



**WHITE CANYON URANIUM LIMITED**

**ACN 115 453 962**

**NOTICE OF ANNUAL GENERAL MEETING**

**PROXY FORM**

**EXPLANATORY MEMORANDUM**

**Date of Meeting**

26 November 2009

**Time of Meeting**

10.00 am WST

**Place of Meeting**

White Canyon Uranium Limited,  
181 Roberts Road, Subiaco WA 6008

For personal use only



## WHITE CANYON URANIUM LIMITED

ABN 96 115 453 962

### NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

Notice is hereby given that the Annual General Meeting of White Canyon Uranium Limited will be held at the company's offices, 181 Roberts Road, Subiaco, Western Australia on Thursday, 26 November 2009 commencing at 10.00 am WST to conduct the following business:

**1. Financial Report**

To receive the Financial Report and the reports of the Directors and Auditors for the year ended 30 June 2009.

**2. Resolution 1: Adopt Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary non-binding resolution:

*"That the Remuneration Report for the year ended 30 June 2009 as disclosed in the Company's 2009 Financial Report be adopted."*

Note: the vote on this resolution is advisory only and does not bind the Directors or the Company.

**3. Resolution 2: Re-election of Mr Lewis Cross as a director**

To consider and if thought fit to pass the following resolution as an ordinary resolution:

*"That Mr Lewis Cross, who retires by rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a director."*

**4. Resolution 3: Election of Mr Gregory Burns as a director**

To consider and if thought fit to pass the following resolution as an ordinary resolution:

*"That Mr Gregory Burns, who was appointed subsequent to the last annual general meeting of shareholders and retires in accordance with the Company's Constitution and, being eligible, offers himself for election, be elected as a director."*

**5. Resolution 4: Approval of Grant of Officer Options to Mr Peter Batten or His Nominee**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That pursuant to and in accordance with Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, the Directors be authorised to grant and issue to Mr Peter Batten or his nominee up to 9,000,000 Officer Options for no consideration, each Officer Option having an exercise price of 50 cents and an expiry date of 2 years from the date of grant and otherwise on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice of Annual General Meeting (including Annexure A to the Explanatory Memorandum)."*

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 4 by Peter Batten and any associate of Peter Batten. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Peter Batten or an associate of Peter Batten.



**6. Resolution 5: Ratification of Blue Jay and Marcy-Look Share Issues**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 4,800,000 Shares at an issue price of 20 cents per Share on 2 January 2009, to the parties and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

The Company will disregard any votes cast on Resolution 5 by persons who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**7. Resolution 6: To Approve the Proposed Cannacord Share Issue**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, the Company approves the allotment and issue of up to 2,349,273 Shares for nil consideration, to the parties and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Annual General Meeting."*

The Company will disregard any votes cast on Resolution 6 by persons who may participate in the issue and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities if the resolution is passed, and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**8. Resolution 7: Approval of Stock Option Plan**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, the Company approves the issue of securities under the employee incentive option scheme for employees and directors known as "Stock Option Plan", the rules of which are annexed as Annexure B to the Explanatory Memorandum accompanying this Notice of Annual General Meeting, as an exception to Listing Rule 7.1."*

The Company will disregard any votes cast on Resolution 7 by a director of the Company and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



An Explanatory Memorandum accompanies this Notice.

#### NOTES

1. A shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. In accordance with Regulation 7.11.37 of the Corporations Regulations, the Directors have set a snapshot time and date to determine the identity of those entitled to attend and vote at the Meeting. The snapshot time and date is 5.00pm WST on Tuesday 24 November 2009.
3. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office in accordance with the proxy instructions on that form.
4. Terms used in this Notice have the meanings set out in Glossary appearing at the end of the Explanatory Memorandum.
5. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be "R. Matic", written in a cursive style.

R MATIC  
Company Secretary  
13 October 2009



## EXPLANATORY MEMORANDUM TO NOTICE OF ANNUAL GENERAL MEETING

This Explanatory Memorandum has been prepared for the information of shareholders of White Canyon Uranium Limited ("White Canyon" or "the Company") in connection with the business to be conducted at the Annual General Meeting of shareholders to be held at 10.00am WST on Thursday 26 November 2009 ("the Meeting").

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting ("the Notice"). Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

The following matters should be noted in respect of the Resolutions in the Notice:

### **Financial Reports**

The first item of the Notice of Annual General Meeting deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 30 June 2009 together with the Directors' declaration and report in relation to that financial year and the auditor's report on those financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company.

The Chairman will also provide shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

### **Resolution 1: Approval of the Remuneration Report**

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its shareholders for their consideration and adoption by way of a non-binding resolution the Remuneration Report as disclosed in the Company's 2009 Financial Report.

The vote is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's 2009 Annual Report and is also available on the Company's website ([www.whitecanyonuranium.com.au](http://www.whitecanyonuranium.com.au)).

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

The Directors recommend that shareholders vote in favour of adopting the Remuneration Report.



**Resolution 2: Re-election of Mr Lewis Cross as a Director**

Pursuant to Clause 13.2 of the Constitution, Lewis Cross, being a Director, retires by rotation at the Annual General Meeting and, being eligible, offers himself for re-election.

Lewis Cross was appointed director on 5 September 2007. Lewis Cross is a Certified Practising Accountant and principal of the firm CrossCorp Accounting, which has been established for over 30 years. He has a Bachelor of Business majoring in Accounting from Curtin University and is a Fellow of the Institute of Company Directors. Mr Cross has been involved in the mining industry for many years as well as various other industries in the course of his work in providing accounting and business consulting services. He has had extensive experience as a company director and is currently Non-Executive Chairman of associate company Golden State Resources Limited and of Polaris Metals NL and is a director of Aspermont Limited. Lewis Cross has not been a director of any other public listed companies during the 3 years prior to the current year.

