreted in MI 62-104), totals for the first time not less than twenty percent (20%) of the outstanding voting securities of Santoy;

"Circular" means the joint management proxy circular of Virginia and Santoy, including all schedules and exhibits thereto, together with the notices of the Virginia Meeting and the Santoy Meeting, to be sent by Virginia to the Virginia Shareholders in connection with the Virginia Meeting and to be sent by Santoy to the Santoy Shareholders in connection with the Santoy Meeting, as applicable;

"Confidentiality Agreement" means the confidentiality agreement dated November 7, 2008 between Santoy and Virginia;

"Consolidation" means the proposed consolidation of Santoy Common Shares on a one (1) new for each five (5) old basis, or such other basis as Santoy and Virginia may agree, which will occur following the Arrangement at a time to be determined by the then directors of Santoy, subject to regulatory and stock exchange approvals;

"Consolidation Resolution" means the special resolution of the Santoy Shareholders at the Santoy Meeting, approving the Consolidation;

"constating documents" means, with respect to any person, the certificate and articles of incorporation, by-laws, articles of organization, limited liability company operating agreement, partnership agreement, formation agreement, joint venture agreement, unanimous shareholder agreement or declaration or other similar governing documents of such person;

"Contaminant" means any pollutants, explosives, dangerous goods and substances, underground or above ground storage tanks, deleterious substances, special waste, liquid waste, industrial waste, hauled liquid waste or waste of any other kind, toxic substances, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other substance the storage, manufacture, disposal, handling, treatment, generation, use, transport or release into the environment of which is prohibited, controlled or regulated under any Environmental Law;

"Continuance" means in the case of Virginia, a continuance under the YBCA of its jurisdiction from the Yukon Territory to the Province of British Columbia under the BCBCA and means in the case of Santoy, a continuance under the ABCA of its jurisdiction from the Province of Alberta to the Province of British Columbia under the BCBCA;

"Continuance Resolution" means in the case of Santoy, the special resolution of the Santoy Shareholders at the Santoy Meeting, approving the Continuance of Santoy and, in the case of Virginia, the special resolution of the Virginia Shareholders at the Virginia Meeting, approving the Continuance of Virginia;

"Contract" means any contract, agreement, license, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which a Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject;

"Control" of a person means the right to:

- (a) elect or appoint a majority of the directors (or persons performing a similar function) of such person;
- (b) the ability to otherwise exercise a majority of the voting rights in respect of that person; or
- (c) the ability to otherwise control the management of such person whether by virtue of the terms of its constating documents, contractual rights or otherwise;

"Cormark" means Cormark Securities Inc.;

"Cormark Financial Advisory Engagement" means the agreement dated June 20, 2008 between Virginia and Cormark, whereby Cormark was appointed as Virginia's financial advisor in connection with future business transactions;

"Cormark Note" means the fifth amended and restated convertible promissory note dated February 1, 2009 issued in favour of Cormark by Holdco in the principal amount of US\$1,000,000 due July 31, 2009;

"Court" means the Supreme Court of British Columbia;

"date of this Agreement" and **"date hereof"** means February 26, 2009;

"Dissent Rights" means the rights of dissent of (i) Santoy Shareholders under the ABCA in respect of the Continuance of Santoy, and under the BCBCA if such rights are required by the Court, as described in the Circular, (ii) Virginia Shareholders under the YBCA in respect of the Continuance of Virginia, as described in the Circular, and (iii) Virginia Shareholders under the BCBCA in respect of the Arrangement as described in Article 4 of the Plan of Arrangement;

"Effective Date" has the meaning ascribed thereto in the Plan of Arrangement;

"Effective Time" has the meaning ascribed thereto in the Plan of Arrangement;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release, escape, leaching, dispersal or migration into the natural environment, including the movement through or in the air, soil (land surface or subsurface strata), surface water or groundwater;

"Environmental Law" means any and all Laws in effect on the date of this Agreement relating to pollution or the environment or any Environmental Activity;

"Evans" means Evans & Evans, Inc., Virginia's fairness advisors;

"Final Order" means the final order of the Court approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

"Governmental Entity" means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) First Nation, quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing, including the TSXV;

"Holdco" means VA Uranium Holdings, Inc.;

"Holdco Amended Shareholders' Agreement" means the amended and restated shareholders' agreement, the form and content of which has been agreed among Santoy, Virginia, Holdco, Virginia Uranium, Inc. and the Holdco Owners (as defined in the said agreement), to be dated the Effective Date;

"Holdco Common Share Restructuring" has the meaning ascribed thereto in Section 2.2(d);

"Holdco Common Shares" means the issued and outstanding common shares in the capital of Holdco at the date of this Agreement;

"Holdco Financial Statements" means the financial statements of Holdco as described in Section 3.4(b);

"Holdco Private Shareholders" means, collectively, the holders of Holdco Private Shares set forth in Schedule E as updated from time to time pursuant to Section 2.3(b);

"Holdco Private Shares" means collectively the Holdco Common Shares owned by the Holdco Private Shareholders;

"Holdco Special Shares" shall have the meaning set forth in Section 2.2(d)(i);

"Holdco Shareholders' Agreement" means the shareholders' agreement dated October 9, 2007 among Virginia, Holdco, Virginia Uranium, Inc. and the shareholders of Holdco;

"Holdco Subsidiaries" means Virginia Uranium, Inc., a Virginia U.S.A. company of which Holdco directly owns 100% of the issued shares, and Southside Cattle Company LLC of which Holdco indirectly through Virginia Uranium, Inc. owns 100% of the membership interests;

"Holdco Warrants" means the warrants of Holdco to be issued pursuant to Section 2.6(b) of this Agreement;

"holders" means, when used with reference to any holders of securities, the holders of such securities shown from time to time in the register maintained by or on behalf of the issuer of the securities in respect of the securities;

"Interim Order" means the interim order of the Court, as the same may be amended, in respect of the Arrangement, as contemplated by Section 2.5, providing for, among other things, the calling and holding of the Virginia Meeting or the Santoy Meeting, as applicable;

"Laws" means all statutes, regulations, statutory rules, policies, orders, and terms and conditions of any grant of approval, permission, authority or license of any court, Governmental Entity, statutory body or self-regulatory authority (including the TSXV), and the term "applicable" with respect to such Law and in the context that refers to one or more persons, means that such Law applies to such person or persons or its or their business, undertaking, property or securities and emanates from a Governmental Entity, statutory body or regulatory authority having jurisdiction over the person or persons or its or their business, undertaking, property or securities;

"Lien" means any mortgage, hypothec, prior claim, lien, pledge, assignment for security, security interest, lease, option, right of third parties or other charge or encumbrance, including the lien or retained title of a conditional vendor, and any royalty, easement, servitude, right of way or other encumbrance on title to real or immovable property or personal or movable property, but excluding Permitted Liens;

"Local Owners" means Bowen Minerals LLC and Coles Hill LLC and their permitted assignees;

"Mailing Date" means the date by which the Circular must be mailed in order to hold the Virginia Meeting or the Santoy Meeting in accordance with the constating documents of Virginia or Santoy, as applicable, and applicable Laws;

"Material Adverse Effect," when used in connection with Santoy, Virginia or Holdco, as the case may be, means any change, effect, circumstance, event or occurrence with respect to its business, operations, results of operations, prospects, assets, liabilities or financial condition or those of the Holdco Subsidiaries, that is, or would be reasonably expected as at the Effective Date to be, material and adverse to the business, operations, regulatory status, financial condition or results of operations of Santoy, Virginia, or Holdco (including the Holdco Subsidiaries), as the case may be, provided, however, that a Material Adverse Effect shall not include with respect to any party, any such change, effect, circumstance, event or occurrence (a) relating to the global economy or securities markets in general; (b) affecting the worldwide uranium mining industry in general and which does not have a materially disproportionate effect on Santoy, Virginia, or of Holdco and the Holdco Subsidiaries taken as a whole, as applicable; (c) resulting from changes in the price uranium; (d) relating to the rate at which Canadian dollars can be exchanged for United States dollars; (e) that relates to any matter that has been disclosed in the Virginia Data Room Information or the Santoy Data Room Information, as applicable or (f) which is a change in the trading price of the publicly traded securities of Santoy reasonably attributable to the Arrangement and the matters contemplated hereby, provided that as regards Holdco, the financial impact is no less than \$5 million;

"Material Contracts" means in respect of Santoy, Virginia or Holdco any Contract that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on such party;

"Merged Company" has the meaning given to it in the Plan of Arrangement;

"MI 62-104" means Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids of the Canadian Securities Administrations;

"Misrepresentation" has the meaning given to such term in the BCSA;

"Non-Terminating Party" has the meaning ascribed thereto in Section 5.6(a);

"Permit" means any license, permit, certificate, consent, order, grant, approval, agreement, classification, registration or other authorization of and from any Governmental Entity;

"Permitted Liens" means Liens that don't materially interfere with the operation of Santoy, Santoy's Subsidiaries or unless approved in writing by Virginia and Holdco or of Holdco or a Holdco Subsidiary, as applicable unless approved in writing by Santoy;

"person" includes any individual, firm, partnership, joint venture, venture capital fund, limited liability company, unlimited liability company, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

"Personal Information" means information about an individual transferred to Santoy by any of the Virginia Parties or Holdco Private Shareholders, or to any of the Virginia Parties or Holdco Private Shareholders by Santoy, as a condition of the Arrangement, but does not include an individual's name, position name or title, business telephone number, business address, business email or business fax number;

"Plan of Arrangement" means the plan of arrangement substantially in the form and content of Schedule C annexed hereto and any amendments or variations thereto made in accordance with Section 7.1 hereof or Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order;

"Release" means discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, migrate, pour, emit, empty, throw, dump, place or exhaust, and when used as a noun has a similar meaning;

"Representatives" has the meaning ascribed thereto in Section 5.3;

"Santoy" means Santoy Resources Ltd., a corporation existing under the laws of the Province of Alberta and includes Santoy Resources Ltd. following the Continuance of Santoy and following its name change to Virginia Energy Resources Inc. (or such other name as is approved pursuant to this Agreement);

"Santoy Common Shares" means common shares in the capital of Santoy;

"Santoy Data Room Information" means the documents and information provided to Virginia in response its due diligence requests;

"Santoy Documents" has the meaning ascribed thereto in Section 4.4(a);

"Santoy Financial Statements" means the financial statements of Santoy as described in Section 4.4(b);

"Santoy Financing" has the meaning ascribed thereto in Section 2.4(k);

"Santoy Incentive Warrants" means the warrants to be issued to Santoy Shareholders pursuant to the Plan of Arrangement and the terms of a warrant indenture respecting the Santoy Incentive Warrants to be entered into with Computershare Trust Company or other trustee approved by Santoy each of which warrant will allow the holder thereof to purchase one (1) Santoy Common Share;

"Santoy Locked-up Shareholders" means, collectively, the directors and officers of Santoy and any person holding 12% or more of the Santoy Common Shares as at the date of this Agreement;

"Santoy Meeting" means the special meeting of Santoy Shareholders, including any adjournment, adjournments, postponement or postponements thereof, to be called and held in accordance with the Interim Order to consider the Continuance Resolution for Santoy, the Arrangement Resolution and the Consolidation Resolution;

"Santoy Options" means those issued and outstanding options (whether vested or unvested) to acquire Santoy Common Shares under the stock option plan of Santoy or otherwise;

"Santoy Shareholders" means the holders of Santoy Common Shares;

"Santoy SRA Reports" has the meaning ascribed thereto in Section 4.4(a);

"Santoy's Subsidiaries" means the indirect and directly owned material subsidiaries of Santoy as disclosed in the Santoy Data Room Information;

"Santoy Voting Agreements" means agreements between Virginia and the Santoy Locked-up Shareholders pursuant to which such Locked-up Shareholders agree to vote the Santoy Common Shares beneficially owned or controlled by them as at the date of the Santoy Meeting in favour of the Arrangement and to otherwise support the Arrangement, as provided therein, substantially in the form attached as Schedule D;

"Santoy Warrants" means the common share purchase warrants to acquire Santoy Common Shares;

"Share Exchange Ratio" means the ratio of six (6) Santoy Common Shares to be exchanged for each one (1) Virginia Common Share outstanding at the Effective Time and the ratio of six (6) Santoy Common Shares to be exchanged for each one (1) Holdco Private Share;

"Subco" means 0846143 B.C. Ltd., a corporation existing under the laws of British Columbia and wholly owned by Santoy;

"Subsidiary" means with respect to a specified person, (a) any corporation, partnership, joint venture, association, limited liability company, unlimited liability company or other person or organization, incorporated or unincorporated, which is a subsidiary as defined in the BCBCA of such specified person, (b) a partnership of which such specified person or another of its Subsidiaries is a general partner or owns beneficially more than 50% of the ownership interests, or (c) a Subsidiary (as defined in clause (a) or (b) hereof) or any person described in clause (a) or (b) hereof of any Subsidiary (as so defined) thereof;

"Superior Proposal" means a bona fide unsolicited Acquisition Proposal received after the date hereof that: (a) is not conditional on obtaining financing, (b) in respect of which the directors of Santoy or Virginia, as the case may be, have determined in good faith, after consultation with, and receiving advice from the financial, legal and other advisors thereto that such Acquisition Proposal would, if consummated in accordance with its terms, result in a transaction which is more favourable to the party or its shareholders;

"Tax" and **"Taxes"** means, with respect to any person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, pension plan premiums for government administered pension plans; excise, severance, social security premiums, workers' compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

"Tax Returns" includes all returns, reports, declarations, designations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed with any Governmental Entity in respect of Taxes;

"Terminating Party" and **"Non-Terminating Party"** have the meanings ascribed thereto in Section 5.6(a);

"Termination Date" means June 30, 2009 or such other later date as may be agreed to by Santoy and Virginia;

"Toll Cross" means Toll Cross Securities Inc., Santoy's fairness advisors;

"TSXV" means the TSX Venture Exchange;

"U.S. person" means a "U.S. person" as such term is defined in Regulation S under the 1933 Act;

"U.S. Tax Code" has the meaning ascribed thereto in the Recitals;

"Virginia" means Virginia Uranium Ltd.;

"Virginia Common Shares" means the common shares in the capital of Virginia;

"Virginia Data Room Information" means the documents and information provided to Santoy in response its due diligence requests;

"Virginia Financial Statements" means the financial statements of Virginia as set forth in Section 3.4(b);

"Virginia Locked-up Shareholders" means, collectively, the directors and officers of Virginia and any person holding 12% or more of the Virginia Common Shares as at the date of this Agreement;

"Virginia Meeting" means the special meeting of Virginia Shareholders, including any adjournment, adjournments, postponement or postponements thereof, to be called and held in accordance with the Interim Order to consider the Continuance Resolution for Virginia and the Arrangement Resolution;

"Virginia Note" means the convertible promissory note dated January 2, 2009 between Virginia and Santoy in the principal amount of \$1,000,000 due July 2, 2009;

"Virginia Parties" has the meaning ascribed thereto in the recitals to this Agreement;

"Virginia Shareholders" means the holders of Virginia Common Shares;

"Virginia Voting Agreements" means agreements between Santoy and the Virginia Locked-up Shareholders pursuant to which such Locked-up Shareholders agree to vote the Virginia Common Shares beneficially owned or controlled by them as at the date of the Virginia Meeting in favour of the Arrangement and to otherwise support the Arrangement, as provided therein, substantially in the form attached as Schedule D;

"Voting Agreements" means collectively the Santoy Voting Agreements and the Virginia Voting Agreements; and

"YBCA" means the *Business Corporations Act* (Yukon) as now in effect and as it may be amended from time to time prior to the Effective Date.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article" or "Section" followed by a number or a letter refer to the specified Article or Section of this Agreement. The terms "this Agreement," "hereof," "herein" and "hereunder" and similar expressions refer to this Agreement (including the Schedules hereto) and not to any particular Article, Section or other portion hereof.

1.3 Rules of Construction

Unless otherwise specifically indicated or the context otherwise requires, (a) all references to "dollars" or "\$" mean Canadian dollars, (b) words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders, and (c) "include," "includes" and "including" shall be deemed to be followed by the words "without limitation."

1.4 Date For Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.5 Schedules

The following Schedules are annexed to this Agreement and are hereby incorporated by reference into this Agreement and form part hereof:

Schedule A	Appropriate Regulatory Approvals
Schedule B	Form of Arrangement Resolution
Schedule C	Plan of Arrangement
Schedule D	Form of Voting Agreement
Schedule E	Holdco Private Shareholders

1.6 Knowledge

- (a) In this Agreement, references to "the knowledge of Virginia and Holdco" means the actual knowledge of Norm Reynolds, in his capacity as Chief Executive Officer of Virginia and Holdco, Walter Coles, Jr., in his capacity as the Executive Vice President of Virginia and as Vice-President, Corporate Development & Investor Relations of Holdco and Joseph Kiely, in his capacity as the Chief Financial Officer of Virginia and Holdco in each case, after reviewing relevant records or due enquiry within Virginia and Holdco and the Holdco Subsidiaries.
- (b) In this Agreement, references to "the knowledge of Santoy" means the actual knowledge of Ron Netolitzky, in his capacity as Chief Executive Officer of Santoy and Karen Allan, in her capacity as the Chief Financial Officer of Santoy, in each case, after reviewing relevant records or due enquiry within Santoy and its affiliates.

Article 2
THE ARRANGEMENT

2.1 Pre-Arrangement Implementation Steps by Virginia

Virginia covenants in favour of Santoy that Virginia shall:

- (a) as soon as reasonably practicable, jointly apply with Santoy and Subco, under Section 288 of the BCBCA, for the Interim Order, and thereafter proceed with and diligently seek the Interim Order;
- (b) lawfully convene and hold the Virginia Meeting for the purpose of considering the Continuance Resolution of Virginia and the Arrangement Resolution (and for no other purpose, unless agreed to by Santoy) as soon as reasonably practicable, and in any event, on or before April 30, 2009 or such later date as agreed between Santoy and Virginia, subject to adjournments or postponements which may be required pursuant to Section 5.6(a);
- (c) provided that the Virginia Shareholders approve the Continuance Resolution of Virginia, adjourn the Virginia Meeting, complete the Continuance of Virginia and thereafter reconvene the Virginia Meeting to consider the Arrangement Resolution;
- (d) if the Continuance Resolution is passed, the Continuance is effected and the Arrangement Resolution is passed, and subject to obtaining the approvals as are required by the Interim Order, as soon as practicable, but in any event within five Business Days after the Virginia Meeting, proceed with and diligently pursue the application to the Court for the Final Order approving the Arrangement;
- (e) subject to obtaining the Final Order and the satisfaction or waiver of the other conditions herein contained in favour of each party, as soon as reasonably practicable, take all steps and actions, including making all necessary filings with Governmental Entities (including filing any required documents under the BCBCA) to give effect to the Arrangement prior to the Termination Date;
- (f) instruct counsel acting for it to bring the applications referred to in Sections 2.1(a) and (d) in co-operation with counsel to Santoy;
- (g) permit Santoy and its counsel to review and comment upon drafts of all material to be filed by Virginia with the Court in connection with the Arrangement, including the Circular and any supplement or amendment to the Circular contemplated by Section 2.9(c), and provide counsel to the Santoy on a timely basis with copies of any notice of appearance and evidence served on Virginia or its counsel in respect of the application for the Interim Order and the Final Order or any appeal therefrom and of any notice (written or oral) received by Virginia indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order; and
- (h) not file any material with the Court in connection with the Arrangement or serve any such material, and not agree to modify or amend materials so filed or served except as contemplated hereby or with Santoy's prior written consent, such consent not to be unreasonably withheld or delayed;

- (i) take all required steps to convert the principal and interest owing under the Cormark Note to four million five hundred thousand (4,500,000) Holdco Common Shares, for the purpose of their exchange for Santoy Common Shares under the Plan of Arrangement, in full satisfaction of the Cormark Note;
- (j) use commercially reasonable efforts to assist Holdco in meeting its obligations under this Agreement; and
- (k) use commercially reasonable efforts to assist Santoy in obtaining any orders required from the applicable Canadian and United States securities regulatory authorities to permit the issuance of the Santoy Common Shares and first sale of the Santoy Common Shares issuable pursuant to the Arrangement as contemplated by Section 2.4(i) herein.

2.2 **Pre-Arrangement Implementation Steps by Holdco**

Holdco covenants in favour of Santoy that Holdco shall:

- (a) use commercially reasonable efforts to assist Virginia in meeting its obligations under this Agreement;
- (b) obtain the written consent of Holdco shareholders owning a minimum of 85% of the Holdco Common Shares to amend the Holdco Shareholders' Agreement such that the Holdco Amended Shareholders' Agreement shall thereafter be the governing agreement and deliver said executed amendment effective at the Effective Time;
- (c) use its commercially reasonable efforts to cause each of the Holdco Private Shareholders to exchange directly or indirectly their respective Holdco Private Shares for Santoy Common Shares pursuant to the Arrangement; and
- (d) amend the rights and restrictions applicable to the Holdco Common Shares (the "**Holdco Common Share Restructuring**") such that by the completion of the Arrangement, (i) the share capital of Holdco will be amended and reorganized in the following chronological order; and (ii) the share capital of Holdco will be structured to provide protection for the current Holdco shareholders in respect of the control of the assets held by Santoy, directly or indirectly, as follows:
 - (i) A new class of Holdco shares, Class B Multiple Voting Subordinate Shares (the "**Holdco Special Shares**") will be created and authorized.
 - (ii) The Holdco Special Shares will have two (2) votes per share rather than one vote per share and will only participate in a distribution on a winding-up, dissolution or liquidation to the extent of the nominal paid-up capital of such shares and not be entitled to any residual distribution of capital or assets. The Holdco Special Shares will also be subject to mandatory repurchase as provided in Subsection 2.2(d) (iv) (D) below and the purchase price shall equal the paid-up capital of the Holdco Special Shares.
 - (iii) The Holdco Special Shares will be issued from treasury for nominal cash consideration effective on the Effective Date as follows:
 - (A) 50% to Santoy; and

- (B) 50% to the controlling shareholders of Holdco and any other of the current major shareholders of Holdco as determined to be appropriate (collectively, the "**Holdco Group**"), allocated amongst such shareholders in the proportions agreed by them taking into account their current shareholdings (voting rights) in Holdco.
- (iv) Effective on the Effective Date, the rights and restrictions of the existing Holdco Common Shares will be altered so the Holdco Common Shares will be entitled to the residual distribution of capital and assets of Holdco on a winding-up, dissolution or liquidation of Holdco and will be non-voting. The Holdco Common Shares will become voting on the basis of one vote per Holdco Common Share seventy-five (75) days following the occurrence of any one of the following events:
 - (A) Santoy acquiring 50% or more of the issued Holdco Common Shares;
 - (B) a Change of Control of Santoy which has not been approved by the Holdco Group;
 - (C) receipt of a written opinion from U.S. counsel acceptable to Santoy and the Holdco Group, both acting reasonably, that the conversion of the Holdco Common Shares to voting shares will not cause Santoy to, immediately or within a reasonable time, become an investment company for the purposes of the 1940 Act; or
 - (D) upon a determination by the holders of Holdco Common Shares representing in the aggregate more than 50% of the Holdco Common Shares, acting either at a meeting or by written consent of such holders, which approves the mandatory repurchase and cancellation of the outstanding Holdco Special Shares, and the grant to the holder of each Holdco Common Share the right to one vote per Holdco Common Share, such amendment, repurchase and cancellation to take effect not less than seventy-five (75) days from the Effective Date of the action of the holders of the Holdco Common Share,provided that during the 75-day period following the occurrence of any of the events set forth in (A) through (D), Holdco shall not be permitted to hold any meeting of its holders of Holdco Common Shares or of Holdco Special Shares.
- (v) The Holdco Special Shares will not be transferable without the prior written consent of the Holdco board of directors.

The issuance of the Holdco Special Shares, is supported by:

- (i) Santoy's covenant made hereby to use its commercially reasonable efforts to effect an offering of subscription receipts for aggregate gross proceeds of not less than \$1,000,000, in addition to the Santoy Financing, the net proceeds of which shall be (A) held in escrow by a trustee acceptable to Santoy and Virginia, acting reasonably, on behalf of Santoy in an interest bearing account and released to Santoy at the Effective Time, and (B) at the Effective Time used primarily to acquire Holdco Common Shares, and

- (ii) a provision included within the Holdco Amended Shareholders' Agreement pursuant to which operating control over Holdco will remain vested in the Local Owners provided they own in the aggregate at least 33% of the then outstanding Holdco Common Shares.

