

ARRANGEMENT AGREEMENT

between

VICTORIA GOLD CORP.

and

GATEWAY GOLD CORP.

September 30, 2008

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ARRANGEMENT AGREEMENT

THIS AGREEMENT made as of the 30th day of September, 2008

B E T W E E N:

VICTORIA GOLD CORP.,

a corporation existing under the
Business Corporations Act (British Columbia),

(hereinafter sometimes
referred to as "Victoria")

OF THE FIRST PART

- and -

GATEWAY GOLD CORP.,

a corporation existing under the
Business Corporations Act (British Columbia),

(hereinafter sometimes
referred to as "Gateway")

OF THE SECOND PART

WITNESSES THAT:

WHEREAS Victoria and Gateway propose to effect a business combination to combine the business and assets of Gateway with those of Victoria;

AND WHEREAS the parties hereto intend to carry out the proposed business combination by way of a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia);

AND WHEREAS the Arrangement is intended to qualify for U.S. federal income tax purposes as a reorganization under the provisions of Section 368(a) of the United States Internal Revenue Code of 1986, as amended, the Treasury Regulations promulgated thereunder and other applicable U.S. federal income tax law;

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties hereto hereby covenant and agree as follows:

ARTICLE ONE

DEFINITIONS, INTERPRETATION AND SCHEDULES

Section 1.01 Definitions

In this Agreement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) "Acquisition Proposal" means any *bona fide*, written inquiry or proposal made by a third party regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of all or substantially all of its respective assets, any recapitalization, reorganization, liquidation, material sale or issue of treasury securities or rights therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction which would, or could, in any case, constitute or result in a *De facto* acquisition or change of control of Gateway or the Gateway Subsidiary or would or could, in any case, result in the sale or other disposition of all or substantially all of the assets of Gateway or the Gateway Subsidiary;
- (b) "Agreement" means this arrangement agreement, together with the schedules attached hereto, as amended or supplemented from time to time;
- (c) "Arrangement" means the arrangement under the provisions of sections 288 to 299 of the BCBCA on the terms and conditions set forth in the Plan of Arrangement, subject to any amendment or supplement thereto made in accordance therewith or made at the direction of the Court in the Final Order;
- (d) "BCBCA" means the *Business Corporation Act* (British Columbia);
- (e) "Bridge Loan" means the loan in the amount of \$500,000 from Victoria to Gateway pursuant to the terms of the Bridge Loan Agreement;
- (f) "Bridge Loan Agreement" means the loan agreement dated September 25, 2008 between Victoria and Gateway with respect to the Bridge Loan, as amended or supplemented from time to time;
- (g) "Business Day" means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;
- (h) "Canadian GAAP" means accounting principles generally accepted in Canada;
- (i) "Closing Date" means December 12, 2008 or such other date as the parties hereto agree to;
- (j) "Completion Deadline" means the date by which the transactions contemplated by this Agreement are to be completed, which date shall be the

later of December 15, 2008 and the date by which the Effective Date is determined in accordance with section 5.04 hereof;

- (k) "Confidentiality Agreement" means the confidentiality agreement dated April 30, 2008 between Victoria and Gateway;
- (l) "Court" means the Supreme Court of British Columbia;
- (m) "*De facto* acquisition or change of control" means the acquisition by any person or group of persons acting jointly or in concert, of beneficial ownership of or control or direction over sufficient voting securities of such corporation to permit such person or persons to exercise, or to control or direct the voting of, 20% or more of the total number of votes attached to all outstanding voting securities of Victoria or Gateway, as the case may be, or, in the case of a Victoria Subsidiary or a Gateway Subsidiary, 50% of the total number of votes attached to all outstanding voting securities of such Victoria Subsidiary or Gateway Subsidiary, as the case may be;
- (n) "Effective Date" means the date set by Victoria and Gateway as being the effective date in respect of the Arrangement, which date should occur after the date on which the last of all documents necessary to effect the Arrangement have been filed with the Registrar and, in any event, within four Business Days after the Closing Date, or such other date as may be agreed to by the parties;
- (o) "Effective Time" means 12:01 a.m. (Vancouver time) on the Effective Date;
- (p) "Encumbrance" includes any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (q) "Environmental Approvals" means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by any Governmental Entity pursuant to any Environmental Law;
- (r) "Environmental Condition" means the generation, discharge, emission or release into the environment (including, without limitation, ambient air, surface water, groundwater or land), spill, receiving, handling, use, storage, containment, treatment, transportation, shipment or disposition prior to the Closing Date of any Hazardous Substance by any person in respect of which remedial action is required under any Environmental Laws or as to which any liability is currently or in the future imposed upon any person based upon the acts or omissions of any person prior to the Closing Date with respect to any Hazardous Substance or reporting with respect thereto;

- (s) "Environmental Laws" means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety, and includes, as applicable, Environmental Approvals;
- (t) "Final Order" means the order of the Court pursuant to subsection 291(4)(a) of the BCBCA approving the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;
- (u) "Gateway" means Gateway Gold Corp., a corporation existing under the BCBCA;
- (v) "Gateway Common Shares" means the common shares in the capital of Gateway;
- (w) "Gateway Disclosure Letter" means the letter of even date herewith delivered by Gateway to Victoria in a form accepted by and initialled on behalf of Victoria with respect to certain matters in this Agreement;
- (x) "Gateway Meeting" means the special meeting, including any adjournments or postponements thereof, of the Gateway Shareholders to be held, among other things, to consider and, if deemed advisable, to approve the Arrangement;
- (y) "Gateway Options" means the outstanding options to purchase an aggregate of 5,520,000 Gateway Common Shares issued pursuant to the Gateway Share Option Plans;
- (z) "Gateway Shareholders" means, at any time, the holders of Gateway Common Shares at such time;
- (aa) "Gateway Share Option Plans" means the share option plans of Gateway adopted in (i) on January 6, 2003 (as amended on September 29, 2003, April 30, 2004, April 28, 2005 and April 28, 2006), and (ii) on April 27, 2007, collectively;
- (bb) "Gateway Subsidiary" means Gateway Gold (USA) Corp., a corporation existing under the laws of the State of Nevada;
- (cc) "Gateway Warrants" means the 3,039,600 warrants expiring June 9, 2011 entitling the holders thereof to purchase an aggregate of 3,039,600 Gateway Common Shares at a price of \$0.35 per Gateway Common Share;
- (dd) "Governmental Entity" means any applicable (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal (judicial, quasi-judicial, administrative or quasi-administrative), arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) any subdivision, agency, commission, board or authority of any of the foregoing,

or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority in respect of or for the account of any of the foregoing;

- (ee) "Hazardous Substance" means any pollutant, contaminant or waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in or for the purposes of any Environmental Law;
- (ff) "Interim Order" means the interim order of the Court, as such order may be amended, pursuant to subsection 291(2) of the BCBCA made in connection with the Arrangement;
- (gg) "Laws" means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, instruments, policies, notices, directions and judgments or other requirements of any Governmental Entity;
- (hh) "Letter Agreement" means the letter agreement dated August 18, 2008 between Victoria and Gateway;
- (ii) "Market Capitalization" means, at any time, the aggregate Market Price of all the then outstanding Victoria Common Shares or Gateway Common Shares, as the case may be;
- (jj) "Market Price" for a particular class of securities means, at any date, the simple average of the closing price of such class on the TSX or TSX-V, as applicable, for each of the Business Days on which there was a closing price falling not more than ten Business Days before such date;
- (kk) "Material Adverse Change" means, in respect of Victoria or Gateway, any one or more changes, events or occurrences, and "Material Adverse Effect" means, in respect of Victoria or Gateway, any state of facts, which, in either case, either individually or in the aggregate, are, or would reasonably be expected to be, material and adverse to the business, operations, results of operations, prospects, assets, liabilities or financial condition of Victoria and the Victoria Subsidiary, or Gateway and the Gateway Subsidiary, respectively, on a consolidated basis, other than any change, effect, event or occurrence: (i) relating to the global economy or securities markets in general; (ii) affecting the worldwide gold mining industry in general and which does not have a materially disproportionate effect on Victoria and the Victoria Subsidiary on a consolidated basis, or Gateway and the Gateway Subsidiary on a consolidated basis, respectively; (iii) resulting from changes in the price of gold; or (iv) relating to the rate at which Canadian dollars can be exchanged for United States dollars or vice versa; and references in this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, interpretive of the amount used for the purpose of determining whether a "Material Adverse Change" has occurred or whether a state of facts exists that has or could have a "Material Adverse Effect" and such defined terms

and all other references to materiality in this Agreement shall be interpreted without reference to any such amounts;

- (ll) "Plan of Arrangement" means a plan of arrangement substantially in the form and content of schedule A attached hereto and any amendment or variation thereto made in accordance with section 6.01 of the Plan of Arrangement or section 7.01 hereof;
- (mm) "Proxy Circular" means the management information circular to be prepared by Gateway in respect of the Meeting;
- (nn) "Registrar" means the Registrar of Companies appointed pursuant to section 400 of the BCBCA;
- (oo) "Securities Authorities" means the British Columbia Securities Commission and the other securities regulatory authorities in the provinces and territories of Canada and the Securities and Exchange Commission of the United States of America, collectively;
- (pp) "Subsidiary" means, with respect to a specified body corporate, any body corporate of which the specified body corporate is entitled to elect a majority of the directors thereof and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to such a body corporate, excluding any body corporate in respect of which such direction or control is not exercised by the specified body corporate as a result of any existing contract, agreement or commitment, and, in the case of Victoria, includes the Victoria Subsidiary and, in the case of Gateway, includes the Gateway Subsidiary;
- (qq) "Superior Proposal" means an Acquisition Proposal in respect of Gateway if such Acquisition Proposal is not conditional on obtaining financing and the directors of Gateway have determined in good faith, after consultation with, and receiving advice (which may include written opinions, a copy of which shall have been provided to Victoria) from, as appropriate, the financial, legal and other advisors to Gateway to the effect that such Acquisition Proposal would, if consummated in accordance with the terms thereof, but without assuming away the risk of non-completion, result in a transaction which in the case of an Acquisition Proposal made to Gateway, has a value per Gateway Common Share greater than the value per Gateway Common Share than that set out in the Plan of Arrangement;
- (rr) "Tax" and "Taxes" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including, without limitation, 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 (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, licence taxes, withholding taxes, payroll taxes, employment taxes, Canada and Quebec Pension Plan premiums, employer health taxes, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, 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, fines 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 or that may become payable in respect thereof; and liability for any of the foregoing as a transferee or successor, guarantor or surety or in a similar capacity under any contract, arrangement, agreement, understanding or commitment (whether written or oral) or by operation flow;

- (ss) "Tax Act" means the *Income Tax Act* (Canada), as amended;
- (tt) "Tax Returns" means all returns, schedules, elections, forms, notices, declarations, reports, information returns and statements filed or required to be filed with any taxing authority relating to Taxes;
- (uu) "TSX" means the Toronto Stock Exchange;
- (vv) "TSX-V" means the TSX Venture Exchange;
- (ww) "US Tax Code" means The United States Internal Revenue Code of 1986, as amended by any successor thereto;
- (xx) "Victoria" means Victoria Gold Corp., a corporation existing under the BCBCA;
- (yy) "Victoria Common Shares" means the common shares in the capital of Victoria;
- (zz) "Victoria Disclosure Letter" means the letter of even date herewith delivered by Victoria to Gateway in a form accepted by and initialled on behalf of Gateway with respect to certain matters in this Agreement;
- (aaa) "Victoria Options" means the Gateway Options, as assumed and adjusted on the Effective Date pursuant to the Plan of Arrangement;
- (bbb) "Victoria Securities" means the Victoria Common Shares, the Victoria Options and the Victoria Warrants issued or deemed to be issued or assumed on the Effective Date pursuant to the Plan of Arrangement;
- (ccc) "Victoria Shareholders" means, at any time, the holders of Victoria Common Shares at such time;

- (ddd) "Victoria Subsidiary" means Victoria Resources (US) Inc., a corporation existing under the laws of the State of Nevada;
- (eee) "Victoria Warrants" means the Gateway Warrants, as assumed and adjusted on the Effective Date pursuant to the Plan of Arrangement;
- (fff) "1933 Act" means the Securities Act of 1933, as amended, of the United States of America;
- (ggg) "1934 Act" means the Securities Exchange Act of 1934, as amended, of the United States of America; and
- (hhh) "1940 Act" means the Investment Company Act of 1940, as amended, of the United States of America.

In addition, words and phrases used herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

Section 1.02 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section or other portion hereof and include any agreement, schedule or instrument supplementary or ancillary hereto or thereto.

Section 1.03 Number, Gender and Persons

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter, and the word person and all words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any Governmental Entity, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

Section 1.04 Date for any Action

If the date on which any action is required to be taken hereunder by any party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.05 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

Section 1.06 Currency

Unless otherwise stated, all references in this Agreement to amounts of money are expressed in lawful money of Canada.

Section 1.07 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Law, the parties hereto waive any provision of Law which renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The parties hereto will engage in good faith negotiations to replace any provision hereof or any part thereof which is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof which it replaces.

Section 1.08 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian GAAP and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with Canadian GAAP.

Section 1.09 Knowledge

Where the phrases "to the knowledge of Victoria" or "to Victoria's knowledge" or "to the knowledge of Gateway" or "to Gateway's knowledge" are used: (a) in respect of Victoria, the Victoria Subsidiary, Gateway or the Gateway Subsidiary, such phrase shall mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon: (i) in the case of Victoria and the Victoria Subsidiary, the collective actual knowledge of those officers of Victoria and the Victoria Subsidiary; and (ii) in the case of Gateway and the Gateway Subsidiary, the collective actual knowledge of those officers of Gateway and the Gateway Subsidiary.

Section 1.10 Meaning of Certain Phrase

In this Agreement the phrase "in the ordinary and regular course of business" shall mean and refer to those activities that are normally conducted by corporations engaged in the exploration for precious and related metals.

Section 1.11 Schedules

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

<u>Schedule</u>	<u>Matter</u>
A	Plan of Arrangement
B	Description of Gateway Options
C	Description of Victoria Options

D	List of Victoria Officers and Directors
E	List of Gateway Officers and Directors
F	List of Gateway Principal Properties
G	List of Victoria Principal Properties

ARTICLE TWO

THE ARRANGEMENT

Section 2.01 Arrangement

Pursuant to the Arrangement, the Gateway Common Shares shall be exchanged for Victoria Common Shares on the terms and subject to the conditions set out in this Agreement and the Plan of Arrangement with Gateway becoming a wholly-owned subsidiary of Victoria upon the completion of the Arrangement and Victoria shall issue the Victoria Common Shares required to be issued in connection with the Arrangement. The parties agree to carry out the Arrangement substantially on the terms set out in the Plan of Arrangement, subject to such changes as may be mutually agreed to by the parties on the advice of their respective legal, tax and financial advisors.

Section 2.02 Effective Date

The Arrangement shall become effective at the Effective Time and at such time Gateway shall become a wholly-owned subsidiary of Victoria on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

Section 2.03 Consultation

Victoria and Gateway will consult with the other of them in issuing any press release or otherwise making any public statement with respect to this Agreement or the Arrangement and in making any filing with any Governmental Entity, Securities Authority or stock exchange with respect thereto. Each of Victoria and Gateway shall use its commercially reasonable efforts to enable the other of them to review and comment on all such press releases and filings prior to the release or filing, respectively, thereof. Victoria and Gateway agree that this section 2.03 supersedes section 14 of the Confidentiality Agreement and that hereafter section 14 of the Confidentiality Agreement shall have no force or effect.