The Directors recommend the re-election of Mr Cross.

**Resolution 3: Election of Mr Gregory Burns as a Director**

Resolution 3 seeks approval for the election of Mr Gregory Burns as a Director with effect from the end of the Annual General Meeting.

Clause 13.5 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Pursuant to Clause 13.5 of the Constitution, Mr Gregory Burns, who was appointed subsequent to the last annual general meeting of shareholders and retires in accordance with the Company's Constitution and, being eligible, offers himself for election.

Gregory Burns was appointed a director on 1 August 2009. Gregory Burns graduated in 1993 from the University of Canterbury with a Bachelor of Science (Geology Major) and since that time he has gained wide ranging experience in the mining, exploration and development industries in Australia, Indonesia and in Africa. Greg has overseen public listings and capital raisings for platinum, iron ore and gold projects, and is currently based in Vancouver. Greg was an executive director of Xenolith Resources Ltd from May 2008 until October 2008 and an executive director of Coziron Resources Ltd from May 2006 until August 2007. Gregory Burns has not been a director of any other public listed companies during the 3 years prior to the current year.

The directors recommend the election of Mr Burns.

**Resolution 4: Grant of Officer Options to Mr Peter Batten or his Nominee**

**Introduction**

The Company proposes to grant a total of 9,000,000 Officer Options (each Officer Option having an exercise price of 50 cents and an expiry date of 2 years from the date of grant) to Peter Batten, Managing Director or his nominee.

The Officer Options are to be granted in three equal tranches, each vesting upon the weighted average price of the Shares exceeding a particular price for five consecutive trading days. Each tranche forms a class of Officer Options (Classes A, B and C for the exercise hurdle prices of 50 cents, 75 cents and 100 cents respectively). Each class of Officer Option is exercisable at 50 cents each on or before the date which is two years from its date of grant. The full terms and conditions of the Officer Options are set out in Annexure A to this Explanatory Memorandum.

The Company seeks shareholder approval to grant up to 9,000,000 Officer Options to Peter Batten or his nominee.



The grant of Officer Options is designed to encourage the performance of Mr Batten as well as to reward Mr Batten for his services to the Company by participating in the future growth and prosperity of the Company through share ownership. Under the Company's current circumstances, it is considered that the incentives to Mr Batten represented by the grant of the Officer Options are a cost effective and efficient reward and incentive for the Company to provide to Mr Batten, as opposed to alternative forms of incentive, such as the payment of cash compensation, thereby conserving liquid funds. Further the Officer Options vest only if progressive Share price hurdles are met.

The number of Officer Options to be granted to Mr Batten and their exercise prices and expiry dates have been determined by reference to the overall remuneration package considered appropriate for Mr Batten's services and Mr Batten's current base salary and fees set out in Table 7 below and based upon the Directors' wish to ensure that the remuneration offered is competitive with market standards and where appropriate, based on performance hurdles. The Directors have generally reviewed a selection of comparable companies to determine market conditions generally and consider (in the absence of Mr Batten) that the proposed number of Officer Options to be granted to Mr Batten will ensure that the overall remuneration of Mr Batten is in line with market standards.

The Directors have determined the exercise price in light of the Company's current Share price.

In the event that the Officer Options are exercised, Mr Batten will need to pay the Company \$4,500,000.

### **Related Party Transactions Generally**

Shareholder approval is being sought under Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, Mr Batten is a related party of the Company as he is a Director. The Officer Options are to be issued to Mr Batten or his nominee. Resolution 4 provides for the grant of the Officer Options to Mr Batten or his nominee which is a financial benefit which requires shareholder approval.

### **Current Holdings**

Set out in Table 1 below are details of Mr Batten's relevant interest in the securities of the Company as at the date of this Notice:

**Table 1**

<b>Director</b>	<b>No. of Shares Held Directly</b>	<b>No. of Shares Held Indirectly</b>	<b>No. of Options Held Directly</b>	<b>No. of Options Held Indirectly</b>
Peter Batten	Nil	265,000*	Nil	Nil

\* 265,000 Shares are held by Batten Resources Pty Ltd as trustee for the Batten Superannuation Fund, of which Mr Batten is a beneficiary.

### **Information Requirements under Chapter 2E**

In accordance with section 219 of the Corporations Act the following information is provided to shareholders:

***The related party to whom the proposed resolution would permit the financial benefit to be given***



Subject to shareholder approval, a total of 9,000,000 Officer Options will be granted to Mr Batten or his nominee as set out in Table 2 below.

The Officer Options are to be granted in three equal tranches, each vesting upon the weighted average price of the Shares exceeding a particular price for five consecutive trading days. Each tranche forms a class of options (Classes A, B and C for the exercise hurdle prices of 50 cents, 75 cents and 100 cents respectively). Each Officer Option is exercisable at 50 cents each. The full terms and conditions of the Officer Options are set out in Annexure A to this Explanatory Memorandum.

**Table 2**

<b>Expiry Date</b>	2 years from date of grant		
<b>Class of Option</b>	A	B	C
<b>Hurdle price (cents)*</b>	50	75	100
<b>Exercise price (cents)</b>	50	50	50
<b>No. of Officer Options to be granted to Mr Batten or his nominee</b>	3,000,000	3,000,000	3,000,000
<b>Total Officer Options to be granted</b>	9,000,000		

\* Officer Options may be exercised only if the weighted average price of the issued Shares exceeds the hurdle price of those Officer Options for 5 consecutive trading days.