2.3 Pre-Arrangement Implementation Steps by Holdco Private Shareholders

- (a) Each of the Holdco Private Shareholders severally but not jointly covenants in favour of Santoy and the Virginia Parties to take all necessary steps to exchange their respective Holdco Private Shares directly or indirectly for Santoy Common Shares at the Effective Time.
- (b) A holder of Holdco Common Shares may become a Holdco Private Shareholder and participate in the sale of Holdco Private Shares to Santoy pursuant to this Agreement and the Arrangement by delivering a counterpart to this Agreement prior to March 23, 2009 or with the consent of Santoy and Virginia, in which case Schedule E will be updated accordingly without the need for a formal amendment to this Agreement. For the avoidance of doubt, the version of Schedule E with the most recent date (prior to March 23, 2009) shall be the controlling version.
- (c) Santoy, Subco and the Virginia Parties agree on a commercially reasonable basis to cooperate with the Holdco Private Shareholders to structure the sale to Santoy under the Arrangement to minimize any withholding taxes. Notwithstanding anything else herein to the contrary, Santoy, Subco and the Virginia Parties may, on a commercially reasonable basis, take such steps as may be agreed and be necessary in furtherance of such objective.

2.4 Pre-Arrangement Implementation Steps by Santoy and Subco

Santoy covenants in favour of the Virginia Parties that:

- (a) Santoy and Subco shall as soon as reasonably practicable, jointly apply with Virginia, under Section 288 of the BCBCA, for the Interim Order, and thereafter proceed with and diligently seek the Interim Order;
- (b) Santoy shall lawfully convene and hold the Santoy Meeting for the purpose of considering the Continuance Resolution of Santoy, the Arrangement Resolution and the Consolidation Resolution (and for no other purpose, unless agreed to by Virginia) as soon as reasonably practicable, and in any event, on or before April 30, 2009 or such later date approved by Santoy and Virginia, subject to adjournments or postponements which may be required pursuant to Section 5.6(a);
- (c) approve the Continuance Resolution of Santoy, Santoy shall adjourn the Santoy Meeting and complete the Continuance of Santoy and thereafter reconvene the Santoy Meeting to consider the Arrangement Resolution and the Consolidation Resolution;
- (d) if the Continuance Resolution is passed, the Continuance is effected and the Arrangement Resolution and Consolidation Resolution are passed and subject to obtaining the approvals as are required by the Interim Order, as soon as practicable, but in any event within five (5) Business Days after the Santoy Meeting, Santoy and Subco shall proceed with and diligently pursue the application to the Court for the Final Order approving the Arrangement;

- (e) subject to obtaining the Final Order and the satisfaction or waiver of the other conditions herein contained in favour of each party, as soon as reasonably practicable, Santoy and Subco shall take all steps and actions, including making all necessary filings with Governmental Entities (including filing any required documents under the BCBCA) to give effect to the Arrangement prior to the Termination Date;
- (f) Santoy and Subco shall instruct counsel acting for them to bring the applications referred to in Sections 2.1(a) and 2.1(d) in co-operation with counsel to Virginia;
- (g) Santoy shall permit Virginia and its counsel to review and comment upon drafts of all material to be filed by Santoy with the Court in connection with the Arrangement, including the Circular and any supplement or amendment to the Circular contemplated by Section 2.9(c), and provide counsel to Virginia on a timely basis with copies of any notice of appearance and evidence served on Santoy or its counsel in respect of the application for the Interim Order and the Final Order or any appeal therefrom and of any notice (written or oral) received by Santoy indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order;
- (h) Santoy and Subco shall not file any material with the Court in connection with the Arrangement or serve any such material, and not agree to modify or amend materials so filed or served except as contemplated hereby or with Virginia's prior written consent, such consent not to be unreasonably withheld or delayed;
- (i) prior to the Effective Time, Santoy shall use commercially reasonable efforts to obtain any orders required from the applicable Canadian and United States securities regulatory authorities to permit the issuance and distribution of the Santoy Incentive Warrants and the Santoy Common Shares and sale of the Santoy Common Shares issuable on exercise of the Santoy Incentive Warrants and pursuant to the Arrangement, without qualification with, or approval of, or the filing of any prospectus, registration statement or similar document, or the taking of any proceeding with, or the obtaining of any further order, ruling or consent from, any Canadian or United States securities regulatory authority under any applicable securities or other Laws or pursuant to the rules and regulations of any Governmental Entity administering such Laws, or the fulfillment of any other legal requirement in any such jurisdiction (other than, with respect to such sales, any restrictions on transfer by reason of, among other things, a holder being a "control person" for purposes of Canadian federal, provincial or territorial securities Laws or an "affiliate" of Santoy after the Arrangement or within 90 days prior to the date of the Arrangement for purposes of the 1933 Act);
- (j) Santoy shall use its commercially reasonable efforts to cause the Santoy Incentive Warrants and the Santoy Common Shares issuable on exercise of the Santoy Incentive Warrants or pursuant to the Arrangement to be conditionally approved for listing on the TSXV, subject to official notice of issuance to the TSXV, prior to the Effective Time, and for such Santoy Incentive Warrants and Santoy Common Shares to not be subject to any statutory or other hold period (subject only to restrictions on transfer by reason of, among other things, a holder being a "control person" for purposes of Canadian federal, provincial or territorial securities Laws or an "affiliate" of Santoy after the Arrangement or within 90 days prior to the date of the Arrangement for purposes of the 1933 Act); and
- (k) Santoy shall have subscribed for not less than \$1 million of Holdco Common Shares at a price of \$0.60 per Holdco Common Share and shall complete such subscription on the

Effective Date, and shall subscribe for an additional \$1.5 million of Holdco Common Shares at a price of \$0.60 per Holdco Common Share, and shall use its commercially reasonable efforts to complete such additional subscription within 12 months of the Effective Date (the "**Santoy Financing**"). Santoy further agrees to use its reasonable commercial efforts to complete such additional subscription on the Effective Date, provided that it has sufficient available funds and such additional subscription at the Effective Date would be in the best interests of Santoy. In consideration for Santoy's subscription, Holdco will grant to Santoy the right to acquire up to 4,166,666 Holdco Common Shares at an issue price of \$0.60 per share for a period of twelve (12) months from the Effective Date.

2.5 Interim Order

The notice of motion for the application referred to in Section 2.1(a) and 2.4(a) shall request that the Interim Order provide, among other things:

- (a) for the class of persons to whom notice is to be provided in respect of the Arrangement, the Virginia Meeting and the Santoy Meeting, and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the Arrangement Resolution shall, subject to the approval by the Court of the Interim Order, be 66⅔% of the votes cast on the Arrangement Resolution by Virginia Shareholders or Santoy Shareholders, as applicable, present in person or by proxy at the Virginia Meeting or the Santoy Meeting, as applicable;
- (c) that, in all other respects, the terms, restrictions and conditions of the constating documents of Santoy or Virginia, including quorum requirements and all other matters, shall apply in respect of the Santoy Meeting or Virginia Meeting, as applicable, subject to applicable Laws and the relevant party's constating documents;
- (d) for the grant of the Dissent Rights in respect of the Arrangement; and
- (e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order.

2.6 Plan of Arrangement and Related Transactions

- (a) The parties to this Agreement will implement the Plan of Arrangement in accordance with the provisions of this Agreement including Schedule C of this Agreement. No later than the fifth (5) Business Day after the satisfaction or, where not prohibited, the waiver (subject to applicable Law) of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver of those conditions as of the Effective Date) set forth in Article 6, unless another time or date is agreed to in writing by Santoy and Virginia, the Amalgamation Application shall be filed with the BCBCA Registrar. The filing of the Amalgamation Application shall implement the Plan of Arrangement. Santoy and the Virginia Parties agree that, notwithstanding the terms of the Virginia Note, the filing of the Amalgamation Application shall be a "Triggering Event" for purposes of the Virginia Note. From and after the Effective Time, the Plan of Arrangement will have all of the effects provided by applicable Laws, including the BCBCA. The closing of the transactions contemplated hereby will take place at the offices of DuMoulin Black LLP,

10th Floor, 595 Howe Street, Vancouver, British Columbia at 9:00 a.m. (Vancouver time) on the Effective Date or such other time on the Effective Date as may be agreed by Santoy and the Virginia Parties.

- (b) As part of the Arrangement, Santoy will issue Santoy Incentive Warrants to the Santoy Shareholders of record immediately prior to the Effective Date. The proceeds of any exercise of Santoy Incentive Warrants are intended to be used by Santoy to acquire Holdco Common Shares. In consideration for the financing to be so provided by Santoy and to facilitate such financing, on the Effective Date, and in connection with the Plan of Arrangement, Holdco will issue Holdco Warrants to Santoy to permit Santoy to acquire that number of Holdco Common Shares at a price of \$0.72 per share that is equivalent to the number of Santoy Common Shares underlying the Santoy Incentive Warrants divided by six (6) for a period of twelve (12) months following the Effective Date.
- (c) It is anticipated that Santoy will be required to meet minimum listing requirements of the TSXV in connection with the Arrangement.
- (d) Santoy is intended to be named "Virginia Energy Resources Inc." or such other name as is acceptable to the directors and approved by the TSXV and the directors of Santoy shall pass the required resolutions and Santoy shall use its reasonably commercial efforts to effect the change of name as at the Effective Date.

2.7 **Circular**

- (a) As promptly as reasonably practicable following the date hereof, each of Virginia and Santoy shall prepare the Circular together with any other documents required by the BCSA, the BCBCA, the YBCA, the ABCA or other applicable Laws in connection with the approval of the Continuance Resolution and Arrangement Resolution, among other matters, by the Virginia Shareholders at the Virginia Meeting and the Continuance Resolution, Arrangement Resolution and Consolidation Resolution by the Santoy Shareholders at the Santoy Meeting. Each of Virginia and Holdco shall provide for the Circular its audited, comparative financial statements (and in the case of Holdco, such statements will be consolidated) for the completed financial period ended December 31, 2008 and such other financial periods, all with such content and in such form and with such consents and comfort letters of their auditors, as may be required under the rules of the TSXV and applicable securities laws in connection with the Arrangement. Santoy shall provide for the Circular its audited, comparative financial statements for the completed financial period ended June 30, 2008 and interim, comparative, financial statements for the completed financial periods subsequent to its last financial year end, all with such content and in such form and with such consents and comfort letters of its auditors as may be required under the rules of the TSXV and applicable securities laws in connection with the Arrangement. Santoy will request its auditors to conduct such review of its interim financial statements and provide such comfort letters as may be required under the rules of the TSXV and applicable securities laws in connection with the Arrangement. Virginia shall give Santoy and Santoy shall give Virginia a reasonable opportunity to review and comment on all such documentation and all such documentation shall be reasonably satisfactory to the receiving party before it is filed or distributed to the respective Virginia Shareholders or Santoy Shareholders. Each of Santoy and Virginia shall incorporate therein all reasonable comments made by the other party and their counsel. If either Santoy or Virginia shall have advised the other party in writing of matters required pursuant to Section 2.9(c) prior to the Virginia Meeting or the

Santoy Meeting, such matters shall be disclosed in the Circular (including by amendment or supplement to the Circular if the Circular shall have been previously filed or distributed) and such disclosure shall be reasonably satisfactory to each party before it is filed or distributed to Virginia Shareholders or the Santoy Shareholders, as applicable.

- (b) As promptly as practicable after obtaining the Interim Order and in any event prior to the Mailing Date, each of Santoy and Virginia shall cause the Circular and other documentation required in connection with the Santoy Meeting or the Virginia Meeting, as applicable, to be sent to each Santoy Shareholder, holder of Santoy Options, holder of Santoy Warrants, Virginia Shareholder and Holdco Private Shareholders and filed as required by the Interim Order and applicable Laws.

2.8 Securities Compliance

- (a) Santoy shall take all steps as may be required to cause:
 - (i) the Santoy Incentive Warrants and Santoy Common Shares issuable under the Plan of Arrangement to be issued pursuant to an exemption from the prospectus and registration requirements of applicable Canadian securities Laws and in a transaction exempt from registration under the 1933 Act pursuant to Section 3(a)(10) of the 1933 Act; and
 - (ii) the Santoy Incentive Warrants issuable to Santoy Shareholders who are U.S. persons to, by the terms of such warrants and the terms of the warrant indenture to be entered into respecting such warrants, be not exercisable by any U.S. person and, if such warrants are not listed on the TSXV, be sold.
- (b) Holdco shall take all steps as may be required to cause the Holdco Warrants to be issued to Santoy pursuant to an exemption from the prospectus and registration requirements of applicable Canadian securities Laws.
- (c) In order to ensure the transaction is exempt from registration under the 1933 Act pursuant to Section 3(a)(10), the parties agree that the Arrangement will be carried out on the following basis:
 - (i) the Arrangement will be subject to the approval of the Court;
 - (ii) the Court will be advised as to the intention of the parties to rely on the exemption from registration under the 1933 Act pursuant to Section 3(a)(10) prior to the hearing required to approve the Arrangement;
 - (iii) the Court will be required to satisfy itself as to the fairness of the Arrangement;
 - (iv) the order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair;
 - (v) Virginia and Santoy will ensure that each securityholder entitled to receive securities on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right; and

- (vi) the Interim Order approving the Virginia Meeting and the Santoy Meeting will specify that each securityholder will have the right to appear before the Court so long as they enter an appearance within a reasonable time.
- (d) Virginia, Santoy and Subco shall, as soon as reasonably practicable, apply to the Court pursuant to Section 288 of the BCBCA for the Interim Order providing for, among other things, the calling and holding of the Virginia Meeting and the Santoy Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement. If the approval of the Arrangement as set forth in the Interim Order is obtained, Virginia, Santoy and Subco shall take the necessary steps to submit the Arrangement to the Court and apply for the Final Order in such fashion as the Court may direct and, as soon as practicable thereafter, and subject to satisfaction or waiver of any other conditions provided for in this Agreement, Virginia, Santoy and Subco shall file with the Registrar, pursuant to Section 292 of the BCBCA, a certified copy of the Final Order and all other necessary documents to give effect to the Arrangement.

2.9 Preparation of Filings

- (a) Santoy and the Virginia Parties shall cooperate in:
 - (i) the preparation of any required documents reasonably deemed by Santoy, Virginia or Holdco to be necessary to discharge their respective obligations under United States and Canadian securities Laws in connection with the Arrangement and the other transactions contemplated hereby;
 - (ii) the taking of all such action as may be required under any applicable United States and Canadian securities Laws in connection with the issuance of the Santoy Incentive Warrants and the Santoy Common Shares in connection with the Arrangement; provided, however, that neither Santoy nor Virginia shall be required to register or qualify as a foreign corporation or to take any action that would subject it to service of process or to taxation in any jurisdiction where such entity is not now so subject, except as to matters and transactions arising solely from the offer and sale of the Santoy Incentive Warrants and the Santoy Common Shares; and
 - (iii) the taking of all such action as may be required under the YBCA, the ABCA or the BCBCA in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.
- (b) Each of Santoy, Virginia and Holdco shall promptly furnish to the other all information concerning it and its affiliates and securityholders as may be required for the effectuation of the actions described in Sections 2.7 and 2.8 and the foregoing provisions of this Section 2.9, and each covenants that no information furnished by it (to its knowledge in the case of information concerning its securityholders, as applicable) for such purpose will contain any Misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated in any such document or necessary in order to make any information so furnished for use in any such document not misleading in the light of the circumstances in which it is furnished or in which it is to be used.
- (c) Each of Santoy, Virginia and Holdco shall promptly notify the other if at any time before the Effective Time it becomes aware that the Circular or any application for an order

hereunder contains any Misrepresentation or any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Circular or such application or registration statement. In any such event, Santoy and the Virginia Parties shall cooperate in the preparation of any required supplement or amendment to the Circular or such other document, as the case may be, and, if required by applicable Law or the Court, shall cause the same to be distributed to the Virginia Shareholders or the Santoy Shareholders, as applicable, or filed with the applicable securities regulatory authorities.

- (d) Virginia and Holdco shall ensure that the Circular, as it relates to Virginia and Holdco, complies with all applicable Laws and, without limiting the generality of the foregoing, that the Circular, as it relates to Virginia and Holdco only does not contain any Misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made. Without limiting the generality of the foregoing, Virginia and Holdco shall ensure that the Circular contains information respecting Virginia and Holdco reasonably requested by Santoy to enable it to comply with National Instrument 51-102 "Continuous Disclosure Requirements" and Form 51-102F5 thereunder adopted by the Canadian Securities Administrators and provides Virginia Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Virginia Meeting.
- (e) Santoy shall ensure that the Circular, as it relates to Santoy, complies with all applicable Laws and, without limiting the generality of the foregoing, that the Circular, as it relates to Santoy only does not contain any Misrepresentation or any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made. Without limiting the generality of the foregoing, Santoy shall ensure that the Circular complies with National Instrument 51-102 "Continuous Disclosure Requirements" and Form 51-102F5 thereunder adopted by the Canadian Securities Administrators and provides Santoy Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Santoy Meeting.
- (f) Santoy shall diligently do all such acts and things as may be necessary to comply, in all material respects, with National Instrument 54-101 "Communications with Beneficial Owners of Securities of a Reporting Issuer" of the Canadian Securities Administrators in relation to the Santoy Meeting and, without limiting the generality of the foregoing, shall, in consultation with the other parties, use all reasonable efforts to abridge the timing contemplated by such instrument (but shall not be required to file or make any application for a waiver or exemption from such instrument).

2.10 Solicitation of Proxies

Santoy and Virginia agree that the other party may at any time, directly or through a soliciting dealer, in cooperation with the first party, actively solicit proxies in favour of the Arrangement Resolution, subject to the party soliciting proxies complying with any Laws applicable to the solicitation of proxies.

2.11 U.S. Tax Treatment

The merger of Subco and Virginia as set forth in the Plan of Arrangement is intended to qualify as a tax - free reorganization within the meaning of Section 368(a) of the U.S. Tax Code and this Agreement is intended to be a "plan of reorganization" within the meaning of the Treasury Regulations promulgated under Section 368 of the U.S. Tax Code. Provided that the Arrangement meets the requirements of a reorganization within the meaning of Section 368(a) of the U.S. Tax Code, each party hereto agrees to treat the Arrangement as a tax - free reorganization within the meaning of Section 368(a) of the U.S. Tax Code for all United States federal income tax purposes, and agrees to treat this Agreement as a "plan of reorganization" within the meaning of the U.S. Treasury Regulations promulgated under Section 368 of the U.S. Tax Code, and to not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by a "determination" within the meaning of Section 1313 of the U.S. Tax Code that such treatment is not correct. Each party hereto agrees to act in a manner that is consistent with the parties' intention that the said merger of Subco and Virginia be treated as a reorganization within the meaning of Section 368(a) of the U.S. Tax Code for United States federal income tax purposes. Notwithstanding the foregoing, none of Santoy, Virginia or Holdco makes any representation, warranty or covenant to any other party or to any Virginia Shareholder, Santoy Shareholder, Holdco Private Shareholder or other holder of Virginia securities, Santoy securities or Holdco securities (including, without limitation, stock options, warrants, debt instruments or other similar rights or instruments) regarding the U.S. tax treatment of the said merger of Subco and Virginia, including, but not limited to, whether the said merger of Subco and Virginia will qualify as a tax - free reorganization within the meaning of Section 368(a) of the U.S. Tax Code or the U.S. tax treatment of the exchange of Holdco Private Shares for Santoy Shares.

Article 3

REPRESENTATIONS AND WARRANTIES OF THE VIRGINIA PARTIES

Virginia and Holdco (each on behalf and in respect only of itself) hereby represent and warrant on a several and not joint or joint and several basis to Santoy as follows and acknowledge that Santoy is relying upon such representations and warranties in connection with the entering into of this Agreement:

3.1 Organization and Standing

- (a) Each of Virginia, Holdco and Holdco Subsidiaries has been duly organized or formed and is validly existing and, to the extent such concept is legally recognized, in good standing under the Laws of its jurisdiction of incorporation, continuation, organization or formation, as the case may be, with full corporate or legal power and authority to own, lease and operate its properties and assets and to conduct its business as currently owned and conducted. Each of Virginia, Holdco and Holdco Subsidiaries is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties and assets requires it to so qualify, except where the failure to so qualify will not result in a Material Adverse Effect. Virginia does not have any subsidiaries.
- (b) Virginia is the beneficial and legal owner of 16,574,956 Holdco Common Shares subject to a pledge to Santoy of 1,666,666 of such shares. Holdco is the beneficial and legal owner of 100% of the common shares of Virginia Uranium, Inc. (a Virginia corporation) and Virginia Uranium, Inc. is the beneficial and legal owner of 100% of the membership interests of Southside Cattle Company, LLC (a Virginia limited liability company).

- (c) Each of Virginia and Holdco has made available to Santoy complete and correct copies of its articles and by-laws as in effect on the date of this Agreement.
- (d) Except for the 16,574,956 Holdco Common Shares owned by Virginia, Virginia does not as of the date of this Agreement own, directly or indirectly, any capital stock, membership interest, partnership interest, joint venture interest or other equity interest in any person.
- (e) Except for the Holdco Subsidiaries, Holdco does not as of the date of this Agreement own, directly or indirectly, any capital stock, membership interest, partnership interest, joint venture interest or other equity interest in any person.
- (f) There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Virginia, threatened against the Virginia, Holdco or any Holdco Subsidiaries before any Governmental Entity.

3.2 Authority and No Conflicts

- (a) Each of Virginia and Holdco has all requisite corporate power and authority to execute and deliver this Agreement and the other documents related to the transactions contemplated hereunder and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby, subject to the approval of Virginia Shareholders, the Holdco Common Share Restructuring, the execution of the Holdco Amended Shareholders' Agreement, regulatory approvals relating to the Continuance, and the approval of the Court as provided in this Agreement with respect to the Plan of Arrangement. The execution and delivery of this Agreement and the other documents related to the transactions contemplated hereunder by each of Virginia and Holdco and the consummation by each of Virginia and Holdco of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Virginia and Holdco are necessary to authorize this Agreement and the other documents related to the transactions contemplated hereunder or to consummate the transactions contemplated hereby or thereby other than the Holdco Common Share Restructuring, the approval of the Virginia Shareholders, the approval in writing of the Holdco Amended Shareholders' Agreement by not less than 85% of the shareholders of Holdco and the approval of the Court, the completion of the Continuance of Virginia and the filing of such corporate documents under the YBCA and the BCBCA as are provided for in this Agreement.
- (b) Each of this Agreement and the other documents related to the transactions contemplated hereunder has been or will be duly and validly executed and delivered by Virginia and Holdco and constitutes or will constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, fraudulent conveyance or transfer and other applicable Laws affecting creditors' rights generally, and by general principles of equity.
- (c) The board of directors of Virginia has determined by the unanimous approval of all directors (other than Ronald Netolitzky and Norman Reynolds, who declared their interests and abstained from voting) (A) that this Agreement and the transactions contemplated hereby and the Arrangement Resolution, are fair from a financial point of view to the Virginia Shareholders and are in the best interests of Virginia and (B) to

recommend that the Virginia Shareholders vote in favour of the Continuance Resolution and the Arrangement Resolution.

- (d) Neither the execution and delivery of this Agreement and all other documents related to the transactions contemplated hereunder by Virginia or Holdco nor the performance by it of its obligations hereunder and thereunder and the completion of the transactions contemplated hereby, will:
- (i) conflict with, or violate any provision of, the constating documents of Virginia, Holdco or any Holdco Subsidiaries or any agreement or instrument to which any such entity is a party or by which any such entity is bound or constitute a default by any such entity thereunder, save the Holdco Shareholders' Agreement the terms of which shall be amended or waived by the Holdco Amended Shareholders' Agreement on or before the closing of the Arrangement such that the execution and delivery of this Agreement and the consummation of the Arrangement will not conflict with or result in any violation, contravention, breach or default described above;
 - (ii) subject to any and all required consents, approvals, orders, authorizations, registrations, declarations or filings being made or obtained, violate or breach any Laws applicable to Virginia, Holdco or any Holdco Subsidiaries or any of its properties or assets or cause the suspension or revocation of any Permit currently in effect except as disclosed in the Virginia Data Room Information;
 - (iii) subject to any and all required consents, approvals, orders, authorizations, registrations, declarations or filings being made or obtained and except as disclosed in the Virginia Data Room Information, violate or conflict with or result in the breach of, or constitute a default (or an event that with the giving of notice, the passage of time, or both would constitute a default) under, or entitle any party (with the giving of notice, the passage of time or both) to any right of first refusal or trigger any change in control provisions or to terminate, accelerate, modify or call any obligations or rights under any credit agreement, note, bond, mortgage, indenture, deed of trust, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which Virginia, Holdco or any Holdco Subsidiaries is a party or by which Virginia, Holdco or any Holdco Subsidiaries or its or their property is bound or subject;
 - (iv) result in the imposition of any encumbrance, charge or Lien upon or require the sale or give any person the right to acquire any of Virginia's or Holdco's assets or the assets of any Holdco Subsidiaries, or restrict, hinder, impair or limit the ability of Virginia, Holdco or any Holdco Subsidiaries to carry on their respective businesses as and where they are now being carried on or as contemplated to be carried on as disclosed by the Virginia Parties to Santoy;

other than any such violations, contraventions, breaches, defaults or encumbrances or Liens that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect on the Virginia Parties except as disclosed in the Virginia Data Room Information.