Section 2.04 Court Proceedings

As soon as is reasonably practicable after the date of execution of this Agreement, Gateway shall apply to the Court pursuant to section 291 of the BCBCA for the Interim Order approving the Arrangement and, in connection with such application, Gateway shall:

- (i) file, proceed with and diligently prosecute an application to the Court for the Interim Order providing for, among other things, the calling and holding of the Gateway Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement; and
- (ii) subject to obtaining the approvals as contemplated by the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary

or desirable to submit the Arrangement to the Court and to apply for the Final Order.

The notices of motion and related materials for the applications referred to in this section shall be in a form satisfactory to Gateway and Victoria, each acting reasonably, and, in the case of the application to the Court for the Interim Order, shall request that the Interim Order provide, among other things:

- (a) for the persons to whom notice is to be provided in respect of the Arrangement for the Gateway Meeting and for the manner in which such notice is to be provided; and
- (b) that the requisite approval of the Gateway Shareholders for the Arrangement shall be two-thirds of the votes cast thereon by Gateway Shareholders present in person or represented by proxy at the Gateway Meeting.

Section 2.05 Closing

Unless this Agreement is terminated pursuant to the provisions hereof, Victoria and Gateway shall meet at the offices of Gowling Lafleur Henderson LLP, Suite 2300, Four Bentall Centre, 1055 Dunsmuir Street, Vancouver, British Columbia at 9:00 a.m. (Vancouver time) on December 12, 2008 or at such other time or on such other date as they may mutually agree upon and each of them shall deliver to the other of them:

- (i) the documents required or contemplated to be delivered by it hereunder to complete the Arrangement and the other transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the Arrangement becoming effective; and
- (ii) written confirmation as to the satisfaction or waiver of all of the conditions in its favour contained in this Agreement.

Section 2.06 Final Order

Subject to the rights of termination contained in Article Seven hereof, upon the Gateway Shareholders approving the Arrangement in accordance with the Interim Order, the parties hereto obtaining the Final Order and the other conditions contained in Article Five hereof being complied with or waived, the parties hereto shall on or after the Closing Date jointly file the Final Order with the Registrar together with such other documents as may be required in order to effect the Arrangement.

Section 2.07 Management and Board of Directors

Upon the completion of the Arrangement (i) T. Sean Harvey shall remain Chairman of Victoria and Chad Williams shall remain as the President and Chief Executive Officer of Victoria reporting to the board of directors of Victoria, and (ii) the number of directors of Victoria shall be increased to five, with the four existing directors of Victoria remaining as directors of Victoria and Michael McInnis becoming a director of Victoria.

Section 2.08 Head Office

The location of the head office of Victoria shall remain in Toronto and management of Victoria shall review and determine the location of the other offices of Victoria within 12 months following the completion of the Arrangement.

Section 2.09 U.S. Tax Treatment

The Arrangement is intended to qualify as a reorganization within the meaning of Section 368(a) of the US 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 US Tax Code.

ARTICLE THREE

REPRESENTATIONS AND WARRANTIES

Section 3.01 Representations and Warranties of Gateway

Gateway hereby represents and warrants to Victoria, and hereby acknowledges that Victoria is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement, as follows:

- (a) Organization. Each of Gateway and the Gateway Subsidiary have been incorporated, is validly subsisting and has full corporate or legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Each of Gateway and the Gateway Subsidiary is registered, licensed or otherwise qualified as an extra-provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Gateway. All of the outstanding shares of Gateway and the Gateway Subsidiary are validly issued, fully paid and non-assessable. All of the outstanding shares of the Gateway Subsidiary are owned directly or indirectly by Gateway. The outstanding shares of the Gateway Subsidiary are owned by Gateway free and clear of all Encumbrances and Gateway is not liable to any creditor in respect thereof. Other than as disclosed by Gateway in the Gateway Disclosure Letter, there are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any issued or unissued securities of the Gateway Subsidiary from either Gateway or the Gateway Subsidiary, as the case may be.
- (b) Capitalization. Gateway is authorized to issue an unlimited number of Gateway Common Shares. As at September 29, 2008, there were 38,142,170 Gateway Common Shares outstanding, an aggregate of 5,520,000 Gateway Common Shares were set aside for issue under Gateway Options and an aggregate of 3,039,600 Gateway Common Shares were set aside for issue under the Gateway Warrants. The Gateway Options are described in

schedule B attached hereto. Except for the Gateway Options and the Gateway Warrants, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Gateway or the Gateway Subsidiary to issue or sell any shares of Gateway or the Gateway Subsidiary or any securities or obligations of any kind convertible into or exchangeable for any shares of Gateway or the Gateway Subsidiary. All outstanding Gateway Common Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. There are no outstanding bonds, debentures or other evidences of indebtedness of Gateway or the Gateway Subsidiary having the right to vote with the Gateway Shareholders on any matter. There are no outstanding contractual obligations of Gateway or the Gateway Subsidiary to repurchase, redeem or otherwise acquire any outstanding Gateway Common Shares or with respect to the voting or disposition of any outstanding Gateway Common Shares.

- (c) Authority. Gateway has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Gateway as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Gateway and the completion by Gateway of the transactions contemplated by this Agreement have been authorized by the directors of Gateway and, subject to the approval by the Gateway Shareholders in the manner contemplated herein, no other corporate proceedings on the part of Gateway are necessary to authorize this Agreement or to complete the transactions contemplated hereby other than in connection with the approval by the directors of Gateway of the Proxy Circular. This Agreement has been executed and delivered by Gateway and constitutes a legal, valid and binding obligation of Gateway, enforceable against Gateway in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery of this Agreement, the performance by Gateway of its obligations hereunder and the completion of the transactions contemplated hereby do not and will not:
- (i) result in a violation, contravention or breach of, require any consent to be obtained under or give rise to any termination rights under any provision of,
 - (a) the articles or by-laws (or their equivalent) of Gateway or the Gateway Subsidiary,
 - (b) except for the consents disclosed in the Gateway Disclosure Letter, any Law, or
 - (c) any contract, agreement, licence or permit to which Gateway or the Gateway Subsidiary is bound or is subject or of which Gateway or the Gateway Subsidiary is the beneficiary;

- (ii) give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness owing by Gateway or the Gateway Subsidiary, to come due before its stated maturity or cause any available credit to cease to be available;
- (iii) result in the imposition of any Encumbrance upon any of the property or assets of Gateway or the Gateway Subsidiary, or restrict, hinder, impair or limit the ability of Gateway or the Gateway Subsidiary, to conduct the business of Gateway or the Gateway Subsidiary as and where it is now being conducted; or
- (iv) except as disclosed in the Gateway Disclosure Letter, result in any payment (including severance, unemployment compensation, "golden parachute", bonus or otherwise) becoming due to any director or officer of Gateway or the Gateway Subsidiary or increase any benefits otherwise payable under any pension or benefits plan of Gateway or the Gateway Subsidiary or result in the acceleration of the time of payment or vesting of any such benefits;

which would, individually or in the aggregate, have a Material Adverse Effect on Gateway. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other person is required (A) to be obtained by Gateway or the Gateway Subsidiary in connection with the execution and delivery of this Agreement or the consummation by Gateway of the transactions contemplated hereby other than (i) any approvals required by the Interim Order, (ii) any approvals required by the Final Order, (iii) filings with the Registrar under the BCBCA and filings with and approvals required by Securities Authorities and stock exchanges, (iv) any other consent, waiver, permit, order or approval referred to in the Gateway Disclosure Letter, and (v) any other consent, approval, order, authorization, declaration or filing which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Gateway, or (B) to be obtained in connection with the acquisition by Victoria of the properties and property interests owned directly or indirectly by Gateway in connection with the Arrangement.

- (d) Directors' Approvals. The directors of Gateway have received an oral opinion from Capital West Partners, the financial advisor to the directors of Gateway, that the exchange ratio in respect of the Arrangement is fair, from a financial point of view, to the Gateway Shareholders and have unanimously:
 - (i) determined that the exchange ratio of Gateway Common Shares for Victoria Common Shares is fair to the Gateway Shareholders and the Arrangement is in the best interests of Gateway;
 - (ii) recommended that the Gateway Shareholders vote in favour of the Arrangement; and

- (iii) authorized the entering into of this Agreement, and the performance of its provisions, by Gateway.
- (e) Gateway Subsidiaries. The only Subsidiary of Gateway is the Gateway Subsidiary.
- (f) No Defaults. Victoria has been provided with a true and complete copy of all contracts, agreements and licences material to the conduct of the business of Gateway or the Gateway Subsidiary that if breached or in default would or could reasonably be expected to have a Material Adverse Effect on Gateway, or access thereto, and there are no current or pending negotiations with respect to the renewal, termination or amendment of any such material contracts, agreements or licences. Neither Gateway nor the Gateway Subsidiary is in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any contract, agreement or licence to which any of them is a party or by which any of them is bound which would, individually or in the aggregate, have a Material Adverse Effect on Gateway.
- (g) Absence of Changes. Since June 30, 2008, except as publicly disclosed by Gateway prior to the date hereof, or as disclosed in the Gateway Disclosure Letter:
 - (i) Gateway and the Gateway Subsidiary have conducted their business only in the ordinary and regular course of business consistent with past practice;
 - (ii) neither Gateway nor the Gateway Subsidiary has incurred or suffered a Material Adverse Change;
 - (iii) there has not been any acquisition or sale by Gateway or the Gateway Subsidiary of any material property or assets thereof;
 - (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Gateway or the Gateway Subsidiary of any debt for borrowed money, any creation or assumption by Gateway or the Gateway Subsidiary of any Encumbrance, any making by Gateway or the Gateway Subsidiary of any loan, advance or capital contribution to or investment in any other person (other than (a) travel loans or advances made in the ordinary and regular course of business, (b) other loans and advances in an aggregate amount which does not exceed \$250,000 outstanding at any time, (c) the Bridge Loan, and (d) loans made to the Gateway Subsidiary) or any entering into, amendment of, relinquishment, termination or non-renewal by Gateway or the Gateway Subsidiary of any contract, agreement, licence, lease transaction, commitment or other right or obligation which would, individually or in the aggregate, have a Material Adverse Effect on Gateway;

- (v) Gateway has not declared or paid any dividends or made any other distribution on any of the Gateway Common Shares;
 - (vi) Gateway has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Gateway Common Shares;
 - (vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable to or to become payable by Gateway or the Gateway Subsidiary to any of their respective directors, or officers or any grant to any such director or officer of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement (including, without limitation, the granting of Gateway Options pursuant to the Gateway Share Option Plans) made to, for or with any of such directors or officers;
 - (viii) Gateway has not effected any material change in its accounting methods, principles or practices; and
 - (ix) Gateway has not adopted any, or materially amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (h) Employment Agreements. Other than as publicly disclosed by Gateway prior to the date hereof, or disclosed by Gateway in the Gateway Disclosure Letter:
- (i) neither Gateway nor the Gateway Subsidiary is a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment agreement with, any director or officer of Gateway or the Gateway Subsidiary which cannot be terminated without payment upon a maximum of 12 months' notice;
 - (ii) neither Gateway nor the Gateway Subsidiary has any employee or consultant whose employment or contract with Gateway or the Gateway Subsidiary, respectively, cannot be terminated without payment upon a maximum of 12 months' notice; and
 - (iii) neither Gateway nor the Gateway Subsidiary (a) is a party to any collective bargaining agreement, (b) is, to the knowledge of Gateway, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement, or (c) is subject to any current, or to the knowledge of Gateway, pending or threatened strike or lockout.
- (i) Financial Matters. The audited consolidated balance sheets, audited consolidated statements of operations, audited consolidated statements of

shareholders' equity and audited consolidated statements of cash flows for the financial years ended December 31, 2007 and December 31, 2006 of Gateway were prepared in accordance with Canadian GAAP, consistently applied, and fairly present in all material respects the consolidated financial condition of Gateway at the respective dates indicated and the results of operations of Gateway for the periods covered on a consolidated basis and reflect adequate provision for the liabilities of Gateway on a consolidated basis in accordance with Canadian GAAP. Neither Gateway nor the Gateway Subsidiary has any liability or obligation (including, without limitation, liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, not reflected in the audited consolidated financial statements of Gateway for the financial year ended December 31, 2007, except liabilities and obligations incurred in the ordinary and regular course of business since December 31, 2007 or which liabilities or obligations do not in the aggregate exceed \$250,000.

- (j) Books and Records. The corporate records and minute books of Gateway and, since the date the Gateway Subsidiary was acquired or incorporated by Gateway, the corporate records and minute books of the Gateway Subsidiary have been maintained substantially in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Gateway. Financial books and records and accounts of Gateway and the Gateway Subsidiary in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Gateway and the Gateway Subsidiary, and (iii) in the case of Gateway and the Gateway Subsidiary, accurately and fairly reflect the basis for the consolidated financial statements of Gateway. Gateway has devised and maintains a system of internal accounting controls sufficient to provide reasonable assurances that, in all material respects (a) transactions are executed in accordance with the general or specific authorization of the management of Gateway, and (b) transactions are recorded as necessary (i) to permit preparation of consolidated financial statements in conformity with Canadian GAAP or any criteria applicable to such consolidated financial statements and (ii) to maintain accountability for assets and liabilities.
- (k) Litigation. There is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Gateway, threatened against or relating to Gateway or the Gateway Subsidiary or affecting any of their respective properties or assets before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Gateway. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Gateway, threatened against or relating to Gateway or the Gateway Subsidiary before any Governmental Entity. Neither Gateway, the Gateway Subsidiary, nor any of their respective properties or assets is subject to any

outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, or requires or may require, the expenditure of an amount of money in the aggregate in excess of \$250,000 as a condition to or a necessity for the right or ability of Gateway or the Gateway Subsidiary, respectively, to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement.

- (l) Title to Properties and Condition of Assets. Except as set forth in the Gateway Disclosure Letter, applying customary standards in the mining industry, the Gateway Subsidiary has sufficient title, free and clear of any title defect or Encumbrance, to its material properties, such properties being described in schedule F hereto, except for such defects in title or Encumbrances that, individually or in the aggregate, do not have, and would not be reasonably likely to have, a Material Adverse Effect on Gateway. Furthermore, all real and tangible personal property of the Gateway Subsidiary is in generally good repair and is operational and usable in the manner in which it is currently being utilized, subject to normal wear and tear and technical obsolescence, repair or replacement, except for such property whose failure to be in such condition does not, and would not be reasonably likely to have, a Material Adverse Effect on Gateway.
- (m) Insurance. Gateway maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size operating in the mining industry and such policies are in full force and effect as of the date hereof.
- (n) Environmental. Except as to the matters described in the Gateway Disclosure Letter, since the date Gateway acquired or incorporated the Gateway Subsidiary there has been no Environmental Condition and in respect of the Gateway Subsidiary, to Gateway's knowledge there exists no Environmental Condition, which, individually or in the aggregate, has, or is reasonably likely to have, a Material Adverse Effect on Gateway.
- (o) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Gateway:
 - (i) Each of Gateway and the Gateway Subsidiary has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information to be reported thereon.
 - (ii) Each of Gateway and the Gateway Subsidiary has (A) duly and timely paid all Taxes due and payable by it, (B) duly and timely collected and withheld all Taxes and other amounts required by Law to be

collected and withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Law to be remitted by it, and (C) duly and timely collected or caused to be collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it.