***The nature of the financial benefit***

The proposed financial benefit to be given is the grant of 9,000,000 Officer Options for no consideration to Peter Batten or his nominee as noted above. The terms and conditions of these Options are set out in Annexure B to this Explanatory Memorandum.

***Directors' recommendation***

All the Directors were available to consider Resolution 4.

All the directors (excluding Mr Peter Batten) (who have no interest in the outcome of Resolution 4) recommend that shareholders vote in favour of Resolution 4 for the reasons outlined below.

Mr Peter Batten declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed grant of Officer Options to him individually, or his nominee.

All other Directors recommend that shareholders vote in favour of Resolution 4 because the grant of the Officer Options rewards Mr Batten for his services to the Company and aligns his interests with those of shareholders. In addition, given the Company's stage of development, granting Officer Options are a cost-effective alternative to the payment of directors' fees in cash. The grant of Officer Options allows the Company to conserve liquid funds and still be able to attract and retain appropriately qualified directors.

***Valuation of 9,000,000 Officer Options to be granted to Peter Batten or his nominee***

***Binomial Valuation of Officer Options***

The Company's advisers have valued the 9,000,000 Officer Options to be granted to Peter Batten pursuant to Resolution 4 by applying the Binomial Model, based on the following assumptions:

- The date of the valuations has been set as at 17 September 2009. The Officer Options will need to be valued for AIFRS purposes as at the date the shareholders approve the grant of the Officer Options.
- The market price of a quoted Share as at 17 September 2009 (at 1.20pm) was 26.5 cents.
- The number of Officer Options and classes of Officer Options to be granted and vesting conditions are set out below.

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Table 3

Option	No. of Options	Exercisable By	Exercise Price (cents)	Vesting Condition 1 – vest after the weighted average price of shares for 5 consecutive days is greater than "x" cents per Share
Class A Options	3,000,000	Two years from date of grant	50	50
Class B Options	3,000,000	Two years from date of grant	50	75
Class C Options	3,000,000	Two years from date of grant	50	100

- The Officer Options expire 24 months from the date of grant.
- A risk free rate of 4.375%.
- The Company's advisers note that over the past 12 months the Shares have been between 6.0 cents and 44.5 cents for a simple volatility from the low of 641%. However the standardised volatility using a volatility model discloses a 12 month period volatility of approximately 145%. Since 1 May 2009 the Shares have traded in the range of 22.5 cents and 42.0 cents for a simplified volatility of 87%. The Company's Share price is very sensitive to announcements made by it on its uranium projects. After taking into account the above factors, the Company's advisers are of the view that the fair volatility factor for the purpose of calculating values as at 17 September 2009 should be 145%.
- All the Officer Options have vesting conditions, firstly, in that they have market-related condition in that they cannot vest until the Share price has reached a predetermined level for 5 consecutive days. In terms of the AIFRS Accounting Standard on Share Based payments, where there are market conditions, the fair value of the options is first determined using a recognised option valuation model and a discount is then applied to take into account the probability of the option being exercised. The Officer Options vest as noted above. On the assumption that there was a 0% probability that vesting condition 1 would be achieved, then a 100% discount would be applied to the value determined under the Binomial Model.

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*Table 4*

Officer Option	No. of Officer Options	Exercisable By	Share price at 1.20 pm 17 September 2009 (cents)	Vesting Condition 1-vest after the weighted average price of a share for 5 consecutive dates is greater than "x" cents per share	No. of times the vesting price is greater than the price at 17 September 2009	Discount applied to fair value based on Binomial methodology (%)
Class A	3,000,000	2 years from date of grant	26.5	50	1.887	35
Class B	3,000,000	2 years from date of grant	26.5	75	2.830	60
Class C	3,000,000	2 years from date of grant	26.5	100	3.773	85

As noted above, based on the Share price at 1.20pm on 17 September 2009 of 26.5 cents per Share and the price per Share set out in vesting condition 1, vesting condition 1 will only be met if the Share price over 5 consecutive days is between 1.887 and 3.773 times the current price for the different classes of options. The determination of the probability and therefore discount to apply is somewhat subjective as the Company's advisers cannot predict the future prospects of the Company or the market. For the purposes of the valuation, the Company's advisers have estimated the discount to apply to the values arrived at under the Binomial methodology model is 35% for the Class A Options, 76% for the Class B Options and 85% for the Class C Options.

- The valuation ranges noted below are not necessarily the market prices that the Officer Options could be traded at and it is not automatically the market prices for taxation purposes.

*Summary and Conclusion regarding Valuation*

Based on the above assumptions (after discounting the values determined using the Binomial methodology model), the theoretical value of one Officer Option lies in the following range:

<b>Class A</b>	<b>10.65 cents</b>
<b>Class B</b>	<b>6.56 cents</b>
<b>Class C</b>	<b>2.46 cents</b>



**Table 5**

		<b>Value of Each Officer Option</b>	<b>Total Value of Officer Options</b>
Class A	3,000,000	\$0.1065	\$319,500
Class B	3,000,000	\$0.0656	\$196,800
Class C	3,000,000	\$0.0246	\$73,800
<b>Total</b>	<b>9,000,000</b>		<b>\$590,100</b>

***Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors***

The proposed Resolution 4 would have the effect of giving power to the Directors to grant a total of 9,000,000 Officer Options on the terms and conditions as set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above. The Company currently has the following securities on issue:

**Table 6**

<b>Type of Security</b>	<b>Number of Securities</b>
Issued Shares	187,941,847
Quoted Options	91,556,610 (each exercisable at 25 cents on or before 29 January 2010)

***Dilution of existing shareholders' interests***

If the Officer Options are granted as proposed in Resolution 4 and exercised, the effect would be to dilute the shareholding of existing shareholders. Assuming all Officer Options the subject of Resolution 4 are exercised, the effect would be to dilute the shareholding of existing shareholders and option holders by 3.12%, on a fully diluted basis. Mr Batten's relevant interests in the Shares would be 4.57% if all 9,000,000 Officer Options were exercised.

