

News Release



SANTOY RESOURCES LTD.

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February 27, 2009

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SANTOY EXECUTES FORMAL BUSINESS COMBINATION AGREEMENT FOR MERGER WITH VIRGINIA URANIUM LTD.

VANCOUVER, February 27, 2009 (TSX.V: SAN) – Santoy Resources Ltd. ("**Santoy**") is pleased to announce the signing of the formal business combination agreement (the "**Business Combination Agreement**") dated February 26, 2009 among Santoy, its wholly-owned subsidiary BC0846143 B.C. Ltd. ("**Subco**"), Virginia Uranium Ltd. ("**Virginia Ltd.**"), VA Uranium Holdings, Inc. ("**Holdco**") and certain shareholders of Holdco to replace the letter of intent dated December 22, 2008, pursuant to which Santoy has agreed to acquire all of the shares of Virginia Ltd. in exchange for shares in Santoy, at the ratio of six shares of Santoy for each one share of Virginia Ltd. and certain shares of Holdco at the ratio of six shares of Santoy for each one share of Holdco as disclosed in Santoy's previous news releases dated December 22, 2008 and February 5, 2009. Holdco's 100% owned subsidiary, Virginia Uranium, Inc., a Virginia corporation, controls the leasehold development and operating rights of the Coles Hill uranium property in southside Virginia.

Pursuant to the Business Combination Agreement, Santoy has agreed to acquire all of the issued shares of Virginia Ltd. pursuant to a plan of arrangement (the "**Plan of Arrangement**") under the *Business Corporations Act* (British Columbia). Both of Santoy and Virginia Ltd. will continue their jurisdictions of incorporation to British Columbia to facilitate the transaction. Under the Plan of Arrangement, Subco will be merged into Virginia Ltd. with the merged company becoming a wholly-owned subsidiary of Santoy and the shareholders of Virginia Ltd. receiving shares of Santoy. Virginia Ltd. currently holds approximately 12% of the issued shares of Holdco and on closing, Santoy will, directly or indirectly, pursuant to the Plan of Arrangement, acquire additional Holdco shares. In addition, shareholders of Santoy immediately prior to closing will receive $\frac{1}{4}$ of one incentive warrant for each Santoy share held, with each whole incentive warrant being exercisable for one Santoy share at a price of \$0.12 per share for a period of 12 months following the closing of transaction.

Upon closing of the transaction, it is expected that Santoy will have approximately 245,189,430 issued shares and, directly or indirectly through the wholly-owned subsidiary merged company, will hold a minimum of 20% of the issued shares of Holdco. Santoy will on closing become a party to a unanimous Holdco shareholders agreement pursuant to which Santoy will have a preferential right to arrange financing for Holdco as well as other rights to maintain or increase its Holdco shareholdings, including certain rights of first refusal, tag-along rights and drag-along rights in respect of a sale by any of the Holdco shareholders of their Holdco shares to a third party. Santoy plans to increase its interest in Holdco to approximately 30% through acquiring additional Holdco shares in connection with financings and additional potential exchanges by certain private shareholders of Holdco of their Holdco shares for shares of Santoy.

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The Coles Hill uranium deposit is located in southern Virginia, USA and is considered to be one of the largest undeveloped uranium deposits in the United States. It has an estimated measured and indicated resource of 119 million pounds of U308 (1) (2) at a cut-off grade of 0.025% U308 based on a National Instrument 43-101 technical report on the Coles Hill property prepared for Santoy Resources Ltd. and Virginia Uranium, Inc. by Behre Dolbear and Company, Ltd., Marshall Miller and Associates, Inc., and PAC Geological Consulting Inc. dated February 2, 2009. A copy of the findings of this report is available under Santoy's profile on SEDAR at www.sedar.com and Virginia Uranium Inc.'s website at www.virginiauranium.com. The resource estimate can be summarized as follows:

EXCERPT FROM TABLE 1.1									
RESOURCE ESTIMATES – JUNE 4, 2008									
(MILLIONS OF TONS AND POUNDS IN-PLACE)									
Cutoff %U₃O₈	Measured¹			Indicated¹			Total¹		
	Tons²	% U₃O₈³	Pounds U₃O₈	Tons²	% U₃O₈³	Pounds U₃O₈	Tons²	% U₃O₈³	Pounds U₃O₈
Project Total (South and North Coles Hill Deposits)									
0.100	0.755	0.228	3.45	6.27	0.215	26.9	7.03	0.216	30.4
0.075	1.35	0.164	4.44	24.0	0.116	55.9	25.4	0.119	60.4
0.050	2.28	0.124	5.65	35.4	0.101	71.7	37.7	0.103	77.4
0.025	6.62	0.064	8.42	92.1	0.060	111	98.7	0.060	119
¹ Total tonnage above cutoff grade and average weight % U ₃ O ₈ of that tonnage									
² Short tons based on a rock density of 2.56 g/cc									
³ Weight %									

1. The "Qualified Persons" (as defined in NI 43-101) who prepared the resource estimate were Betty L. Gibbs for Behre Dolbear and K. Scott Keim for Marshall Miller and Associates, Inc.

2. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues.

The board of directors of Santoy following completion of the transaction will consist of nominees of Santoy and Virginia Ltd. Santoy expects to have up to seven directors with a minimum of three being independent. Norm Reynolds, currently Chief Executive Officer of Virginia Ltd., is expected to be appointed as Chief Executive Officer of Santoy. Walter Coles Jr., currently Executive Vice President of Virginia Ltd., is expected to be appointed Executive Vice President of Santoy. Ron Netolitzky, currently Chief Executive Officer of Santoy, will continue his active involvement in the company as a director of Santoy. Mike Cathro will remain as VP of Exploration of Santoy.

Mr. Ron Netolitzky, Chief Executive Officer of Santoy, is also a director and a shareholder of Holdco. To increase the number of Holdco shares available to Santoy, Mr. Netolitzky and Santoy have agreed under the Business Combination Agreement that Santoy will acquire his 2,000,000 Holdco shares in exchange for Santoy shares at the same ratio of six shares of Santoy for each one share of Holdco. The transaction has been negotiated by an independent committee of the Board of Santoy and has received full Board approval with Mr. Netolitzky abstaining.

It is contemplated that Santoy will, subject to regulatory approval, change its name to "Virginia Energy Resources Inc." or such other name as approved by the Santoy Board to reflect the significance of the transaction to Santoy.

At the meeting to approve the transactions, Santoy will seek shareholder approval for the continuance of its jurisdiction to British Columbia, approval of the Plan of Arrangement and approval for a consolidation of the Santoy shares on a one for five basis, such consolidation, if approved, to be effected in the future at the discretion of the Board of Santoy subject to regulatory acceptance. Full details of the transaction, including the terms of the Business Combination Agreement, will be included in a joint management information circular which is expected to be mailed to shareholders of Santoy and Virginia Ltd. by the

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end of March, 2009. Each of the companies plan to hold a special meeting of shareholders to approve the transaction and related matters by the end of April, 2009.

In connection with the proposed business combination, Toll Cross Securities Inc. has provided an oral fairness opinion to the special committee of the board of directors of Santoy and Evans & Evans Inc. provided an oral fairness opinion to the board of directors of Virginia Ltd. Legal advice to Santoy is being provided by DuMoulin Black LLP. Legal advice to Virginia Ltd. is being provided by Cassels Brock & Blackwell LLP.

The completion of the Plan of Arrangement is subject to various conditions, including applicable regulatory and stock exchange approvals, receipt of written fairness opinions by Santoy and Virginia Ltd., requisite approvals by the shareholders of Santoy and Virginia Ltd., the approval by the Supreme Court of British Columbia of the fairness to Santoy and Virginia shareholders of the terms and conditions of the Plan of Arrangement and usual conditions for a transaction of this nature. Santoy and Virginia Ltd. will use their commercially reasonable efforts to complete the transaction by mid May, 2009.

Details of the uranium property holdings of Holdco and further particulars of the transaction are set out in the previous news releases of Santoy dated December 22, 2008 and February 5, 2009.

On Behalf of the Board of Directors
SANTOY RESOURCES LTD.

"Ron Netolitzky"

R. K. Netolitzky, President & CEO
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The technical information in this news release has been reviewed and approved by Michael S. Cathro, P,Geo., Santoy's Vice President of Exploration, a Qualified Person.

This news release includes certain "forward-looking statements". All statements other than statements of historical fact included in this release, including, without limitation, statements regarding potential mineralization, exploration results and future plans and objectives of the Company are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include market prices, exploitation and exploration results, availability of capital and financing, general economic, market or business conditions, uninsured risks, regulatory decisions, regulatory changes, defects in title, availability of personnel, materials and equipment, timeliness of government approvals, unanticipated environmental impacts on operations and other exploration risks detailed herein and from time to time in the filings made by the Company with securities regulators. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise except as otherwise required by applicable securities legislation.

Neither TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.

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