- (iii) The charges, accruals and reserves for Taxes reflected on the Gateway financial statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Gateway, adequate under Canadian GAAP to cover Taxes with respect to Gateway and the Gateway Subsidiary accruing through the date hereof.
- (iv) There are no proceedings, investigations, audits, assessments, reassessments or claims now pending or to the knowledge of Gateway, threatened against either Gateway or the Gateway Subsidiary that propose to assess Taxes in addition to those reported in the Tax Returns.
- (v) No waiver of any statute of limitations with respect to Taxes has been given or requested with respect to Gateway or the Gateway Subsidiary.
- (vi) Gateway is a "taxable Canadian corporation" as defined in the Tax Act.
- (p) Intellectual Property. Neither Gateway nor the Gateway Subsidiary own or license any patents, patent rights, trademarks, trade names, service marks, copyrights, know how or other proprietary intellectual property rights that are material to the conduct of the business of Gateway and the Gateway Subsidiary.
- (q) Pension and Employee Benefits.
 - (i) Gateway and the Gateway Subsidiary have complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Gateway and the Gateway Subsidiary, as the case may be, including the provisions of any funding and investment contracts or obligations applicable thereto, arising under or relating to each employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Gateway or the Gateway Subsidiary (collectively referred to in this subsection as the "Gateway Plans") and all Gateway Plans maintained by or binding upon Gateway or the Gateway Subsidiary are fully funded and in good standing with such regulatory authorities as may

be applicable and no notice of underfunding, non-compliance, failure to be in good standing or otherwise has been received by Gateway or the Gateway Subsidiary from any such regulatory authority.

- (ii) No action has been taken, no event has occurred and no condition or circumstance exists that has resulted in or could reasonably be expected to result in any Gateway Plan maintained by or binding upon Gateway or the Gateway Subsidiary, being ordered or required to be terminated or wound up in whole or in part or having its registration under applicable legislation refused or revoked, or being placed under the administration of any trustee or receiver or regulatory authority.
- (r) Reporting Status. Gateway is a reporting issuer or its equivalent in the provinces of British Columbia, Alberta and Ontario. The Gateway Common Shares are listed on the TSX.
- (s) Reports. Gateway has filed with the Securities Authorities, stock exchanges and all applicable self-regulatory authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it (such forms, reports, schedules, statements, certifications and other documents, including any financial statements or other documents, including any schedules included therein, are referred to in this subsection as the "Gateway Documents"). The Gateway Documents, at the time filed, (a) did not contain any misrepresentation (as defined in the *Securities Act* (Ontario)), and (b) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities having jurisdiction over Gateway, except where such non-compliance has not and would not reasonably be expected to have a Material Adverse Effect on Gateway. Gateway has not filed any confidential material change or other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential.
- (t) Compliance with Laws. Gateway and, since the date Gateway acquired or incorporated the Gateway Subsidiary, the Gateway Subsidiary have complied with and are not in violation of any applicable Law other than such non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect on Gateway. To the knowledge of Gateway, the Gateway Subsidiary has complied with and is not in violation of any applicable Law other than such non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect on Gateway.
- (u) No Cease Trade. Gateway is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Gateway, no investigation or other proceedings involving Gateway which may operate to prevent or restrict trading of any securities of Gateway are

currently in progress or pending before any applicable stock exchange or Securities Authority.

- (v) No Option on Assets. Except as disclosed by Gateway in the Gateway Disclosure Letter, no person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Gateway or the Gateway Subsidiary of any of the material assets of Gateway or the Gateway Subsidiary.
- (w) Certain Contracts. Neither Gateway, nor to the knowledge of Gateway, the Gateway Subsidiary is, nor since the date Gateway acquired or incorporated the Gateway Subsidiary has the Gateway Subsidiary become, a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree which purports to (i) limit the manner or the localities in which all or any material portion of the business of Gateway or the Gateway Subsidiary are conducted, (ii) limit any business practice of Gateway or the Gateway Subsidiary in any material respect, or (iii) restrict any acquisition or disposition of any property by Gateway or the Gateway Subsidiary in any material respect.
- (x) Foreign Private Issuer. As of the date hereof, Gateway is a "foreign private issuer" as defined in Rule 405 under the 1933 Act.
- (y) No Registered Securities. Gateway 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.
- (z) Investment Company Status. Gateway is not registered, and is not required to be registered, as an open-end investment company, a closed-end investment company, a unit investment trust or a face-amount certificate company under the 1940 Act.
- (aa) Full Disclosure. Gateway has made available to Victoria all material information, including financial, operational and other information, in respect of the properties listed in schedule F (except such information that does not have, and would not reasonably be expected to lead to, a Material Adverse Effect in respect of Gateway) and all such information as made available to Victoria is true and correct in all material respects and no material fact or facts have been omitted therefrom which would make such information misleading.
- (bb) No Broker's Commission. Gateway has not entered into any agreement that would entitle any person to any valid claim against Gateway 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 the financial advisory fees disclosed in the Gateway Disclosure Letter.
- (cc) Investment Canada. Gateway is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada).

Section 3.02 Representations and Warranties of Victoria

Victoria hereby represents and warrants to Gateway, and hereby acknowledges that Gateway is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Arrangement, as follows:

- (a) Organization. Each of Victoria and the Victoria Subsidiary has been incorporated, is validly subsisting and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Each of Victoria and the Victoria Subsidiary is registered, licensed or otherwise qualified as an extra-provincial corporation or a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Victoria. All of the outstanding shares of Victoria and the Victoria Subsidiary are validly issued, fully paid and non-assessable. All of the outstanding shares of the Victoria Subsidiary are owned directly or indirectly by Victoria. Except pursuant to restrictions on transfer contained in the articles or by-laws (or their equivalent) of the Victoria Subsidiary, the outstanding shares of the Victoria Subsidiary which are owned by Victoria (or by the Victoria Subsidiary) are owned free and clear of all Encumbrances and Victoria is not liable to any creditor in respect thereof. There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to acquire any issued or unissued securities of the Victoria Subsidiary from either Victoria or the Victoria Subsidiary.
- (b) Capitalization. Victoria is authorized to issue an unlimited number of Victoria Common Shares. As at September 29, 2008 there were 93,570,152 Victoria Common Shares outstanding and an aggregate of 4,052,500 Victoria Common Shares were set aside for issue under the share incentive plan of Victoria. Except (i) as described in the immediately preceding sentence, (ii) pursuant to this Agreement and the transactions contemplated hereby, and (iii) as disclosed in the Victoria Disclosure Letter, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Victoria or the Victoria Subsidiary to issue or sell any shares of Victoria or the Victoria Subsidiary or any securities or obligations of any kind convertible into or exchangeable for any shares of Victoria or the Victoria Subsidiary. All options issued by Victoria are described in schedule C attached hereto. All outstanding Victoria Common Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. There are no outstanding bonds, debentures or other evidences of indebtedness of Victoria or the Victoria Subsidiary having the right to vote with the Victoria Shareholders on any matter. There are no outstanding contractual obligations of Victoria or the Victoria Subsidiary to repurchase, redeem or otherwise acquire any outstanding Victoria Common

Shares or with respect to the voting or disposition of any outstanding Victoria Common Shares.

- (c) Authority. Victoria has the necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Victoria as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Victoria and the completion by Victoria of the transactions contemplated by this Agreement have been authorized by the directors of Victoria, no other corporate proceedings on the part of Victoria are necessary to authorize this Agreement or to complete the transactions contemplated hereby other than in connection with the approval by the directors of Victoria of the disclosure with respect to Victoria and the business and assets thereof in the Proxy Circular. This Agreement has been executed and delivered by Victoria and constitutes a legal, valid and binding obligation of Victoria, enforceable against Victoria in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Victoria of this Agreement and the performance by it of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:
- (i) result in a violation, contravention or breach of, require any consent to be obtained under or give rise to any termination rights under any provision of,
 - (a) the articles or by-laws (or their equivalent) of Victoria or the Victoria Subsidiary,
 - (b) except for the consents disclosed in any Law, or
 - (c) except as disclosed in any contract, agreement, licence or permit to which Victoria or the Victoria Subsidiary is bound or is subject to or of which Victoria or the Victoria Subsidiary is the beneficiary;
 - (ii) give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness owing by Victoria or the Victoria Subsidiary to come due before its stated maturity or cause any of its available credit to cease to be available;
 - (iii) result in the imposition of any Encumbrance upon any of the property or assets of Victoria or the Victoria Subsidiary or restrict, hinder, impair or limit the ability of Victoria or the Victoria Subsidiary to conduct the business of Victoria or the Victoria Subsidiary as and where it is now being conducted; or

- (iv) result in any payment (including severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any director or officer of Victoria or the Victoria Subsidiary or increase any benefits otherwise payable under any pension or benefits plan of Victoria or the Victoria Subsidiary or result in the acceleration of the time of payment or vesting of any such benefits;

which would, individually or in the aggregate, have a Material Adverse Effect on Victoria. No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other person is required to be obtained by Victoria or the Victoria Subsidiary in connection with the execution and delivery of this Agreement or the consummation by Victoria of the transactions contemplated hereby other than (i) any approvals required by the Interim Order, (ii) any approvals required by the Final Order, (iii) filings required under the BCBCA and filings with and approvals required by the Securities Authorities and stock exchanges, (iv) any other consents, waivers, permits, orders or approvals referred to in the Victoria Disclosure Letter, and (v) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Victoria.

- (d) Directors' Approvals. The directors of Victoria have unanimously authorized the entering into of this Agreement, and the performance of its provisions, by Victoria.
- (e) Victoria Subsidiaries. The only Subsidiary of Victoria is the Victoria Subsidiary.
- (f) No Defaults. Gateway has been provided with a true and complete copy of all contracts, agreements and licences material to the conduct of the business of Victoria or the Victoria Subsidiary that if breached or in default would or could reasonably be expected to have a Material Adverse Effect on Victoria, or access thereto, and there are no current or pending negotiations with respect to the renewal, termination or amendment of any such material contracts, agreements and licences. Neither Victoria nor the Victoria Subsidiary is in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute such a default under, any contract, agreement or licence to which any of them is a party or by which any of them is bound which would, individually or in the aggregate, have a Material Adverse Effect on Victoria.
- (g) Absence of Changes. Since May 31, 2008, except as publicly disclosed by Victoria prior to the date hereof:
 - (i) Each of Victoria and the Victoria Subsidiary has conducted its business only in the ordinary and regular course of business consistent with past practice;

- (ii) neither Victoria nor the Victoria Subsidiary has incurred or suffered a Material Adverse Change;
- (iii) there has not been any acquisition or sale by Victoria or the Victoria Subsidiary of any material property or asset thereof;
- (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Victoria or the Victoria Subsidiary of any debt for borrowed money, any creation or assumption by Victoria or the Victoria Subsidiary of any Encumbrance, any making by Victoria or the Victoria Subsidiary of any loan, advance or capital contribution to or investment in any other person (other than (a) travel loans or advances made in the ordinary and regular course of business, (b) other loans and advances in an aggregate amount which does not exceed \$500,000 outstanding at any time and (c) loans made to the Victoria Subsidiary) or any entering into, amendment of, relinquishment, termination or non-renewal by Victoria or the Victoria Subsidiary of any contract, agreement, licence, lease transaction, commitment or other right or obligation which would, individually or in the aggregate, have a Material Adverse Effect on Victoria;
- (v) other than as publicly disclosed by Victoria prior to the date hereof, Victoria has not declared or paid any dividends or made any other distribution on any of the Victoria Common Shares;
- (vi) Victoria has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Victoria Common Shares;
- (vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable to or to become payable by Victoria or the Victoria Subsidiary to any of their respective directors or officers or any grant to any such director or officer of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement made to, for or with any of such directors or officers;
- (viii) Victoria has not effected any material change in its accounting methods, principles or practices; and
- (ix) other than as contemplated in connection with the transactions contemplated herein, Victoria has not adopted any, or materially amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.

- (h) Employment Agreements. Other than as publicly disclosed by Victoria prior to the date hereof, or disclosed by Victoria in the Victoria Disclosure Letter:
- (i) neither Victoria nor the Victoria Subsidiary is a party to any written or oral policy, agreement, obligation or understanding providing for severance or termination payments to, or any employment agreement with, any director or officer of Victoria or the Victoria Subsidiary which cannot be terminated without payment upon a maximum of 12 months' notice;
 - (ii) neither Victoria nor the Victoria Subsidiary has any employee or consultant whose employment or contract with Victoria or the Victoria Subsidiary, respectively, cannot be terminated without payment upon a maximum of 12 months' notice; and
 - (iii) neither Victoria nor the Victoria Subsidiary (a) is a party to any collective bargaining agreement, (b) is, to the knowledge of Victoria, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement, or (c) is subject to any current, or, to the knowledge of Victoria, pending or threatened strike or lockout.
- (i) Financial Matters. The audited consolidated balance sheets, audited consolidated statements of earnings and retained earnings and audited consolidated statements of cash flows for the financial years ended February 29, 2008 and February 28, 2007 of Victoria were prepared in accordance with Canadian GAAP consistently applied, and fairly present in all material respects the consolidated financial condition of Victoria at the respective dates indicated and the results of operations of Victoria for the periods covered on a consolidated basis and reflect adequate provision for the liabilities of Victoria on a consolidated basis in accordance with Canadian GAAP. Neither Victoria nor the Victoria Subsidiary have any liability or obligation (including, without limitation, liabilities or obligations to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, not reflected in the audited consolidated financial statements of Victoria for the financial year ended February 29, 2008, except liabilities and obligations incurred in the ordinary and regular course of business since February 29, 2008 or which liabilities or obligations do not in the aggregate exceed \$500,000.
- (j) Books and Records. The corporate records and minute books of Victoria and, since the date the Victoria Subsidiary was acquired or incorporated by Victoria, the corporate records and minute books of the Victoria Subsidiary have been maintained substantially in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Victoria. Financial books and records and accounts of Victoria and the Victoria Subsidiary in all material respects (i) have been maintained in accordance with good business practices on a basis consistent with prior

years, (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Victoria and the Victoria Subsidiary, and (iii) in the case of Victoria and the Victoria Subsidiary, accurately and fairly reflect the basis for the consolidated financial statements of Victoria. Victoria has devised and maintains a system of internal accounting controls sufficient to provide reasonable assurances that, in all material respects (a) transactions are executed in accordance with the general or specific authorization of the management of Victoria, and (b) transactions are recorded as necessary (i) to permit preparation of consolidated financial statements in conformity with Canadian GAAP or any criteria applicable to such consolidated financial statements and (ii) to maintain accountability for assets and liabilities.

- (k) Litigation. There is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Victoria, threatened against or relating to Victoria or the Victoria Subsidiary or affecting any of their respective properties or assets before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Victoria. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Victoria, threatened against or relating to Victoria or the Victoria Subsidiary, before any Governmental Entity. Neither Victoria or the Victoria Subsidiary, nor any of their respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, or requires or may require, the expenditure of an amount of money in the aggregate in excess of \$500,000 as a condition to or a necessity for the right or ability of Victoria or the Victoria Subsidiary, as the case may be, to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement.
- (l) Title to Properties and Condition of Assets. Except as set forth in the Victoria Disclosure Letter, applying customary standards in the mining industry, the Victoria Subsidiary has sufficient title, free and clear of any title defect or Encumbrance, to its material properties (other than (i) property as to which it is a lessee, in which case it has a valid leasehold interest, or (ii) property in respect of which Victoria has a contractual right to acquire an interest therein from a third party, in which case, to the best knowledge of Victoria, such third party has sufficient title, free and clear of any title defect or Encumbrance in respect of such property), such properties being described in schedule G hereto, except for such defects in title or Encumbrances that, individually or in the aggregate, do not have, and would not be reasonably likely to have, a Material Adverse Effect on Victoria. Furthermore, all real and tangible personal property of each of Victoria and the Victoria Subsidiary is in generally good repair and is operational and usable in the manner in which it is currently being utilized, subject to normal wear and tear and technical obsolescence, repair or replacement, except for such property whose failure to be in such condition does not, and would not be reasonably likely to have, a Material Adverse Effect on Victoria.

