

## QUARTERLY ACTIVITIES REPORT

For the Three Months ended 30 June 2008

### HIGHLIGHTS

- White Canyon successfully completes prefeasibility diamond drilling programme. New drilling results including **2.6m of 1.1% U<sub>3</sub>O<sub>8</sub>** support previously announced intersections of up to **3% U<sub>3</sub>O<sub>8</sub>**. The high grade core of the deposit has been extended and remains open to the north.
- Geological, engineering and mine design studies continue. The Daneros mine permit application is to be lodged in the first week of August.

**White Canyon Uranium Limited** holds 100% of the advanced Thompson, Daneros and Geitus Projects in south-east Utah. The projects contain historically defined high grade uranium ore bodies.

White Canyon is accelerating its scoping study on bringing the **Daneros Project** into production.



Drilling at Daneros

A combination of factors will allow White Canyon an early path to uranium production:

1. An established and speedy mine permitting regime in Utah, a state with operating uranium mines.
2. Proximity to an operating underutilised uranium treatment plant
3. Company personnel with demonstrated mining and exploration expertise
4. Access to skilled underground mining workforce and mine fleet

White Canyon aims, within three years, to extend its resource base to 10 million pounds U<sub>3</sub>O<sub>8</sub> and mine life to ten years. The Company is actively seeking to increase its resource inventory through exploration and acquisition in the White Canyon Mining District.

#### DIAMOND DRILLING PROGRAMME COMPLETED

During the Quarter White Canyon completed its second diamond drilling program since its February 2008 listing, on the Daneros Uranium deposit at White Canyon, near Blanding, Utah. The programme included 11 diamond drill holes and 9 rotary holes, totalling 2,802 metres.

The program tested the ore body originally defined in 1980s drilling, and investigated extensions to the deposit with the aim of increasing the area of mineralization beyond the defined deposit.

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Down-hole gamma logging, completed by Century Wireline Services, produced the following significant results:

**Daneros Deposit: June-July 2008 Drilling Programme**

Hole	North (m)	East (m)	From (m)	To (m)	Thick (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/t
DAN023	4,161,086	571,438	125.2	127.2	2.0	<b>0.43%</b>	<b>8.6</b>
DAN034	4,160,986	571,539	154.5	155.4	0.9	0.09%	1.8
DAN035	4,160,977	571,539	152.9	154.3	1.4	0.13%	2.6
DAN036	4,160,977	571,513	153.8	154.4	0.6	0.22%	4.3
DAN037	4,160,992	571,504	154.3	154.6	0.3	0.07%	1.4
DAN043	4,161,143	571,432	124.6	125.8	1.2	<b>0.31%</b>	<b>6.3</b>
DAN044	4,161,098	571,399	126.5	128.8	2.3	<b>0.94%</b>	<b>18.7</b>
DAN046	4,161,075	571,430	127.4	129.6	2.3	<b>0.79%</b>	<b>15.8</b>
DAN048	4,161,043	571,391	131.6	132.5	0.9	<b>0.72%</b>	<b>14.5</b>
DAN049	4,161,067	571,409	128.8	129.9	1.1	<b>0.97%</b>	<b>19.3</b>
DAN050	4,161,182	571,409	114.4	114.7	0.3	0.13%	2.6
			115.4	115.8	0.5	0.28%	5.6
DAN051	4,161,204	571,389	97.4	98.0	0.6	<b>0.38%</b>	<b>7.6</b>
			98.5	99.4	0.9	0.21%	4.1
DAN052	4,161,209	571,388	96.2	98.8	2.6	<b>1.07%</b>	<b>21.5</b>

All holes are nominally vertical. Deviation data is acquired during downhole logging. 0.05% grade cut-off. Intersections represent true thicknesses. Hole coordinates subject to survey.

Results of analysis of split diamond drill core from the April 2008 programme produced the following intersections, which confirm the gamma logging results:

**Daneros Deposit: April 2008 Drilling Programme**

Hole	North (m)	East (m)	From (m)	To (m)	Thick (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/t
DAN009	4,161,147	571,410	122.2	124.5	2.3	<b>0.58%</b>	<b>11.5</b>
DAN010	4,161,080	571,408	128.3	129.2	0.9	<b>2.01%</b>	<b>40.2</b>
		Including	128.9	129.2	0.3	<b>3.43%</b>	<b>68.7</b>
DAN011	4,161,030	571,442	132.0	132.9	0.9	<b>0.83%</b>	<b>16.7</b>
DAN013	4,161,000	571,391	96.6	97.2	0.6	<b>0.49%</b>	<b>9.8</b>
DAN014	4,161,170	571,400	111.1	112.6	1.5	<b>0.77%</b>	<b>15.4</b>
DAN015	4,161,055	571,404	130.5	131.1	0.6	0.09%	1.8
DAN016	4,161,086	571,436	125.6	127.7	2.1	<b>0.30%</b>	<b>6.1</b>
DAN017	4,161,134	571,406	123.7	125.8	2.1	<b>0.60%</b>	<b>12.0</b>
DAN018	4,161,113	571,445	126.1	127.6	1.5	0.11%	2.2
DAN019	4,161,120	571,405	123.0	123.3	0.3	0.06%	1.2
DAN020	4,161,107	571,408	126.5	127.4	0.9	<b>0.36%</b>	<b>7.2</b>
DAN024	4,161,334	571,610	110.9	111.3	0.3	0.12%	2.4
DAN025	4,161,101	571,454	121.0	121.3	0.3	0.18%	3.6
			122.5	123.7	1.2	0.07%	1.4
			124.4	124.7	0.3	0.25%	5.0

All holes are nominally vertical. Intersections represent true thicknesses. 0.05% grade cut-off.

The high grade core of the deposit, defined by the 0.25% U<sub>3</sub>O<sub>8</sub>.m contour, was extended to over 250 metres in length by the drilling, and has now been shown to be open to the north and south. The intersection in **DAN052 (2.6m of 1.1% U<sub>3</sub>O<sub>8</sub>)** illustrates this new potential to extend the ore body and its high grade core beyond the boundary of the previously defined deposit.

Previously announced high grade NITON XRF analyses of core during geological logging were confirmed, with grades of up to **3.4% U<sub>3</sub>O<sub>8</sub>**, and **17% copper** (DAN010 128.3m – 128.6m).



### MINING SCOPING STUDIES

Geological, engineering and mine design studies on the Daneros deposit continue. Archaeological, wildlife and hydrological studies have been completed without revealing any points of concern.

Metallurgical samples have been submitted to the White Mesa Mill at Blanding to confirm the amenability of Daneros ore for treatment.

The Daneros mine permit application is to be lodged with the BLM and the State of Utah in the first week of August.

### DANEROS URANIUM DEPOSIT

The Daneros uranium deposit is a "brownfields" virgin exploration discovery in close proximity to major past-producing uranium mines of the Red Canyon mining area, including Lark, Bullseye, Spook and Radium King. The area is well endowed with production infrastructure and 100 km by road from the White Mesa Uranium Mill (Denison Mines).

Uranium in the White Canyon District occurs in paleochannels in the Triassic Chinle formation.

Production from mines in the district since 1949 exceeded 11 million pounds of U<sub>3</sub>O<sub>8</sub> at an average ore grade of 0.24% U<sub>3</sub>O<sub>8</sub>.

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**31 July 2008**

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*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by John Hasleby who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hasleby is Managing Director of the Company and has sufficient experience that is relevant to the styles of mineralization and types of deposit under consideration and to the activities that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hasleby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

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