3.3 Capitalization; Trading in Securities

- (a) The authorized capital of Virginia consists of an unlimited number of common shares without par value and, as of the date hereof, there are 14,908,273 Virginia Common Shares outstanding and there are no options, warrants, or other securities of Virginia convertible into or exchangeable for, or other rights to acquire, Virginia Common Shares outstanding and no person has any agreement, right or privilege capable of becoming such for the purchase, subscription, allotment or issue of any of the unissued securities of Virginia other than pursuant to the third amended and restated note purchase agreement between Virginia and Cormark dated February 1, 2009 whereby Virginia has agreed to purchase the Cormark Note in exchange for Virginia Common Shares.
- (b) The authorized capital of Holdco consists of an unlimited number of common shares without par value and, as of the date hereof, there are 127,055,661 Holdco Common Shares and there are no options, warrants, or other securities of Holdco convertible into or exchangeable for, or other rights to acquire, Holdco Common Shares outstanding other than the Cormark Note that is convertible into Holdco Common Shares and Holdco options for the purchase of 3,225,000 Holdco Common Shares, and no person has any agreement, right or privilege capable of becoming such for the purchase, subscription, allotment or issue of any of the unissued securities of Holdco.
- (c) All of the Virginia Common Shares and Holdco Common Shares have been duly authorized and are validly issued as fully paid and non-assessable, were not issued in violation of pre-emptive or similar rights or any other agreement or understanding binding upon Virginia or Holdco, as applicable, and were issued in compliance with applicable corporate Laws, all applicable securities Laws and the constating documents of Virginia and Holdco, as applicable. The 16,574,956 Holdco Common Shares which are held by Virginia, and the outstanding shares and other ownership interests in the Holdco Subsidiaries which are held by Holdco, have been duly authorized and are validly issued, fully paid and non-assessable, were not issued in violation of pre-emptive or similar rights and all such shares and other ownership interests are owned directly by Virginia or Holdco, as applicable, free and clear of all Liens, except for restrictions on transfers contained in the constating documents of such entities and pursuant to the Shareholders' Agreement.
- (d) Neither Virginia nor Holdco is listed on any stock exchange and neither is subject to any cease trade or other order of any securities regulatory authority and, to the knowledge of Virginia and Holdco, no investigation or other proceedings involving Virginia or Holdco which may operate to prevent or restrict trading of any securities of Virginia or Holdco are currently in progress or pending before any securities regulatory authority.

3.4 Reports; Financial Statements

- (a) Virginia, Holdco and Holdco Subsidiaries have timely filed all forms, reports, schedules, statements and other documents required to be filed in accordance with applicable Laws with (i) any applicable federal, state, provincial or territorial securities authority, and (ii) any other Governmental Entity, except where the failure to file any such forms, reports, schedules, statements or other documents would not have a Material Adverse Effect (all such forms, reports, schedules, statements and other documents are collectively referred to as the "**Virginia Parties Documents**"). The Virginia Parties Documents at the time filed did not contain any material Misrepresentation and complied in all material respects

with the requirements of applicable Laws except where the non-compliance would not have a Material Adverse Effect.

- (b) The audited financial statements of each of Virginia and Holdco (in the case of Holdco, such statements will be consolidated) for the years ended December 31, 2008 and 2007, together with the auditors' report thereon and the notes thereto (collectively, the "**Virginia Financial Statements**" or the "**Holdco Financial Statements**", as the case may be), which have been or will be provided to Santoy (i) have or will have been prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis during the periods involved, (ii) complied or will have complied in all material respects with the requirements of applicable securities Laws, (iii) are or will be in accordance with the books and records of Virginia and Holdco; (iv) contain or will contain and reflect all necessary adjustments for fair presentation of the results of operations and the financial condition of the business of Virginia and Holdco for the periods covered thereby, (v) contain or will contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of Virginia and Holdco, and (vi) do or will fairly present, in all material respects, the financial position (in the case of Holdco, the consolidated financial position), results of operations and cash flows of Virginia and Holdco as of the respective dates thereof and for the respective periods covered thereby. There has been no material change in Virginia's or Holdco's accounting policies since December 31, 2007.
- (c) Neither Virginia nor Holdco has any material outstanding indebtedness, material liability or obligation, whether accrued, absolute, contingent or otherwise not reflected in its respective financial statements for the year ended December 31, 2007 as provided to Santoy and the audited financial statements of Virginia and Holdco for the year ended December 31, 2008 shall not contain any change in its respective liabilities or obligations which might reasonably be expected to have a Material Adverse Effect.

3.5 **Tax Matters**

- (a) Each of Virginia, Holdco and the Holdco Subsidiaries has filed in a timely manner (except in respect of extensions granted or permitted by the relevant Governmental Entity) all Tax Returns required to be filed by it and notices required to be filed by it and has paid all applicable Taxes of whatsoever nature required to be paid to the date hereof to the extent that such Taxes have become due or have been alleged to be due and Virginia and Holdco are not aware of any Tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to have a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any material Tax Return by Virginia, Holdco or any Holdco Subsidiaries or the payment of any material Tax, governmental charge, penalty, interest or fine against Virginia, Holdco or any Holdco Subsidiaries. To the knowledge of Virginia and Holdco, there are no material actions, suits, proceedings, investigations or claims now threatened or pending against Virginia, Holdco or any Holdco Subsidiaries which could result in a material liability in respect of Taxes of any Governmental Entity, penalties, interest, fines, assessments or reassessments or any matters under discussion with any Governmental Entity to Taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and which might reasonably be expected to have a Material Adverse Effect.

- (b) For U.S. federal income tax purposes, Holdco is treated as a U.S. corporation and is a U.S. real property holding corporation within the meaning of Section 897(c)(2) of the U.S. Tax Code. Virginia is treated as a foreign corporation for U.S. federal income tax purposes and does not constitute a U.S. real property holding corporation within the meaning of Section 897(c)(2) of the U.S. Tax Code.

3.6 Absence of Certain Changes or Events

Since December 31, 2007, Virginia, Holdco and Holdco Subsidiaries have conducted their respective businesses only in the ordinary course in a manner consistent with past practice and there has been no Material Adverse Effect or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect or which materially and adversely affects the ability of Virginia or Holdco to consummate the transactions contemplated hereby or to restrict, hinder, impair or limit the ability of Virginia, Holdco or any Holdco Subsidiaries to carry on their respective businesses as and where they are now being carried on.

3.7 Property and Assets

- (a) Except as disclosed in the Virginia Data Room Information and except for Permitted Liens, each of Holdco and the Holdco Subsidiaries is the absolute legal and/or beneficial owner of, and has good and marketable and sufficient title to, all of the material property or assets as described in the Virginia Data Room Information comprising their material properties, free and clear of any title defect or Liens, and no other material property rights are necessary for the exploration and development of such material properties, other than surface rights for the development of such material properties. All leases and other agreements by which Holdco or the Holdco Subsidiaries directly and indirectly holds their interests in their properties or assets comprising their properties are in good standing and no mining activities have taken place on their properties other than limited exploration work.
- (b) Except as disclosed in the Virginia Data Room Information and except for Permitted Liens and the laws which place a moratorium on uranium mining in Virginia, neither Virginia nor Holdco knows of any claim or the basis for any claim that would reasonably be expected to have a Material Adverse Effect and none of Virginia, Holdco or any Holdco Subsidiaries has any responsibility or obligation to pay any material commission, royalty, licence fee or similar payment to any person with respect to such property rights except as disclosed in the Virginia Data Room Information.
- (c) Except as disclosed in the Virginia Data Room Information, no person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Virginia, Holdco or any Holdco Subsidiaries of any of its material assets.
- (d) The Virginia Parties have made available for review by Santoy all material information in the Virginia Parties' possession requested by Santoy concerning the material property and assets comprising the material properties of Holdco and the Holdco Subsidiaries.

3.8 Environmental

- (a) Each of Holdco and Holdco Subsidiaries is (i) in compliance with applicable Environmental Laws, (ii) has received and are in compliance with all Permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its

business as presently conducted, and (iii) has not received notice of any actual or potential liability under any Environmental Laws, except where such non-compliance with Environmental Laws, failure to receive required Permits, licenses or other approvals, or liability could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

- (b) There are no outstanding environmental, remediation, rehabilitation, demand, notice or work orders or other directions relating to environmental matters requiring any work, repairs, construction or expenditures with respect to the material properties and the conduct of operations related thereto, the Virginia Group has not received any notice of the same and the Virginia Group is not aware of any basis on which any such orders or directions could be made.

3.9 Litigation

To the knowledge of Virginia, Holdco or the Holdco Subsidiaries, there are no claims, actions, suits, investigations or other legal proceedings currently pending, or to the knowledge of Virginia and Holdco, threatened against Virginia, Holdco or the Holdco Subsidiaries or to which its properties may be subject before any court or other Governmental Entity which individually or in the aggregate have, or could reasonably be expected to have, a Material Adverse Effect. Neither Virginia, Holdco or the Holdco Subsidiaries, nor its respective assets or properties are subject to any outstanding material judgement, order, writ, conjunction or decree.

3.10 Brokerage and Finder's Fees

Neither Virginia, Holdco nor any Holdco Subsidiary has entered into any agreement that would entitle any person to any valid claim against Virginia or Holdco for a broker's commission, finder's fee or any like payment in respect of the Arrangement or any other matter contemplated by this Agreement except for financial advisory fees payable to Cormark pursuant to the Cormark Financial Advisory Engagement.

3.11 Opinion of Fairness Advisor;

Evans has delivered an oral opinion to Virginia and will deliver a written opinion for inclusion in the Circular that, as of the date hereof, the consideration under the Arrangement is fair from a financial point of view to the Virginia Shareholders and to the Holdco Private Shareholders, subject to the assumptions and limitations described in such opinion.

3.12 U.S. Securities Law Matters

Virginia (i) is a "foreign private issuer" as defined in Rule 405 under the 1933 Act, (ii) has no class of securities outstanding that is or is required to be registered under Section 12 of the 1934 Act or that is subject to the reporting requirements of Section 13 or 15(d) of the 1934 Act and (iii) is not registered or required to register as an investment company under the 1940 Act and (iv) is not a "shell company", as such term is defined in Rule 405 under the 1933 Act.

3.13 Books and Records.

The financial books, records and accounts of Virginia, Holdco and each of the Holdco Subsidiaries in all material respects: (i) have been maintained in accordance with good business practices, on a basis consistent with prior years; and (ii) in each case, in reasonable detail, accurately and fairly

reflect the material transactions and dispositions of the assets of Virginia, Holdco and the Holdco Subsidiaries and accurately and fairly reflect the basis for the Virginia Financial Statements and the Holdco Financial Statements.

3.14 Virginia Data Room Information.

All Virginia Data Room Information was accurate in all material respects as at its respective date as stated therein, or, if any Virginia Data Room Information was undated, as of the date of its delivery to Santoy for purposes of the transactions contemplated by this Agreement. Additionally, all information provided to Santoy in relation to Santoy's due diligence requests, including information not provided in the Virginia Data Room Information, is accurate in all material respects as at its respective date as stated therein. To the extent that there has been a material change to any of the Virginia Data Room Information or any other information provided to Santoy since the date provided to Santoy, as the case may be, such information is accurate in all material respects or is no longer relevant or material to Virginia or additional information has been provided in the Virginia Data Room or to Santoy or its representatives which supplements or supercedes or replaces such information.

Article 4

REPRESENTATIONS AND WARRANTIES OF SANTOY

Santoy hereby represents and warrants to Virginia and Holdco as follows and acknowledges that each of Virginia and Holdco is relying upon such representations and warranties in connection with entering into this Agreement:

4.1 Organization and Standing

- (a) Each of Santoy and Santoy's Subsidiaries has been duly organized or formed and is validly existing and, to the extent such concept is legally recognized, in good standing under the Laws of its jurisdiction of incorporation, organization or formation, as the case may be, with full corporate or legal power and authority to own, lease and operate its properties and assets and to conduct its businesses as currently owned and conducted. Each of Santoy and Santoy's Subsidiaries is duly qualified to do business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties and assets requires it to so qualify except where the failure to so qualify will not result in a Material Adverse Effect.
- (b) Santoy has made available to Virginia complete and correct copies of its articles and by-laws as in effect for each of Santoy and Santoy's Subsidiaries on the date of this Agreement.
- (c) Except as disclosed in the Santoy SRA Reports, Santoy does not as of the date of this Agreement own, directly or indirectly, any material capital stock, membership interest, partnership interest, joint venture interest or other equity interest in any person.
- (d) There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress or, to the knowledge of Santoy, threatened against the Santoy or Santoy's Subsidiaries before any Governmental Entity.

4.2 **Authority and No Conflicts**

- (a) Each of Santoy and Subco has all requisite corporate power and authority to execute and deliver this Agreement and the other documents related to the transactions contemplated hereunder and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby, subject to regulatory approvals relating to the Continuance of Santoy, the approval of the Court as provided in this Agreement with respect to the Plan of Arrangement and the approval of the TSXV. The execution and delivery of this Agreement and the other documents related to the transactions contemplated hereunder by Santoy and Subco and the consummation by Santoy and Subco of the transactions contemplated by this Agreement have been duly and validly authorized by all necessary corporate action and no other corporate proceedings on the part of Santoy and Subco are necessary to authorize this Agreement and the other documents related to the transactions contemplated hereunder or to consummate the transactions contemplated hereby or thereby other than the approval of the Santoy Shareholders, the approval of the Court, the completion of the Continuance of Santoy and the filing of such corporate documents under the ABCA and the BCBCA as are provided for in this Agreement.
- (b) Each of this Agreement and the other documents related to the transactions contemplated hereunder has been or will be duly and validly executed and delivered by Santoy and Subco and constitutes or will constitute a legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, fraudulent conveyance or transfer and other applicable Laws affecting creditors' rights generally, and by general principles of equity.
- (c) The board of directors of Santoy has determined, on the recommendation of the special committee appointed by the said board to consider the Arrangement and by the unanimous approval of all directors (other than Mr. Ronald K. Netolitzky who declared his interest and abstained from voting) that (A) this Agreement and the transactions contemplated hereby and the Arrangement Resolution, are fair from a financial point of view to the Santoy Shareholders and are in the best interests of Santoy and (B) to recommend that the Santoy Shareholders vote in favour of both the Continuance Resolution of Santoy and the Arrangement Resolution.
- (d) Neither the execution and delivery of this Agreement and all other documents related to the transactions contemplated hereunder by Santoy and Subco nor the performance by them of their respective obligations under and by this Agreement or the Arrangement and the completion of the transactions contemplated hereby, will:
 - (i) conflict with, or violate any provision of, (A) the constating documents of Santoy or any of Santoy's Subsidiaries or any agreement or instrument to which any such entity is a party or by which any such entity is bound or constitute a default by any such entity thereunder, such that the execution and delivery of this Agreement and the consummation of the Arrangement will not conflict with or result in any violation, contravention, breach or default described above, or (B) any Permit or Material Contract to which Santoy or a Santoy's Subsidiary is a party or to which any of its properties or assets, may be subject or by which Santoy or a Santoy's Subsidiary is bound;

- (ii) subject to any and all required consents, approvals, orders, authorizations, registrations, declarations or filings being made or obtained, violate or breach any Laws applicable to Santoy or a Santoy's Subsidiary or any of their properties or assets or cause the suspension or revocation of any Permit currently in effect except as disclosed in the Santoy Data Room Information;
- (iii) subject to any and all required consents, approvals, orders, authorizations, registrations, declarations or filings being made or obtained and except as disclosed in the Santoy Data Room Information, violate or conflict with or result in the breach of, or constitute a default (or an event that with the giving of notice, the passage of time, or both would constitute a default) under, or entitle any party (with the giving of notice, the passage of time or both) to any right of first refusal or trigger an change in control provisions or to terminate, accelerate, modify or call any obligations or rights under any credit agreement, note, bond, mortgage, indenture, deed of trust, contract, agreement, lease, license, franchise, permit, concession, easement or other instrument to which Santoy or a Santoy's Subsidiary is a party or by which Santoy or a Santoy's Subsidiary or their property is bound or subject; or
- (iv) result in the imposition of any encumbrance, charge or Lien upon or require the sale or give any person the right to acquire any of Santoy's or a Santoy Subsidiary's assets, or restrict, hinder, impair or limit the ability of Santoy or a Santoy's Subsidiary to carry on their respective businesses as and where they are now being carried on or as contemplated to be carried on as disclosed by Santoy to the Virginia Parties; other than any such violations, contraventions, breaches, defaults or encumbrances or Liens that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect on Santoy except as disclosed in the Santoy Data Room Information.

4.3 Capitalization; Trading in Securities

- (a) The authorized capital of Santoy consists of an unlimited number of common shares without par value and, as of the date hereof, there are 104,739,792 Santoy Common Shares outstanding and there are 8,955,000 Santoy Options, 2,740,477 Santoy Warrants and there are no other options, warrants , or other securities of Santoy convertible into or exchangeable for, or other rights to acquire, Santoy Common Shares outstanding and no person has any agreement, right or privilege capable of becoming such for the purchase, subscription, allotment or issue of any of the unissued securities of Santoy other than outstanding Santoy Options and Santoy Warrants entitling the holders thereof to acquire an aggregate of 11,695,477 Santoy Common Shares.
- (b) All of the Santoy Common Shares have been duly authorized and are validly issued and fully paid and non-assessable, were not issued in violation of pre-emptive or similar rights or any other agreement or understanding binding upon Santoy and were issued in compliance with applicable corporate laws, all applicable securities Laws and the constating documents of Santoy. All shares and other ownership interests in other entities are owned directly or indirectly by Santoy, free and clear of all Liens, except for restrictions on transfers which may be contained in the constating documents of such entities.
- (c) The Santoy Common Shares are listed for trading on the TSXV.

- (d) Santoy is not subject to any cease trade or other order of any applicable stock exchange or securities regulatory authority and, to the knowledge of Santoy, no investigation or other proceedings involving Santoy which may operate to prevent or restrict trading of any securities of Santoy are currently in progress or pending before any applicable stock exchange or securities regulatory authority.

4.4 Reports; Financial Statements

- (a) Santoy has timely filed all forms, reports, schedules, statements and other documents required to be filed in accordance with applicable Laws with (i) Canadian securities regulatory authorities (collectively, the "**Santoy SRA Reports**"), (ii) any other applicable federal, state, provincial or territorial securities authority, and (iii) any other Governmental Entity, except with respect to clause (iii) of this Section 4.4(a) where the failure to file any such forms, reports, schedules, statements or other documents would not have a Material Adverse Effect (all such forms, reports, schedules, statements and other documents are collectively referred to as the "**Santoy Documents**"). The Santoy Documents at the time filed did not contain any material Misrepresentation and complied in all material respects with the requirements of applicable Laws except where the non-compliance would not have a Material Adverse Effect. Santoy has not filed any confidential material change report with any Canadian securities authority or regulator, the TSXV or any other stock exchange that at the date of this Agreement remains confidential.
- (b) The audited consolidated financial statements of Santoy for the years ended June 30, 2008 and 2007, together with the auditors' report thereon and the notes thereto, and the unaudited interim consolidated financial statements of Santoy for the three months ended September 30, 2008 and the interim consolidated financial statements of Santoy to be provided for the six months ended December 31, 2008 (collectively, the "**Santoy Financial Statements**") and the notes thereto contained or to be contained in the Santoy SRA Reports (i) have been or will be prepared in accordance with Canadian generally accepted accounting principles applied on a consistent basis during the periods involved, (ii) complied or will comply in all material respects with the requirements of applicable securities Laws, (iii) are or will be in accordance with the books and records of Santoy; (iv) do or will contain and reflect all necessary adjustments for fair presentation of the results of operations and the financial condition of the business of Santoy for the periods covered thereby, (v) do or will contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of Santoy, and (vi) do or will fairly present, in all material respects, the consolidated financial position, results of operations and cash flows of Santoy as of the respective dates thereof and for the respective periods covered thereby, subject, in the case of unaudited financial statements, to normal, recurring audit adjustments none of which will be material, individually or in the aggregate. There has been no material change in Santoy's accounting policies since June 30, 2008.
- (c) Santoy does not have any material outstanding indebtedness, material liability or obligation, whether accrued, absolute, contingent or otherwise not reflected in its financial statements for the balance sheet dated September 30, 2008 and any future prepared financial statements of Santoy provided for the Circular shall not contain any change in its liabilities or obligations which might reasonably be expected to have a Material Adverse Effect.

4.5 Tax Matters

Each of Santoy and Santoy's Subsidiaries has filed in a timely manner (except in respect of extensions granted or permitted by the relevant Governmental Entity) all Tax Returns required to be filed by it and notices required to be filed by it and has paid all applicable Taxes of whatsoever nature required to be paid to the date hereof to the extent that such Taxes have become due or have been alleged to be due and Santoy is not aware of any Tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to have a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any material Tax Return by Santoy or Santoy's Subsidiaries or the payment of any material Tax, governmental charge, penalty, interest or fine against Santoy or Santoy's Subsidiaries. To the knowledge of Santoy, there are no material actions, suits, proceedings, investigations or claims now threatened or pending against Santoy or any of Santoy's Subsidiaries which could result in a material liability in respect of Taxes or any matters under discussion with any Governmental Entity to Taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and which might reasonably be expected to have a Material Adverse Effect.

4.6 Absence of Certain Changes or Events

Except as disclosed in the Santoy SRA Reports filed prior to the date of this Agreement, since June 30, 2008, Santoy has conducted its business only in the ordinary course in a manner consistent with past practice and there has been no Material Adverse Effect or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect or which materially and adversely affects the ability of Santoy to consummate the transactions contemplated hereby or to restrict, hinder, impair or limit the ability of Santoy to carry on its business as and where it is now being carried on.

4.7 Property and Assets

- (a) Except as disclosed in the Santoy Data Room Information and except for Permitted Liens and the laws prohibiting uranium exploration and development in British Columbia, Santoy is the absolute legal and/or beneficial owner of, and has good, marketable and sufficient title to, all of the material property, assets or its mineral interests and rights comprising its material properties (it being understood that certain of the assets of Santoy consist of options to acquire an interest in mineral properties), free and clear of any title defect or Liens, and no other material property rights are necessary for the exploration and development of such material properties, other than surface rights for the development of such material properties.
- (b) Except as disclosed in the Santoy Data Room Information and except for Permitted Liens and the laws prohibiting uranium exploration and development in British Columbia, Santoy does not know of any claim or the basis for any claim that would reasonably be expected to have a Material Adverse Effect and Santoy has no responsibility or obligation to pay any material commission, royalty, licence fee or similar payment to any person with respect to such property rights.
- (c) Except as disclosed in the Santoy Data Room Information no person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Santoy of any of its material assets.

- (d) All assessment work requirements for the material properties of Santoy have been performed and all filings and recordings of proof of performance have been made properly and all annual mining claim maintenance and fees have been paid properly and timely.
- (e) Santoy has made available for review by the Virginia Group all material information in Santoy's possession requested by Virginia and Holdco concerning the material property and assets comprising the material properties of Santoy.

4.8 Environmental

- (a) Santoy is (i) in compliance with applicable Environmental Laws, (ii) has received and is in compliance with all Permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business as presently conducted and (iii) has not received notice of any actual or potential liability under any Environmental Laws, except where such non-compliance with Environmental Laws, failure to receive required Permits, licenses or other approvals, or liability could not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.
- (b) There are no outstanding environmental, remediation, rehabilitation, demand, notice or work orders or other directions relating to environmental matters requiring any work, repairs, construction or expenditures with respect to Santoy's material properties and the conduct of operations related thereto, Santoy has not received any notice of the same and Santoy is not aware of any basis on which any such orders or directions could be made.

4.9 Litigation

To the knowledge of Santoy, there are no claims, actions, suits, investigations or other legal proceedings currently pending, or to the knowledge of Santoy, threatened against Santoy or to which its properties may be subject before any court or other Governmental Entity which individually or in the aggregate have, or could reasonably be expected to have, a Material Adverse Effect. Neither Santoy nor its respective assets or properties are subject to any outstanding material judgement, order, writ, conjunction or decree.

4.10 Brokerage and Finder's Fees

Santoy has not entered into any agreement that would entitle any person to any valid claim against Santoy for a broker's commission, finder's fee or any like payment in respect of the Arrangement or any other matter contemplated by this Agreement.

4.11 Opinion of Fairness Advisors

Toll Cross has delivered an oral opinion to Santoy and will deliver a written opinion for inclusion in the Circular that, as of the date thereof, the consideration under the Arrangement is fair from a financial point of view to the Santoy Shareholders, subject to the assumptions and limitations described in such opinion.