- (m) Insurance. Victoria maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size operating in the mining industry and such policies are in full force and effect as of the date hereof.
- (n) Environmental. Except as to the matters described in the Victoria Disclosure Letter, since the date Victoria acquired or incorporated the Victoria Subsidiary there has been no Environmental Condition, and in respect of the Victoria Subsidiary, to Victoria's knowledge there exists no Environmental Condition, which, individual or in the aggregate, has, or is reasonably likely to have, a Material Adverse Effect on Victoria.
- (o) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Victoria:
 - (i) Each of Victoria and the Victoria Subsidiary has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information to be reported thereon.
 - (ii) Each of Victoria and the Victoria Subsidiary has (A) duly and timely paid all Taxes due and payable by it, (B) duly and timely collected and withheld all Taxes and other amounts required by Law to be collected and withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Law to be remitted by it, and (C) duly and timely collected or caused to be collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it.
 - (iii) The charges, accruals and reserves for Taxes reflected on the Victoria financial statements (whether or not due and whether or not shown on any Tax Return but excluding any provision for deferred income taxes) are, in the opinion of Victoria, adequate under Canadian GAAP to cover Taxes with respect to Victoria and the Victoria Subsidiary accruing through the date hereof.
 - (iv) There are no proceedings, investigations, audits, assessments, reassessments or claims now pending or to the knowledge of Victoria, threatened against either Victoria or the Victoria Subsidiary that propose to assess Taxes in addition to those reported in the Tax Returns.

- (v) No waiver of any statute of limitations with respect to Taxes has been given or requested with respect to Victoria or the Victoria Subsidiary.
- (p) Intellectual Property. Victoria and the Victoria Subsidiary own, or are validly licensed or otherwise have the right to use, all patents, patent rights, trademarks, trade names, service marks, copyrights, know how and other proprietary intellectual property rights that are material to the conduct of the business of Victoria.
- (q) Pension and Employee Benefits.
 - (i) Victoria and the Victoria Subsidiary have complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Victoria and the Victoria Subsidiary, as the case may be, including the provisions of any collective agreements, funding and investment contracts or obligations applicable thereto, arising under or relating to each employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Victoria or the Victoria Subsidiary, as the case may be, (collectively referred to in this subsection as the "Victoria Plans") and all Victoria Plans maintained by or binding upon Victoria or the Victoria Subsidiary are fully funded and in good standing with such regulatory authorities as may be applicable and no notice of underfunding, non-compliance, failure to be in good standing or otherwise has been received by Victoria or the Victoria Subsidiary from any such regulatory authority.
 - (ii) No action has been taken, no event has occurred and no condition or circumstance exists that has resulted in or could reasonably be expected to result in any Victoria Plan maintained by or binding upon Victoria or the Victoria Subsidiary being ordered or required to be terminated or wound up in whole or in part or having its registration under applicable legislation refused or revoked, or being placed under the administration of any trustee or receiver or regulatory authority.
- (r) Reporting Status. Victoria is a reporting issuer or its equivalent in the provinces of British Columbia and Alberta. The Victoria Common Shares are listed on the TSX Venture Exchange.
- (s) Reports. Victoria has filed with the Securities Authorities, stock exchanges and all applicable self-regulatory authorities a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it (such forms, reports, schedules, statements, certifications and other documents, including any financial statements or other documents, including any schedules included therein, are referred to in this subsection as the "Victoria Documents"). The Victoria Documents, at the time filed, (a) did not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and (b) complied in all material

respects with the requirements of applicable securities legislation and the rules, policies and instruments of all Securities Authorities having jurisdiction over Victoria, except where such non-compliance has not and would not reasonably be expected to have a Material Adverse Effect on Victoria. Victoria has not filed any confidential material change or other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential.

- (t) Compliance with Laws. Victoria and, since the date Victoria acquired or incorporated the Victoria Subsidiary, the Victoria Subsidiary has complied with and is not in violation of any applicable Law other than such non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect on Victoria. To the knowledge of Victoria, the Victoria Subsidiary has complied with and is not in violation of any applicable Law other than such non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect on Victoria.
- (u) No Cease Trade. Victoria is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Victoria, no investigation or other proceedings involving Victoria which may operate to prevent or restrict trading of any securities of Victoria are currently in progress or pending before any applicable stock exchange or Securities Authority.
- (v) No Option on Assets. Except as disclosed in the Victoria Disclosure Letter, no person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Victoria or the Victoria Subsidiary of any of the material assets of Victoria or the Victoria Subsidiary.
- (w) Certain Contracts. Neither Victoria, nor to the knowledge of Victoria, the Victoria Subsidiary is, nor since the date Victoria acquired or incorporated the Victoria Subsidiary has the Victoria Subsidiary become, a party to or bound by any non-competition agreement or any other agreement, obligation, judgment, injunction, order or decree which purports to (i) limit the manner or the localities in which all or any material portion of the business of Victoria or the Victoria Subsidiary are conducted, (ii) limit any business practice of Victoria or the Victoria Subsidiary in any material respect, or (iii) restrict any acquisition or disposition of any property by Victoria or the Victoria Subsidiary in any material respect.
- (x) Foreign Private Issuer. As of the date hereof, Victoria is a "foreign private issuer" as defined in Rule 405 under the 1933 Act.
- (y) Investment Company Status. Victoria is not registered, and is not required to be registered, as an open-end investment company, a closed-end investment company, a unit investment trust or a face-amount certificate company under the 1940 Act.

- (z) No Registered Securities. Victoria 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.
- (aa) Shell Company Status. Victoria is not a "shell company", as such term is defined in Rule 405 under the 1933 Act.
- (bb) Shares. The Victoria Common Shares to be issued pursuant to the Arrangement will, upon issue, be issued as fully-paid and non-assessable shares.
- (cc) Certain Securities Law Matters. The Victoria Common Shares to be issued in connection with the Arrangement, including the Victoria Common Shares to be issued upon the exercise of the Victoria Options and the Victoria Warrants will not be subject to any statutory hold or restricted period under the securities legislation of any province or territory of Canada and, subject to restrictions contained therein in respect of distributions by "control persons", will be freely tradable under the securities legislation of any province or territory of Canada by the holders thereof. The Victoria Securities to be issued in connection with the Arrangement will be issued pursuant to the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof.
- (dd) Full Disclosure. Victoria has made available to Gateway all material information, including financial, operational and other information, in respect of the properties listed in schedule G (except such information that does not have, and would not reasonably be expected to lead to, a Material Adverse Effect in respect of Victoria) and all such information as made available to Gateway is true and correct in all material respect and no material fact or facts have been omitted therefrom which would make such information misleading.
- (ee) No Broker's Commission. Victoria has not entered into any agreement that would entitle any person to any valid claim against Victoria 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.
- (ff) Investment Canada. Victoria is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada).

Section 3.03 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished on the Effective Date. Any investigation by Victoria and its advisors shall not mitigate, diminish or affect the representations and warranties of Gateway contained in this Agreement. Any investigation by Gateway and its advisors shall not mitigate, diminish or affect the representations and warranties of Victoria contained in this Agreement.

ARTICLE FOUR

COVENANTS

Section 4.01 Covenants of Gateway

Gateway hereby covenants and agrees with Victoria as follows:

- (a) Interim Order. As soon as practicable, Gateway shall file, proceed with and diligently prosecute an application to the Court for the Interim Order on terms and conditions acceptable to Gateway and Victoria, acting reasonably.
- (b) Gateway Meeting. In a timely and expeditious manner, Gateway shall:
 - (i) forthwith carry out such terms of the Interim Order as are required under the terms thereof to be carried out by Gateway;
 - (ii) prepare, in consultation with Victoria, and file the Proxy Circular (which shall be in a form satisfactory to Victoria, acting reasonably), together with any other documents required by applicable Laws, in all jurisdictions where the Proxy Circular is required to be filed and mail the Proxy Circular, as ordered by the Interim Order and in accordance with all applicable Laws, in and to all jurisdictions where the Proxy Circular is required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof and in the form and containing the information required by all applicable Laws, including all applicable corporate and securities legislation and requirements, and not containing any misrepresentation (as defined under applicable securities legislation and requirements) with respect thereto, other than with respect to any information relating to and provided by Victoria;
 - (iii) convene the Gateway Meeting as soon as practicable, and use its best efforts to convene the Gateway Meeting no later than November 30, 2008 or such later date that may be mutually agreed upon with Victoria, as provided in the Interim Order and solicit proxies to be voted at the Gateway Meeting in favour of the Arrangement;
 - (iv) provide notice to Victoria of the Gateway Meeting and allow representatives of Victoria to attend the Gateway Meeting;
 - (v) conduct the Gateway Meeting in accordance with the Interim Order, the BCBCA, the articles of Gateway and as otherwise required by applicable Laws; and
 - (vi) take all such actions as may be required under the BCBCA in connection with the transactions contemplated by this Agreement and the Plan of Arrangement.

- (c) Amendments. In a timely and expeditious manner, Gateway shall prepare, (in consultation with Victoria), and file any mutually agreed (or as otherwise required by applicable Laws) amendments or supplements to the Proxy Circular (which amendments or supplements shall be in a form satisfactory to Victoria, acting reasonably) with respect to the Gateway Meeting and mail such amendments or supplements, as required by the Interim Order and in accordance with all applicable Laws, in and to all jurisdictions where such amendments or supplements are required to be mailed, complying in all material respects with all applicable Laws on the date of the mailing thereof.
- (d) Final Order. Subject to the approval of the Arrangement at the Gateway Meeting in accordance with the provisions of the Interim Order, Gateway shall forthwith file, proceed with and diligently prosecute an application for the Final Order, which application shall be in a form and substance satisfactory to the parties hereto, acting reasonably.
- (e) Filing to Effect Arrangement. Gateway shall forthwith carry out the terms of the Interim Order and the Final Order and, following the issue of the Final Order and the satisfaction, fulfillment or waiver of the conditions in favour of Gateway and Victoria set forth herein, at a time and on a date to be agreed by Victoria and Gateway, file the Final Order and other documents with the Registrar in order for the Arrangement to become effective.
- (f) Copy of Documents. Except for proxies and other non-substantive communications, Gateway shall furnish promptly to Victoria a copy of each notice, report, schedule or other document or communication delivered, filed or received by Gateway in connection with this Agreement, the Arrangement, the Interim Order or the Gateway Meeting or any other meeting at which all Gateway Shareholders are entitled to attend, any filings made under any applicable Law and any dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (g) Usual Business. Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement, Gateway shall, and shall cause the Gateway Subsidiary to, conduct business only in, and not take any action except in, the ordinary course of business and consistent with past practice.
- (h) Certain Actions Prohibited. Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement, Gateway shall not, without the prior written consent of Victoria, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following:
 - (i) issue, sell, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, pledge, lease, dispose of, or encumber or create any Encumbrance on, or permit the Gateway Subsidiary to issue, sell, pledge, lease, dispose of, encumber or create

any Encumbrance on or agree to issue, sell, pledge, lease, dispose of, or encumber or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of, Gateway or the Gateway Subsidiary other than the issue of Gateway Common Shares pursuant to the exercise of the Gateway Options or the Gateway Warrants issued and outstanding on the date hereof in accordance with their terms as of the date hereof;

- (ii) other than in the ordinary and regular course of business consistent with past practice in respect of rights, properties or assets that are not, either individually or collectively, material to Gateway, or pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other persons), sell, lease or otherwise dispose of, or permit the Gateway Subsidiary to sell, lease or otherwise dispose of, any material property (or any interest therein) or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (iii) amend or propose to amend the articles or by-laws (or their equivalent) of Gateway or the Gateway Subsidiary or any of the terms of the Gateway Options or the Gateway Warrants as they exist at the date of this Agreement;
- (iv) split, combine or reclassify any of the shares of Gateway or the Gateway Subsidiary, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the shares of Gateway;
- (v) redeem, purchase or offer to purchase, or permit the Gateway Subsidiary to redeem, purchase or offer to purchase, any Gateway Common Shares and, other than pursuant to the Gateway Share Option Plans, any options or obligations or rights under existing contracts, agreements and commitments;
- (vi) reorganize, amalgamate or merge Gateway or the Gateway Subsidiary with any other person;
- (vii) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity, or permit the Gateway Subsidiary to acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity other than in connection with a transaction otherwise permitted by this Agreement;
- (viii) (A) in the case of Gateway and the Gateway Subsidiary, satisfy or settle any claim or dispute, except such as have been included in the consolidated financial statements of Gateway delivered to Victoria, and which are, individually or in the aggregate, in an amount in excess of \$250,000 or which constitute a claim between Gateway and

the Gateway Subsidiary; (B) relinquish any contractual rights which are, individually or in the aggregate, in an amount in excess of \$250,000; or (C) in the case of Gateway and the Gateway Subsidiary, enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments other than in the ordinary and regular course of business and not for speculative purposes;

- (ix) incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money, or permit the Gateway Subsidiary to incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money; or
- (x) except as required by Canadian GAAP, any other generally accepted accounting principle to which either Gateway or the Gateway Subsidiary may be subject or any applicable Law, make any changes to the existing accounting practices of Gateway or make any material tax election inconsistent with past practice.
- (i) Employment Arrangements. Without the prior written consent of Victoria, Gateway shall not, and shall cause the Gateway Subsidiary not to, other than in the ordinary and regular course of business consistent with past practice, or pursuant to existing employment, pension, supplemental pension, termination, compensation arrangements or policies, enter into or modify any employment, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer or director of Gateway or the Gateway Subsidiary.
- (j) Insurance. Gateway shall use its reasonable commercial efforts, and shall cause the Gateway Subsidiary to use their reasonable commercial efforts to use their reasonable commercial efforts, to cause their respective current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of internationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.
- (k) Certain Actions. Gateway shall:
 - (i) not take any action or permit the Gateway Subsidiary to take any action that would interfere with or be inconsistent with the completion

of the transactions contemplated by this Agreement or would render, or that reasonably may be expected to render, any representation or warranty made by Gateway in this Agreement untrue or inaccurate at any time prior to the Effective Time if then made; and

- (ii) promptly notify Victoria of (A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts which could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Gateway, (B) any material Governmental Entity or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated), (C) any breach by Gateway of any covenant or agreement contained in this Agreement, and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Gateway contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.
- (l) No Compromise. Gateway shall not, and shall cause the Gateway Subsidiary not to, settle or compromise any claim brought by any present, former or purported holder of any securities of Gateway in connection with the transactions contemplated by this Agreement prior to the Effective Time without the prior written consent of Victoria, such consent not to be unreasonably withheld or delayed.
- (m) Contractual Obligations. Except in the ordinary and regular course of business and consistent with past practice, as disclosed in the Gateway Disclosure Letter, or as required by applicable Laws, Gateway shall not, and shall cause the Gateway Subsidiary not to, enter into, renew or modify in any respect any material contract, agreement, lease, commitment or arrangement to which Gateway or the Gateway Subsidiary is a party or by which any of them is bound, except insofar as may be necessary to permit or provide for the completion of the Arrangement.
- (n) Satisfaction of Conditions. Subject to section 6.01 hereof, Gateway shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all conditions precedent to its obligations to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using its commercially reasonable efforts to:
 - (i) obtain the approval of Gateway Shareholders for the Arrangement in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable regulatory authority;
 - (ii) obtain all other consents, approvals and authorizations as are required to be obtained by Gateway or the Gateway Subsidiary under any

applicable Law or from any Governmental Entity which would, if not obtained, materially impede the completion of the transactions contemplated by this Agreement or have a Material Adverse Effect on Gateway;

- (iii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the transactions contemplated by this Agreement and participate and appear in any proceedings of any party hereto before any Governmental Entity;
 - (iv) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise adversely affecting the ability of the parties hereto to consummate, the transactions contemplated hereby;
 - (v) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by Gateway; and
 - (vi) cooperate with Victoria in connection with the performance by it of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Gateway to pay or cause to be paid any monies to cause such performance to occur.
- (o) Refrain from Certain Actions. Without limiting the provisions of subsection 4.01(h) hereof, Gateway shall not take any action, refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would or could have a Material Adverse Effect on Gateway, provided that where Gateway is required to take any such action or refrain from taking such action (subject to commercially reasonable efforts) as a result of this Agreement, Gateway shall immediately notify Victoria in writing of such circumstances.
- (p) Keep Fully Informed. Without limiting the provisions of subsection 4.01(h) hereof, Gateway shall, in all material respects, conduct itself so as to keep Victoria fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business.
- (q) Cooperation. Gateway shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.
- (r) Representations. Gateway shall use its commercially reasonable efforts to conduct its affairs and to cause the Gateway Subsidiary to conduct its affairs

so that all of the representations and warranties of Gateway contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.