The market price of the Shares during the period of the Officer Options will determine whether the Officer Options vest and also whether or not the option holder exercises the Officer Options. At the time any of the vested Officer Options are exercised and Shares issued pursuant to the exercise of the Officer Options, the Shares may be trading at a price which is higher than the exercise price of the Officer Options.

Mr Batten's base director's fee per annum and the total financial benefit to be received by him in this current period as a result of the grant of the Officer Options the subject of Resolution 4 are set out in Table 7 as follows:

**Table 7**

<b>Nature of Benefit</b>	<b>Value</b>
Base Director's Fee plus superannuation	\$327,000 per annum
Value of Officer Options*	\$590,100
<b>Total</b>	<b>\$917,100</b>

The following table gives details of the highest, lowest and latest price of the Shares trading on ASX over the past 12 months ending on 17 September 2009:

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**Table 8**

Security	Highest Price (\$)	Date of Highest Price	Lowest Price (\$)	Date of Lowest Price	Latest Price on 13 October 2009 (\$)
Shares	0.445	27/05/09	0.060	11/12/08	0.215

**Other Information**

Under the Australian Equivalent of IFRS, the Company is required to expense the value of the Officer Options in its income statement for the current financial year. Other than as disclosed in this Explanatory Memorandum, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Officer Options pursuant to Resolution 4. Neither the Directors nor the Company are aware of other information that would be reasonably required by shareholders to make a decision in relation to the financial benefits contemplated by proposed Resolution 4.

**Listing Rule Requirements**

**Listing Rule 10.11**

Listing Rule 10.11 requires shareholders to approve the grant of the Officer Options to Mr Batten or his nominee. Listing Rule 10.11 broadly requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Mr Batten is a related party of the Company as he is a Director.

If approval is given for the grant of the Officer Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

**Information Requirements under Listing Rule 10.11**

The following information in relation to the Officer Options to be granted pursuant to Resolution 4 is provided to shareholders for the purposes of Listing Rule 10.13:

- (a) the maximum number of Officer Options to be granted under Resolution 4 is 9,000,000;
- (b) the Officer Options will be allotted and granted on one date and no later than 1 month after the date of the Annual General Meeting (or such later date as approved by ASX by way of a waiver to the Listing Rules);
- (c) the Officer Options will be granted for no consideration;
- (d) the Officer Options will be granted to Mr Peter Batten, or his nominee;
- (e) the Officer Options have the terms and conditions set out in Annexure A to this Explanatory Memorandum;
- (f) the required voting exclusion statements are included in this Notice; and
- (g) no funds will be raised by the grant of the Officer Options. If the Officer Options granted under Resolution 4 are exercised, the Company will receive \$4,500,000 in subscription funds.

If approval is given for the grant of the Officer Options under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

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## **Resolution 5 – Ratification of Blue Jay and Marcy-Look Share Issues**

### **Purpose of Resolution**

Resolution 5 seeks shareholder approval for the ratification of Shares issued as consideration for the acquisition of the Blue Jay Marcy-Look uranium projects for the purposes of Listing Rule 7.4.

### **Ratification of Previous Issue**

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further shares up to 15% of the issued capital of the company without requiring shareholder approval.

Resolution 5 has been included so that shareholders may ratify, pursuant to Listing Rule 7.4, the 4,800,000 Shares issued and allotted pursuant to agreements to acquire the the Blue Jay and Marcy-Look uranium projects. The acquisition was announced on 29 September 2008 ("**Announcement**").

Of the 4,800,000 Shares the subject of this Resolution 5, 3,200,000 Shares were allotted and issued as part consideration pursuant to the Blue Jay Mining Claim Purchase Agreement dated August 1, 2008, as amended, between Utah Energy Corporation (the Company's wholly owned subsidiary) and Kevin Shumway (third cousin to Michael Shumway, the Operations Manager of the Issuer, and Kelly Shumway) for the purchase by Utah Energy Corporation of 14 mining claims. As noted in the Announcement, in addition to the issuance of the 3,200,000 Shares to Kevin Shumway, the Company also paid US\$200,000 for the 14 mining claims.

The balance of the 4,800,000 Shares the subject of this Resolution 5 (that is, 1,600,000 Shares) were allotted and issued as part consideration pursuant to the Marcy-Look Mining Claim Purchase Agreement dated July 31, 2008, as amended, between Utah Energy Corporation and Kevin Shumway (third cousin to Michael Shumway, the Operations Manager of the Company, and Kelly Shumway) and David Lacy for the purchase by Utah Energy Corporation of 44 mining claims. As noted in the Announcement, in addition to the issuance of 1,600,000 Shares to Kevin Shumway and David Lacy, the Company also paid US\$100,000 for the 44 mining claims.

The Directors seek to ratify this issue in order to allow the Company to have the right to place up to a further 15% of its issued capital at any time during the next 12 months.