4.12 U.S. Securities Law Matters

Santoy (i) is a "foreign private issuer" as defined in Rule 3b-4 under the 1934 Act, (ii) is exempt from the requirement to register a class of equity securities under section 12(g) of the 1934 Act by virtue

of Rule 12g3-2(b) and is not subject to the reporting requirements of Section 13 or 15(d) of the 1934 Act, (iii) is not registered or required to register as an investment company under the 1940 Act and (iv) is not a "shell company", as such term is defined in Rule 405 under the 1933 Act.

4.13 Reporting Status and Canadian Securities Laws Matters

Santoy is a "reporting issuer" and not on the list of reporting issuers in default under applicable securities Laws in the Provinces of British Columbia, Alberta and Quebec.

4.14 Books and Records

The financial books, records and accounts of Santoy and each of Santoy's Subsidiaries in all material respects: (i) have been maintained in accordance with good business practices, on a basis consistent with prior years; and (ii) in each case, in reasonable detail, accurately and fairly reflect the material transactions and dispositions of the assets of Santoy and Santoy's Subsidiaries and accurately and fairly reflect the basis for the Santoy Financial Statements.

4.15 Santoy Data Room Information

All Santoy Data Room Information was accurate in all material respects as at its respective date as stated therein, or, if any Santoy Data Room Information was undated, as of the date of its delivery to Virginia for purposes of the transactions contemplated by this Agreement. Additionally, all information provided to Virginia in relation to Virginia's due diligence requests, including information not provided in the Santoy Data Room Information, is accurate in all material respects as at its respective date as stated therein. To the extent that there has been a material change to any of the Santoy Data Room Information or any other information provided to Virginia since the date provided to Virginia, as the case may be, such information is accurate in all material respects or is no longer relevant or material to Santoy or additional information has been provided in the Santoy Data Room or to Virginia or its representatives which supplements or supercedes or replaces such information.

Article 5 **COVENANTS AND AGREEMENTS**

5.1 Covenants of the Virginia Parties

- (a) Each of Virginia and Holdco agrees as follows from the date of this Agreement until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with Article 7, in each case except with the consent of Santoy to any deviation therefrom, or as expressly contemplated in this Agreement or the Plan of Arrangement:
 - (i) Each of Virginia and Holdco, and Holdco shall cause the Holdco Subsidiaries to: (A) carry on its businesses in the usual and ordinary course consistent with past practices, (B) use commercially reasonable efforts to preserve intact its present business organizations and material rights and franchises, to keep available the services of its current officers and employees, and to preserve its relationships with those having business dealings with it, and (C) maintain and keep its material properties and assets in as good repair and condition as at the date of this Agreement, subject to ordinary wear and tear, all to the end that its

goodwill and ongoing businesses shall not be impaired in any material respect at the Effective Time.

- (ii) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to: (A) declare, set aside or pay any dividends on, make other distributions or return capital in respect of any of its capital stock or any other equity interests, in cash, stock property or otherwise; (B) except as contemplated by this Agreement, split, combine, subdivide or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock; (C) other than the issuance of 975,000 of restricted stock of Holdco (or such other number with the written consent of Santoy not to be unreasonably withheld) issue, sell, pledge, reserve, set aside, dispose of, grant or encumber, repurchase, redeem or otherwise acquire any shares of its capital stock or any securities or obligations convertible into, exercisable or exchangeable for, or any rights, warrants, calls, subscriptions or options to acquire, shares of its capital stock (including any phantom interest or other right linked to the price of the Virginia Common Shares or Holdco Common Shares), or authorize any of the foregoing, other than the issuance of restricted stock of Holdco as permitted by this Agreement or as required by the terms of 3,225,000 Holdco options outstanding on the date of this Agreement; or (D) except as contemplated by this Agreement, enter into or announce any agreement or arrangement with respect to the sale, voting, registration or repurchase of any shares of its capital stock or any security convertible into or exchangeable for such shares.
- (iii) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to authorize, make or commit to make any expenditures (including capital expenditures and capital lease obligations) except in the ordinary course of business consistent with past practice and payments made to legal advisors, financial advisors and other third parties reasonably incurred in connection with the Arrangement
- (iv) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, reorganize, recapitalize, consolidate, dissolve, liquidate, amalgamate or merge with any other person, nor acquire or agree to acquire, by amalgamating, merging or consolidating with, by purchasing an equity interest in or a portion of the assets of, or by any other manner, any business or person.
- (v) As disclosed in the Virginia Data Information, Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to sell, pledge, encumber, lease (whether such lease is an operating or capital lease) or otherwise dispose of any material assets (other than relating to transactions between two or more wholly-owned Holdco Subsidiaries or between a wholly-owned Holdco Subsidiary and Holdco) except in the ordinary course of business.
- (vi) Other than loans to the Virginia Parties and/or a Holdco Subsidiary secured by real estate owned by Southside Cattle Company LLC (which shall be subject to the prior written consent of Santoy not to be unreasonably withheld), as disclosed in the Virginia Data Information, Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, (A) incur any indebtedness for

borrowed money or purchase money indebtedness or assume, guarantee, endorse or enter into a "keepwell" or similar arrangement with respect to, any indebtedness, other than (1) indebtedness between Holdco and any Holdco Subsidiaries, (2) additional indebtedness incurred in the ordinary course of business consistent with past practice and (3) additional borrowings under credits lines existing as of the date of this Agreement incurred in the ordinary course of business consistent with past practice, (B) enter into any material operating lease or create any Liens on the property of Virginia, Holdco or any Holdco Subsidiaries in connection with any indebtedness or (C) refinance any debt.

- (vii) Except as required by applicable Law or any agreement to which Virginia, Holdco or any Holdco Subsidiaries is a party on the date of this Agreement, Virginia and Holdco shall not, nor shall Holdco permit any of Holdco Subsidiaries to:
 - (A) other than the issuance of restricted stock by Holdco referred to in Section 5.1(a)(ii), without the consent of Santoy, such consent not to be unreasonably or untimely withheld, increase the amount of (or accelerate the payment or vesting of) any benefit or amount payable under, any employee benefit plan or any other contract, agreement, commitment, arrangement, plan or policy providing for compensation or benefits to any former, present or future director, officer or employee of Virginia, Holdco or any Holdco Subsidiaries, except for such increases that are in the ordinary course of business for non-management employees;
 - (B) without the consent of Santoy, such consent not to be unreasonably or untimely withheld, increase (or enter into any commitment or arrangement to increase) the compensation or benefits, or otherwise to extend, expand or enhance the engagement, employment or any related rights, of any former, present or future director, officer, employee or consultant of Virginia, Holdco or any Holdco Subsidiaries, except for such increases that are in the ordinary course of business;
 - (C) amend, vary or modify the Holdco Plans or any options outstanding thereunder; or
 - (D) other than the issuance of restricted stock by Holdco permitted by this Agreement, except with the consent of Santoy, adopt, establish, enter into or implement any employee benefit plan, policy, severance or termination agreement providing for any form of benefits or other compensation to any former, present or future director, officer or employee of Virginia, Holdco or any Holdco Subsidiaries or amend any employee benefit plan, policy, severance or termination agreement.
- (viii) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, amend or propose to amend its constating documents save as contemplated by this Agreement.
- (ix) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, pay, discharge, satisfy, compromise or settle any claims,

obligations or liabilities prior to the same being due which, individually or in the aggregate except in the ordinary course of business consistent with past practice.

- (x) Except in the ordinary course of business, Virginia, and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, (A) enter into, terminate or waive any provision of, exercise any option or relinquish any contractual rights under, or modify in any material respect any Contract, agreement, guarantee, lease commitment or arrangement material to it or any Contract which involves payments or receipts by Virginia, Holdco or any Holdco Subsidiaries except in the ordinary course of business consistent with past practice, or (B) waive, transfer, grant or release any claims or potential claims of material value or (C) waive any benefits of, or agree to modify in any respect, or terminate, release or fail to enforce, or consent to any material matter with respect to which consent is required, under, any confidentiality, standstill or similar agreement to which Virginia, Holdco or any Holdco Subsidiaries is a party or which Virginia, Holdco or any Holdco Subsidiaries is a beneficiary.
- (xi) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, make any changes to the existing accounting practices, methods and principles relating to Virginia, Holdco or any Holdco Subsidiary except as required by Law or by Canadian (or United States in the case of Holdco Subsidiaries) generally accepted accounting principles.
- (xii) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, (A) make, change or rescind any material tax election, (B) take any action, or omit to take any action, in either case inconsistent with past practice, relating to the filing of any Tax Return or the payment of any Tax (except as otherwise required by Law), (C) settle any material Tax claim or assessment, or (D) surrender any right or claim to a Tax refund.
- (xiii) Virginia and Holdco shall not take any action to exempt from, waive or make not subject to (including redemption of outstanding rights) any take-over Law or other Law that purports to limit or restrict business combinations or the ability to acquire or vote shares, any person (other than Santoy) or any action taken thereby including any take-over bid, which person or action would have otherwise been subject to the restrictive provisions thereof and not exempt therefrom. Virginia, and Holdco shall not, nor shall Holdco permit any Holdco Subsidiary to, enter into any confidentiality or standstill agreement except as permitted by Section 5.5, amend, release any third party from its obligations or grant any consent under any confidentiality or standstill provision or fail to fully enforce any such provision.
- (xiv) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, take or fail to take any action which would cause any of Virginia's or Holdco's representations or warranties hereunder to be untrue in any material respect or would be reasonably expected to prevent or materially impede, interfere with or delay the Arrangement or which would cause the conditions set forth in Sections 6.1 and 6.3 not to be satisfied.

- (xv) Virginia and Holdco shall not, nor shall Holdco permit any Holdco Subsidiaries to, (A) cancel any material indebtedness, or (B) except as contemplated herein, waive, transfer, grant or release any claims or potential claims of material value.
- (b) Virginia and Holdco as the case may be, as applicable, shall promptly advise Santoy in writing:
 - (i) of any event, condition or circumstance that might be reasonably expected to cause any representation or warranty of Virginia or Holdco contained in this Agreement to be untrue or inaccurate on the Effective Date (or, in the case of any representation or warranty made as of a specified date, as of such specified date) in any material respect;
 - (ii) of any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on Virginia or Holdco; and
 - (iii) of any material breach by Virginia or Holdco of any covenant, obligation or agreement contained in this Agreement.
- (c) Virginia and Holdco shall each use its commercially reasonable efforts to perform all obligations required to be performed by Virginia, Holdco under this Agreement, cooperate with Santoy in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, Virginia shall:
 - (i) subject to Sections 5.5 and 5.6, solicit from the Virginia Shareholders proxies in favour of approval of the Continuance Resolution of Virginia and the Arrangement Resolution (in a commercially reasonable manner) and use commercially reasonable efforts to obtain the approval by Virginia Shareholders of such resolutions;
 - (ii) subject to the last sentence of Section 5.6(a), not adjourn, postpone or cancel (or propose adjournment, postponement or cancellation of) the Virginia Meeting without Santoy's prior written consent except as required by Law or, in the case of adjournment, as may be required by Virginia Shareholders as expressed by majority resolution;
 - (iii) use commercially reasonable efforts to satisfy or cause to be satisfied as soon as reasonably practicable all the conditions precedent that are set forth in Article 6 hereof;
 - (iv) as soon as practicable apply for and use commercially reasonable efforts to obtain all Appropriate Regulatory Approvals required to be obtained by Virginia, Holdco or any Holdco Subsidiaries in order for Virginia and Holdco to consummate the transactions contemplated hereby and, in doing so, to keep Santoy reasonably informed as to the status of the proceedings and any material discussions or correspondence related to obtaining such Appropriate Regulatory Approvals, including, but not limited to, providing Santoy the opportunity to be present for all communications with any Governmental

Entity and providing Santoy with copies of all related applications and notifications, in draft and final form, in order for Santoy to provide its reasonable comments and all such applications and notifications shall be subject to the prior approval of Santoy, acting reasonably;

- (v) apply for and use commercially reasonable efforts to obtain the Interim Order and the Final Order, which Final Order shall be applied for on the basis that it shall be effective only upon Virginia notifying the Court that the Appropriate Regulatory Approvals have been obtained;
 - (vi) carry out the terms of the Interim Order and the Final Order applicable to it and use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on Virginia, Holdco or Holdco Subsidiaries with respect to the transactions contemplated hereby and by the Arrangement;
 - (vii) diligently defend all lawsuits or other legal, regulatory or other proceedings to which it is a party challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
 - (viii) use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order or other order which may adversely affect the ability of the parties to consummate the transactions contemplated hereby;
 - (ix) effect all necessary registrations, filings and submissions of information required by Governmental Entities from Virginia, Holdco or any Holdco Subsidiaries in connection with the transactions contemplated hereby;
 - (x) consult with Santoy prior to making publicly available Virginia or Holdco financial results for any period after the date of this Agreement; and
 - (xi) use commercially reasonable efforts to obtain all waivers, consents and approvals from other parties to loan agreements, leases or other contracts required to be obtained by Virginia, Holdco or a Holdco Subsidiary to consummate the transactions contemplated hereby which the failure to obtain would materially and adversely affect the ability of Virginia or Holdco to consummate said transactions.
- (d) The board of directors of Virginia shall recommend to the Virginia Shareholders the approval of the Arrangement Resolution, provided that, notwithstanding any other provision of this Agreement, the board of directors of Virginia may withdraw, modify or change its recommendation if such withdrawal, modification or change is permitted by, and made in accordance with, the provisions of Section 5.5 and prior to the approval of the Arrangement Resolution by the Virginia Shareholders.
- (e) Virginia shall have delivered to Santoy, Virginia Voting Agreements from the Virginia Locked-up Shareholders prior to, or contemporaneously with, the execution of this Agreement.

- (f) Virginia and Holdco shall obtain the written consent of Holdco shareholders owning a minimum of 85% of the Holdco Common Shares to, and have delivered, the Holdco Amended Shareholders' Agreement as at the Effective Date.

5.2 **Covenants of Santoy**

- (a) Santoy agrees as follows from the date of this Agreement until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with Article 7, in each case except with the consent of Virginia to any deviation therefrom, or as expressly contemplated in this Agreement or the Plan of Arrangement:
 - (i) Santoy shall (A) carry on its business in the usual and ordinary course consistent with past practices, (B) use commercially reasonable efforts to preserve intact its present business organizations and material rights and franchises, to keep available the services of its current officers and employees, and to preserve its relationships with those having business dealings with it, and (C) maintain and keep its material properties and assets in as good repair and condition as at the date of this Agreement, subject to ordinary wear and tear, all to the end that its goodwill and ongoing business shall not be impaired in any material respect at the Effective Time.
 - (ii) Santoy shall not: (A) declare, set aside or pay any dividends on, make other distributions or return capital in respect of any of its capital stock or any other equity interests, in cash, stock property or otherwise; (B) split, combine, subdivide or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock; (C) issue, sell, pledge, reserve, set aside, dispose of, grant or encumber, repurchase, redeem or otherwise acquire any shares of its capital stock or any securities or obligations convertible into, exercisable or exchangeable for, or any rights, warrants, calls, subscriptions or options to acquire, shares of its capital stock (including any phantom interest or other right linked to the price of the Santoy Common Shares), or authorize any of the foregoing, except as required by the terms of any Santoy Securities outstanding on the date of this Agreement; or (D) enter into or announce any agreement or arrangement with respect to the sale, voting, registration or repurchase of any shares of its capital stock or any security convertible into or exchangeable for such shares.
 - (iii) Santoy shall not authorize, make or commit to make any expenditures (including capital expenditures and capital lease obligations) except in the ordinary course of business consistent with past practice and payments made to legal advisors, financial advisors and other third parties reasonably incurred in connection with the Arrangement.
 - (iv) Santoy shall not, nor shall Santoy permit any Santoy's Subsidiary to, reorganize, recapitalize, consolidate, dissolve, liquidate, amalgamate or merge with any other person, nor acquire or agree to acquire, by amalgamating, merging or consolidating with, by purchasing an equity interest in or a portion of the assets of, or by any other manner, any business or person.

- (v) Santoy shall not, nor shall Santoy permit any Santoy's Subsidiary to, sell, pledge, encumber, lease (whether such lease is an operating or capital lease) or otherwise dispose of any material assets (other than relating to transactions between two or more wholly-owned Santoy Subsidiaries or between a wholly-owned Santoy Subsidiary and Santoy) except in the ordinary course of business.
- (vi) Santoy shall not (A) incur any indebtedness for borrowed money or purchase money indebtedness or assume, guarantee, endorse or enter into a "keepwell" or similar arrangement with respect to, any indebtedness, other than (1) indebtedness between Santoy and any Santoy's Subsidiary, (2) additional indebtedness incurred in the ordinary course of business consistent with past practice and (3) additional borrowings under credit lines existing as of the date of this Agreement incurred in the ordinary course of business consistent with past practice, (B) enter into any material operating lease or create any Liens on the property of Santoy or any Santoy's Subsidiaries in connection with any indebtedness or (C) refinance any debt.
- (vii) Except as required by applicable Law or any agreement to which Santoy is a party on the date of this Agreement, Santoy shall not, nor shall Santoy permit any Santoy's Subsidiaries to:
 - (A) without the consent of Virginia and Holdco, such consent not to be unreasonably or untimely withheld, increase the amount of (or accelerate the payment or vesting of) any benefit or amount payable under, any employee benefit plan or any other contract, agreement, commitment, arrangement, plan or policy providing for compensation or benefits to any former, present or future director, officer or employee of Santoy, except for such increases that are in the normal course of business for non-management employees;
 - (B) without the consent of Virginia and Holdco, such consent not to be unreasonably or untimely withheld, increase (or enter into any commitment or arrangement to increase) the compensation or benefits, or otherwise to extend, expand or enhance the engagement, employment or any related rights, of any former, present or future director, officer, employee or consultant of Santoy, except for such increases that are in the normal course of business;
 - (C) without the consent of Virginia and Holdco, such consent not to be unreasonably withheld, amend, vary or modify the Santoy stock option plan or any options outstanding thereunder; or
 - (D) without the consent of Virginia and Holdco, such consent not to be unreasonably withheld, adopt, establish, enter into or implement any employee benefit plan, policy, severance or termination agreement providing for any form of benefits or other compensation to any former, present or future director, officer or employee of Santoy or amend any employee benefit plan, policy, severance or termination agreement, except for such adoption, establishment, entering into or implementation as are in the ordinary course of business for non-management employees.

- (viii) Santoy shall not, nor shall Santoy permit any Santoy's Subsidiaries to, amend or propose to amend its constating documents save as contemplated by this Agreement.
- (ix) Santoy shall not, nor shall Santoy permit any Santoy's Subsidiaries to, pay, discharge, satisfy, compromise or settle any claims, obligations or liabilities prior to the same being due which, individually or in the aggregate except in the ordinary course of business consistent with past practice.
- (x) Except in the ordinary course of business, Santoy shall not, nor shall Santoy permit any Santoy's Subsidiaries to, (A) enter into, terminate or waive any provision of, exercise any option or relinquish any contractual rights under, or modify in any material respect any Contract, agreement, guarantee, lease commitment or arrangement material to it or any Contract which involves payments or receipts by Santoy or any Santoy's Subsidiaries except in the ordinary course of business consistent with past practice over the term of such Contract or (B) waive, transfer, grant or release any claims or potential claims of material value or (C) waive any benefits of, or agree to modify in any respect, or terminate, release or fail to enforce, or consent to any material matter with respect to which consent is required, under, any confidentiality, standstill or similar agreement to which Santoy or any Santoy's Subsidiaries is a party or which Santoy or any Santoy's Subsidiaries is a beneficiary.
- (xi) Santoy shall not make any changes to the existing accounting practices, methods and principles relating to Santoy except as required by Law or by Canadian generally accepted accounting principles.
- (xii) Santoy shall not, nor shall Santoy permit any Santoy's Subsidiaries to, (A) make, change or rescind any material tax election, (B) take any action, or omit to take any action, in either case inconsistent with past practice, relating to the filing of any Tax Return or the payment of any Tax (except as otherwise required by Law), (C) settle any material Tax claim or assessment, or (D) surrender any right or claim to a Tax refund.
- (xiii) Santoy shall not take any action to exempt from, waive or make not subject to (including redemption of outstanding rights) any take-over Law or other Law that purports to limit or restrict business combinations or the ability to acquire or vote shares, any person (other than Santoy) or any action taken thereby including any take-over bid, which person or action would have otherwise been subject to the restrictive provisions thereof and not exempt therefrom. Santoy shall not enter into any confidentiality or standstill agreement except as permitted by Section 5.5, amend, release any third party from its obligations or grant any consent under any confidentiality or standstill provision or fail to fully enforce any such provision.
- (xiv) Santoy shall not, nor shall Santoy permit any Santoy's Subsidiaries to, take or fail to take any action which would cause any of Santoy's representations or warranties hereunder to be untrue in any respect or would be reasonably expected to prevent or materially impede, interfere with or delay the Arrangement or which would cause the conditions set forth in Sections 6.1 and 6.2 not to be satisfied.

- (xv) Santoy shall not, nor shall Santoy permit any Santoy's Subsidiaries to, (A) cancel any material indebtedness, or (B) waive, transfer, grant or release any claims or potential claims of material value except as contemplated herein.
- (b) Santoy shall promptly advise Virginia in writing:
 - (i) of any event, condition or circumstance that might be reasonably expected to cause any representation or warranty of Santoy or Subco contained in this Agreement to be untrue or inaccurate on the Effective Date (or, in the case of any representation or warranty made as of a specified date, as of such specified date) in any material respect;
 - (ii) of any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect on Santoy; and
 - (iii) of any material breach by Santoy or Subco of any covenant, obligation or agreement contained in this Agreement.
- (c) Santoy shall deliver to the Virginia Parties a copy of the joint venture agreement in respect of the Hatchet Lake and Murphy properties forthwith upon execution thereof.
- (d) Each of Santoy and Subco shall use its commercially reasonable efforts to perform all obligations required to be performed by Santoy and Subco under this Agreement, cooperate with Virginia in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, Santoy shall:
 - (i) subject to Sections 5.5 and 5.6, solicit from the Santoy Shareholders proxies in favour of approval of the Continuance Resolution of Santoy, the Arrangement Resolution and the Consolidation Resolution (in a commercially reasonable manner) and use commercially reasonable efforts to obtain the approval by Santoy Shareholders of such resolutions;
 - (ii) subject to the last sentence of Section 5.6(a), not adjourn, postpone or cancel (or propose adjournment, postponement or cancellation of) the Santoy Meeting without Virginia's and Holdco's prior written consent except as required by Law or, in the case of adjournment, as may be required by Santoy Shareholders as expressed by majority resolution;
 - (iii) use commercially reasonable efforts to satisfy or cause to be satisfied as soon as reasonably practicable all the conditions precedent that are set forth in Article 6 hereof;
 - (iv) as soon as practicable apply for and use commercially reasonable efforts to obtain all Appropriate Regulatory Approvals required to be obtained by Santoy in order for Santoy and Subco to consummate the transactions contemplated hereby and, in doing so, to keep Virginia and Holdco reasonably informed as to the status of the proceedings and any material discussions or correspondence related to obtaining such Appropriate Regulatory Approvals, including, but not limited to, providing Virginia and Holdco the opportunity to be present for all

communications with any Governmental Entity and providing Virginia and Holdco with copies of all related applications and notifications, in draft and final form, in order for each of Virginia and Holdco to provide its reasonable comments and all such applications and notifications shall be subject to the prior approval of Virginia and Holdco, acting reasonably;

- (v) apply for and use commercially reasonable efforts to obtain the Interim Order and the Final Order, which Final Order shall be applied for on the basis that it shall be effective only upon Santoy notifying the Court that the Appropriate Regulatory Approvals have been obtained;
 - (vi) carry out the terms of the Interim Order and the Final Order applicable to it and use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on Santoy and Subco with respect to the transactions contemplated hereby and by the Arrangement;
 - (vii) diligently defend all lawsuits or other legal, regulatory or other proceedings to which it is a party challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
 - (viii) use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order or other order which may adversely affect the ability of the parties to consummate the transactions contemplated hereby;
 - (ix) effect all necessary registrations, filings and submissions of information required by Governmental Entities from Santoy and Subco in connection with the transactions contemplated hereby; and
 - (x) consult with Virginia and Holdco prior to making publicly available its financial results for any period after the date of this Agreement and prior to filing any Santoy SRA Reports.
 - (xi) use commercially reasonable efforts to obtain all waivers, consents and approvals from other parties to loan agreements, leases or other contracts required to be obtained by Santoy or any Santoy's Subsidiary to consummate the transactions contemplated hereby which the failure to obtain would materially and adversely affect the ability of Santoy to consummate said transactions.
- (e) The board of directors of Santoy shall recommend to the Santoy Shareholders the approval of the Arrangement Resolution, provided that, notwithstanding any other provision of this Agreement, the board of directors of Santoy may withdraw, modify or change its recommendation if such withdrawal, modification or change is permitted by, and made in accordance with, the provisions of Section 5.5 and prior to the approval of the Arrangement Resolution by the Santoy Shareholders.
- (f) Santoy shall have delivered to Virginia and Holdco, Santoy Voting Agreements from the Santoy Locked-up Shareholders prior to, or contemporaneously with, the execution of this Agreement.