- (s) Information. Gateway shall continue to make available and cause to be made available to Victoria and the agents and advisors thereto all documents, agreements, corporate records and minute books as may be necessary to enable Victoria to effect a thorough examination of Gateway and the Gateway Subsidiary and the business, properties and financial status thereof and shall cooperate with Victoria in securing access for Victoria to any documents, agreements, corporate records or minute books not in the possession or under the control of Gateway. Subject to applicable Laws, upon reasonable notice, Gateway shall, and shall cause the Gateway Subsidiary to afford officers, employees, counsel, accountants and other authorized representatives and advisors of Victoria reasonable access, during normal business hours from the date hereof until the earlier of the Effective Time or the termination of this Agreement, to the properties, books, contracts and records as well as to the management personnel of Gateway and the Gateway Subsidiary, and, during such period, Gateway shall, and shall cause the Gateway Subsidiary to furnish promptly to Victoria all information concerning the business, properties and personnel of Gateway and the Gateway Subsidiary as Victoria may reasonably request.
- (t) Title Opinions. Gateway shall deliver legal opinions in respect of the title to the Big Springs and Santa Fe projects of Gateway, each located in the State of Nevada.
- (u) Gateway Options and Other Rights. Gateway shall take all corporate action necessary to ensure that on the Effective Date all of the outstanding Gateway Options and other rights exercisable for Gateway Common Shares, provide only for the issuance of Victoria Common Shares upon the due exercise thereof, on the basis of 0.50 of a Victoria Common Share for each Gateway Common Share to which a holder of a Gateway Option or right was previously entitled.
- (v) Closing Documents. Gateway shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, opinions and other closing documents as may be required by the other parties hereto, all in form satisfactory to the other parties hereto, acting reasonably.

Section 4.02 Covenants of Victoria

Victoria hereby covenants and agrees with Gateway as follows:

- (a) Proceedings. In a timely and expeditious manner, Victoria shall take all such actions and do all such acts and things as are specified in the Interim Order, the Plan of Arrangement (including issuing the Victoria Common Shares

contemplated pursuant to section 3.01 of the Plan of Arrangement) and the Final Order to be taken or done by Victoria.

- (b) Information for Proxy Circular. In a timely and expeditious manner, Victoria shall provide to Gateway all information as may be reasonably requested by Gateway or as required by the Interim Order or applicable Laws with respect to Victoria and its business and properties for inclusion in the Proxy Circular or in any amendment or supplement to the Proxy Circular which complies in all material respects with all applicable Laws, including corporate and securities legislation and requirements, on the date of the mailing thereof and containing all material facts relating to Victoria required to be disclosed in the Proxy Circular and not containing any misrepresentation (as defined under applicable securities legislation) with respect thereto.
- (c) Copy of Documents. Except for proxies and other non-substantive communications, Victoria shall furnish promptly to Gateway a copy of each notice, report, schedule or other document or communication delivered, filed or received by Victoria in connection with the Arrangement or the Interim Order, any filing under any applicable Law and any dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (d) Usual Business. Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement, Victoria shall, and shall cause the Victoria Subsidiary to conduct business only in, and not take any action except in, the ordinary course of business and consistent with past practice.
- (e) Certain Actions Prohibited. Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement, Victoria shall not, without the prior written consent of Gateway, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following:
 - (i) issue, sell, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, pledge, lease, dispose of, or encumber or create any Encumbrance on, or permit the Victoria Subsidiary to issue, sell, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, pledge, lease, dispose of, or encumber or create any Encumbrance on, any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of, Victoria or the Victoria Subsidiary other than the issue of Victoria Common Shares pursuant to the exercise of outstanding options to purchase Victoria Common Shares issued pursuant to the share incentive plan of Victoria, in accordance with their terms as of the date hereof;

- (ii) other than in the ordinary and regular course of business consistent with past practice in respect of rights, properties or assets that are not, either individually or collectively, material to Victoria, or pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other persons), sell, lease or otherwise dispose of, or permit the Victoria Subsidiary to sell, lease or otherwise dispose of, any material property (or any interest therein) or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (iii) amend or propose to amend the articles or by-laws (or their equivalent) of Victoria or the Victoria Subsidiary or any of the terms of options to purchase Victoria Common Shares issued pursuant to the share incentive plan of Victoria as they exist at the date of this Agreement;
- (iv) split, combine or reclassify any of the shares of Victoria or the Victoria Subsidiary or declare, set aside or pay any dividend or other distribution payable in cash, securities, property or otherwise with respect to the shares of Victoria;
- (v) redeem, purchase or offer to purchase, or permit the Victoria Subsidiary to redeem, purchase or offer to purchase, any Victoria Common Shares and, other than pursuant to the share incentive plan of Victoria, any options or obligations or rights under existing contracts, agreements and commitments;
- (vi) reorganize, amalgamate or merge Victoria or the Victoria Subsidiary with any other person;
- (vii) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity, or permit the Victoria Subsidiary to acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity other than in connection with a transaction otherwise permitted by this Agreement;
- (viii) (A) in the case of Victoria and the Victoria Subsidiary, satisfy or settle any claim or dispute, except such as have been included in the consolidated financial statements of Victoria delivered to Gateway, and which are, individually or in the aggregate, in an amount in excess of \$500,000 or which constitutes a claim or liability between Victoria and the Victoria Subsidiary; (B) relinquish any contractual rights which are, individually or in the aggregate, in an amount in excess of \$500,000; or (C) in the case of Victoria and the Victoria Subsidiary, enter into any interest rate, currency or commodity swaps, hedges, caps, collars, forward sales or other similar financial instruments other than in the ordinary and regular course of business and not for speculative purposes;

- (ix) incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money, or permit the Victoria Subsidiary to incur, authorize, agree or otherwise become committed to provide guarantees for borrowed money or incur, authorize, agree or otherwise become committed for any indebtedness for borrowed money; or
 - (x) except as required by Canadian GAAP, any other generally accepted accounting principle to which Victoria or the Victoria Subsidiary may be subject or any applicable Law, make any changes to the existing accounting practices of Victoria or make any material tax election inconsistent with past practice.
- (f) Employment Arrangements. Without the prior written consent of Gateway, Victoria shall not, and shall cause the Victoria Subsidiary not to, other than in the ordinary and regular course of business consistent with past practice, or pursuant to existing employment, pension, supplemental pension, termination, compensation arrangements or policies, enter into or modify any employment, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer or director of Victoria or the Victoria Subsidiary.
- (g) Insurance. Victoria shall use its reasonable commercial efforts and shall cause the Victoria Subsidiary to use its reasonable commercial efforts to cause their respective current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of internationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect.
- (h) Certain Actions. Victoria shall:
- (i) not take any action or permit the Victoria Subsidiary to take any action that would interfere with or be inconsistent with the completion of the transactions contemplated by this Agreement or would render, or that reasonably may be expected to render, any representation or warranty made by Victoria in this Agreement untrue or inaccurate at any time prior to the Effective Time if then made; and
 - (ii) promptly notify Gateway of (A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts which could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of

the business or in the conduct of the business of Victoria, (B) any material Governmental Entity or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated), (C) any breach by Victoria of any covenant or agreement contained in this Agreement, and (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Victoria contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.

- (i) No Compromise. Victoria shall not, and shall cause the Victoria Subsidiary not to, settle or compromise any claim brought by any present, former or purported holder of any securities of Victoria in connection with the transactions contemplated by this Agreement prior to the Effective Time without the prior written consent of Gateway, such consent not to be unreasonably withheld or delayed.
- (j) Contractual Obligations. Except in the ordinary and regular course of business and consistent with past practice, or as required by any applicable Law, Victoria shall not, and shall cause the Victoria Subsidiary not to enter into, renew or modify in any respect any material contract, agreement, lease, commitment or arrangement to which Victoria or the Victoria Subsidiary is a party or by which any of them is bound, except insofar as may be necessary to permit or provide for the completion of the Arrangement.
- (k) Satisfaction of Conditions. Victoria shall use all commercially reasonable efforts to satisfy, or cause to be satisfied, all of the conditions precedent to their obligations to the extent the same is within their control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the transactions contemplated by this Agreement, including using their commercially reasonable efforts to:
 - (i) obtain all consents, approvals and authorizations as are required to be obtained by Victoria or the Victoria Subsidiary under any applicable Law or from any Governmental Entity which would, if not obtained, materially impede the completion of the transactions contemplated hereby or have a Material Adverse Effect on Victoria;
 - (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by them in connection with the transactions contemplated by this Agreement and participate, and appear in any proceedings of, any party hereto before any Governmental Entity;
 - (iii) oppose, lift or rescind any injunction or restraining order or other order or action challenging or affecting this Agreement, the transactions contemplated hereby or seeking to stop, or otherwise

adversely affecting the ability of the parties hereto to consummate, the transactions contemplated hereby;

- (iv) fulfill all conditions and satisfy all provisions of this Agreement and the Plan of Arrangement required to be fulfilled or satisfied by them; and
 - (v) cooperate with Gateway in connection with the performance by Gateway of its obligations hereunder, provided however that the foregoing shall not be construed to obligate Victoria to pay or cause to be paid any monies to cause such performance to occur.
- (l) Refrain from Certain Actions. Without limiting the provisions of subsection 4.02(e) hereof, Victoria shall not take any action, refrain from taking any action (subject to commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would or could have a Material Adverse Effect on Victoria, provided that where Victoria is required to take any such action or refrain from taking such action (subject to commercially reasonable efforts) as a result of this Agreement, Victoria shall immediately notify Gateway in writing of such circumstances.
- (m) Keep Fully Informed. Without limiting the provisions of subsection 4.02(e) hereof, Victoria shall, in all material respects, conduct itself so as to keep Gateway fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business.
- (n) Cooperation. Victoria shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.
- (o) Representations. Victoria shall use commercially reasonable efforts to conduct its affairs and to cause the Victoria Subsidiary to conduct its affairs so that all of the representations and warranties of Victoria contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (p) Information. Victoria shall continue to make available and cause to be made available to Gateway and the agents and advisors thereto all documents, agreements, corporate records and minute books as may be necessary to enable Gateway to effect a thorough examination of Victoria and the Victoria Subsidiary and the business, properties and financial status thereof and shall cooperate with Gateway in securing access for Gateway to any documents, agreements, corporate records or minute books not in the possession or under the control of Victoria. Subject to applicable Laws, upon reasonable notice, Victoria shall, and shall cause the Victoria Subsidiary to, afford officers, employees, counsel, accountants and other authorized representatives and

advisors of Gateway reasonable access, during normal business hours from the date hereof until the earlier of the Effective Time or the termination of this Agreement, to the properties, books, contracts and records as well as to the management personnel of Victoria and the Victoria Subsidiary, and, during such period, Victoria shall, and shall cause the Victoria Subsidiary to furnish promptly to Gateway all information concerning the business, properties and personnel of Victoria as Gateway may reasonably request.

- (q) Closing Documents. Victoria shall execute and deliver, or cause to be executed and delivered at the closing of the transactions contemplated hereby such customary agreements, certificates, opinions, resolutions and other closing documents as may be required by Gateway, all in form satisfactory to Gateway, acting reasonably.
- (r) Listing. Victoria shall use its commercially reasonable efforts to cause the Victoria Common Shares issuable pursuant to the Arrangement to be conditionally approved for listing on the TSX or TSX-V, as applicable, as of the Effective Date, or as soon as possible thereafter, subject only to compliance with the usual requirements of the TSX or the TSX-V, as applicable.
- (s) Securities Compliance. Victoria shall take all steps as may be required to cause the Victoria Securities issued or deemed to be issued or assumed on the Effective Date under the Arrangement to be issued, deemed issued or assumed pursuant to an exemption from the prospectus and registration requirements of applicable Canadian securities Laws and the exemption from the registration requirements of the 1933 Act provided by Section 3(a)(10) thereof.
- (t) Blue Sky Laws. Victoria shall cooperate with Gateway to qualify or register the Victoria Securities for issuance under (or obtain exemptions from the application of) the state securities or blue sky laws of those U.S. jurisdictions reasonably designated by Gateway and shall continue such qualifications, registrations and exemptions in effect so long as required for the issuance of the Victoria Securities. Victoria shall not be required to qualify as a foreign corporation or to take any action that would subject it to general service of process in any such jurisdiction where it is not presently qualified or where it would be subject to taxation as a foreign corporation, other than those arising out of the issuance of the Victoria Securities in any jurisdiction where it is not now so subject. Victoria will advise Gateway promptly of the suspension of the qualification or registration of (or any such exemption relating to) the Victoria Securities for offering, sale or trading in any jurisdiction or any initiation or threat of any proceeding for any such purpose, and in the event of the issuance of any order suspending such qualification, registration or exemption, Victoria shall use its best efforts to obtain the withdrawal thereof at the earliest possible moment.

Section 4.03 Gateway Options

- (a) Subject to receipt of all necessary regulatory approvals, including that of the TSX or the TSX-V, as applicable, Victoria agrees that the agreements evidencing the grant of the Gateway Options shall continue in effect on the same terms and conditions (subject to the adjustments required after giving effect to the Arrangement including, without limitation, that such options shall, in accordance with the Plan of Arrangement, be exercisable for Victoria Common Shares).
- (b) Victoria shall take all corporate action necessary, including seeking any required shareholder approval required by applicable Laws to reserve for issuance a sufficient number of Victoria Common Shares for delivery upon the exercise of the Victoria Options.
- (c) Victoria shall prepare and file with the Securities Authorities, and the stock exchanges on which Victoria Common Shares are listed, all necessary reports, applications or other documents required in order to permit the issuance of and listing of Victoria Common Shares upon the exercise of Victoria Options by holders of such Victoria Options that are outside the United States and the free, unrestricted transferability of such shares after such issuance, subject to restrictions placed upon "control persons" as defined in applicable Canadian securities laws and "affiliates" as defined in Rule 144 under the 1933 Act.
- (d) Victoria shall use its commercially reasonable efforts to cause the Victoria Common Shares issuable upon exercise of the Victoria Options to be conditionally approved for listing on the TSX or TSX-V, as applicable, as of the Effective Date, or as soon as possible thereafter, subject only to compliance with the usual requirements of the TSX or the TSX-V, as applicable.