The following information in relation to the Shares is provided to shareholders for the purposes of Listing Rule 7.5:

- a) the total number of Shares issued was 4,800,000;
- b) the price at which the Shares were issued was 20 cents each;
- c) the Shares issued are fully paid ordinary shares which rank equally with all other fully paid ordinary shares on issue;
- d) the Shares were issued to Kevin Shumway (third cousin to Michael Shumway, the Operations Manager of the Issuer, and Kelly Shumway) and David Lacy, who are both unrelated parties of the Company; and
- e) there were no funds raised from the issue.



## **Resolution 6 – To Approve the Proposed Cannaccord Share Issue**

### **Purpose of Resolution**

Resolution 6 seeks shareholder approval for the issue of 2,349,273 Shares for nil consideration per Share to Cannaccord Capital Corporation ("Cannaccord") for the purposes of Listing Rule 7.1 and in accordance with Sponsorship Engagement Agreement dated for reference November 26, 2008 between the Company and Cannaccord for Cannaccord to act as sponsor in relation to the company's TSX listing.

### **Approval of Issue**

Listing Rule 7.1 prohibits, subject to certain exemptions, a company from issuing equity securities representing more than 15% of the issued capital of the Company in any 12 month period without the prior approval of shareholders.

This proposed issue does not require prior approval of shareholders in terms of Listing Rule 7.1, however the Directors are seeking approval in advance of the placement to allow this number of shares not to be included in the 15% calculation set out in Listing Rule 7.1 and thereby provide the Company with the flexibility to issue equity securities in the future up to the 15% limit.

The following information is provided to shareholders for the purposes of Listing Rule 7.3:

- a. the maximum number of Shares to be issued is 2,349,273 ;
- b. any Shares issued pursuant to this Resolution 6 will be issued no later than 3 months after the date of the Annual General Meeting, unless otherwise extended by way of ASX granting a waiver to the Listing Rules.
- c. it is expected that all the Shares will be allotted and issued on one date;
- d. the Shares will be issued for nil consideration;
- e. the Shares will be allotted to Cannaccord, an unrelated party of the Company;
- f. the Shares issued will be fully paid ordinary shares in the capital of the Company and will rank equally with the Company's existing ordinary shares on issue;
- g. there are no funds to be raised from this issue.



#### **Resolution 7: Approval of Stock Option Plan**

The Directors considered that it was desirable to establish a stock option plan under which employees and other personnel associated with the Company may be offered the opportunity to subscribe for Options to acquire Shares in order to increase the range of potential incentives available to them and to strengthen links between the Company and its employees and accordingly adopted the Stock Option Plan ("**Plan**") on 13<sup>th</sup> October 2009.

The Plan is designed to provide incentives to the employees of the Company and other individuals associated with the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances the Directors consider that the incentives to these personnel are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue of Options pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without shareholder approval. Accordingly, shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of Options as the Board may decide and on the terms set out in the rules of the Plan, a copy of which is contained in Annexure B of this Explanatory Memorandum. Options granted under the Plan will be offered to participants in the Plan on the basis of the Board's view of the contribution of the eligible person to the Company.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- (a) a copy of the rules of the Plan is attached as Annexure B to this Explanatory Memorandum;
- (b) this is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Plan; and
- (c) a voting exclusion statement has been included for the purposes of Resolution 7.



## GLOSSARY

"\$" means Australian dollars unless otherwise stated;

"ASX" means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

"Board" means the board of Directors of the Company;

"Company" or "White Canyon" means White Canyon Uranium Limited ACN 115 453 962;

"Constitution" means the constitution of the Company;

"Corporations Act" means *Corporations Act 2001* (Cth);

"Director" means a director of the Company;

"Listing Rules" means the Listing Rules of the ASX;

"Notice" means the Notice of Annual General Meeting accompanying this Explanatory Memorandum;

"Officer Option" means an Option granted on the terms and conditions set out in Annexure A to this Explanatory Memorandum;

"Option" means an option to acquire one Share;

"Resolution" means a resolution contained in the Notice;

"Share" means a fully paid ordinary shares in the capital of the Company; and

"WST" means Australian Western Standard Time.

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## ANNEXURE A

### TERMS AND CONDITIONS OF OFFICER OPTIONS

The following terms and conditions apply to the Officer Options.

1. Entitlement

Each Officer Option entitles the holder to subscribe for and be allotted one Share upon payment of the exercise price.

2. Exercise Price

The exercise price of each class of Officer Option is set out below:

<b>Class of Officer Option</b>	<b>A</b>	<b>B</b>	<b>C</b>
<b>Exercise price (cents)</b>	50	50	50

3. Hurdle Price

The hurdle price of each Officer Option is set out below:

<b>Class of Officer Option</b>	<b>A</b>	<b>B</b>	<b>C</b>
<b>Hurdle price (cents)</b>	50	75	100

4. Hurdle for Exercise of Officer Options

Officer Options may be exercised only if the weighted average price of the issued Shares exceeds the hurdle price of those Officer Options for not less than 5 consecutive days.

5. Term

Subject to clause 4 of this Annexure, Officer Options may be exercised at any time before 5pm Perth time 2 years after the issue date and any Officer Option not exercised on or before that date will expire and cease to carry any rights or benefits.

6. Exercise of Officer Options

Officer Options may be exercised by the Option holder delivering to the Company's share registry a notice (in the form prescribed by the Company from time to time) stating the number of Officer Options to be exercised and accompanied by the relevant holding statement(s) and a cheque (in Australian dollars) made payable to the Company for an amount equal to the exercise price multiplied by the number of Officer Options being exercised. Within 10 business days of receipt of a properly executed exercise notice and the required application monies the Company will issue the resultant shares and deliver a statement of holding to the shareholder.