5.3 **Access to Information**

- (a) Subject to Section 5.3(b) and applicable Laws, upon reasonable notice to the chief executive officer of Santoy, Virginia or Holdco, as applicable, each of Santoy (and Santoy shall cause Santoy's Subsidiaries to), Virginia and Holdco shall (and Holdco shall cause Holdco Subsidiaries to) and their respective representatives, officers, directors, employees and agents to afford the officers, employees, and other authorized representatives and advisors (including financial advisors, counsel & accountants) (collectively the "**Representatives**") of the other party access, during normal business hours from the date of this Agreement and until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with Article 7, to its respective properties, books, contracts and records, as well as to its management personnel; provided that such access shall be provided on a basis that minimizes the disruption to the operations of Santoy, Virginia and Holdco, as applicable. During such period, Santoy (and Santoy shall cause Santoy's Subsidiaries to), Virginia and Holdco, as applicable, shall (and Holdco shall cause Holdco Subsidiaries to) furnish promptly to the other party all information concerning Virginia's, Holdco's or Santoy's, as the case may be, and Holdco Subsidiaries' business, properties and personnel as is reasonably requested.
- (b) Santoy and the Virginia Parties acknowledge that certain information received pursuant to Section 5.3(a) will be non-public or proprietary in nature and as such will be deemed to be "Confidential Information" for purposes of the Confidentiality Agreement. Santoy and the Virginia Parties further acknowledge their obligation to maintain the confidentiality of such Confidential Information in accordance with the Confidentiality Agreement. If any material is withheld by Santoy, Virginia, Holdco or Holdco Subsidiaries because of the confidential nature of such material, or otherwise, each shall inform the other as to the general nature of what is being withheld.

5.4 **Directors and Officers of Santoy Post-Arrangement**

- (a) In conjunction with the completion of the Arrangement, Santoy shall increase the number of directors of Santoy to seven, effective as of the Effective Time, with the board of directors to be comprised of Walter Coles, Sr. (Chairman), Norm Reynolds, Ronald Netolitzky and such other directors as may be agreed, provided that not less than two directors shall be "independent" as determined in accordance with Canadian securities Laws.
- (b) Upon completion of the Arrangement, the newly constituted board of directors of Santoy shall pass such resolutions as are necessary to appoint the following individuals as officers of Santoy: Norman Reynolds (President and Chief Executive Officer), Walter Coles, Jr. (Executive Vice-President), Michael Cathro (Vice President – Exploration) and Karen Allan (Chief Financial Officer).

5.5 **Covenants Regarding Non-Solicitation**

Subject to Section 5.6 and except as otherwise mutually agreed upon by the parties, from the date of this Agreement until the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with Article 7, Santoy and Virginia agree that they will not, directly or indirectly, and will not authorize or permit any Representative thereof to, directly or indirectly: (a) solicit, initiate, encourage, engage in or respond to any inquiries or proposals regarding any Acquisition Proposal, (b) encourage or participate in any discussions or negotiations regarding any Acquisition

Proposal, (c) agree to, approve or recommend an Acquisition Proposal, or (d) enter into any agreement related to an Acquisition Proposal; provided, however, that, subject to Section 5.6, nothing shall prevent Santoy or Virginia from furnishing non-public information to, or entering into a confidentiality agreement and/or discussions with, any person in response to a bona fide unsolicited Acquisition Proposal that is submitted by such person after the date hereof which is not withdrawn if (i) the directors of Santoy or Virginia, as the case may be, conclude in good faith, after consultation with counsel, that such action is required in order for them to comply with their fiduciary obligations under applicable Law, and (ii) prior to furnishing such non-public information to, entering into a confidentiality agreement with, or entering into discussions with, such person, Santoy or Virginia, as the case may be, gives the other of them, written notice of its intention to furnish non-public information to, enter into a confidentiality agreement with, or enter into discussions with, such person. Unless otherwise agreed to by Santoy and Virginia, Santoy and Virginia shall immediately after the execution hereof terminate all existing discussions or negotiations with any person (other than the other of them) with respect to any potential Acquisition Proposal. Santoy and Virginia shall promptly notify the other of them of any future Acquisition Proposal which any director, senior officer or agent thereof is or becomes aware of, any amendment to any of the foregoing or any request for non-public information relating to them. Such notice shall include a description of the material terms and conditions of any such proposal and the identity of the person making such proposal, inquiry, request or contact.

5.6 Right to Accept a Superior Proposal

- (a) Either Santoy or Virginia (the "**Terminating Party**") or the directors thereof may, in respect of any Acquisition Proposal, accept, approve or recommend, and/or enter into any agreement to effect an Acquisition Proposal (the party hereto other than the Terminating Party hereinafter referred to as the "**Non-Terminating Party**") if: (i) such Acquisition Proposal constitutes a Superior Proposal; (ii) the Non-Terminating Party has been provided with a copy of the document containing such Superior Proposal (with such deletions as are necessary to protect any confidential portions of such document, provided that material terms and conditions of, and the identity of the person making, such Superior Proposal may not be deleted); (iii) five (5) Business Days have elapsed from the date on which the Non-Terminating Party received notice of the determination of the Terminating Party to accept, approve or recommend or to enter into an agreement in respect of such Superior Proposal (the "**Notice of Superior Proposal**") and the Non-Terminating Party has not, within such five (5) Business Day period, agreed to amend this Agreement so that the consideration hereunder will at least match such Superior Proposal, as determined by the directors of the Terminating Party in good faith; and (iv) if the Non-Terminating Party has elected not to match the Superior Proposal, the Terminating Party terminates this Agreement pursuant to Section 7.2 hereof. In the event that the Terminating Party provides the Non-Terminating Party with a Notice of Superior Proposal on a date that is less than five Business Days prior to the Virginia Meeting, Virginia shall adjourn the Virginia Meeting to a date that is not less than seven Business Days and not more than thirty (30) Business Days after the Notice of Superior Proposal.
- (b) During the five Business Day period referred to in Section 5.6(a)(iii), the Terminating Party agrees that the Non-Terminating Party shall have the right, but not the obligation, to offer to amend the terms of this Agreement. The board of directors of the Terminating Party will review any proposal by the Non-Terminating Party to amend the terms of this Agreement in good faith in order to determine, in its discretion in the exercise of its fiduciary duties, whether the Non-Terminating Party's amended proposal upon acceptance by the Terminating Party would result in such Superior Proposal ceasing to be a Superior Proposal. If the board of directors of the Terminating Party so determines, it

will enter into an amendment agreement to this Agreement with the Non-Terminating Party reflecting the Non-Terminating Party's amended proposal. If the board of directors of the Terminating Party continues to believe, in good faith and after consultation with financial advisors and outside counsel, that such Superior Proposal remains a Superior Proposal and therefore rejects the Non-Terminating Party's amended proposal, the Terminating Party may, on termination of this Agreement in accordance with Section 7.2(e)(iv), accept, approve, recommend or enter into an agreement, understanding or arrangement in respect of such Superior Proposal.

- (c) Santoy and Virginia also acknowledge and agree that each successive material modification of any Acquisition Proposal shall constitute a new Acquisition Proposal for purposes of Section 5.6 and the requirement under clause (iii) of Section 5.6(a) to initiate an additional five (5) Business Day notice period.

5.7 **Proxies Received and Dissent Notices**

Each of Santoy and Virginia shall advise the other:

- (a) as reasonably requested, and if requested on a daily basis on each of the last seven Business Days prior to the Santoy Meeting or Virginia Meeting, as applicable, as to the aggregate tally of the proxies and votes received in respect of such Meeting; and
- (b) of any written notice of dissent, withdrawal of such notice, and any other instruments received by Santoy or Virginia pursuant to the Dissent Rights.

5.8 **Closing Matters**

Each of Santoy and the Virginia Parties shall deliver, at the Effective Time, such customary certificates, resolutions and other closing documents as may be required by the other, acting reasonably.

5.9 **Privacy Matters**

- (a) Each of Santoy and Virginia acknowledges that certain information provided to the other party in connection with the transactions contemplated hereunder constitutes Personal Information (the "**Disclosed Personal Information**"), that the disclosure of the Disclosed Personal Information relates solely to the carrying on of the business, or the completion of the Arrangement and that, as contemplated by the terms of the Confidentiality Agreement, such Disclosed Personal Information:
 - (i) may not be used for any purpose other than those related to the performance of this Agreement;
 - (ii) must be kept strictly confidential and Santoy and Virginia shall ensure that access to such Personal Information shall be restricted to those Representatives of the recipient of such Personal Information who have a bona fide need access to such information and shall instruct those Representatives to protect the confidentiality of such information in a manner consistent with such party's obligations hereunder; and
 - (iii) upon the expiry or termination of this Agreement, or otherwise upon the request of the disclosing party, the recipient party shall forthwith cease all use

of the Disclosed Personal Information acquired by recipient party in connection with this Agreement and will return to the disclosing party or, at the disclosing party's request, destroy in a secure manner the Disclosed Personal Information (and any copies).

(b) In addition to the foregoing obligations contained in the Confidentiality Agreement:

- (i) each of Santoy and Virginia agrees to employ appropriate technology and procedures to prevent accidental loss or corruption of such Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of the Disclosed Personal Information;
- (ii) each of Santoy and Virginia agrees to promptly notify the other of all inquiries, complaints, requests for access, and claims of which it is made aware in connection with the Disclosed Personal Information. Santoy and Virginia shall fully co-operate with one another, with the persons to whom the Disclosed Personal Information relates, and any Governmental Entity charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims; and
- (iii) if the Arrangement is completed, each of Santoy and Virginia may disclose additional Personal Information of their respective employees, customers, directors and officers to the other party and its Representatives on condition that:
 - (A) Santoy and Virginia and their respective Representatives must only use or disclose such Personal Information for the same purposes for which it was collected, used or disclosed by the disclosing party, and
 - (B) the employees, customers, directors, officers and shareholders whose Personal Information is disclosed are notified that:
 - (I) the Arrangement has taken place, and
 - (II) the personal information about them has been disclosed to the other party and its Representatives.

5.10 Notice and Cure Provisions

Each of Santoy and the Virginia Parties will give prompt written notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the earlier to occur of the termination of this Agreement pursuant to its terms and the Effective Time of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) cause any of the representations or warranties of any party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Effective Time (provided that this paragraph (a) shall not apply in the case of any event or state of facts resulting from actions or omissions which are permitted or required by this Agreement); or

- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party hereunder prior to the Effective Time.

Virginia and Holdco may not exercise their right to terminate this Agreement pursuant to Section 7.2(a) or Section 7.2(c) and Santoy may not exercise its right to terminate this Agreement pursuant to Section 7.2(e) or Section 7.2(f) unless the party intending to rely thereon has delivered a written notice to the other party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfilment of the applicable condition or termination right, as the case may be.

Article 6 CONDITIONS

6.1 **Mutual Conditions Precedent**

The respective obligations of the parties hereto to consummate the Arrangement shall be subject to the satisfaction of the following conditions on or before the Effective Date:

- (a) the Continuance and the Arrangement shall have been approved by the Virginia Shareholders at the Virginia Meeting and by the Santoy Shareholders at the Santoy Meeting in the manner required by applicable Laws (including any conditions imposed by the Interim Order);
- (b) the Interim Order and the Final Order shall have been obtained in a form and on terms satisfactory to each of Santoy and Virginia, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such parties, acting reasonably, on appeal or otherwise;
- (c) the Santoy Incentive Warrants and Santoy Common Shares issuable at the Effective Time pursuant to the Arrangement shall be issued pursuant to exemptions from the registration and prospectus requirements of applicable Canadian securities Laws and issued in a transaction exempt from registration under the 1933 Act pursuant to Section 3(a)(10) of the 1933 Act; the Santoy Incentive Warrants and the Santoy Common Shares issued under the Plan of Arrangement and the Santoy Common Shares issuable upon the exercise of the Santoy Incentive Warrants shall have been conditionally approved for listing on the TSXV, subject to official notice of issuance to the TSXV; and the Santoy Incentive Warrants issuable to Santoy Shareholders who are U.S. persons will not be exercisable by them pursuant to Section 2.8(a);
- (d) Santoy shall have received all United States state securities or "blue sky" authorizations necessary to issue the Santoy Incentive Warrants and Santoy Common Shares to be issued;
- (e) the Holdco Warrants issuable to Santoy at the Effective Time pursuant to the Arrangement shall be issued pursuant to exemptions from the registration and prospectus requirements of applicable Canadian securities Laws;
- (f) no provision of any applicable Laws and no judgment, injunction, order or decree shall be in effect which restrains or enjoins or otherwise prohibits the consummation of the Arrangement of the transactions contemplated by this Agreement;

- (g) the Appropriate Regulatory Approvals shall have been obtained and be in full force and effect and shall not be subject to any stop-order or proceeding seeking a stop-order or revocation;
- (h) all other consents, waivers, permits, orders and approvals of any Governmental Entity, and the expiry of any waiting periods, in connection with, or required to permit, the consummation of the Arrangement, the failure to obtain which or the non-expiry of which would constitute a criminal offense, or would, individually or in the aggregate, have a Material Adverse Effect on Santoy or the Virginia Parties after the Effective Time, shall have been obtained or received;
- (i) there shall not be any action taken, any Law enacted, entered, enforced or deemed applicable by any Governmental Entity or pending or threatened any suit, action or proceeding by any Governmental Entity in connection with the grant of any Appropriate Regulatory Approval or otherwise (i) seeking to prohibit or restrict the acquisition by Santoy of any Virginia Common Shares or Holdco Private Shares, (ii) challenging or seeking to restrain or prohibit the consummation of the Plan of Arrangement or seeking to obtain from Santoy or Virginia any damages that are material in relation to Santoy, or to Virginia and Holdco taken as a whole, (iii) seeking to prohibit or materially limit the ownership or operation by Santoy of any material portion of the business or assets of Santoy, Virginia, Holdco or any Holdco Subsidiaries or to compel Santoy to dispose of or hold separate any material portion of the business or assets of Santoy, Virginia, Holdco or any Holdco Subsidiaries, (iv) seeking to impose limitations on the ability of Santoy to acquire or hold, or exercise full rights of ownership of, (if any) any Virginia Common Shares or Holdco Private Shares, including the right to vote the Virginia Common Shares or Holdco Private Shares acquired by it on all matters properly presented to the shareholders of Virginia or Holdco respectively, (v) seeking to prohibit Santoy from effectively controlling in any material respect the business or operations of Virginia or (vi) imposing any condition or restriction that in the judgment of Santoy, acting reasonably, would be materially burdensome to the future operations or business of any business unit of Santoy, Virginia or Holdco after the Effective Time;
- (j) Virginia Shareholders holding not more than 3% of the Virginia Common Shares shall have exercised their Dissent Rights (and not withdrawn such exercise);
- (k) Santoy Shareholders holding not more than 3% of Santoy Common Shares shall have exercised their Dissent Rights (and not withdrawn such exercise);
- (l) other than in the normal course of business, except as otherwise agreed to by Santoy or Virginia, as applicable, (i) there shall have been no material change in the employment arrangements of any senior officer of any of Santoy, Virginia or Holdco from the date hereof and (ii) none of Santoy, Virginia and Holdco shall have hired any additional senior officers;
- (m) Virginia shall have confirmed that no employee's, director's, officer's and consultant's employment, management or consulting agreement with Virginia contains change of control provisions which will be triggered by the Arrangement; and
- (n) Santoy shall have confirmed that no employee's, director's, officer's and consultant's employment, management or consulting agreement with Santoy contains change of control provisions which will be triggered by the Arrangement.

6.2 Additional Conditions Precedent to the Obligations of Virginia

The obligations of Virginia to consummate the Arrangement shall be subject to satisfaction of the following conditions (each of which is for the exclusive benefit of Virginia and Holdco and may be waived by Virginia and Holdco) on or before the Effective Date:

- (a) Santoy shall have performed and complied in all material respects with all of the covenants and obligations thereof required to be performed by it on or before the Effective Time;
- (b) the representations and warranties of Santoy under this Agreement shall be true and correct in all material respects on the date of this Agreement and as of the Effective Date (except for such representations and warranties made as of a specified date, which shall be true and correct as of such specified date) except where the failure of such representations and warranties in the aggregate to be true and correct in all respects would not be reasonably expected to have a Material Adverse Effect;
- (c) since the date of this Agreement, there shall have been no Material Adverse Effect or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect or which would materially and adversely affect the ability of Santoy to consummate the transactions contemplated hereby;
- (d) the Holdco Amended Shareholders' Agreement shall have been executed by Santoy and the Merged Company at the Effective Date; and
- (e) Virginia shall have received a certificate of Santoy addressed to Virginia and dated the Effective Date, signed on behalf of Santoy by two (2) authorized signatories of Santoy, confirming that the conditions in Section 6.1 as they relate to Santoy and Subsections 6.2(a), (b) and (c) have been satisfied.

6.3 Additional Conditions Precedent to the Obligations of Santoy

The obligations of Santoy to consummate the Arrangement shall be subject to the satisfaction of the following conditions (each of which is for the exclusive benefit of the Santoy and may be waived by Santoy) on or before the Effective Date:

- (a) each of Virginia and Holdco shall have performed and complied in all material respects with all of the covenants and obligations thereof required to be performed by it on or before the Effective Time;
- (b) each of the representations and warranties of Virginia and Holdco under this Agreement shall be true and correct in all material respects on the date of this Agreement and as of the Effective Date (except for such representations and warranties made as of a specified date, which shall be true and correct as of such specified date) except where the failure of such representations and warranties in the aggregate to be true and correct in all respects would not be reasonably expected to have a Material Adverse Effect;
- (c) immediately following the Effective Time, Santoy shall hold a minimum direct and indirect 20% interest in Holdco, including for the purposes of calculating this percentage interest, the Holdco Private Shares acquired by Santoy on the Effective Date and the

Holdco Common Shares to be received upon completion of the Santoy Financing but excluding any exercise of Holdco Warrants;

- (d) since the date of this Agreement, there shall have been no Material Adverse Effect or any event, occurrence or development which would be reasonably expected to have a Material Adverse Effect or which would materially and adversely affect the ability of Virginia or Holdco to consummate the transactions contemplated hereby;
- (e) the Holdco Amended Shareholders' Agreement shall have been fully executed by holders of a minimum of 85% of the Holdco Common Shares and delivered at the Effective Date; and
- (f) Santoy shall have received a certificate of each of Virginia and Holdco addressed to Santoy and dated the Effective Date, signed on behalf of Virginia and Holdco, as applicable, by two (2) authorized signatories of each of Virginia and Holdco confirming that the conditions in Section 6.1 as it relates to Virginia and Holdco and Subsections 6.3(a), (b), and (d) have been satisfied.

6.4 Satisfaction of Conditions Precedent

The conditions precedent set out in Sections 6.1, 6.3 and 6.2 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time.

Article 7 AMENDMENT AND TERMINATION

7.1 Amendment

This Agreement may, at any time and from time to time before or after the holding of the Virginia Meeting and the Santoy Meeting but not later than the Effective Time, be amended by mutual written agreement of the parties hereto (except as provided in Section 2.3(b)) and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties, including an extension of the Termination Date;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties; and
- (d) waive compliance with or modify any conditions precedent herein contained.

7.2 Termination

- (a) If any condition contained in Sections 6.1 or 6.2 is not satisfied at or before the Termination Date to the reasonable satisfaction of Virginia and Holdco, then Virginia or Holdco may by notice to Santoy terminate this Agreement and the obligations of the parties hereunder (except as otherwise herein provided) but without detracting from the

rights of Virginia or Holdco arising from any breach by Santoy but for which the condition would have been satisfied.

- (b) This Agreement may be terminated by Virginia or Holdco if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Santoy set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.1 or 6.2 not to be satisfied, and such conditions are incapable of being satisfied by the Termination Date, as reasonably determined by Virginia and Holdco, provided that Virginia or Holdco is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Section 6.3 not to be satisfied.
- (c) If any condition contained in Sections 6.1 or 6.3 is not satisfied at or before the Termination Date to the reasonable satisfaction of Santoy, then Santoy may, by notice to Virginia and Holdco terminate this Agreement and the obligations of the parties hereunder (except as otherwise herein provided) but without detracting from the rights of Santoy arising from any breach by Virginia or Holdco but for which the condition would have been satisfied.
- (d) This Agreement may be terminated by Santoy if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Virginia or Holdco set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.1 or 6.3 not to be satisfied, and such conditions are incapable of being satisfied by the Termination Date, as reasonably determined by Santoy, provided that Santoy is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Section 6.2 not to be satisfied.
- (e) This Agreement may:
 - (i) be terminated by the mutual agreement of Santoy, Virginia and Holdco (without any action on the part of the Virginia Shareholders or the Santoy Shareholders);
 - (ii) be terminated by either Santoy, Virginia or Holdco, if there shall be passed any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited;
 - (iii) be terminated by Santoy if (A) the board of directors of Virginia shall have failed to recommend, or has withdrawn, modified, qualified or changed in a manner adverse to Santoy, its approval or recommendation of the Continuance of Virginia, the Continuance Resolution or Arrangement or the Arrangement Resolution by or in any manner which could reasonably be expected to reduce the likelihood of the Continuance of Virginia, the Continuance Resolution or Arrangement Resolution being approved at the Virginia Meeting or (B) the board of directors of Virginia shall have approved or recommended an Acquisition Proposal;
 - (iv) be terminated by Santoy or Virginia in order to enter into a definitive written agreement with respect to a Superior Proposal, subject to compliance with Section 5.6;

- (v) be terminated by Santoy or Virginia if the approval of the Virginia Shareholders shall not have been obtained by reason of the failure to obtain the required vote on the Continuance Resolution or the Arrangement Resolution at the Virginia Meeting;
- (vi) be terminated by Santoy if there is an intentional, wilful or deliberate material breach of the covenants in Section 5.5 or 5.6 by Virginia or any of its directors, officers, employees, agents, consultants or any other Representative;
- (vii) be terminated by Virginia or Holdco if there is an intentional, wilful or deliberate material breach of the covenants in Section 5.5 or 5.6 by Santoy or any of its directors, officers, employees, agents, consultants or any other Representative; or
- (viii) be terminated by Santoy or Virginia if Santoy or Virginia determines upon advice of counsel that the consummation of the transactions contemplated hereby would trigger the registration requirements of the 1940 Act with respect to Santoy or Virginia by giving notice to the other party may terminate this Agreement without liability or obligation to the other parties hereto.

in each case, prior to the Termination Date.

- (f) If the Effective Time does not occur on or prior to end of business on the Termination Date, then this Agreement shall terminate.

7.3 Effect of Termination

If this Agreement is terminated in accordance with the provisions of Section 7.2, no party shall have any further liability to perform its obligations hereunder or under the Virginia Voting Agreements or the Santoy Voting Agreements, as applicable, except for the provisions of this Section 7.3 and save as provided in Section 8.4 of this Agreement; provided that neither the termination of this Agreement nor anything contained in this Section 7.3 shall relieve any party from liability for any breach of this Agreement accruing prior to termination or any Virginia Shareholder from liability for any breach of its Virginia Voting Agreement or any Santoy Shareholder from liability for any breach of its Santoy Voting Agreement accruing prior to termination. If it shall be judicially determined that termination of this Agreement was caused by an intentional breach of this Agreement, then, in addition to any other remedies at law or equity for breach of this Agreement, the party so found to have intentionally breached this Agreement shall indemnify and hold harmless the other parties for their out-of-pocket costs, including fees and expenses of their counsel, accountants, financial advisors and other experts and advisors, incidental to the negotiation, preparation and execution of this Agreement and related documentation.

Article 8 GENERAL

8.1 Investigation

Any investigation by a party hereto and its advisors shall not mitigate, diminish or affect the representations and warranties of any other party to this Agreement.