Section 4.04 Gateway Warrants

- (a) Victoria covenants and agrees that on the Closing Date, it will assume the obligations of Gateway to perform and observe each covenant and condition contained in each of the certificates representing Gateway Warrants in accordance with the terms thereof and shall take all corporate action necessary to reserve for issuance a sufficient number of Victoria Common Shares for delivery upon exercise of the Victoria Warrants.
- (b) Victoria shall prepare and file with the Securities Authorities, and the stock exchanges on which Victoria Common Shares are listed, all necessary reports, applications or other documents required in order to permit the issuance of Victoria Common Shares upon the exercise of Victoria Warrants by holders of such Victoria Warrants that are outside the United States and the free, unrestricted transferability of such Victoria Common Shares after such issuance, subject to restrictions placed upon "control persons" as defined

under applicable Canadian securities laws and "affiliates" as defined in Rule 144 under the 1933 Act.

- (c) Victoria shall use its commercially reasonable efforts to cause the Victoria Common Shares issuable upon exercise of the Victoria Warrants to be conditionally approved for listing on the TSX or TSX-V, as applicable, as of the Effective Date, or as soon as possible thereafter, subject only to compliance with the usual requirements of the TSX or the TSX-V, as applicable.

Section 4.05 Indemnification and Insurance

- (a) Victoria hereby covenants and agrees that all rights to indemnification or exculpation in favour of the current and former directors and officers of Gateway and the other Gateway Subsidiary provided in the articles or by-laws of any Gateway Subsidiary, or in any agreement, and any directors' and officers' insurance now existing in favour of the directors or officers of Gateway and any other Gateway Subsidiary shall survive the completion of the Arrangement (or be replaced with substantially equivalent coverage from another provider) and shall continue in full force and effect (either directly or via run-off insurance or insurance provided by an alternative provider) for a period of not less than six years from the Effective Date.
- (b) Gateway shall act as agent and trustee of the benefits of the foregoing for its directors and officers and those of the Gateway Subsidiary for the purpose of this section 4.05 and this section 4.05 shall survive the execution and delivery of this Agreement and the completion of the Arrangement and shall be enforceable against Victoria by the persons described in subsection (a) hereof.

Section 4.06 Employee Service and Vesting

Victoria agrees to recognize each employee's prior service with Gateway or any Gateway Subsidiary in connection with any existing benefit plan or stock option plan that is maintained by Victoria following the Effective Time, provided that such employee is employed by Gateway or by a Gateway Subsidiary as of the Effective Time and remains employed by Victoria immediately following the Effective Time.

ARTICLE FIVE

CONDITIONS

Section 5.01 Mutual Conditions

The respective obligations of Gateway and Victoria to complete the transactions contemplated herein are subject to the fulfilment of the following conditions at or before the Effective Time or such other time as is specified below:

- (a) the Interim Order shall have been granted in form and substance satisfactory to the parties hereto, acting reasonably, and shall not have been set aside or

modified in a manner unacceptable to the parties hereto, acting reasonably, on appeal or otherwise;

- (b) the Arrangement, with or without amendment, shall have been approved at the Gateway Meeting by the Gateway Shareholders in accordance with the provisions of the BCBCA, the Interim Order and the requirements of any applicable regulatory authority;
- (c) the Final Order shall have been granted in form and substance satisfactory to the parties hereto, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such parties, acting reasonably, on appeal or otherwise;
- (d) the Effective Date shall be on or before the Completion Deadline, subject to any extension available to a party hereto pursuant to section 5.04 hereof;
- (e) there shall not be in force any Law, ruling, order or decree, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Arrangement in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Arrangement which has, or could reasonably be expected to have, a Material Adverse Effect on Gateway or Victoria;
- (f) the TSX or the TSX-V, as applicable, shall have conditionally approved the listing thereon of the Victoria Common Shares to be issued pursuant to the Arrangement (including the Victoria Common Shares which, as a result of the Arrangement, are issuable upon the exercise of the Victoria Options and the Victoria Warrants) as of the Effective Date, or as soon as possible thereafter, subject only to compliance with the usual requirements of the TSX or the TSX-V, as applicable;
- (g) (A) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Entity (other than as contemplated in subsection 5.01(a) hereof) and the expiry of any waiting periods, in connection with, or required to permit, the completion of the Arrangement, and (B) all third person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or arrangements (other than as contemplated in the Gateway Disclosure Letter), the failure of which to obtain or the non-expiry of which would, or could reasonably be expected to have, a Material Adverse Effect on Gateway or Victoria or materially impede the completion of the Arrangement, shall have been obtained or received on terms that are reasonably satisfactory to each party hereto;
- (h) Gateway Shareholders holding no more than 5% of the outstanding Gateway Common Shares shall have exercised the right to dissent contemplated by

section 4.01 of the Plan of Arrangement (and not withdrawn such exercise) and Victoria shall have received a certificate dated the day immediately preceding the Effective Date of two officers of Gateway to such effect;

- (i) the Victoria Securities 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 pursuant to the exemption from registration requirements of the 1933 Act provided by Section 3(a)(10) thereof;
- (j) this Agreement shall not have been terminated pursuant to Article Seven hereof;
- (k) each of Gateway and Victoria shall be satisfied in the sole and absolute discretion thereof that the results of its tax, financial and legal due diligence investigation of the other have not revealed any adverse material fact regarding such other party or the assets thereof; and
- (l) there shall have been no Material Adverse Change in respect of either party, any of the assets thereof or the affairs thereof, except as contemplated herein.

The foregoing conditions are for the mutual benefit of the parties hereto and may be waived in respect of a party hereto, in whole or in part, by such party hereto in writing at any time, insofar as the condition being waived is in favour of such party. If any of such conditions shall not be complied with or waived as aforesaid on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to section 5.05 hereof, any party hereto may terminate this Agreement by written notice to the others of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such rescinding party hereto.

Section 5.02 Gateway Conditions

The obligation of Gateway to complete the transactions contemplated herein is subject to the fulfilment of the following additional conditions at or before the Closing Date or such other time as is specified below:

- (a) the representations and warranties made by Victoria in this Agreement which are qualified by the expression "Material Adverse Change" or "Material Adverse Effect" shall be true and correct as of the Closing Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Victoria in this Agreement shall be true and correct in all material respects as of the Closing Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), in either case, except where any failures or breaches of representations and warranties would not either individually or in the aggregate, in the reasonable judgment

of Gateway, have a Material Adverse Effect on Victoria, and Victoria shall have provided to Gateway a certificate of two officers thereof certifying such accuracy or lack of Material Adverse Effect on the Closing Date (no representation or warranty made by Victoria hereunder shall be deemed not to be true and correct if the facts or circumstances which make such representation or warranty untrue or incorrect are disclosed or referred to in the Victoria Disclosure Letter, or provided for or stated to be exceptions under this Agreement);

- (b) from the date of this Agreement to the Closing Date, there shall not have occurred, and Victoria or the Victoria Subsidiary shall not have incurred or suffered, any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect on Victoria;
- (c) there will be no greater than 110,000,000 Victoria Common Shares outstanding or subject to issue pursuant to outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire Victoria Common Shares (excluding any Victoria Common Shares which may be issued by Victoria under a financing undertaken to raise the funds necessary to develop the assets to be acquired by Victoria pursuant to the Arrangement);
- (d) Victoria shall have complied in all material respects with its covenants herein and Victoria shall have provided to Gateway a certificate of two officers thereof certifying that, as of the Closing Date, they have so complied with their covenants herein;
- (e) The opinion to be delivered to the directors of Gateway by Capital West Partners referred to in section 3.01(d), shall have been delivered in writing and shall not have been withdrawn;
- (f) Victoria shall have complied, as of the Effective Time, with the provisions of section 2.07 hereof; and
- (g) the directors of Victoria and the Victoria Subsidiary shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Victoria and the Victoria Subsidiary to permit the consummation of the Arrangement.

The foregoing conditions are for the benefit of Gateway and may be waived, in whole or in part, by Gateway in writing at any time. If any of such conditions shall not be complied with or waived by Gateway on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to section 5.05 hereof, Gateway may terminate this Agreement by written notice to Victoria in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Gateway.

Section 5.03 Victoria Conditions

The obligation of Victoria to complete the transactions contemplated herein is subject to the fulfilment of the following additional conditions at or before the Closing Date or such other time as is specified below:

- (a) the representations and warranties made by Gateway in this Agreement which are qualified by the expression “Material Adverse Change” or “Material Adverse Effect” shall be true and correct as of the Closing Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Gateway in this Agreement which are not so qualified shall be true and correct in all material respects as of the Closing Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), in either case, except where any failures or breaches of representations and warranties would not either, individually or in the aggregate, in the reasonable judgment of Victoria, have a Material Adverse Effect on Gateway, and Gateway shall have provided to Victoria a certificate of two officers thereof certifying such accuracy or lack of Material Adverse Effect on the Closing Date (no representation or warranty made by Gateway hereunder shall be deemed not to be true and correct if the facts or circumstances which make such representation or warranty untrue or incorrect are disclosed or referred to in the Gateway Disclosure Letter, or provided for or stated to be exceptions under this Agreement);
- (b) from the date of this Agreement to the Closing Date, there shall not have occurred, and Gateway or the Gateway Subsidiary shall not have incurred or suffered, any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or could reasonably be expected to have, a Material Adverse Effect on Gateway;
- (c) there will be no greater than 48,000,000 Gateway Common Shares outstanding or subject to issue pursuant to outstanding securities exercisable or exchangeable for, or convertible into, or other rights to acquire, common shares of Gateway;
- (d) Gateway shall have complied in all material respects with its covenants herein and Gateway shall have provided to Victoria a certificate of two officers thereof certifying that, as of the Closing Date, Gateway has so complied with its covenants herein; and
- (e) the directors of Gateway and the Gateway Subsidiary shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Gateway and the Gateway Subsidiary to permit the consummation of the Arrangement.

The foregoing conditions are for the benefit of Victoria and may be waived, in whole or in part, by Victoria in writing at any time. If any of such conditions shall not be complied with or waived by Victoria on or before the Completion Deadline or, if earlier, the date required for the performance thereof, then, subject to section 5.05 hereof, Victoria may terminate this Agreement by written notice to Gateway in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Victoria.

Section 5.04 Completion Deadline

Each of Gateway and Victoria shall be entitled in its sole discretion, by written notice delivered to Victoria or Gateway respectively on or prior to the then Completion Date, to unilaterally extend the date on or before which the Effective Date is required to occur to a date not later than March 31, 2009.

Section 5.05 Notice and Cure Provisions

Each party hereto shall give prompt notice to the others of them of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, would be likely to or could:

- (a) cause any of the representations or warranties of such party hereto contained herein to be untrue or inaccurate in any respect on the date hereof or on the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such party hereto prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other parties hereto favour contained in sections 5.01, 5.02 or 5.03 hereof, as the case may be.

Subject as herein provided, a party hereto may elect not to complete the transactions contemplated hereby pursuant to the conditions contained in sections 5.01, 5.02 or 5.03 hereof or exercise any termination right arising therefrom; provided, however, that (i) promptly and in any event prior to the filing of the Final Order with the Registrar, the party hereto intending to rely thereon has delivered a written notice to the other parties hereto specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters which the party hereto delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be, and (ii) if any such notice is delivered, and a party hereto is proceeding diligently, at its own expense, to cure such matter, if such matter is susceptible to being cured, the party hereto which has delivered such notice may not terminate this Agreement until the earlier of the Completion Deadline and the expiration of a period of 15 days from date of delivery of such notice. If such notice has been delivered prior to the date of the Gateway Meeting the Gateway Meeting shall be adjourned or postponed until the expiry of such period.

Section 5.06 Merger of Conditions

The conditions set out in sections 5.01, 5.02 or 5.03 hereof shall be conclusively deemed to have been satisfied, fulfilled or waived upon the receipt of the Final Order. Gateway

acknowledges and agrees that it shall have no right to file the Final Order with the Registrar unless such conditions have been satisfied, fulfilled or waived.

ARTICLE SIX

NON-SOLICITATION AND BREAK-UP FEE

Section 6.01 Covenants of Gateway Regarding Non-Solicitation

- (a) Gateway shall not, directly or indirectly, through any officer, director, employee, representative or agent of such party or the Gateway Subsidiary, or otherwise:
 - (i) solicit or initiate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) any inquiries or proposals regarding any Acquisition Proposal or potential Acquisition Proposal;
 - (ii) participate, directly or indirectly, in any discussions or negotiations regarding any Acquisition Proposal or potential Acquisition Proposal;
 - (iii) agree to, approve or recommend any Acquisition Proposal or potential Acquisition Proposal; or
 - (iv) enter into any agreement related to any Acquisition Proposal or potential Acquisition Proposal;

provided, however, that, notwithstanding the preceding part of this subsection 6.01(a), but subject to the following provisions of Article Six of this Agreement, nothing shall prevent or restrict the directors of Gateway from considering any unsolicited *bona fide* Acquisition Proposal in respect of Gateway that may be a Superior Proposal or from considering, negotiating, approving, recommending to the shareholders thereof or entering into an agreement in respect of a Superior Proposal from any person in accordance with the provisions of the following subsections of this Article Six.

- (b) Within 48 hours of the receipt by any director or officer of Gateway of any Acquisition Proposal, or any amendment to the foregoing, or any request for non-public information relating to Gateway or the Gateway Subsidiary in connection with any Acquisition Proposal or for access to the properties, books or records of Gateway or the Gateway Subsidiary by any person that informs Gateway or the Gateway Subsidiary that it is considering making, or has made, an Acquisition Proposal in respect of Gateway, Gateway shall notify Victoria thereof, at first orally and then, as soon as possible thereafter, in writing. Such written notice shall include a copy of the Acquisition Proposal documents (with such deletions as are necessary to protect any confidential portions of such documents, provided that material terms and conditions of, and the identity of the person making, such Acquisition Proposal may not be deleted) if the same has been received as described

above, or, if not so received, a description of the material terms and conditions of the Acquisition Proposal and, in any event, provide such details of the Acquisition Proposal, inquiry or contact as Victoria may reasonably request, including the identity of the person making such Acquisition Proposal, inquiry or contact.

- (c) If Gateway receives a request for material non-public information from a person who is considering making or has made a *bona fide* Acquisition Proposal in respect of Gateway (the existence and content of which have been disclosed to Victoria), and the directors of Gateway determine that such proposal would or does constitute a Superior Proposal then, and only in such case, the directors of Gateway may, subject to the execution of a confidentiality agreement on terms which are not more favourable to the person mailing or considering mailing the Acquisition Proposal than those set forth in the Confidentiality Agreement, provide such person with access to information regarding Gateway; provided, however, that the person who is considering making the Acquisition Proposal in respect of Gateway shall not be precluded thereunder from making the Acquisition Proposal, and provided further that Gateway sends a copy of any such confidentiality agreement to Victoria immediately upon the execution thereof and Victoria is provided with a list of or a copy of the information, if any, provided to such person that was not previously provided to Victoria and Victoria is immediately provided with access to similar information.
- (d) Gateway shall ensure that the officers, directors and employees thereof and any financial advisors or other advisors or representatives retained by Gateway are aware of the provisions of this section 6.01, and Gateway shall be responsible for any breach of this section 6.01 by its financial advisors or other advisors or representatives.
- (e) Nothing in this Agreement shall be interpreted to extend to acts or omissions of any person acting in his capacity as a director of Gateway or otherwise to fetter the proper exercise of discretion by such person. Without limitation, nothing in this Agreement shall preclude Gateway from providing information or otherwise responding to an unsolicited proposal with respect to an Acquisition Proposal if to do so would, in the opinion of the board of directors of Gateway, acting reasonably, be a proper exercise of the fiduciary duties of such directors.