7. Statement of Holding

A statement of holding will be forwarded to the option holder on issue of the Officer Options together with the terms and conditions of the Officer Options.

8. Official Quotation

The Officer Options will not be quoted. The Company will make application to have the Shares issued pursuant to an exercise of any Officer Options quoted on the ASX within seven days of the date of issue of the Shares.

9. Ranking

Shares issued pursuant to an exercise of any Officer Options shall rank from the date of their allotment equally in all respects with the other issued Shares.

10. Transfer

Subject to the Listing Rules and provisions of clause 13(ii) of this Annexure the Officer Options shall not be capable of transfer or assignment either in whole or in part without the approval of the Company.

11. Participating Rights

There are no participating rights or entitlements inherent in the Officer Options and holders of the Officer Options will not be entitled to participate in new issues of capital which may be offered to Shareholders during the term of the Officer Options.

The Company will ensure that, at least 9 business days before the record date to determine entitlements to any such new issue, the Company will notify the option holders of the proposed new issue. This will afford them an opportunity to exercise all or some of the Officer Options prior to the date of any such new issue, subject to clause 4 of this Annexure.

The Officer Options do not confer on the holder any rights to a change in the exercise price of the Officer Options or a change to the number of underlying securities over which the Officer Options can be exercised.

12. Reconstructions

In the event of a reconstruction (including consolidation, sub division, reduction or return) of the issued capital of the Company the number of Officer Options shall be reconstructed in accordance with the Listing Rules, but in all other respects the terms of the Officer Options will remain unchanged.

13. Cessation of Employment or Death of Officer

(i) In the event of an Officer ceasing to be engaged by the Company or any of its subsidiaries (except in the case of death) any unexercised Officer Options held by such Officer or his nominee will automatically expire 30 days after such Officer ceases to be so engaged.

(ii) In the event of the death of an Officer whilst engaged by the Company or any of its subsidiaries, any Officer Options held by such Officer or his or her nominee which, at the date of death of the Officer, are:

- A. not eligible to be exercised in terms of clause 4 of this Annexure, will automatically expire;
- B. eligible to be exercised in terms of clause 4 of this Annexure, shall vest in his executor and/or administrator as the case may be and such executor and/or administrator shall have the same rights to exercise such Officer Options as such deceased Officer would have had but for his or her death.

14. Dividend

The Officer Options will not be given any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Officer Options.

## ANNEXURE B

### TERMS AND CONDITIONS OF STOCK OPTION PLAN

#### 1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors and Employees (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten years, as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

#### 2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1. "**Associate**" means an "Associate" as defined in the Corporations Act 2001 (Cth).
- 2.2. "**ASX**" means the Australian Securities Exchange.
- 2.3. "**ASX Listing Rules**" means the Listing Rules of the ASX.
- 2.4. "**Board**" means the Board of Directors of the Company.
- 2.5. "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors, whether directly or indirectly, of voting securities (as defined in the *Securities Act*) of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.
- 2.6. "**Company**" means White Canyon Uranium Limited and its successors.
- 2.7. "**Corporations Act**" means the *Corporations Act 2001* (Commonwealth).
- 2.8. "**Director**" means a director of the Company from time to time but does not include a person who is only a director by virtue of being an alternate director.
- 2.9. "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
  - (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.10. "**Discounted Market Price**" of Shares means the Market Price less the maximum discount permitted under the TSX and the ASX Policy applicable to Options.
- 2.11. "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.12. "**Employee**" means an "Employee" as defined in the TSX Policies.
- 2.13. "**Exchanges**" means the TSX Venture Exchange, the ASX and, if applicable, any other stock exchange on which the Shares are listed.

- 2.14. **"Expiry Date"** means the date set by the Board under subsection 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.15. **"Grant Date"** means the date specified in the Option Agreement as the date on which an Option is granted.
- 2.16. **"Insider"** means an "Insider" as defined in the British Columbia *Securities Act*.
- 2.17. **"Investor Relations Activities"** means "Investor Relations Activities" as defined in the TSX Policies.
- 2.18. **"Joint Actor"** means a person acting "jointly or in concert with" another person as that phrase is interpreted in Multi-lateral Instrument 62-104, *Take-Over Bids and Issuer Bids*.
- 2.19. **"Market Price"** of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.20. **"Option"** means an option to subscribe for an unissued Share on the terms and conditions set out in this Plan.
- 2.21. **"Option Agreement"** means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.22. **"Optionee"** means each of Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.23. **"Option Price"** means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the ASX Listing Rules and/or provisions of section 5.
- 2.24. **"Option Share"** means the Share which an Optionee may subscribe for under an Option.
- 2.25. **"Plan"** means this Stock Option Plan.
- 2.26. **"Shares"** means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.27. **"Securities Act"** means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.28. **"TSX and ASX Policies"** means the policies included in the TSX Venture Exchange Corporate Finance Manual and policies and Listing Rules of the ASX and "TSX and ASX Policy" means any one of them.
- 2.29. **"Unissued Option Share"** means a Share, at a particular time, which has been reserved for issuance upon the exercise of an Option but which has not been issued, as adjusted from time to time in accordance with the ASX Listing Rules and/or the provisions of section 5, such adjustments to be cumulative.
- 2.30. **"Vested"** means that an Option has become exercisable in respect of an Option Share by the Optionee pursuant to the terms of the Option Agreement.