8.2 Notices

All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally or telecopied (which is confirmed), in each case addressed to the particular party at:

- (a) If to the Virginia Parties, at:

Virginia Uranium Ltd.
231 Woodlawn Heights Road
Chatham, Virginia 24531
Attention: Walter Coles, Jr.
Telecopier No.: (434) 432-1067

with a copy to (which shall not constitute notice):

Cassels Brock & Blackwell LLP
Scotia Plaza, Suite 2100
40 King Street West
Toronto, ON M5H 3C2
Attention: Greg Hogan
Telecopier No.: (416) 360-8877

- (b) If to Santoy, at:

Santoy Resources Ltd.
675 West Hastings Street
Suite 611
Vancouver, BC V6B 1N2
Attention: Ronald K. Netolitzky

Telecopier No.: (604) 669-2543

with a copy to (which shall not constitute notice):

DuMoulin Black LLP
10th Floor, 595 Howe Street
Vancouver, British Columbia V6C 0A3
Attention: Corey Dean
Telecopier No: (604) 687-8772

- (c) If to the Holdco Private Shareholders, at their respective addresses as shown under their names on the execution page of this Agreement;

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing.

8.3 Assignment

No party hereto may assign this Agreement or any of its rights, interests or obligations under this Agreement or the Arrangement (whether by operation of law or otherwise but not including the Continuance) without the written consent of the other parties hereto.

8.4 Survival

Notwithstanding the completion of the Arrangement, Section 2.2(d), Section 2.4(k) and Section 2.6(b) of this Agreement shall continue in full force and effect as between Holdco, the Merged Company, Santoy and the Holdco Private Shareholders. Notwithstanding the termination of this Agreement pursuant to Section 7.2 of this Agreement, Sections 5.3(a), 5.9, 8.2, 8.8, 8.10, 8.12, 8.15 and 8.16 of this Agreement shall continue in full force and effect as between Holdco, the Merged Company, Santoy and the Holdco Private Shareholders.

8.5 Binding Effect

Subject to Section 8.3, this Agreement and the Arrangement shall be binding upon, enure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

8.6 Third-Party Beneficiaries

Except as set forth in Section 5.1(a)(ii), Section 5.4 and Section 8.8, nothing in this Agreement, express or implied, shall be construed to create any third-party beneficiaries.

8.7 Waiver and Modification

Santoy, Virginia and Holdco may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants or agreements herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other parties hereto. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

8.8 No Personal Liability

- (a) No director or officer of Santoy have any personal liability whatsoever to the Virginia Parties or the Holdco Private Shareholders under this Agreement, or any document delivered in connection with the Arrangement or this Agreement on behalf of Santoy.
- (b) No director or officer of Virginia or Holdco shall have any personal liability whatsoever to Santoy under this Agreement, or any other document delivered in connection with the Arrangement or this Agreement on behalf of Virginia or Holdco.

8.9 Further Assurances

Each party hereto shall, from time to time, and at all times hereafter, at the request of the other parties hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

8.10 Expenses

Subject to Section 7.3, the parties agree that all expenses of the parties relating to this Agreement and the transactions contemplated hereby, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, all disbursements of advisors, and printing and mailing costs, shall be paid by the party incurring such expenses, provided that if this Agreement is terminated by Virginia or Santoy pursuant to Section 7.2(e)(iv), the terminating party of Virginia or Santoy will reimburse the other party for all its reasonable expenses relating to the Arrangement and the transactions contemplated hereby.

8.11 Public Announcements

Santoy and the Virginia Parties agree to consult with each other prior to issuing any news releases or public statements with respect to this Agreement or the Arrangement, and to use their respective commercially reasonable efforts not to issue any news releases or public statements inconsistent with the results of such consultations. Subject to applicable Laws, each party shall use its commercially reasonable efforts to enable the other parties to review and comment on all such news releases prior to the release thereof. The parties agree to issue jointly a news release with respect to this Arrangement as soon as practicable following the execution of this Agreement. Santoy, Subco and the Virginia Parties also agree to consult with each other in preparing and making any filings and communications in connection with any Appropriate Regulatory Approvals.

8.12 Governing Laws; Consent to Jurisdiction

This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the Laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract. Each party hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

8.13 Remedies

The parties acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any party or its representatives and any such breach would cause the non-breaching party irreparable harm. Accordingly, the parties hereto agree that, in the event of any breach or threatened breach of this Agreement by one of the parties, the parties will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance, provided such party is not in material default hereunder. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to each of the parties.

8.14 Time of Essence

Time shall be of the essence in this Agreement.

8.15 Entire Agreement

This Agreement including the agreements and other documents referred to herein constitute the entire agreement among the parties hereto and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties hereto with respect to the matters hereof and thereof.

8.16 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

8.17 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

8.18 Effect of this Agreement

The parties agree that this Amended and Restated Combination Agreement shall replace in its entirety the Combination Agreement previously executed by Santoy, the Virginia Parties and Subco and Ronald K. Netolitzky, Walter Coles, Jr., Norman Reynolds and Cormark Securities Inc., as Holdco Private Shareholders, as of February 26, 2009, and shall be effective as of and from February 26, 2009.

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF the parties hereto have executed this Agreement effective as of February 26, 2009.

SANTOY RESOURCES LTD.

By: "R. V. Matthews"
Name: R. V. Matthews
Title: Director

By: _____
Name:
Title:

VIRGINIA URANIUM LTD.

By: "Walter Coles Jr."
Name: Walter Coles Jr.
Title: Executive Vice President

By: "Joseph M. Kiely"
Name: Joseph M. Kiely
Title: CFO

VA URANIUM HOLDINGS, INC.

By: "Walter Coles Jr."
Name: Walter Coles Jr.
Title: Executive Vice President

By: "Joseph M. Kiely"
Name: Joseph M. Kiely
Title: CFO

0846143 B.C. LTD.

By: "R. V. Matthews"
Name: R. V. Matthews
Title: Director

By: _____
Name:
Title:

HOLDCO PRIVATE SHAREHOLDERS:

SIGNED, SEALED AND DELIVERED by	)	<u>"Ronald K. Netolitzky"</u>
Ronald K. Netolitzky in the presence of:	)	Ronald K. Netolitzky
	)	
<u>"Karen Allan"</u>	)	<u>Address</u>
Signature	)	
<u>Karen Allan</u>	)	<u>City, Province, Country</u>
Name	)	

SIGNED, SEALED AND DELIVERED by	)	<u>"Jeanne Reynolds"</u>
Jeanne Reynolds in the presence of:	)	Jeanne Reynolds
	)	
<u>"Nina D. Thornton"</u>	)	<u>Address</u>
Signature	)	
<u>Nina D. Thornton</u>	)	<u>City, Province, Country</u>
Name	)	

SIGNED, SEALED AND DELIVERED by	)	<u>"Walter Coles, Jr."</u>
Walter Coles, Jr. in the presence of:	)	Walter Coles, Jr.
	)	
<u>"Nina D. Thornton"</u>	)	<u>Address</u>
Signature	)	
<u>Nina D. Thornton</u>	)	<u>City, Province, Country</u>
Name	)	

SIGNED, SEALED AND DELIVERED by	)	<u>"Henry Hurt"</u>
Henry Hurt in the presence of:	)	Henry Hurt
	)	
<u>"Nina D. Thornton"</u>	)	<u>Address</u>
Signature	)	
<u>Nina D. Thornton</u>	)	<u>City, Province, Country</u>
Name	)	

SIGNED, SEALED AND DELIVERED by	)	<u>"Mick Mastilovic"</u>
Mick Mastilovic in the presence of:	)	Mick Mastilovic
	)	
<u>"Nina D. Thornton"</u>	)	<u>Address</u>
Signature	)	
<u>Nina D. Thornton</u>	)	<u>City, Province, Country</u>
Name	)	

SIGNED, SEALED AND DELIVERED by	)	<u>"Neal Keesee"</u>
Neal Keesee in the presence of:	)	Neal Keesee
	)	
<u>"Nina D. Thornton"</u>	)	<u>Address</u>
Signature	)	
<u>Nina D. Thornton</u>	)	<u>City, Province, Country</u>
Name	)	

SIGNED, SEALED AND DELIVERED by	)	<u>"Nina D. Thornton"</u>
Nina Thornton in the presence of:	)	Nina Thornton
	)	
<u>"Mick Mastilovic"</u>	)	<u>Address</u>
Signature	)	
<u>Mick Mastilovic</u>	)	<u>City, Province, Country</u>
Name		

SIGNED, SEALED AND DELIVERED by	)	<u>"Harvey Roberts"</u>
Harvey Roberts in the presence of:	)	Harvey Roberts
	)	
<u>"Duane H. Roberts"</u>	)	<u>Address</u>
Signature	)	
<u>Duane H. Roberts</u>	)	<u>City, Province, Country</u>
Name		

CORMARK SECURITIES INC.

By: "Jeff Kennedy"
Name: Jeff Kennedy
Title: Chief Financial Officer

SCHEDULE A

APPROPRIATE REGULATORY APPROVALS

To be obtained by Santoy

- all approvals required pursuant to the *Business Corporations Act* (Alberta) and the *Business Corporations Act* (British Columbia) for the continuance of Santoy from Alberta to British Columbia
- any required exemption orders from the provincial or territorial securities regulators to permit the resale of Santoy Common Shares by recipients thereof under the Arrangement
- conditional approval of the TSXV to the Continuance and the Arrangement, including Name Change and Consolidation, and the listing of Santoy Incentive Warrants and the Santoy Common Shares to be issued on exercise of the Santoy Incentive Warrants and to Virginia Shareholders pursuant to the Arrangement
- any required United States state securities or "blue sky" authorizations necessary to issue the Santoy Incentive Warrants and Santoy Common Shares pursuant to the Arrangement

To be obtained by Virginia

- all approvals required pursuant to the *Business Corporations Act* (Yukon) and the *Business Corporations Act* (British Columbia) for the continuance of Virginia from the Yukon Territory to British Columbia

SCHEDULE B

FORM OF ARRANGEMENT RESOLUTION

RESOLUTION OF THE HOLDERS OF COMMON SHARES OF SANTOY RESOURCES LTD. ("SANTOY") AND OF VIRGINIA URANIUM LTD. ("VIRGINIA")

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (as may be modified or amended, the "**Arrangement**") under Section 288 of the *Business Corporations Act* (British Columbia) involving Santoy and its shareholders or Virginia and its shareholders, as applicable, all as more particularly described and set forth in the plan of arrangement (as may be modified or amended, the "**Plan of Arrangement**") attached as Appendix C to the Circular of dated ●, 2009 (the "**Information Circular**"), is hereby authorized and approved;
2. The amended and restated combination agreement dated for reference April 14, 2009 among Santoy, Virginia, VA Uranium Holdings, Inc., and the Holdco Private Shareholders, as may be amended from time to time (the "**Combination Agreement**"), the actions of the directors of Santoy or Virginia, as applicable, in approving the Arrangement and the Combination Agreement and the actions of the directors and officers of said Santoy or Virginia, in executing and delivering the Combination Agreement and causing the performance by said Santoy or Virginia, of its obligations thereunder be, and they are hereby confirmed, ratified, authorized and approved;
3. Notwithstanding that this resolution has been passed (and the Arrangement approved and agreed) by the shareholders of Santoy or Virginia, as applicable, or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of said Santoy or Virginia be, and they are hereby, authorized and empowered without further approval of the shareholders of said Santoy or Virginia, (i) to amend the Combination Agreement or the Plan of Arrangement to the extent permitted by the Combination Agreement, and (ii) not to proceed with the Arrangement at any time prior to the Effective Time (as defined in the Combination Agreement); and
4. Any one director or officer of Santoy or Virginia, as applicable, be, and is hereby, authorized, empowered and instructed, acting for, in the name and on behalf of said Santoy or Virginia, to execute or cause to be executed, under the seal of said Santoy or Virginia or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.

SCHEDULE C

PLAN OF ARRANGEMENT UNDER SECTION 288 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1 INTERPRETATION

1.1 In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta) as now in effect and as it may be amended from time to time prior to the Effective Date;
- (b) "**Arrangement**" means the arrangement under Section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 7.1 of the Combination Agreement or Article 6 of the Plan of Arrangement, or made at the direction of the Court in the Final Order with the consent of Virginia and Santoy, each acting reasonably;
- (c) "**Arrangement Resolution**" means the special resolution of the Virginia Shareholders at the Virginia Meeting or of the Santoy Shareholders at the Santoy Meeting, as applicable, approving the Plan of Arrangement to be considered, substantially in the form and content of Schedule A1 annexed to the Circular;
- (d) "**BCBCA**" means the *Business Corporations Act* (British Columbia) as now in effect and as it may be amended from time to time prior to the Effective Date;
- (e) "**BCBCA Registrar**" means the registrar appointed under Section 400 of the BCBCA;
- (f) "**Business Day**" means any day on which commercial banks are generally open for business in Vancouver, British Columbia other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada;
- (g) "**Circular**" means the joint management proxy circular of Virginia and Santoy, including all schedules and exhibits thereto, together with the notices of the Virginia Meeting and the Santoy Meeting to be sent, as applicable, by Virginia to the Virginia Shareholders in connection with the Virginia Meeting and to be sent by Santoy to the Santoy Shareholders in connection with the Santoy Meeting;
- (h) "**Combination Agreement**" means the amended and restated combination agreement dated for reference April 14, 2009 among Santoy, Subco, Virginia, Holdco and the Holdco Private Shareholders prior to the Effective Date, as the same may be supplemented, restated or amended from time to time;
- (i) "**Continuance**" means in the case of Virginia, a continuance under the YBCA of its jurisdiction from the Yukon Territory to the Province of British Columbia under the BCBCA and means in the case of Santoy, a continuance under the ABCA of its jurisdiction from the Province of Alberta to the Province of British Columbia under the BCBCA;
- (j) "**Court**" means the Supreme Court of British Columbia;
- (k) "**Depository**" means Computershare Investor Services Inc., located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9;

- (l) **"Dissent Rights"** has the meanings given to it in Article 4;
- (m) **"Dissenting Shareholders"** means Virginia Shareholders who have duly and validly exercised their Dissent Rights with respect to the Arrangement;
- (n) **"Dissenting Shares"** means the Virginia Common Shares held by Dissenting Shareholders;
- (o) **"Distribution Date"** means the date determined and publicly announced by Santoy as the date on which the Holders of Santoy Common Shares and Virginia Common Shares will be determined for the purpose of distributions of Santoy securities under the Arrangement;
- (p) **"Effective Date"** means such date on or before June 30, 2009 as may be determined by Santoy and Virginia as the date for completing the Arrangement;
- (q) **"Effective Time"** means 6:00 a.m. (Vancouver time) on the Effective Date;
- (r) **"Election Form"** means the form to be enclosed in packages sent to Holders of Santoy Common Shares with the Circular, pursuant to which Small Lot Holders may elect to receive Santoy Incentive Warrants pursuant to the Arrangement;
- (s) **"Final Order"** means the final order of the Court approving the Arrangement as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (t) **"Holdco"** means VA Uranium Holdings, Inc.;
- (u) **"Holdco Private Shareholders"** means collectively, the holders of Holdco Private Shares set forth in Schedule E to the Combination Agreement as such schedule may be amended pursuant to the Combination Agreement;
- (v) **"Holdco Private Shares"** means collectively the common shares of Holdco owned by the Holdco Private Shareholders;
- (w) **"Holder"** means a registered holder of Virginia Common Shares, Santoy Common Shares or Santoy Subscription Receipts or any person who surrenders to the Depositary certificates representing such Virginia Common Shares duly endorsed for transfer to such person in accordance with the Letter of Transmittal;
- (x) **"In the Money Amount"** means with respect to an option, the amount by which the value of securities received upon the exercise of that option exceeds the amount payable by the optionee to acquire those securities;
- (y) **"Interim Order"** means the interim order of the Court, as the same may be amended, in respect of the Arrangement, as contemplated by Section 2.5 of the Combination Agreement, providing for, among other things, the calling and holding of the Virginia Meeting or the Santoy Meeting, as applicable
- (z) **"ITA"** means the *Income Tax Act* (Canada), the regulations promulgated thereunder, as now in effect and as may be amended from time to time prior to the Effective Date;
- (aa) **"Letter of Transmittal"** means the letter of transmittal form to be delivered to the Virginia Shareholders providing for the delivery of the Virginia Common Shares to the Depositary;
- (bb) **"Merged Company"** has the meaning given to it in Section 3.1(e);

- (cc) "**Merged Company Common Shares**" means the common shares in the capital of the Merged Company;
- (dd) "**Notice of Dissent**" means a notice of dissent duly and validly given by a Virginia Shareholder exercising Dissent Rights as contemplated in the Interim Order and as described in Article 4;
- (ee) "**Plan of Arrangement**", "**hereof**", "**herein**", "**hereunder**" and similar expressions means this plan of arrangement, including any appendices hereto, and any amendments, variations or supplements hereto made from time to time in accordance with the terms hereof, the Combination Agreement or made at the direction of the Court in the Final Order with the consent of Virginia and Santoy, each acting reasonably;
- (ff) "**Santoy**" means Santoy Resources Ltd., a corporation existing under the laws of the Province of Alberta;
- (gg) "**Santoy Common Shares**" means the existing common shares in the capital of Santoy;
- (hh) "**Santoy Incentive Warrants**" means the warrants to be issued to Santoy Common Shareholders pursuant to Section 3.1(c) of the Plan of Arrangement and the terms of a warrant indenture to be entered into with Computershare Trust Company or other trustee approved by Santoy respecting the Santoy Incentive Warrants. Each one (1) Santoy Incentive Warrant will be exercisable to acquire one (1) Santoy New Common Share at a price of CDN\$0.12 for a period of 12 months following the closing of Arrangement;
- (ii) "**Santoy New Common Shares**" means the common shares in the capital of Santoy to be issued pursuant to section 3.1 and having the same rights and restrictions as the Santoy Common Shares;
- (jj) "**Santoy Options**" means outstanding options (whether vested or unvested) to acquire Santoy Common Shares under the stock option plan of Santoy or otherwise;
- (kk) "**Santoy Optionholder**" means a holder of Santoy Options;
- (ll) "**Santoy Securityholders**" means, collectively, the holders of Santoy Common Shares, Santoy Subscription Receipts, Santoy Options and Santoy Warrants;
- (mm) "**Santoy Shareholders**" means the holders of Santoy Common Shares;
- (nn) "**Santoy Subscription Receipts**" means subscription receipts of Santoy to be issued pursuant to the Secondary Offering which will entitle the holders thereof to exchange such receipts for Santoy Common Shares pursuant to the Arrangement;
- (oo) "**Santoy Warrants**" means the common share purchase warrants to acquire Santoy Common Shares;
- (pp) "**Santoy Warrantholder**" means a holder of Santoy Warrants;
- (qq) "**Small Lot**" means less than 500 Santoy Common Shares;
- (rr) "**Small Lot Holder**" means a holder of Santoy Common Shares who, immediately before the Effective Date, holds a Small Lot;
- (ss) "**Secondary Offering**" means an offering by Santoy of subscription receipts for aggregate proceeds of not less than \$1 million, the net proceeds of which shall, at the Effective Time, be

used primarily to acquire common shares of Holdco, which Santoy has agreed to use reasonable commercial efforts to effect;

- (tt) "**Subco**" means 0846143 B.C. Ltd., a corporation existing under the laws of British Columbia and wholly owned by Santoy;
- (uu) "**Subco Common Shares**" means common shares in the capital of Subco;
- (vv) "**U.S. Tax Code**" has the meaning given to it in Section 5.5(a);
- (ww) "**Virginia**" means Virginia Uranium Ltd.;
- (xx) "**Virginia Common Shares**" means the common shares in the capital of Virginia;
- (yy) "**Virginia Meeting**" means the meeting of the Virginia Shareholders held for the purpose of considering and approving, among other things, the Arrangement and the transactions contemplated by the Combination Agreement by way of the Arrangement Resolution;
- (zz) "**Virginia Shareholders**" means, collectively, Holders of Virginia Common Shares; and
- (aaa) "**YBCA**" means the *Business Corporations Act* (Yukon) as now in effect and as it may be amended from time to time prior to the Effective Date.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an "Article", "Section" or "paragraph" followed by a number and/or a letter refer to the specified Article, Section or paragraph of this Plan of Arrangement.

1.3 Number and Gender

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa. Words importing gender include all genders.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in the Letter of Transmittal and Election Form are local time (Vancouver, British Columbia) unless otherwise stipulated herein or therein.

1.6 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

ARTICLE 2

EFFECT OF THE ARRANGEMENT

2.1 The Arrangement shall be binding upon Virginia, all registered and beneficial Virginia Shareholders, Santoy, all registered and beneficial Santoy Securityholders, Holdco Private Shareholders, the Merged Company and Subco as and from the Effective Time.

ARTICLE 3

ARRANGEMENT

3.1 The Arrangement

Commencing at the Effective Time and provided that the terms and conditions of the Combination Agreement have been met or waived including that each of Virginia and Santoy shall have completed the Continuances, the following events or transactions shall occur sequentially in the order set out unless otherwise noted and shall be deemed to occur without any further act or formality required on the part of any person, except as expressly provided herein:

- (a) the Dissenting Shares shall be deemed to have been transferred to Virginia and the Dissenting Shareholders shall cease to have any rights as Virginia Shareholders other than the right to be paid the fair value of their Virginia Common Shares in accordance with Article 4;
- (b) each Small Lot Holder who has not returned an Election Form prior to the Effective Date shall cease to be a Santoy Shareholder at the Effective Time. Each Santoy Common Share held by such Small Lot Holder will be cancelled as of the Effective Date in consideration for the payment in cash of \$0.10 for each Santoy Common Share held;
- (c) the following exchanges of securities will occur:
 - (i) each one (1) Santoy Subscription Receipt will be exchanged for one (1) Santoy Common Share and immediately following such exchange each Santoy Subscription Receipt shall be cancelled;
 - (ii) each one (1) Santoy Common Share will be exchanged for one (1) Santoy New Common Share and one-quarter ($\frac{1}{4}$) of one (1) Santoy Incentive Warrant and following such exchange each Santoy Common Share shall be cancelled;
 - (iii) each Santoy Optionholder who holds Santoy Options granted to such person in his or her capacity as an employee, director or officer of Santoy shall be entitled to receive, upon the exercise of each such Santoy Option, one (1) Santoy New Common Share and (provided that at the time of exercise the Santoy Incentive Warrants have not by their terms expired) one-quarter ($\frac{1}{4}$) of one (1) Santoy Incentive Warrant in exchange for each one (1) Santoy Common Share that it would otherwise have been entitled to receive if it had exercised the Santoy Option immediately prior to the Effective Time, provided that the aforesaid exchange ratio shall be adjusted to the extent, if any, required to ensure that the In the Money Amount of the Santoy Option immediately after the exchange will be equal to the In the Money Amount of the original Santoy Option immediately before the exchange;
 - (iv) each Santoy Optionholder who holds Santoy Options other than those described in Section (iii) shall be entitled to receive, upon the exercise of each such Santoy Option, one (1) Santoy New Common Share and (provided that at the time of exercise the

Santoy Incentive Warrants have not by their terms expired) one-quarter (¼) of one (1) Santoy Incentive Warrant in exchange for each one (1) Santoy New Common Share that it would otherwise have been entitled to receive if it had exercised the Santoy Option immediately prior to the Effective Time and on the same terms and conditions as the original Santoy Option;

- (v) each Santoy Warrantholder shall, in respect of each such Santoy Warrant held by such Warrantholder, be entitled to receive upon the exercise of each such Santoy Warrant, one (1) Santoy New Common Share and (provided that at the time of exercise the Santoy Incentive Warrants have not by their terms expired) one-quarter (¼) of one (1) Santoy Incentive Warrant in exchange for each one (1) Santoy Common Share that it would otherwise have been entitled to receive if it had exercised the Santoy Warrant immediately prior to the Effective Time and on the same terms and conditions as the original Santoy Warrant;
- (d) the Holdco Private Shareholders will exchange their Holdco Private Shares for Santoy New Common Shares on the basis of six (6) Santoy New Common Shares for each one (1) Holdco Private Share at the Effective Time. Santoy and the Holdco Private Shareholders that are resident in Canada for Canadian tax purposes will elect under subsection 85(1) of the ITA to effect the transfer at an elected amount to be chosen by the Holdco Private Shareholders;
- (e) after the step described in Section 3.1(d), Virginia and Subco will merge to form one (1) corporate entity (the "**Merged Company**") with the same effect as if the merger was carried out as an amalgamation under the provisions of Part 9, Division 3 of the BCBCA provided that, notwithstanding the filing of an amalgamation application with the BCBCA Registrar, the issue by the BCBCA Registrar of a certificate of amalgamation in respect of the Merged Company and the issue by the BCBCA Registrar of a new incorporation number to the Merged Company, the separate legal existence of Virginia shall not cease, Virginia shall survive the merger as the Merged Company and the separate legal existence of Subco shall cease;
- (f) without limiting the generality of Section 3.1(e), the separate legal existence of Subco will cease without Subco being liquidated or wound-up; Virginia will continue as the Merged Company; and the property of Subco will become the property of Virginia;
- (g) at the time of the step described in Section 3.1(e) and from and after this time:
 - (i) Virginia will own and hold all property of Virginia and Subco, and, without limiting the provisions hereof, all rights of creditors or others will be unimpaired by such merger, and all obligations of Virginia and Subco whether arising by contract or otherwise, may be enforced against Virginia to the same extent as if such obligations had been incurred or contracted by it;
 - (ii) Virginia will continue to be liable for all of the liabilities and obligations of Virginia and will become liable for the liabilities and obligations of Subco;
 - (iii) all rights, contracts, permits and interests of Virginia will continue as rights, contracts, permits and interests of Virginia and all rights, contracts, permits and interests of Subco will become rights, contracts, permits and interests of Virginia as if Subco continued and, for greater certainty, the merger will not constitute a transfer or assignment of the rights or obligations of either of Virginia or Subco under any such rights, contracts, permits and interests;
 - (iv) any existing cause of action, claim or liability to prosecution will be unaffected;