Section 6.02 Notice by Gateway of Superior Proposal Determination

- (a) Until the later of the Completion Deadline and the date on which any amount required to be paid by Gateway in accordance with the provisions of this Agreement has actually been received by Victoria, Gateway and the directors thereof shall not accept, approve, recommend or enter into any agreement in respect of an Acquisition Proposal in respect of Gateway (other than a confidentiality agreement contemplated by subsection 6.01(c) hereof) on the basis that it would constitute a Superior Proposal, unless (i) it has provided Victoria with a copy of the documents containing such Acquisition Proposal

(with such deletions as are necessary to protect any confidential portions of such document, provided that the material terms and conditions of, and the identity of the person making, such Acquisition Proposal may not be deleted) which the directors of Gateway have determined would be a Superior Proposal pursuant to subsection 6.01(a) hereof, and (ii) three Business Days shall have elapsed from the later of (A) the date Victoria received notice of the determination of the directors of Gateway to accept, approve, recommend or enter into an agreement in respect of such Acquisition Proposal, and (B) the date Victoria received a copy of the Acquisition Proposal.

- (b) During the three Business Days referred to in subsection 6.02(a) hereof, Victoria shall have the opportunity, but not the obligation, to offer in writing to amend the terms of this Agreement and the Arrangement. The directors of Gateway shall review any offer by Victoria to amend the terms of this Agreement and the Arrangement in order to determine in good faith, as of the later of the dates referred to in paragraph 6.02(a)(ii) hereof, whether the offer of Victoria upon acceptance by Gateway would at least match the value per Gateway Common Share under the Superior Proposal. If the directors of Gateway so determine, Gateway shall enter into an amended agreement with Victoria reflecting the amended proposal of Victoria. If the directors of Gateway do not so determine and instead determine, in good faith and after consultation with, and receiving advice (which may include written opinions, a copy of which shall have been provided to Victoria) from, as appropriate, financial, legal and other advisors to Gateway, that the Acquisition Proposal is nonetheless a Superior Proposal and therefore reject the amended proposal of Victoria, Gateway shall be liable to pay to Victoria the fee contemplated by section 6.03 hereof. Gateway also acknowledges and agrees that each successive financial modification of any Acquisition Proposal in respect of Gateway shall constitute a new Acquisition Proposal for purposes of the requirement under paragraph 6.02(a)(ii) hereof and shall initiate an additional three Business Day period.

Section 6.03 Break Fee Event

- (a) In the event that:
 - (i) this Agreement is terminated by Victoria pursuant to subsection 7.03(c) hereof;
 - (ii) this Agreement is terminated by Gateway pursuant to subsection 7.03(e) hereof;

then Gateway shall pay to Victoria within five Business Days following the termination of this Agreement, an amount in cash equal to \$250,000, in immediately available funds to an account designated by Victoria. Gateway shall not be obligated to make more than one payment pursuant to this subsection 6.03(a). Victoria hereby acknowledges that the payment amount set out in this section is a payment of liquidated damages which are a genuine pre-estimate of the damages which Victoria will suffer or incur as a result of

the event giving rise to such damages and the resultant non-completion of the Arrangement and are not penalties. Gateway hereby irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Upon receipt of payment of the amount set out in this subsection by Victoria, Victoria shall have no further claim against Gateway in respect of any termination of this Agreement pursuant to subsections 7.03(a) and 7.03(e), provided that nothing herein shall preclude Victoria from seeking (i) injunctive relief to restrain any breach or threatened breach by Gateway of any of its obligations hereunder or otherwise to obtain specific performance without the necessity of posting bond or security in connection therewith, or (ii) any other remedy in respect of any breach of the terms of this Agreement by Gateway.

- (b) In the event that this Agreement is terminated by Victoria, other than pursuant to subsection 7.03(b) hereof, then Victoria shall pay to Gateway within five Business Days following the termination of this Agreement, an amount in cash equal to \$250,000, in immediately available funds to an account designated by Gateway. Victoria shall not be obligated to make more than one payment pursuant to this subsection 6.03(b). Gateway hereby acknowledges that the payment amount set out in this section is a payment of liquidated damages which are a genuine pre-estimate of the damages which Gateway will suffer or incur as a result of the event giving rise to such damages and the resultant non-completion of the Arrangement and are not penalties. Victoria hereby irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Upon receipt of payment of the amount set out in this section by Gateway, Gateway shall have no further claim against Victoria in respect of the failure to complete the Arrangement, provided that nothing herein shall preclude Gateway from seeking injunctive relief to restrain any breach or threatened breach by Victoria of any of its obligations hereunder or otherwise to obtain specific performance without the necessity of posting bond or security in connection therewith.

ARTICLE SEVEN

AMENDMENT AND TERMINATION

Section 7.01 Amendment

This Agreement may, at any time and from time to time before or after the holding of the Gateway Meeting, be amended by mutual written agreement of the parties hereto without, subject to applicable Law, further notice to or authorization on the part of the Gateway Shareholders or the Victoria Shareholders, and any such amendment may, without limitation:

- (a) change the time for the performance of any of the obligations or acts of any of the parties hereto;
- (b) waive any inaccuracies in 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 the performance of any of the obligations of any of the parties hereto; and
- (d) waive compliance with or modify any condition herein contained;

provided, however, that notwithstanding the foregoing, the terms of subsection 3.01(a) of the Plan of Arrangement shall not be amended without the approval of the Gateway Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court. This Agreement and the Plan of Arrangement may be amended in accordance with the Final Order, but in the event that the terms of the Final Order require any such amendment, the rights of the parties hereto under sections 5.01, 5.02, 5.03, 6.03 and Article Seven hereof shall remain unaffected.

Section 7.02 Mutual Understanding Regarding Amendments

- (a) In addition to the transactions contemplated hereby or at the request of a party hereto, the parties hereto will continue from and after the date hereof and through and including the Effective Date to use their respective commercially reasonable efforts to maximize present and future planning opportunities for Gateway, the Gateway Shareholders, the Gateway Subsidiary, Victoria and the Victoria Subsidiary as and to the extent that the same shall not prejudice any party hereto or the shareholders thereof. The parties hereto will ensure that such planning activities do not impede the progress of the Arrangement in any material way.
- (b) The parties hereto mutually agree that if a party hereto proposes any other amendment or amendments to this Agreement or to the Plan of Arrangement, Gateway on the one hand, and Victoria on the other hand, will act reasonably in considering such amendment and if the other of them and the shareholders thereof are not prejudiced by reason of any such amendment they will co-operate in a reasonable fashion with the party hereto proposing the amendment so that such amendment can be effected subject to applicable Laws and the rights of the Gateway Shareholders.

Section 7.03 Termination

This Agreement may be terminated at any time prior to the Closing Date:

- (a) by the mutual written consent of the parties hereto;
- (b) as provided in sections 5.01, 5.02 or 5.03 hereof, subject to section 5.04 hereof;
- (c) by Victoria if there is a Superior Proposal in respect of Gateway and the directors of Gateway shall have withdrawn or modified in a manner adverse to Victoria their approval or recommendation of the Arrangement or shall have accepted, approved, recommended or entered into an agreement in respect of any Superior Proposal;

- (d) by Victoria or by Gateway if the Gateway Meeting shall have been held and completed and the approval of the Arrangement by Gateway Shareholders required by subsection 5.01(b) hereof shall not have occurred;
- (e) by Gateway upon any determination by the directors of Gateway, after the conclusion of the process set out in sections 6.01 and 6.02 hereof, that an Acquisition Proposal in respect of Gateway constitutes a Superior Proposal; or
- (f) by Victoria or by Gateway if the Arrangement has not been completed by March 31, 2009;

provided that any termination by a party hereto in accordance with paragraph (b), (c), (d) or (e), or above shall be made by such party delivering written notice thereof to the other party or parties hereto prior to the Closing Date and specifying therein in reasonable detail the matter or matters giving rise to such termination right. In the event of any such termination, subject to the obligations of Gateway and Victoria contained in Article Six hereof, including the payment required by section 6.03 hereof, each party hereto shall be deemed to have released, remised and forever discharged the other parties hereto in respect of any and all claims arising in respect of this Agreement, except as otherwise provided herein.

ARTICLE EIGHT

GENERAL

Section 8.01 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a party hereto shall be in writing and shall be delivered by hand to the party hereto to which the notice is to be given at the following address or sent by facsimile to the following numbers or to such other address or facsimile number as shall be specified by a party hereto by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by facsimile be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 4:00 p.m. (Vancouver time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the parties hereto shall be as follows:

(a) if to Gateway:

Gateway Gold Corp.
Suite 905
595 Howe Street
Vancouver, British Columbia
V6C 2T5

Attention: Michael D. McInnis
Facsimile: (604) 801-6075

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

Gowling Lafleur Henderson LLP
1055 Dunsmuir Street
Suite 2100
P.O. Box 49122, Bentall IV
Vancouver, B.C.
V7X 1J1

Attention: Cyndi D. Laval
Facsimile: (604) 443-5629

(b) if to Victoria:

Victoria Corporation
80 Richmond Street West
Suite 303
Toronto, Ontario
M5H 2A4

Attention: Chad Williams
Facsimile: (416) 866-8801

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

Fraser Milner Casgrain LLP
Suite 3900, 1 First Canadian Place
100 King Street West
Toronto, Ontario
M5X 1B2

Attention: James A. Clare
Facsimile: (416) 863-4592

Section 8.02 Remedies

The parties hereto acknowledge and agree that an award of money damages may be inadequate for any breach of this Agreement by any party hereto or its representatives and advisors and that such breach may cause the non-breaching party hereto irreparable harm. Accordingly, the parties hereto agree that, in the event of any such breach or threatened breach of this Agreement by one of the parties hereto, Gateway (if Victoria is the breaching party) or Victoria (if Gateway is the breaching party) will be entitled, without the requirement of posting a bond or other security, to seek equitable relief, including injunctive relief and specific performance. Subject to any other provision hereof including, without limitation, section 6.03 hereof, such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available hereunder or at law or in equity to each of the parties hereto.

Section 8.03 Public Announcements

Victoria and Gateway agree to coordinate the public disclosure made by them with respect to the Arrangement. Victoria and Gateway further agree that there will be no public announcement or other disclosure with respect to the Arrangement or of the matters dealt with herein unless they have mutually agreed thereto or unless otherwise required by law or by regulatory rule or policy based on the advice of counsel. If either Victoria or Gateway is required by law or regulatory rule or policy to make a further public announcement with respect to the Arrangement, such party hereto will provide as much notice to the other parties hereto as is reasonably possible, including the proposed text of the announcement.

Section 8.04 Expenses

The parties hereto agree that all out-of-pocket expenses incurred in connection with this Agreement and the transactions contemplated hereby, the Gateway Meeting and the preparation and mailing of the Proxy Circular, including legal and accounting fees, printing costs, financial advisor fees and all disbursements by advisors, shall be paid by the party hereto incurring such expense and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses. The provisions of this section 8.04 shall survive the termination of this Agreement.

Section 8.05 Time of the Essence

Time shall be of the essence in this Agreement.

Section 8.06 Entire Agreement

This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof including, without limitation, the Letter Agreement but excluding, for greater certainty, the Bridge Loan Agreement. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein, and in the letter agreements relating to due diligence investigations provided to Victoria and Gateway respectively by the other of them dated the date hereof.

Section 8.07 Further Assurances

Each party hereto shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Plan of Arrangement.

Section 8.08 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of British Columbia. Each party hereto 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.

Section 8.09 Execution in Counterparts

This Agreement may be executed in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same.

Section 8.10 Waiver

No waiver or release by any party hereto shall be effective unless in writing and executed by the party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in section 7.01 hereof.

Section 8.10 No Personal Liability

- (a) No director or officer of Gateway shall have any personal liability whatsoever (other than in the case of fraud, negligence or wilful misconduct) to Victoria under this Agreement or any other document delivered in connection with this Agreement or the Arrangement by or on behalf of Gateway.
- (b) No director or officer of Victoria shall have any personal liability whatsoever (other than in the case of fraud, negligence or wilful misconduct) to Gateway under this Agreement or any other document delivered in connection with this Agreement or the Arrangement by or on behalf of Victoria.

Section 8.11 Enurement and Assignment

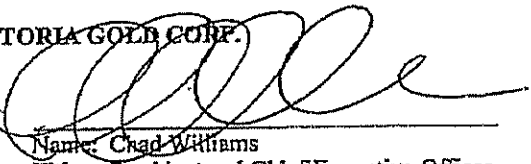
This Agreement shall enure to the benefit of the parties hereto and their respective successors and permitted assigns and shall be binding upon the parties hereto and their respective successors. This Agreement may not be assigned by any party hereto without the prior written consent of each of the other parties hereto.

Section 8.12 Severability:

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severed from this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

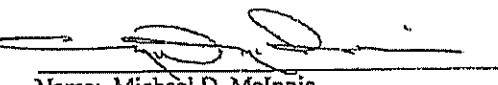
VICTORIA GOLD CORP.

Per: 

Name: Chad Williams

Title: President and Chief Executive Officer

GATEWAY GOLD CORP.

Per: 

Name: Michael D. McInnis

Title: President and Chief Executive Officer

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

ARTICLE ONE

DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

- (a) "Arrangement" means the arrangement under the provisions of sections 288-299 of the BCBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendment or supplement hereto made in accordance with the provisions hereof or at the direction of the Court in the Final Order;
- (b) "Arrangement Agreement" means the arrangement agreement dated as of September 30, 2008 between Victoria and Gateway, as amended or supplemented prior to the Effective Date, entered into in connection with the Arrangement;
- (c) "BCBCA" means the *Business Corporations Act* (British Columbia);
- (d) "Business Day" means any day other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;
- (e) "Court" means the Supreme Court of British Columbia;
- (f) "Depository" means Computershare Investor Services Inc., being the depository appointed by Victoria for the purpose of, among other things, exchanging certificates representing Gateway Common Shares for Victoria Common Shares in connection with the Arrangement;
- (g) "Dissent Procedures" means the procedures set forth in section 238 of the BCBCA required to be taken by a registered holder of Gateway Common Shares to exercise the right of dissent in respect of such Gateway Common Shares in connection with the Arrangement;
- (h) "Dissenting Shareholders" means the registered holders of Gateway Common Shares who dissent in respect of the Arrangement in strict compliance with the Dissent Procedures;

- (i) "Effective Date" means the date set by Victoria and Gateway as being the effective date in respect of the Arrangement, after the date on which the last of all documents necessary to effect the Arrangement have been filed with the Registrar;
- (j) "Effective Time" means 12:01 a.m. (Toronto time) on the Effective Date;
- (k) "Final Order" means the order of the Court approving the Arrangement, including any amendment thereto, pursuant to clause 291(4)(a) of the BCBCA or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;
- (l) "Former Gateway Shareholders" means the holders of Gateway Common Shares immediately prior to the Effective Time;
- (m) "Gateway" means Gateway Gold Corp., a corporation existing under the BCBCA;
- (n) "Gateway Common Shares" means the common shares which Gateway is authorized to issue;
- (o) "Gateway Meeting" means the special meeting of the holders of Gateway Common Shares held to consider and approve, among other things, the Arrangement;
- (p) "Gateway Meeting Date" means the date of the Gateway Meeting;
- (q) "Gateway Options" means the outstanding options to purchase an aggregate of 5,520,000 Gateway Common Shares issued pursuant to the Gateway Share Option Plans;
- (r) "Gateway Share Option Plans" means the share option plans of Gateway adopted in (i) on January 6, 2003 (as amended on September 29, 2003, April 30, 2004, April 28, 2005 and April 28, 2006), and (ii) on April 27, 2007, collectively;
- (s) "Gateway Warrants" means the 3,039,600 warrants expiring June 9, 2011 entitling the holders thereof to purchase an aggregate of 3,039,600 Gateway Common Shares at a price of \$0.35 per Gateway Common Share;
- (t) "Interim Order" means the interim order of the Court, including any amendment thereto, pursuant to subsection 291(2) of the BCBCA made in connection with the Arrangement;
- (u) "Plan of Arrangement" means this plan of arrangement, as amended, modified or supplemented from time to time in accordance herewith and with any order of the Court;
- (v) "Proxy Circular" means the management information circular prepared for the Gateway Meeting;

- (w) "Registrar" means the registrar appointed pursuant to section 400 of the BCBCA;
- (x) "Victoria" means Victoria Gold Corp., a corporation existing under the BCBCA; and
- (y) "Victoria Common Shares" means the common shares which Victoria is authorized to issue.