### 3. GRANT OF OPTIONS

#### 3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons of the Company and its subsidiaries. No consideration is payable by an Eligible Person for the issue of an Option, unless the Board decides otherwise. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee. For the avoidance of doubt, the Options shall not be quoted on the Exchanges.

#### 3.2 Limits on Shares Issuable on Exercise of Options

The maximum number of Shares which may be issuable pursuant to Options granted under the Plan when aggregated with:

- (a) the number of Shares which would be issued were each outstanding offer or Option, being an offer made or Option acquired pursuant to the Plan or any other employee share scheme extended only to employees of the Company or Directors, exercised; and
- (b) the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee share scheme extended only to employees of the Company or Directors,

but disregarding any offer made, or Option acquired or Share issued by way of or as a result of:

- (a) an offer to a person situated at the time of receipt of the offer made pursuant to the Plan outside Australia; or
- (b) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (c) an offer made under a disclosure document,

must not exceed 5% of the total number of issued Shares as at the time of the offer of Options pursuant to the Plan. In any event, the maximum number of Shares which may be issuable pursuant to Options granted under the Plan shall not exceed 10% of the Company's issued share capital from time to time.

Subject to the above, the number of Shares which may be issuable under the Plan and all of the Company's other previously established or proposed share compensation arrangements, within a one-year period:

- (a) to all Insiders shall not exceed 10% of the total number of issued and outstanding shares on the Grant Date a non-diluted basis;
- (b) to any one Optionee, shall not exceed 5% of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis (unless otherwise approved by the disinterested shareholders of the Company); and
- (c) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on the Grant Date on a non-diluted basis, which Options are to be vested in stages over a one-year period and no more than one-quarter (1/4) of such Options may be vested in any three (3) month period.

#### 3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to acquire from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For stock options to Employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## 4. EXERCISE OF OPTION

### 4.1 When Options May be Exercised

Subject to subsections 4.3 and 4.4, an Option shall be granted as fully Vested on the Grant Date, and may be exercised to subscribe for a Share at any time after the Grant Date, provided that this Plan has been previously approved by the shareholders of the Company and the Grant Date of the Options is within three years of such approval, up to 4:00 p.m. (Perth, Western Australia time) on the Expiry Date and shall not be exercisable thereafter.

### 4.2 Manner of Exercise

The Options shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Options are exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

### 4.3 Vesting of Option Shares

An Option shall be granted hereunder as fully Vested, unless a vesting schedule or other performance, vesting or other condition ("**Exercise Condition**") is imposed by the Board and required to be satisfied, reached or met as a condition of the exercise of the Option.

### 4.4 Termination of Employment

If an Optionee ceases to be an Eligible Person, his or her Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date.

(b) Termination For Cause

If the Optionee ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee, is employed or engaged, any outstanding Option held by such Optionee on the date of such termination shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days after the Optionee ceases to be an Eligible Person.

#### 4.5 Effect of a Take-Over Bid

Notwithstanding any Exercise Condition applying to an Option, if a *bona fide* takeover offer (an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the *Securities Act*, then during the period commencing when the Offer is made until the end of the period during which the Offer remains open for acceptance the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise, pursuant to the Offer.

#### 4.6 Effect of a Change of Control

If a Change of Control occurs, all Options may be exercised in whole or in part by the Optionee notwithstanding any Exercise Conditions.

#### 4.7 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, by the cancellation of the right to purchase Option Shares under the Option Agreement shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

#### 4.8 Participation

The Optionee will not be permitted to participate in any new pro rata entitlement issues of securities of the Company. The Optionee may only participate in new issues of securities to holders of Shares if an Option has been exercised and Shares issued in respect of the Option before the record date for determining entitlements to the issue. The Company must give notice as required under the ASX Listing Rules to the Optionee of any new issue before the record date for determining entitlements to the issue in accordance with TSX and ASX Policies.

### 5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

#### 5.1 Capital Reorganization

If, prior to the expiry of any Options, there is a reorganization of the issued capital of the Company, then the rights of the Optionee (including the number of Options to which each Optionee is entitled and the Option Price) shall be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganization of capital at the time of the reorganization.

#### 5.2 Bonus Issues

There is no right to change the Option Price of an Option nor the number of underlying Shares over which the Option can be exercised, if the Company completes a bonus issue.

#### 5.3 Pro Rata Issues

Subject to the prior approval of the Exchanges, if there is a pro rata issue (other than a bonus issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the Option Price of an Option will be reduced according to the following formula:

$$\frac{O' = O - E[P - (S + D)]}{N + 1}$$

O' = the Option Price of the Option.

O = the old Option Price of the Option.

- E = the number of underlying securities into which one Option is exercisable.
- P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price for a security under the pro rata issue.
- D = the dividend (or in the case of a trust, distribution) due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

#### **5.4 Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization or Corporate Reorganization, such questions shall be conclusively determined by:

- (a) the ASX Listing Rules; or
- (b) if the Company is not listed on the ASX, the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

#### **5.5 Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of subsections 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

### **6. MISCELLANEOUS**

#### **6.1 Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

#### **6.2 Necessary Approvals**

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Disinterested shareholder approval (as required by the Exchanges) will be obtained for the grant of any Option under this Plan if the Optionee is an Insider (or otherwise constitutes a "related party" as that term is defined in the *Corporations Act 2001* (Cth)) of the Company at the time of the proposed grant. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

#### **6.3 Administration of the Plan**

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan and the TSX and ASX Policies, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Subject to compliance with the TSX and ASX Policies the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

#### **6.4 Income Taxes**

As a condition of and prior to participation of the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

#### **6.5 Amendments to the Plan**

The Directors may from time to time, subject to applicable law, the TSX and ASX Policies and to the prior approval, if required, of the Exchanges or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to Optionees under the Plan without the consent of the Optionees. Any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders in accordance with the TSX and ASX Policies.