- (v) a legal proceeding being prosecuted or pending by or against either Virginia and Subco may be continued by or against Virginia;
- (vi) a conviction against, or ruling, order or judgment in favour of or against either Virginia or Subco may be enforced by or against Virginia;
- (vii) each registered holder of Virginia Common Shares will exchange their Virginia Common Shares for Santoy New Common Shares instead of shares of the Merged Company on the basis of six (6) Santoy New Common Shares for each one (1) Virginia Common Share outstanding at the Effective Time;
- (viii) with respect to each Virginia Common Share exchanged pursuant to Section 3.1(g)(vii):
 - (A) the Holder of such Virginia Common Share shall cease to be the holder of such Virginia Common Share;
 - (B) the Holder's name will be removed from the central securities register of Virginia with respect to such Virginia Common Share;
 - (C) legal and beneficial title to such Virginia Common Share will vest in the Merged Company and the Merged Company will be and be deemed to be the transferee of such and such Virginia Common Share shall be cancelled;
 - (D) the certificate representing such Virginia Common Share shall be deemed to have been cancelled; and
 - (E) the Holder of such Virginia Common Share shall be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to effect such transfer;
- (ix) each Subco Common Share shall be cancelled and the holders thereof shall receive, for each Subco Common Share, one (1) Merged Company Common Share;
- (x) in consideration of the issuance of Santoy New Common Shares in exchange for Virginia Common Shares, the Merged Company shall issue to Santoy one (1) Merged Company Common Share for each Santoy New Common Share issued;
- (xi) the capital of the Merged Company common shares and the capital of Santoy New Common Shares issued by Santoy pursuant to Section 3.1(g)(vii) will be as follows:
 - (A) the capital of the Santoy New Common Shares issued by Santoy pursuant to Section 3.1(g)(vii) shall be an amount equal to the lesser of the fair market value of the Virginia Common Shares immediately prior to the merger and the paid up capital, as that term is defined in the ITA, attributable to the Virginia Common Shares immediately prior to the merger; and
 - (B) the capital of the Merged Company Common Shares issued to Santoy pursuant to Section 3.1(g)(x) will be an amount equal to the aggregate of the paid up capital, as that term is defined in the ITA, attributable to the Subco Common Shares and the Virginia Common Shares immediately prior to the merger;
- (xii) the name of the Merged Company shall be "Virginia Uranium Ltd.";

- (xiii) the address of the registered and records office of the Merged Company shall be 10th Floor, 595 Howe Street, Vancouver, British Columbia, V6C 2T5;
- (xiv) the Merged Company shall be authorized to issue an unlimited number of common shares without par value;
- (xv) there shall be no restrictions on the transfer of the Merged Company Common Shares;
- (xvi) the number of directors of the Merged Company will be a minimum of one (1) and a maximum of seven (7);
- (xvii) the first directors of the Merged Company following the merger shall be Walt Coles, Jr. and Ronald R. Netolitzky;
- (xviii) there shall be no restrictions on the business of the Merged Company;
- (xix) the notice of articles and articles of the Merged Company shall be in the form of the notice of articles and articles to be adopted by Virginia for the purposes of its Continuance which shall be substantially in the form attached as Appendix I to this Plan of Arrangement; and
- (xx) the notice of articles will be deemed to be the articles of incorporation of the Merged Company and the certificate of amalgamation issued by the BCBCA Registrar in respect of the merger will be deemed to be the certificate of incorporation of the Merged Company; and

provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs.

3.2 Small Lot Holders

Santoy Shareholders who immediately prior to the Effective Time hold less than a Small Lot will only be entitled to receive the cash payment from Santoy set forth in Section 3.1(b) in respect of his, her or its Small Lot unless such Small Lot Holder specifically elects prior to the Effective Date by completing and returning the Election Form and any documentation as provided in the Election Form to the Depositary, to receive certificates representing Santoy Incentive Warrants under this Arrangement.

Notwithstanding any other provision of this Arrangement, if a cash payment payable to a Small Lot Holder pursuant to the Arrangement would be less than \$10, such payment will not be made.

ARTICLE 4 DISSENT RIGHTS

4.1 Dissent Rights

A Holder of Virginia Shares may exercise dissent rights ("**Dissent Rights**") conferred by the Interim Order in connection with the Arrangement in the manner set out in Section 242 of the BCBCA, as modified by the Interim Order, the Final Order or this Article 4, provided the Notice of Dissent is received by Virginia by no later than 4:30 p.m. (Vancouver time) on the date which is two Business Days prior to the date of the Virginia Meeting. Without limiting the generality of the foregoing, Holders who duly exercise such Dissent Rights and who are ultimately determined to be entitled to be paid fair value for their Virginia Common Shares shall be deemed to have transferred such Virginia Common Shares, as of the Effective Time, without any further act or formality, to Virginia in consideration of their entitlement to be paid the fair value of the Virginia Common Shares under the Dissent Rights. In no case shall Virginia or Santoy be required to recognize such Holders as Virginia Shareholders

at and after the Effective Time, and the names of such Holders shall be removed from Virginia's register of members as of the Effective Time.

4.2 Rights of Dissenting Shareholders

In the event a Holder of Virginia Shares gives a Notice of Dissent but is not entitled, for any reason, to be paid the fair value of the Virginia Common Shares in respect of which the Notice of Dissent was given as contemplated in Section 242 of the BCBCA and the Interim Order, such Holder shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Virginia Shareholder.

ARTICLE 5 CERTIFICATES

5.1 Effect of Arrangement

After the Effective Time,

- (a) certificates representing Santoy Subscription Receipts outstanding as at the Effective Date and which are exchanged under the Plan shall represent only the equivalent number of Santoy New Common Shares and the right to receive certificates representing one Santoy Incentive Warrants which the Holder of such Santoy Subscription Receipts is entitled to receive pursuant to Article 3 of this Plan of Arrangement, subject in each case to compliance with the requirements set forth in this Article 5.
- (b) certificates representing Santoy Common Shares outstanding as at the Effective Date shall represent only the equivalent number of Santoy New Common Shares and the right to receive certificates representing Santoy Incentive Warrants which the Holder of such Santoy Common Shares is entitled to receive pursuant to Article 3 of this Plan of Arrangement, subject in each case to compliance with the requirements set forth in this Article 5.
- (c) certificates formerly representing the Holdco Private Shares shall represent only the right to receive certificates representing such Santoy New Common Shares which the former Holdco Private Shareholder is entitled to receive pursuant to Article 3 of this Plan of Arrangement, subject to compliance with the requirements set forth in this Article 5.
- (d) certificates formerly representing Virginia Common Shares shall represent only the right to receive certificates representing such Santoy New Common Shares which the former Holder of such Virginia Common Shares is entitled to receive pursuant to Article 3 of this Plan of Arrangement, subject to compliance with the requirements set forth in this Article 5.

5.2 Right of Holder to Receive Santoy Incentive Warrants and Santoy New Common Shares

- (a) At or prior to the Effective Time, Santoy shall deposit with the Depositary,
 - (i) for the benefit of the Santoy Shareholders, a certificate or certificates which the Santoy Shareholders are entitled to receive hereunder representing (i) the aggregate number of Santoy Incentive Warrants issuable to Santoy Shareholders pursuant to the Arrangement; and
 - (ii) for the benefit of the Virginia Shareholders, a certificate or certificates representing the aggregate number of Santoy New Common Shares which the Virginia Shareholders are entitled to receive hereunder (calculated without reference to whether any Virginia Shareholders have exercised Dissent Rights). Following the later of the Effective Date and the surrender to the Depositary for cancellation of a certificate which immediately

prior to the Effective Time represented outstanding Virginia Common Shares that were exchanged under the Arrangement, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Virginia Shareholder of such surrendered certificate will be entitled to receive in exchange therefor, the Santoy New Common Shares which such Virginia Shareholder has the right to receive under the Arrangement for such Virginia Common Shares, less any amounts withheld pursuant to Section 5.5 and any certificate so surrendered will forthwith be cancelled.

- (b) At the Effective Time, for the benefit of the Holdco Private Shareholders, Santoy shall deliver a certificate or certificates representing the aggregate number of Santoy New Common Shares which the Holdco Private Shareholders are entitled to receive hereunder. At the Effective Time, each Holdco Private Shareholder shall deliver to Santoy the certificates representing such holder's Holdco Private Shares duly endorsed for transfer to Santoy, together with such additional documents and instruments as Santoy may reasonably require to effect transfer of the Holdco Private Shares to Santoy, and upon such delivery the Holdco Private Shareholder of such surrendered certificate will be entitled to receive in exchange therefor, the Santoy New Common Shares which such Holdco Private Shareholder has the right to receive under the Arrangement for such Holdco Private Shares, less any amounts withheld pursuant to Section 5.5 and Santoy shall promptly be recorded in the shareholder register of Holdco as the owner of the Holdco Private Shares.
- (c) As soon as practicable following the later of the Effective Date, Santoy shall cause the Depositary to:
 - (i) forward or cause to be forwarded by first class mail (postage prepaid) to each registered Holder of Santoy New Common Shares on the Distribution Date, at the address of such Holder as shown on the share register maintained by Santoy as at the Effective Time; or
 - (ii) if requested by the Holder in the Letter of Transmittal, make available at the Depositary for pick-up by the Holder;

certificates representing the number of Santoy Incentive Warrants, if any, issuable to such Santoy Shareholder, as determined in accordance with the provisions hereof, subject to any withholding obligation under applicable tax laws.

- (d) As soon as practicable following the later of the Effective Date and the date of deposit with the Depositary of a duly completed Letter of Transmittal and the certificates representing the Virginia Common Shares or other documentation as provided in the Letter of Transmittal pursuant to Section 5.2(a)(ii), Santoy shall cause the Depositary to:
 - (i) forward or cause to be forwarded by first class mail (postage prepaid) to each registered Holder of Virginia Common Shares on the Effective Date at the address specified in the Letter of Transmittal; or
 - (ii) if requested by the Holder in the Letter of Transmittal, make available at the Depositary for pick-up by the Holder; or
 - (iii) if the Letter of Transmittal neither specifies an address nor contains a request as described in (ii), forward or cause to be forwarded by first class mail (postage prepaid) to the Holder at the address of such Holder as shown on the share register maintained by Virginia as at the Effective Time,

certificates representing the number of Santoy New Common Shares issuable to such Virginia Shareholder, as determined in accordance with the provisions hereof, subject to any withholding obligation under applicable tax laws.

- (e) As soon as practicable following the Effective Date, Santoy shall forward or cause to be forwarded by delivery or by first class mail (postage prepaid), to each registered Holder of Santoy Subscription Receipts on the Effective Date, certificates representing the number of Santoy New Common Shares issuable to such Holder, as determined in accordance with the provisions hereof and no Holder of Santoy Subscription Receipts shall be entitled to receive any consideration with respect to the Santoy Subscription Receipts other than the certificates representing the Santoy New Common Shares and the Santoy Incentive Warrants which they are entitled to receive in accordance with Article 3 of this Plan of Arrangement and, for greater certainty, no Holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.
- (f) No Holder of Santoy Common Shares shall be entitled to receive any consideration with respect to the Santoy Common Shares other than the right to receive Santoy Incentive Warrants and the right to exchange certificates representing Santoy Common Shares for certificates representing the Santoy New Common Shares, if any, and no Holder of Virginia Common Shares shall be entitled to receive any consideration with respect to the Virginia Common Shares other than the certificates representing the Santoy New Common Shares, if any, which they are entitled to receive in accordance with Article 3 of this Plan of Arrangement and, for greater certainty, no Holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.
- (g) Until such time as a former Holder of Virginia Common Shares complies with the provisions of Section 5.2(a)(ii), all certificates representing Santoy New Common Shares to which such Holder is entitled, if any, shall, subject to Section 5.3, in each case be delivered to the Depository to be held in trust for such Holder for delivery to the Holder, upon delivery of the Letter of Transmittal and the certificates representing the Virginia Common Shares, as the case may be, in accordance with Section 5.2(a)(ii).

5.3 Surrender of Rights

- (a) Any certificate formerly representing Virginia Common Shares not duly surrendered on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against Santoy or Virginia by a former Holder of such Virginia Common Shares. On such date, all Santoy New Common Shares to which the former Holder of such certificates was entitled shall be deemed to have been surrendered to Santoy and cancelled.
- (b) Any certificate formerly representing Santoy Common Shares held by a Small Lot Holder who has not elected to receive Santoy Incentive Warrants pursuant to Section 3.1(b) and which has not been duly surrendered together with an Election Form on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against Santoy by a former Holder of such Santoy Common Shares.

5.4 Fractional Securities

No fractional Santoy Incentive Warrants shall be issued and any Holder of Santoy Common Shares who would otherwise be entitled to receive a fractional Santoy Incentive Warrants will have its Santoy Incentive Warrants rounded up to the nearest whole Santoy Incentive Warrant in the event that such Holder is entitled to a fractional interest representing 0.5 or more of a Santoy Incentive Warrant and rounded down to the nearest whole Santoy Incentive Warrant in the event that such Holder is entitled to a fraction interest representing less than 0.5 of a Santoy Incentive Warrant.

No fractional Santoy New Common Shares shall be issued and any Holder of Virginia Common Shares who would otherwise be entitled to receive a fractional Santoy New Common Share will have its Santoy New Common Shares rounded up to the nearest whole Santoy New Common Share in the event that such Holder is entitled to a fractional share representing 0.5 or more of a Santoy New Common Share and rounded down to the nearest whole Santoy New Common Share in the event that such Holder is entitled to a fraction share representing less than 0.5 of a Santoy New Common Share.

5.5 Withholding Rights

- (a) Santoy, the Merged Company, Subco, and the Depositary shall be entitled to deduct and withhold from the consideration payable to any Holder or to any Holdco Private Shareholder (collectively, for the purposes of this Article the "**Shareholder**"), such amounts as Santoy, the Merged Company, Subco or the Depositary is required, entitled or permitted to deduct and withhold with respect to such payment under the ITA, the United States Internal Revenue Code of 1986, as amended (the "**U.S. Tax Code**"), including Section 1445 thereof, or any provisions of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended.
- (b) Specifically, subject to subsection (c) Santoy, the Merged Company, Subco and the Depositary shall be entitled to deduct and withhold from any consideration payable to the Shareholder such number of Santoy New Common Shares and Santoy Incentive Warrants as Santoy, the Merged Company, Subco or the Depositary reasonably believes are necessary to be withheld and subsequently sold on behalf of the aforesaid beneficial owner in order to realize net proceeds equal to the amount that Santoy, the Merged Company, Subco or the Depositary reasonably believes that it is required or permitted to deduct and withhold with respect to such payment under the ITA, the U.S. Tax Code or any provision of federal, provincial, state, local or foreign tax laws, in each case, as amended.
- (c) Any Santoy New Common Shares and Santoy Incentive Warrants which are withheld and are not sold to fund the withholding tax obligations described above, shall be distributed to the Shareholder. None of Santoy, the Merged Company, Subco, Virginia or the Depositary will be liable for any loss arising out of any such sales or any loss arising from a delay in transferring Santoy New Common Shares and/or Santoy Incentive Warrants to a Shareholder. Santoy, the Merged Company, Subco and the Depositary shall sell the withheld Santoy New Common Shares and Santoy Incentive Warrants as soon as practicable after the Effective Date and shall not be obligated to seek or obtain a minimum price for any sale of Santoy New Common Shares and Santoy Incentive Warrants. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

5.6 Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one (1) or more outstanding Santoy Common Shares or Virginia Common Shares which were exchanged for Santoy New Common Shares in accordance with this Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, a certificate representing the Santoy New Common Shares which such holder is entitled to receive in accordance with section 3.1(c) hereof. When authorizing such delivery of a certificate representing the Santoy New Common Shares which such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom a certificate representing such Santoy New Common Shares is to be delivered shall, as a condition precedent to the delivery of such Santoy New Common Shares, give a bond satisfactory to Santoy and the Depositary in such amount as Santoy and the Depositary may direct, or otherwise indemnify Santoy and the Depositary in a manner satisfactory to Santoy and the Depositary, against any claim that may be made against Santoy and the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of Santoy.

ARTICLE 6 AMENDMENT

6.1 Amendment of Plan of Arrangement

- (a) Santoy and Virginia reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time, provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and, if made following the Santoy Meeting or the Virginia Meeting, as applicable, approved by the Court and communicated to Holders in the manner required by the Court (if so required).
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Santoy and Virginia at any time prior to or at the Santoy Meeting or the Virginia Meeting, as applicable, with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the said Santoy Meeting or the Virginia Meeting, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement which is approved or directed by the Court following the Santoy Meeting or the Virginia Meeting, as applicable, shall be effective only if it is consented to by Santoy and Virginia (acting reasonably).
- (d) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Combination Agreement.
- (e) Notwithstanding the foregoing provisions of this Section 6.1, no amendment, modification or supplement to this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Combination Agreement.

ARTICLE 7 FURTHER ASSURANCES

7.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Combination Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to document or evidence any of the transactions or events set out herein.

APPENDIX I
NOTICE OF ARTICLES AND ARTICLES OF MERGED COMPANY

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item A of the Incorporation Application.

Virginia Uranium Ltd.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

N/A

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME

FIRST NAME

MIDDLE NAME

Coles, Jr.

Walter

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

Netolitzky

Ronald

R.

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

10th Floor, 595 Howe Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6C 2T5

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

10th Floor, 595 Howe Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6C 2T5

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

10th Floor, 595 Howe Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6C 2T5

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

10th Floor, 595 Howe Street, Vancouver

PROVINCE

BC

POSTAL CODE

V6C 2T6

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	Type of currency	YES (✓)	NO (✓)
Common	✓		✓				✓

VIRGINIA URANIUM LTD.

(the “Company”)

Incorporation No _____

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ARTICLES

The Company has as its articles the following articles:

1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (a) **“appropriate person”** has the meaning assigned in the *Securities Transfer Act*;
- (b) **“board of directors”, “directors” and “board”** mean the directors or sole director of the Company for the time being;
- (c) **“Business Corporations Act”** means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) **“Interpretation Act”** means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (e) **“legal personal representative”** means the personal or other legal representative of a shareholder;
- (f) **“protected purchaser”** has the meaning assigned in the *Securities Transfer Act*;
- (g) **“registered address”** of a shareholder means the shareholder’s address as recorded in the central securities register;
- (h) **“seal”** means the seal of the Company, if any;
- (i) **“securities legislation”** means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; **“Canadian securities legislation”** means the securities legislation in any province or territory of Canada and includes the *Securities Act* (British Columbia); and **“U.S. securities legislation”** means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;
- (j) **“Securities Transfer Act”** means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the

term in these Articles. If there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

- (a) order the share certificate or acknowledgment, as the case may be, to be cancelled; and
- (b) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (a) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (b) provides the Company with an indemnity bond sufficient in the Company's judgment to protect the Company from any loss that the Company may suffer by issuing a new certificate; and

(c) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights on the indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property;
 - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

4. SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

The Company must not at any time close its central securities register.

5. SHARE TRANSFERS

5.1 Registering Transfers

Subject to the *Business Corporations Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (a) in the case of a share certificate that has been issued by the Company in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (b) in the case of a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate that has been issued by the Company in respect of the share to be transferred, a written instrument of transfer that directs that the transfer of the shares be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (c) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
- (d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors or the transfer agent for the class or series of shares to be transferred.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or
- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or

- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

9.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may by special resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3 Change of Name

The Company may by special resolution authorize an alteration to its Notice of Articles in order to change its name and may, by ordinary resolution or directors' resolution, adopt or change any translation of that name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders to be held at such time and place as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

10.5 Notice of Resolution to Which Shareholders May Dissent

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days;
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of or voting at the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) the setting of the remuneration of an auditor;
 - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder, and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll

Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.20 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3.

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must be received:
 - (i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (b) if a representative is appointed under this Article 12.5:

- (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
- (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (d) the Company is a public company or is a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company or is a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.9 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (b) unless the notice provides otherwise, be received at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

<i>[NAME OF COMPANY]</i> (the “Company”) The undersigned, being a shareholder of the Company, hereby appoints <i>[name]</i> or, failing that person, <i>[name]</i>, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on <i>[month, day, year]</i> and at any adjournment of that meeting. Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned): Signed <i>[month, day, year]</i> <i>[Signature of shareholder]</i> <i>[Name of shareholder—printed]</i>

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

- (a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at such meeting and any such determination made in good faith shall be final, conclusive and binding upon such meeting.

12.16 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) subject to paragraphs (b) and (c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4;
- (c) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (c) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;
- (c) then each director then in office continues to hold office until the earlier of:
- (d) when his or her successor is elected or appointed; and
- (e) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a

company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings

Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent

Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (b) the alternate director dies;
- (c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (d) the alternate director ceases to be qualified to act as a director; or
- (e) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. INTERESTS OF DIRECTORS AND OFFICERS

17.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings

The following individual is entitled to preside as chair at a meeting of directors:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
 - (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
 - (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors:

- (a) in person;
- (b) by telephone; or
- (c) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1 or as provided in Article 18.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director or an alternate director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
- (b) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director or, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

- (a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 18.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and during the intervals between meetings of the board of directors all of the directors' powers are delegated to the executive committee, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (iv) the power to appoint or remove officers appointed by the directors; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

- (a) conform to any rules that may from time to time be imposed on it by the directors; and

- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, the committee; and
- (c) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

20. OFFICERS

20.1 Directors May Appoint Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as

the chair of the board or as a managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (a) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Permitted Indemnification

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former *Companies Act* or former Articles, does not invalidate any indemnity to which he or she is entitled under this Article 21.

21.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may consider appropriate.

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;

- (b) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

23. ACCOUNTING RECORDS AND AUDITOR

23.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

23.3 Remuneration of Auditor

The directors may set the remuneration of the auditor of the Company.

24. NOTICES

24.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

24.2 Deemed Receipt

A notice, statement, report or other record that is:

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

- (c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Legal Personal Representatives and Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

25. SEAL

25.1 Who May Attest Seal

Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1 Definitions

In this Part 26:

- (a) “**security**” has the meaning assigned in the *Securities Act* (British Columbia);
- (b) “**transfer restricted security**” means:
 - (i) a share of the Company;
 - (ii) a security of the Company convertible into shares of the Company;
 - (iii) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the “private issuer” exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the “private issuer” exemption.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

SCHEDULE D

FORM OF VOTING AGREEMENT

February __, 2009

VOTING AGREEMENT

TO: Virginia Uranium Ltd. ("Virginia")

AND TO: VA Uranium Holdings, Inc. ("Holdco")

Dear Sirs:

The undersigned shareholder (the "Santoy Shareholder") of Santoy Resources Ltd. ("Santoy") understands that Virginia, Holdco and Santoy have entered into a letter agreement dated December 21, 2008 (the "Letter Agreement") and have agreed to negotiate a definitive agreement (the "Combination Agreement"), a copy of which has been provided to the Santoy Shareholder, pursuant to which Santoy will acquire all of the outstanding common shares in the capital of Virginia (the "Virginia Common Shares") under a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (British Columbia).

This Agreement sets out the terms and conditions on which the Santoy Shareholder agrees: (i) to support the Arrangement, and (ii) to vote the Subject Securities (as defined in section 1.2 below) in favour of the Arrangement Resolution approving the Arrangement. The Santoy Shareholder acknowledges that the execution and delivery of this Agreement by the Santoy Shareholder is a condition of the Combination Agreement.

All capitalized terms used but not defined in this Agreement have the meaning given to such terms in the Combination Agreement. Collectively, Virginia and Holdco are referred to herein as the "Virginia Parties". As used herein, the term "Securities" includes any other Santoy Common Shares of Santoy now or hereinafter held by the Santoy Shareholder or over which the Santoy Shareholder has control or direction that may be voted at the Santoy Meeting (as hereinafter defined) including, if applicable, due to the exercise, conversion or other exchange of options and warrants exercised for Santoy Common Shares, respectively such options and warrants are referred to herein as the "Santoy Options" and "Santoy Warrants" (excluding up to 25% of the Santoy Common Shares issued upon the exercise of in-the-money Santoy Options which may be sold), and any securities that result from any reclassification, conversion, consolidation, subdivision or exchange of, or distribution or dividend on, the Santoy Common Shares.

