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Dear Shareholders,

I am taking this opportunity to provide you with an update of our activities in recent months and to highlight the current standing of our portfolio of projects.

To dwell on the current state of the market at this time is less than useful and instead I ask that you read the results as we explore for uranium, the metal that will have the most profound effect on weaning the planet off its addiction to fossil fuels and on benefiting its future generations.

The markets will recover and your Company will live on because of the quality of the acquisitions it has made, the exploration undertaken and the joint ventures and farm-in arrangement made. One such arrangement has been made with Cameco. Cameco reimbursed the Company's exploration costs in the amount of approximately \$250,000 Australian funds. In addition, Cameco has undertaken to drill a minimum of 1,000m within 12 months and to spend \$2,500,000 Australian funds within 4 years to earn a 70% joint venture interest in the property. Cameco will operate the project and once the commitments have been met, ongoing costs will be shared according to the current ownership.

Management is actively seeking additional farm-in and joint ventures on the other projects we have advanced in recent years and these include the George Project and the other tenements in the Pine Creek Orogen, the Ngalia Project in the Ngalia Basin, the Kariba Project in Zambia and the Otish Mountains Project in Quebec.

We have a sound geological team that is on the lookout for opportunities that may become available as a result of the present market fall-out.

Our cash position is acute but not desperate and in fact the board has decided to make an early repayment of the Ioma debenture. You may take some comfort in the fact that I and my fellow directors are sufficiently mature to have ridden out market situations similar to these which are occurring now and some of those companies have gone on to become prosperous miners in another time. May I emphasise that this type of experience that has enabled management to switch to survival mode as the need arises can be of considerable comfort to shareholders in these times.

I remain your loyal servant,

:signed Jeremy Caddy"

Jeremy Caddy
President.