#### **6.6 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

#### **6.7 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

#### **6.8 Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchanges having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

#### **6.9 No Assignment**

No Optionee may assign any of his or her rights under the Plan or any Option granted thereunder.

#### **6.10 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

#### **6.11 Conflict**

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

#### **6.12 Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of Western Australia.

#### **6.13 Time of Essence**

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

#### **6.14 Entire Agreement**

This Plan, the Option Agreement and any relevant TSX or ASX Policies set out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**Approved by the Board of Directors on 13<sup>th</sup> October, 2009.**

---

Peter Batten  
Managing Director

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**SCHEDULE "A"**

**WHITE CANYON URANIUM LIMITED  
STOCK OPTION PLAN**

**OPTION AGREEMENT**

**[Note: If the Option Price is less than the Market Price at the time of the grant then insert the following legend:]**  
*Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ■, 200■ [four months and one day after the date of grant].*

This Option Agreement is entered into between White Canyon Uranium Limited (the "Company") and the Optionee named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on ■, 200■ (the "Grant Date");
2. ■ (the "Optionee");
3. was granted the option (the "Option") to purchase ■ Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of \$■ per share;
5. which shall be exercisable as fully Vested from the Grant Date, unless a vesting schedule or other performance, vesting or other condition is imposed by the Board and required to be satisfied, reached or met as a condition of the exercise of the Option;
6. terminating on the ■, 200■ (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the ■ day of ■, 200■.

**WHITE CANYON URANIUM LIMITED**

Per:

\_\_\_\_\_  
OPTIONEE

\_\_\_\_\_  
Authorized Signatory

# WHITE CANYON URANIUM LIMITED

ABN 96 115 453 962

Level 1, 181 Roberts Road  
Subiaco, WA 6008  
Mailing Address:  
PO Box 616, West Perth WA 6872

Telephone: 61 8 9381 9192  
Facsimile: 61 8 9381 9525  
Email: [wcu@whitecanyonuranium.com.au](mailto:wcu@whitecanyonuranium.com.au)  
Web: [www.whitecanyonuranium.com.au](http://www.whitecanyonuranium.com.au)

## Proxy Form

I/we.....(full name, block letters)

of.....  
being a member of White Canyon Uranium Limited hereby appoint

.....of.....  
or, failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held at 10.00am WST on Thursday 26 November 2009 and at any adjournment thereof.

My proxy is instructed to vote as indicated below:

	FOR	AGAINST	ABSTAIN
<b>ORDINARY BUSINESS</b>			
<b>Resolution 1:</b> To Adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2:</b> To Re-elect Mr Lewis Cross as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3:</b> To Re-elect Mr Gregory Burns as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4:</b> To Approve the Grant of Officer Options to Mr Peter Batten or His Nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5:</b> To ratify the Blue Jay and Marcy-Look Share Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6:</b> To Approve the Proposed Cannacord Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7:</b> To Approve the Stock Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Unless the proxy is directed otherwise, he/she may vote as he/she thinks fit or abstain.

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolution 4, please place a mark in the box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of Resolution 4 and that votes cast the Chair of the meeting for Resolution 4 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 4 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 4.

Where the Chairman is appointed as proxy, the Chairman's voting intention in relation to undirected proxies in respect of these resolutions is to vote **FOR** the resolutions.

If two proxies are being appointed, the proportion of voting rights this proxy is appointed to represent is  %

If the shareholder(s) is an individual(s), every shareholder is to sign:

If the shareholder is a company, sign in accordance with Section 127(1) of Corporations Act or affix common seal (if required by Constitution).

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director or Sole Director and Secretary

Signed: \_\_\_\_\_

\_\_\_\_\_  
Director/Secretary

Dated: \_\_\_\_\_ 2009

Dated: \_\_\_\_\_ 2009

This form is to be used in accordance with the directions overleaf.

For personal use only

## Instructions for completing and lodging this Proxy Form

1. In order to direct the proxy to cast all votes covered by this instrument in a particular manner, place a tick or a cross in one of the boxes headed For, Against or Abstain.
2. A shareholder entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and, on a poll, to vote in their stead.
3. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
4. A proxy need not himself be a shareholder of the Company.
5. The Proxy Form must be signed by the holder or his attorney duly authorised in writing (or, if the holder is a corporation, either under the common seal of that corporation or pursuant to Section 127(1) of the Corporations Act 2001).
6. The Proxy Form (and any power of attorney or other authority pursuant to which the Proxy Form has been signed) must:

either be deposited at the registered office of the Company, Level 1, 181 Roberts Road, Subiaco WA 6008.

or be sent by post to White Canyon Uranium Limited, PO Box 616, West Perth, WA 6872,

or be sent by facsimile to White Canyon Uranium Limited at (08) 9381 9525

in time to be received not later than 48 hours before the time fixed for the holding of the meeting - that is to be received by 10.00am Western Standard Time on Tuesday 24 November 2009.

### Change of Address

Should your address have changed please use this section to advise the Company. Change of address notifications can only be accepted from Issuer Sponsored shareholders. CHESS shareholders must notify their Stockbroker directly. Please ensure you sign where indicated and, **if faxing your proxy form, please fax this side of the proxy form as well.**

My new address is:

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\_\_\_\_\_/\_\_\_\_\_/2009  
Signature(s)