1. Santoy Shareholder Commitment in Favour of the Arrangement

- 1.1 Non-Solicitation. Subject to the provisions of section 1.7, and provided that the Virginia Parties have complied in all material respects with their respective obligations under the Combination Agreement, the Santoy Shareholder covenants and agrees in favour of the Virginia Parties that the Santoy Shareholder shall, not directly or indirectly, take any action to solicit, initiate or encourage any Acquisition Proposal.
- 1.2 Voting. Subject to the provisions of section 1.7, and provided that the Virginia Parties have complied in all material respects with their respective obligations under the Combination Agreement and section 3.1 hereof, the Santoy Shareholder covenants and agrees in favour of the Virginia Parties to vote, or cause to be voted, its Securities (including for greater certainty, all securities owned at the date hereof or acquired at any time prior to the Santoy Meeting, whether held directly, indirectly or beneficially (A) in favour of (i) the Arrangement Resolution, and (ii) any Alternative Transaction (as defined below) at any extraordinary meeting or meetings (or adjournment or adjournments thereof) of the holders of Securities of Santoy to be held to consider the Arrangement or such Alternative Transaction (the "Santoy Meeting") and (B) against any Acquisition Proposal that shall be submitted for the vote or consent of the holders of Securities of Santoy, including, in each case, in connection with any separate vote of any sub-group of holders of Securities of Santoy that may be required to be taken and of which sub-group the Santoy Shareholder forms a part, provided however that nothing in this section 1.2 shall require the Santoy Securityholder to exercise any Santoy Options or Santoy Warrants into Santoy Common Shares.

- 1.3 Change in Nature of Transaction. Subject to the provisions of section 1.7 the Santoy Shareholder covenants and agrees in favour of the Virginia Parties that if the Virginia Parties and Santoy mutually agree that it is necessary or desirable to proceed with another form of transaction whereby Santoy or any of its affiliates would effectively acquire 100% of the Virginia Common Shares on economic terms and other terms and conditions (including, without limitation, tax treatment) and having consequences to the Virginia shareholders which, in relation to Virginia, Holdco and the Virginia shareholders, are substantially equivalent to or better than those contemplated by the Combination Agreement (an "Alternative Transaction"), the Santoy Shareholder will support the completion of such Alternative Transaction in the manner described in section 1.4.
- 1.4 Meeting of Santoy Shareholders. Subject to the provisions of section 1.7, and provided that the Virginia Parties have entered into and complied in all material respects with their respective obligations under the Combination Agreement, if an Alternative Transaction involves a meeting or meetings of Santoy Shareholders, the Santoy Shareholder covenants and agrees in favour of the Virginia Parties to vote in favour of any matters necessary or ancillary to the completion of the transactions contemplated by the Alternative Transaction in the same manner, mutatis mutandis, as that referred to in section 1.2.
- 1.5 Change of References. In the event of any proposed Alternative Transaction, the references in this Agreement to "Arrangement" shall be changed to "Alternative Transaction" and all terms, covenants, representations and warranties in this Agreement shall be and shall be deemed to have been made in the context of the Alternative Transaction. All references to the "Effective Date" herein shall also refer to the date of closing of the transactions contemplated by the Alternative Transaction.
- 1.6 Transfer of Shares. Subject to the provisions of section 1.7, the Santoy Shareholder covenants and agrees in favour of the Virginia Parties that, during the term of this Agreement, it will not (other than pursuant to the Plan of Arrangement), directly or indirectly sell, transfer or assign or agree to sell, transfer or assign or grant to any person any right or option to buy any of the Subject Securities or the voting rights attached thereto, without the prior written consent of the Virginia Parties. Such consent to transfer shall not, however, be necessary if the transfer is to (a) any registered retirement savings plan (within the meaning of the Income Tax Act (Canada)) of the Santoy Shareholder, (b) any spouse or child of the Santoy Shareholder, (c) any trust, the beneficiaries of which are the Santoy Shareholder, the spouse or children or other lineal descendants of the Santoy Shareholder or (d) any corporation or other entity which is wholly owned by the Santoy Shareholder alone or together with any of the other parties referred to in (a) to (c), inclusive (collectively, the persons referred to in (a) to (d), inclusive, "Related Parties") provided that any such Related Party executes an agreement on substantially the same terms as this Agreement, agreeing to be bound by the provisions of this Agreement.
- 1.7 Limits to Obligations of Santoy Shareholder. For greater certainty, the obligations of the Santoy Shareholder to support the Arrangement or an Alternative Transaction and the restrictions on the transfer of shares as provided above shall terminate automatically upon termination of the Combination Agreement in accordance with the terms and conditions thereof.
- 1.8 Exception. The Virginia Parties acknowledge and agree that the Santoy Shareholder is bound hereby solely in his, her or its capacity as a shareholder of Santoy. If the Santoy Shareholder is a director or officer of Santoy, nothing contained in this Agreement will prevent the Santoy Shareholder from acting in his capacity as a director or officer of Santoy in accordance with the exercise of his or her fiduciary duties or other legal obligations to act in the best interests of Santoy.

2. Covenants of the Virginia Parties

- 2.1 Obligations under Combination Agreement. the Virginia Parties hereby covenant and irrevocably agree in favour of the Santoy Shareholder that the Virginia Parties will not amend or waive any provision under the Combination Agreement to decrease the consideration per Santoy Common Share received by the Santoy Shareholder under the Arrangement, without the prior written consent of the Santoy Shareholder; provided that, for greater certainty, the Virginia Parties may, without such consent amend the terms of the Arrangement to increase the consideration (or the value of the consideration) under the Arrangement.

3. General

3.1 Representations and Warranties of the Santoy Shareholder. By executing this Agreement, the Santoy Shareholder represents and warrants to and with the Virginia Parties that:

- (a) the class and number of the Securities owned by the Santoy Shareholder at the date hereof, whether directly, indirectly or beneficially and all Securities over which the Santoy Shareholder has control or direction as of the date hereof are as specified in Schedule A to this Agreement;
- (b) the Santoy Shareholder has and will have the sole right to vote the Subject Securities at the Santoy Meeting and the Subject Securities constitute all of the Securities owned beneficially and of record by the Santoy Shareholder and any of its affiliates and all of the Securities over which the Santoy Shareholder and any of its affiliates has control or direction;
- (c) the Santoy Shareholder has the power and capacity to enter into, and to perform its obligations under, this Agreement, and the execution and delivery of this Agreement has been duly authorized by all necessary action on the part of the Santoy Shareholder;
- (d) this Agreement constitutes a valid and binding obligation enforceable against the Santoy Shareholder in accordance with its terms, subject to the usual exceptions as to bankruptcy, insolvency and similar laws of general application and the availability of equitable remedies;
- (e) neither the entering into of this Agreement nor the performance by the Santoy Shareholder of its obligations under this Agreement will contravene, breach or result in any default under any agreement, arrangement, understanding or other legally binding commitments to which the Santoy Shareholder is a party or by which the Santoy Shareholder may be bound or, if the Santoy Shareholder is a corporation, under its articles, by-laws, constating documents or other organizational documents; and
- (f) the Santoy Shareholder acknowledges that it: (i) has been advised by Santoy and the Virginia Parties to seek independent legal advice; (ii) has sought such independent legal advice or deliberately decided not to do so; (iii) understands its rights and obligations under this Agreement; and (iv) is executing this Agreement voluntarily.

The representations, warranties and covenants of the Santoy Shareholder set forth in this section 3.1 shall survive the completion of the Arrangement on the Effective Date and, notwithstanding such completion, will continue in full force and effect for the benefit of the Virginia Parties.

3.2 Representation and Warranties of Virginia and Holdco. By executing this Agreement, Virginia and Holdco (each on behalf and in respect only of itself) hereby represent and warrant on a several and not joint or joint and several basis to the Santoy Shareholder as follows, and acknowledges that the Santoy Shareholder is relying upon such representations and warranties in entering into this Agreement:

- (a) it has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement by Virginia and Holdco and the consummation by Virginia and Holdco of the transactions contemplated hereunder have been duly authorized by the board of directors of Virginia and Holdco and no other internal proceedings on the part of Virginia and Holdco are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed and delivered by Virginia and Holdco and constitutes a legal, valid and binding agreement enforceable by the Santoy Shareholder against Virginia and Holdco in accordance with its terms, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings, the equitable power of the courts to stay proceedings before them and the execution of judgments and to the extent that

equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought. Virginia and Holdco are not a party to, bound or affected by or subject to, any charter or by-law, contract, provision, statute, regulation, judgment, order, decree or law which would in any material respect be violated, contravened, breached by, or under which any material default would occur as a result of, the execution and delivery of this Agreement or the consummation of any of the transactions provided for in this Agreement; and

- (c) no consent, approval or authorization of, or declaration or filing with, or notice to, any Governmental Entity which has not been received or made is required by Virginia and Holdco in connection with the execution and delivery of this Agreement by Virginia and Holdco, except as provided in the Combination Agreement.

The representations and warranties of the Virginia and Holdco set forth in this section 3.2 shall survive the completion of the Arrangement on the Effective Date and, notwithstanding such completion, will continue in full force and effect for the benefit of the Santoy Shareholder.

- 3.3 Term of Agreement. Unless extended by mutual agreement of the parties hereto, this Agreement shall terminate on the first to occur of:

- (a) the effective time of the Plan of Arrangement;
- (b) the date of termination of the Combination Agreement in accordance with the terms and conditions thereof;
- (c) April 15, 2009; and
- (d) the date upon which this Agreement is terminated by the mutual agreement of the parties hereto.

- 3.4 Time of the Essence. Time shall be of the essence of this Agreement.

- 3.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and each of the parties attorns to the non-exclusive jurisdiction of the Province of British Columbia for all purposes hereof.

- 3.6 Specific Performance and Other Equitable Rights. The Santoy Shareholder recognizes and acknowledges that a breach by it of any of its covenants or agreements contained in this Agreement will cause the Virginia Parties to sustain injury for which the Virginia Parties would not have an adequate remedy at law for money damages. Therefore, the Santoy Shareholder agrees that in the event of such breach, the Virginia Parties shall be entitled to the remedy of specific performance of such covenant or agreement and to preliminary and permanent injunctive and other equitable relief, in addition to any other remedy to which it may be entitled, at law or in equity, and the parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

- 3.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

- 3.8 Further Assurances. The Santoy Shareholder, on the one hand, and the Virginia Parties, on the other hand, will from time to time execute and deliver all such further documents and instruments and do all such acts and things as the other party may, either before or after the Effective Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

If the terms and conditions of this letter are acceptable to you, please indicate your acceptance by dating and signing the same as noted above.

Yours very truly,

(Name of Santoy Shareholder)

(Signature)

February _____, 2009
(Date)

The undersigned agrees with and accepts the terms of this Agreement.

VIRGINIA URANIUM LTD.

By: _____
(Signature)

Its: _____
(Title)

VA URANIUM HOLDINGS, INC.

By: _____
(Signature)

Its: _____
(Title)

SCHEDULE A

Class of Security	Number of Securities
Santoy Common Shares	
Santoy Options	
Santoy Warrants	

February __, 2009

VOTING AGREEMENT

TO: Santoy Resources Ltd. ("Santoy")

Dear Sirs:

The undersigned shareholder (the "Virginia Shareholder") of Virginia Uranium Ltd. ("Virginia") understands that Virginia, VA Uranium Holdings, Inc. ("Holdco") and Santoy have entered into a letter agreement dated December 21, 2008 (the "Letter Agreement") and have agreed to negotiate a definitive agreement (the "Combination Agreement"), a copy of which has been provided to the Virginia Shareholder, pursuant to which Santoy will acquire all of the outstanding common shares in the capital of Virginia (the "Virginia Common Shares") under a plan of arrangement (the "Arrangement") under the *Business Corporations Act* (British Columbia).

This Agreement sets out the terms and conditions on which the Virginia Shareholder agrees: (i) to support the Arrangement, and (ii) to vote the Subject Securities (as defined in section 1.2 below) in favour of the Arrangement Resolution approving the Arrangement. The Virginia Shareholder acknowledges that the execution and delivery of this Agreement by the Virginia Shareholder is a condition of the Combination Agreement.

All capitalized terms used but not defined in this Agreement have the meaning given to such terms in the Combination Agreement. Collectively, Virginia and Holdco are referred to herein as the "Virginia Parties". As used herein, the term "Securities" includes any Virginia Common Shares now or hereinafter held by the Virginia Shareholder or over which the Virginia Shareholder has control or direction that may be voted at the Virginia Meeting (as hereinafter defined) including, if applicable, any securities that result from any reclassification, conversion, consolidation, subdivision or exchange of, or distribution or dividend on, the Virginia Common Shares.

1. Virginia Shareholder Commitment in Favour of the Arrangement

- 1.1 Non-Solicitation. Subject to the provisions of section 1.7, and provided that Santoy has complied in all material respects with its obligations under the Combination Agreement, the Virginia Shareholder covenants and agrees in favour of the Santoy that the Virginia Shareholder shall, not directly or indirectly, take any action to solicit, initiate or encourage any Acquisition Proposal.
- 1.2 Voting. Subject to the provisions of section 1.7, and provided that Santoy has complied in all material respects with its obligations under the Combination Agreement and section 3.1 hereof, the Virginia Shareholder covenants and agrees in favour of Santoy to vote, or cause to be voted, its Securities (including for greater certainty, all securities owned at the date hereof or acquired at any time prior to the Virginia Meeting (as defined below), whether held directly, indirectly or beneficially (A) in favour of (i) the Arrangement Resolution, and (ii) any Alternative Transaction (as defined below) at any extraordinary meeting or meetings (or adjournment or adjournments thereof) of the holders of Securities of Virginia to be held to consider the Arrangement or such Alternative Transaction (the "Virginia Meeting") and (B) against any Acquisition Proposal that shall be submitted for the vote or consent of the holders of Securities of Virginia, including, in each case, in connection with any separate vote of any sub-group of holders of Securities of Virginia that may be required to be taken and of which sub-group the Virginia Shareholder forms a part.
- 1.3 Change in Nature of Transaction. Subject to the provisions of section 1.7 the Virginia Shareholder covenants and agrees in favour of Santoy that if the Virginia Parties and Santoy mutually agree that it is necessary or desirable to proceed with another form of transaction whereby Santoy or any of its affiliates would effectively acquire 100% of the Virginia Common Shares on economic terms and other terms and conditions (including, without limitation, tax treatment) and having consequences to the Virginia Shareholder which, in relation to Virginia, Holdco and the Virginia Shareholders, are substantially

equivalent to or better than those contemplated by the Combination Agreement (an "Alternative Transaction"), the Virginia Shareholder will support the completion of such Alternative Transaction in the manner described in section 1.4.

- 1.4 Meeting of Virginia Shareholders. Subject to the provisions of section 1.7, and provided that Santoy has entered into and complied in all material respects with its obligations under the Combination Agreement, if: (a) an Alternative Transaction involves a meeting or meetings of Virginia Shareholders, the Virginia Shareholder covenants and agrees in favour of Santoy to vote in favour of any matters necessary or ancillary to the completion of the transactions contemplated by the Alternative Transaction in the same manner, mutatis mutandis, as that referred to in section 1.2 and (b) an Alternative Transaction includes the making of an offer by Santoy or any of its affiliates to acquire the outstanding Securities, the Virginia Shareholder covenants and agrees in favour of Santoy to deposit or cause to be deposited the Subject Securities to such offer.
- 1.5 Change of References. In the event of any proposed Alternative Transaction, the references in this Agreement to "Arrangement" shall be changed to "Alternative Transaction" and all terms, covenants, representations and warranties in this Agreement shall be and shall be deemed to have been made in the context of the Alternative Transaction. All references to the "Effective Date" herein shall also refer to the date of closing of the transactions contemplated by the Alternative Transaction.
- 1.6 Transfer of Shares. Subject to the provisions of section 1.7, the Virginia Shareholder covenants and agrees in favour of Santoy that, during the term of this Agreement, it will not (other than pursuant to the Plan of Arrangement), directly or indirectly sell, transfer or assign or agree to sell, transfer or assign or grant to any person any right or option to buy any of the Subject Securities or the voting rights attached thereto, without the prior written consent of Santoy. Such consent to transfer shall not, however, be necessary if the transfer is to (a) any registered retirement savings plan (within the meaning of the *Income Tax Act* (Canada)) of the Virginia Shareholder, (b) any spouse or child of the Virginia Shareholder, (c) any trust, the beneficiaries of which are the Virginia Shareholder, the spouse or children or other lineal descendants of the Virginia Shareholder or (d) any corporation or other entity which is wholly owned by the Virginia Shareholder alone or together with any of the other parties referred to in (a) to (c), inclusive (collectively, the persons referred to in (a) to (d), inclusive, "Related Parties") provided that any such Related Party executes an agreement on substantially the same terms as this Agreement, agreeing to be bound by the provisions of this Agreement. Without limiting the generality of the foregoing, the Virginia Shareholder agrees not to tender or otherwise deposit the Subject Securities to any tender offer or take-over bid made by any person other than Santoy.
- 1.7 Limits to Obligations of Virginia Shareholder. For greater certainty, the obligations of the Virginia Shareholder to support the Arrangement or an Alternative Transaction and the restrictions on the transfer of shares as provided above shall terminate:
- (a) automatically upon termination of the Combination Agreement in accordance with the terms and conditions thereof, or
 - (b) if an amendment is made to the Combination Agreement or the Plan of Arrangement that would reduce the consideration payable thereunder with respect to the Securities or any class of them or which would otherwise, as determined by Virginia acting reasonably, be materially prejudicial to the interests of the Virginia Shareholders as a group, Santoy and the Virginia Parties hereby agree to provide the Virginia Shareholder with notice of any such amendments to the Combination Agreement or Plan of Arrangement in a timely manner.
- 1.8 Exception. Santoy acknowledges and agrees that the Virginia Shareholder is bound hereby solely in his, her or its capacity as a shareholder of Virginia. If the Virginia Shareholder is a director or officer of Virginia or Holdco, nothing contained in this Agreement will prevent the Virginia Shareholder from acting in his capacity as a director or officer of Virginia or Holdco in accordance with the exercise of his or her fiduciary duties or other legal obligations to act in the best interests of Virginia or Holdco.

2. Covenants of Santoy

- 2.1 Obligations under Combination Agreement. Santoy hereby covenants and irrevocably agrees in favour of the Virginia Shareholder that Santoy will not amend or waive any provision under the Combination Agreement to decrease the consideration per Virginia Common Share received by the Virginia Shareholder under the Arrangement, without the prior written consent of the Virginia Shareholder; provided that, for greater certainty, Santoy may, without such consent amend the terms of the Arrangement to increase the consideration (or the value of the consideration) under the Arrangement.

3. General

- 3.1 Representations and Warranties of the Virginia Shareholder. By executing this Agreement, the Virginia Shareholder represents and warrants to and with Santoy that:

- (a) the class and number of the Securities owned by the Virginia Shareholder at the date hereof, whether directly, indirectly or beneficially and all Securities over which the Virginia Shareholder has control or direction as of the date hereof are as specified in Schedule A to this Agreement;
- (b) the Virginia Shareholder has and will have the sole right to vote the Subject Securities at the Virginia Meeting and the Subject Securities constitute all of the Securities owned beneficially and of record by the Virginia Shareholder and any of its affiliates and all of the Securities over which the Virginia Shareholder and any of its affiliates has control or direction;
- (c) the Virginia Shareholder has the power and capacity to enter into, and to perform its obligations under, this Agreement, and the execution and delivery of this Agreement has been duly authorized by all necessary action on the part of the Virginia Shareholder;
- (d) this Agreement constitutes a valid and binding obligation enforceable against the Virginia Shareholder in accordance with its terms, subject to the usual exceptions as to bankruptcy, insolvency and similar laws of general application and the availability of equitable remedies;
- (e) neither the entering into of this Agreement nor the performance by the Virginia Shareholder of its obligations under this Agreement will contravene, breach or result in any default under any agreement, arrangement, understanding or other legally binding commitments to which the Virginia Shareholder is a party or by which the Virginia Shareholder may be bound or, if the Virginia Shareholder is a corporation, under its articles, by-laws, constating documents or other organizational documents; and
- (f) the Virginia Shareholder acknowledges that it: (i) has been advised by Santoy and the Virginia Parties to seek independent legal advice; (ii) has sought such independent legal advice or deliberately decided not to do so; (iii) understands its rights and obligations under this Agreement; and (iv) is executing this Agreement voluntarily.

The representations and warranties of the Virginia Shareholder set forth in this section 3.1 shall survive the completion of the Arrangement on the Effective Date and, notwithstanding such completion, will continue in full force and effect for the benefit of Santoy.

- 3.2 Representation and Warranties of Santoy. By executing this Agreement, Santoy hereby represents and warrants to the Virginia Shareholder as follows, and acknowledges that the Virginia Shareholder is relying upon such representations and warranties in entering into this Agreement:

- (a) it has the requisite corporate power and authority to enter into this Agreement and to perform its obligations hereunder;
- (b) the execution and delivery of this Agreement by Santoy and the consummation by Santoy of the transactions contemplated hereunder have been duly authorized by the board of directors of

Santoy and no other internal proceedings on the part of Santoy are necessary to authorize this Agreement or the transactions contemplated hereby. This Agreement has been duly executed and delivered by Santoy and constitutes a legal, valid and binding agreement enforceable by the Virginia Shareholder against Santoy in accordance with its terms, subject however, to limitations with respect to enforcement imposed by law in connection with bankruptcy or similar proceedings, the equitable power of the courts to stay proceedings before them and the execution of judgments and to the extent that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought. Santoy is not a party to, bound or affected by or subject to, any charter or by-law, contract, provision, statute, regulation, judgment, order, decree or law which would in any material respect be violated, contravened, breached by, or under which any material default would occur as a result of, the execution and delivery of this Agreement or the consummation of any of the transactions provided for in this Agreement;

- (c) no consent, approval or authorization of, or declaration or filing with, or notice to, any Governmental Entity which has not been received or made is required by Santoy in connection with the execution and delivery of this Agreement by Santoy, except as provided in the Combination Agreement; and
- (d) the common shares in the capital of Santoy to be issued in connection with the Arrangement will be validly issued as fully paid and non-assessable and listed for trading on the TSX Venture Exchange.

The representations and warranties of Santoy set forth in this section 3.2 shall survive the completion of the Arrangement on the Effective Date and, notwithstanding such completion, will continue in full force and effect for the benefit of the Virginia Shareholder.

3.3 Term of Agreement. Unless extended by mutual agreement of the parties hereto, this Agreement shall terminate on the first to occur of:

- (a) the effective time of the Plan of Arrangement;
- (b) the date of termination of the Combination Agreement in accordance with the terms and conditions thereof;
- (c) April 15, 2009; and
- (d) the date upon which this Agreement is terminated by the mutual agreement of the parties hereto.

3.4 Time of the Essence. Time shall be of the essence of this Agreement.

3.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and each of the parties attorns to the non-exclusive jurisdiction of the Province of British Columbia for all purposes hereof.

3.6 Specific Performance and Other Equitable Rights. The Virginia Shareholder recognizes and acknowledges that a breach by it of any of its covenants or agreements contained in this Agreement will cause Santoy to sustain injury for which Santoy would not have an adequate remedy at law for money damages. Therefore, the Virginia Shareholder agrees that in the event of such breach, Santoy shall be entitled to the remedy of specific performance of such covenant or agreement and to preliminary and permanent injunctive and other equitable relief, in addition to any other remedy to which it may be entitled, at law or in equity, and the parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

3.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement.

3.8 Further Assurances. The Virginia Shareholder, on the one hand, and Santoy, on the other hand, will from time to time execute and deliver all such further documents and instruments and do all such acts and things as the other party may, either before or after the Effective Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

If the terms and conditions of this letter are acceptable to you, please indicate your acceptance by dating and signing the same as noted above.

Yours very truly,

(Name of Virginia Shareholder)

(Signature)

February _____, 2009
(Date)

The undersigned agrees with and accepts the terms of this Agreement.

SANTOY RESOURCES LTD.

By: _____
(Signature)

Its: _____
(Title)

SCHEDULE A

Class of Security	Number of Securities
Virginia Common Shares	

SCHEDULE E

HOLDCO PRIVATE SHAREHOLDERS
(as at April 14, 2009)

Name	Number of Holdco Private Shares
Ronald Netolitzky	2,000,000
Jeanne Reynolds	2,000,000
Cormark Securities Inc.	166,667
Walter Coles, Jr.	254,645
Henry Hurt	100,000
Mick Mastilovic	110,000
Neal Keesee	100,000
Nina Thornton	60,000
Harvey Roberts	363,636
TOTAL	5,154,948