In addition, words and phrases used herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

Section 1.02 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

Section 1.03 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and *vice versa*, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

Section 1.04 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

Section 1.05 Statutory References

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

ARTICLE TWO

ARRANGEMENT AGREEMENT

Section 2.01 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement.

ARTICLE THREE

ARRANGEMENT

Section 3.01 Arrangement

At the Effective Time, the following shall occur, and shall be deemed to occur in the following order, without any further act or formality:

- (a) all Gateway Common Shares held by Former Gateway Shareholders (other than Dissenting Shareholders) shall be exchanged with Victoria for Victoria Common Shares on the basis of 0.50 of a Victoria Common Share for each one Gateway Common Share, subject to sections 3.03 and 4.01 hereof; and
- (b) subject to such modifications as may be required to comply with the rules of the TSX or TSX-V, as applicable, each Gateway Option and Gateway Warrant shall entitle the holder thereof to receive (and such holder shall accept) upon the exercise thereof, in lieu of the number of Gateway Common Shares otherwise issuable upon the exercise thereof, the number of Victoria Common Shares which the holder would have been entitled to receive as a result of the transactions contemplated by this Plan of Arrangement if, immediately prior to the Effective Time, such holder had been the registered holder of the number of Gateway Common Shares to which such holder was theretofore entitled upon such exercise, subject to any anti-dilution adjustment after the Effective Time on the same basis that the number of Gateway Common Shares would have been adjusted if the Plan of Arrangement had not occurred, if the adjustment to the Gateway Options and Gateway Warrants contemplated by this subsection 3.01(b) results in a disposition of Gateway Options and Gateway Warrants for options to acquire Victoria Common Shares or “new” Gateway Options, it is intended that the provisions of subsection 7(1.4) of the *Income Tax Act* (Canada) apply to any such disposition.

Section 3.02 Post-Effective Time Procedures

- (a) On or promptly after the Effective Date, Victoria shall deliver or arrange to be delivered to the Depositary certificates representing the Victoria Common Shares required to be issued to Former Gateway Shareholders in accordance with the provisions of section 3.01 hereof, which certificates shall be held by the Depositary as agent and nominee for such Former Gateway Shareholders for distribution to such Former Gateway Shareholders in accordance with the provisions of Article Five hereof.
- (b) Subject to the provisions of Article Five hereof, Former Gateway Shareholders shall be entitled to receive delivery of the certificates representing the Victoria Common Shares to which they are entitled pursuant to subsection 3.01(a) hereof.

Section 3.03 No Fractional Victoria Common Shares

No fractional Victoria Common Shares shall be issued to Former Gateway Shareholders. If a Former Gateway Shareholder would have been entitled, but for this section 3.03, to be issued a fraction of a Victoria Common Share, the number of Victoria Common Shares to be issued to such Former Gateway Shareholder shall be rounded to the next whole number of Victoria Common Shares. No cash payment shall be made to such Former Gateway Shareholders in lieu of such fractional Victoria Common Shares.

ARTICLE FOUR

DISSENT PROCEDURES

Section 4.01 Dissent Procedures

Holders of Gateway Common Shares may exercise Dissent Procedures with respect to Gateway Common Shares in connection with the Arrangement, provided that the written objection to the special resolution to approve the Arrangement must be received by Gateway at least 48 hours prior to the time at which the Gateway Meeting is to be held and provided further that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value by Gateway for their Gateway Common Shares, which fair value shall be determined immediately before the passing by the holders of the Gateway Common Shares of the special resolution approving the Arrangement, shall be deemed to have transferred such Gateway Common Shares to Gateway for cancellation at the Effective Time; or
- (b) are ultimately not entitled, for any reason, to be paid fair value by Gateway for their Gateway Common Shares shall be deemed to have participated in the Arrangement, as at the Effective Time, on the basis set forth in subsection 3.01(a) hereof and shall be entitled to receive only the consideration set forth therein;

but further provided that in no case shall Victoria, Gateway or any other person be required to recognize Dissenting Shareholders as holders of Gateway Common Shares after the time immediately prior to the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the register of holders of Gateway Common Shares at the Effective Time.

ARTICLE FIVE

**DELIVERY OF VICTORIA
COMMON SHARES**

Section 5.01 Delivery of Victoria Common Shares

- (a) Upon surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented one or more outstanding Gateway Common Shares which were exchanged for Victoria Common

Shares in accordance with section 3.01 hereof, together with such other documents and instruments as would have been required to effect the transfer of the Gateway Common Shares formerly represented by such certificate under the BCBCA and the articles of Gateway and such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, a certificate representing the Victoria Common Shares which such holder is entitled to receive in accordance with section 3.02 hereof.

- (b) After the Effective Time and until surrendered for cancellation as contemplated by subsection 5.01(a) hereof, each certificate which immediately prior to the Effective Time represented one or more Gateway Common Shares shall be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the Victoria Common Shares which the holder of such certificate is entitled to receive in accordance with subsection 5.01(a) hereof.

Section 5.02 Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Gateway Common Shares which were exchanged for Victoria Common Shares in accordance with section 3.01 hereof 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 Victoria Common Shares which such holder is entitled to receive in accordance with section 3.02 hereof. When authorizing such delivery of a certificate representing the Victoria 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 Victoria Common Shares is to be delivered shall, as a condition precedent to the delivery of such Victoria Common Shares, give a bond satisfactory to Victoria and the Depositary in such amount as Victoria and the Depositary may direct, or otherwise indemnify Victoria and the Depositary in a manner satisfactory to Victoria and the Depositary, against any claim that may be made against Victoria or 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 the Corporation.

Section 5.03 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Victoria Common Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Gateway Common Shares unless and until the holder of such certificate shall have complied with the provisions of section 5.01 or section 5.02 hereof. Subject to applicable law and to section 5.04 hereof, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the Victoria Common Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect such Victoria Common Shares.

Section 5.04 Withholding Rights

Victoria and the Depositary shall be entitled to deduct and withhold from all dividends or other distributions otherwise payable to any Former Gateway Shareholder such amounts as Victoria or the Depositary is required or permitted to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), the United States Internal Revenue Code of 1986 or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Former Gateway Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

Section 5.05 Limitation and Proscription

To the extent that a Former Gateway Shareholder shall not have complied with the provisions of section 5.01 or section 5.02 hereof on or before the date which is six years after the Effective Date (the "final proscription date"), then the Victoria Common Shares which such Former Gateway Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the certificates representing such Victoria Common Shares shall be delivered to Victoria by the Depositary for cancellation and shall be cancelled by Victoria, and the interest of the Former Gateway Shareholder in such Victoria Common Shares shall be terminated as of such final proscription date.

ARTICLE SIX

AMENDMENTS

Section 6.01 Amendments to Plan of Arrangement

- (a) Victoria and Gateway reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Victoria and Gateway, (iii) filed with the Court and, if made following the Gateway Meeting, approved by the Court, and (iv) communicated to Former Gateway Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Gateway at any time prior to the Gateway Meeting provided that Victoria shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Gateway Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Gateway Meeting shall be effective only if (i) it is consented to in writing by each of Victoria and Gateway, and

(ii) if required by the Court, it is consented to by holders of the Gateway Common Shares voting in the manner directed by the Court.

SCHEDULE B

DESCRIPTION OF GATEWAY OPTIONS

Option Holders	Optionee	Securities Under Option	Exercise Price (\$/Security)	Expiry Date
Officers	Michael McInnis	325,000	\$0.20	30-Jul-13
		225,000	\$0.17	29-Sep-13
		325,000	\$0.30	15-Jul-09
		400,000	\$0.30	27-Apr-12
	M. Raftery	35,000	\$0.17	29-Sep-13
		100,000	\$0.20	30-Jul-13
		40,000	\$0.30	25-Jul-12
	D. Merrick	50,000	\$0.30	28-Feb-11
		450,000	\$0.30	27-Apr-12
		1,950,000		
Directors (who are not also officers)	(Blackfriars Investments Inc.) James Robertson	200,000	\$0.20	30-Jul-13
		165,000	\$0.17	29-Sep-13
	James Robertson	225,000	\$0.30	15-Jul-09
		125,000	\$0.30	27-Apr-12
	L. Montpellier	35,000	\$0.17	29-Sep-13
		100,000	\$0.20	30-Jul-13
		25,000	\$0.30	15-Jul-09
		125,000	\$0.30	27-Apr-12
	A. Jackson	35,000	\$0.17	29-Sep-13
		100,000	\$0.20	30-Jul-13
		25,000	\$0.30	15-Jul-09
		125,000	\$0.30	27-Apr-12
	Roman Friedrich	125,000	\$0.30	30-Apr-09
		200,000	\$0.20	30-Jul-13
		25,000	\$0.30	15-Jul-09
		75,000	\$0.30	30-May-11
		125,000	\$0.30	27-Apr-12
		1,835,000		
Total Insiders		3,785,000		

Employee Option Holder	Securities Under Option	Exercise Price (\$/Security)	Expiry Date
R. Wani	125,000	\$0.20	30-Jul-13
	100,000	\$0.17	29-Sep-13
	75,000	\$0.30	09-Nov-09
	30,000	\$0.30	25-Jul-12
C. Carlin	20,000	\$0.30	30-Jun-09
	30,000	\$0.30	28-Feb-11
	15,000	\$0.30	30-May-11
	50,000	\$0.30	25-Jul-12
	30,000	\$0.20	30-Jul-13
I. Bilquist	25,000	\$0.30	30-Jun-09
	30,000	\$0.30	25-Jul-12

Employee Option Holder	Securities Under Option	Exercise Price (\$/Security)	Expiry Date
K. Spong	50,000	\$0.30	15-Jul-09
	40,000	\$0.30	25-Jul-12
L. Roth	50,000	\$0.30	1-Oct-10
R. Hastings	50,000	\$0.30	11-Aug-10
	50,000	\$0.30	28-Feb-11
	50,000	\$0.30	25-Jul-12
R. Thole	30,000	\$0.30	28-Feb-11
	30,000	\$0.30	25-Jul-12
	30,000	\$0.20	30-Jul-13
J. Babcock	30,000	\$0.30	28-Feb-11
	30,000	\$0.30	25-Jul-12
	30,000	\$0.20	30-Jul-13
P. Shabestari	30,000	\$0.30	28-Feb-11
	30,000	\$0.30	25-Jul-12
	30,000	\$0.20	30-Jul-13
R. Lyman	30,000	\$0.30	28-Feb-11
	30,000	\$0.30	25-Jul-12
R. Cooper	400,000	\$0.30	28-Feb-11
	30,000	\$0.30	25-Jul-12
L. Stefan	20,000	\$0.30	25-Jul-12
	15,000	\$0.20	30-Jul-13
M. Winter	20,000	\$0.30	25-Jul-12
Mau Capital	100,000	\$0.69	26-Jun-12
Total	1,735,000		

SCHEDULE C

DESCRIPTION OF VICTORIA OPTIONS

Option Holders	Optionee	Securities Under Option	Exercise Price (\$/Security)	Expiry Date
Officers	C. Williams	1,500,000	\$0.60	20-Aug-12
	R. Madrid	400,000	\$0.70	23-Oct-12
		200,000	\$0.74	20-Apr-11
	M. Rendall	<u>300,000</u>	\$0.70	23-Oct-12
		<u>2,400,000</u>		
Directors (who are not also officers)	T. S. Harvey	200,000	\$0.60	20-Aug-12
	J. McConnell	<u>200,000</u>	\$0.60	20-Aug-12
		<u>400,000</u>		
Total Insiders		2,800,000		

Employee Option Holder	Securities Under Option	Exercise Price (\$/Security)	Expiry Date
M. Johnston	140,000	\$0.65	17-Sep-12
	100,000	\$0.74	20-Apr-11
	100,000	\$0.99	27-Feb-09
K. Coleman	100,000	\$0.65	17-Sep-12
	25,000	\$0.74	20-Apr-11
A. Chilson	80,000	\$0.65	17-Sep-12
S. Beck	60,000	\$0.65	17-Sep-12
G. Hamilton	50,000	\$0.65	17-Sep-12
	25,000	\$0.74	20-Apr-11
R. Andrews	100,000	\$0.70	30-Nov-08
	150,000	\$0.74	30-Nov-08
L. Dorrington	150,000	\$1.00	22-Jan-13
T. Correa	40,000	\$0.65	17-Sep-12
	25,000	\$0.74	20-Apr-11
J. Parraga	30,000	\$0.65	17-Sep-12
	25,000	\$0.74	20-Apr-11
R. Bresnahan	40,000	\$0.65	17-Sep-12
D. Ungar	<u>12,500</u>	\$0.65	27-Nov-08
Total	1,252,500		

SCHEDULE D
LIST OF VICTORIA OFFICERS AND DIRECTORS

<u>Name</u>	<u>Position</u>
Chad Williams	President, Chief Executive Officer and Director
Marty Rendall	Chief Financial Officer
Raul Madrid	Vice President, Exploration
T. Sean Harvey	Chairman
Hugh Agro	Director
John McConnell	Director

SCHEDULE E
LIST OF GATEWAY OFFICERS AND DIRECTORS

<u>Name</u>	<u>Position with Gateway Gold Corp.</u>
Michael McInnis	Director, President & Chief Executive Officer
James Robertson	Director
Louis G. Montpelier	Director
Alvin W. Jackson	Director
Roman Friedrich	Director
Michael P. Raftery	Chief Financial Officer & Secretary
Don Merrick	Vice-President, Exploration

SCHEDULE F

LIST OF MATERIAL MINERAL PROPERTIES OF GATEWAY

As of the date of the Arrangement Agreement to which this Schedule F is attached, Gateway has interests in the following principal mineral properties which may be considered material to its business and operations.

Mineral Properties, Nevada, USA

Big Springs

Dorsey Creek

Golden Dome

Island Mountain

Mac Ridge

Carlin East

Toiyabe

Santa Fe

SCHEDULE G

LIST OF MATERIAL MINERAL PROPERTIES OF VICTORIA

As of the date of the Arrangement Agreement to which this schedule G is attached, Victoria has interests in the following principal mineral properties which may be considered material to its business or operations:

- (i) Cove McCoy Property, located in Ladner County, Nevada and to which Victoria is currently earning up to a 100% interest from Newmont McCoy Cove Limited (subject to a 51% back-in right in favour of Newmont McCoy Cove Limited); and
- (ii) Mill Canyon Property, located in Ladner and Eureka Counties, Nevada and to which Victoria Resources (US) Inc. holds a 100% interest (subject to a 50% back-in right in favour of Newmont USA Limited).