



## QUARTERLY ACTIVITIES REPORT

For the Three Months ended 30 September 2008

---

### HIGHLIGHTS

- Daneros mine scoping study comprising geological, engineering and environmental studies continues.
  - Daneros mine permit application process continues with assessment by federal BLM and state Division of Oil, Gas and Mining.
  - Two additional uranium deposits acquired near Daneros and Geitus deposits.
- 

**White Canyon Uranium Limited** holds 100% of the advanced Thompson, Daneros, Blue Jay, Marcy, Look and Geitus Projects in south-east Utah, comprising over 8,000 acres of mining claims and mineral leases. The projects contain historically defined high grade uranium deposits.

#### DANEROS 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).

#### Daneros Scoping Study and Mine Permit

The mine scoping study for Daneros is progressing satisfactorily. Work has included rotary and diamond drilling, block modelling, mine design and optimisation, and baseline studies of the environmental, archaeological, hydrological and radiation aspects of the project. A mine permit application has been lodged with the. A conventional underground mining operation accessed from the surface by decline is proposed.

The environmental assessment of the proposed operation is being undertaken under the supervision of the federal Bureau of Land Management (**BLM**) and the State of Utah Division of Oil, Gas and Mining. It is expected that the study and subsequent review assessment will be concluded early in the March 2009 quarter.

Metallurgical samples were submitted to the White Mesa Mill at Blanding to confirm the amenability of ore for treatment. Results indicated no problems in the treatment of Daneros ore.

Discussions are proceeding towards arrangements for the contract mining and subsequent milling of Daneros ore. Further announcements will be made once contracts have been formalised.

#### Diamond Drilling

The Company's second diamond drilling programme was completed in July. An additional eleven holes averaging 128 metres depth tested the deposit originally defined in 1980s drilling, and investigated extensions to the deposit with the aim of increasing the area of defined mineralization.

**White Canyon Uranium Limited**

ACN 115 453 962

181 Roberts Road, Subiaco, Western Australia

(PO Box 616, West Perth WA 6872)

Phone: 08 9381 9192 Fax: 08 9381 9525

Email: [wcu@whitecanyonuranium.com.au](mailto:wcu@whitecanyonuranium.com.au)

Results from the program were:

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	0.43	8.6
DAN043	4,161,143	571,432	124.6	125.8	1.2	0.31	6.3
DAN044	4,161,098	571,399	126.5	128.8	2.3	0.94	18.7
DAN046	4,161,075	571,430	127.4	129.6	2.3	0.79	15.8
DAN048	4,161,043	571,391	131.6	132.5	0.9	0.72	14.5
DAN049	4,161,067	571,409	128.8	129.9	1.1	0.97	19.3
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	0.38	7.6
			98.5	99.4	0.9	0.21	4.1
DAN052	4,161,209	571,388	96.2	98.8	2.6	1.07	21.5

**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.**

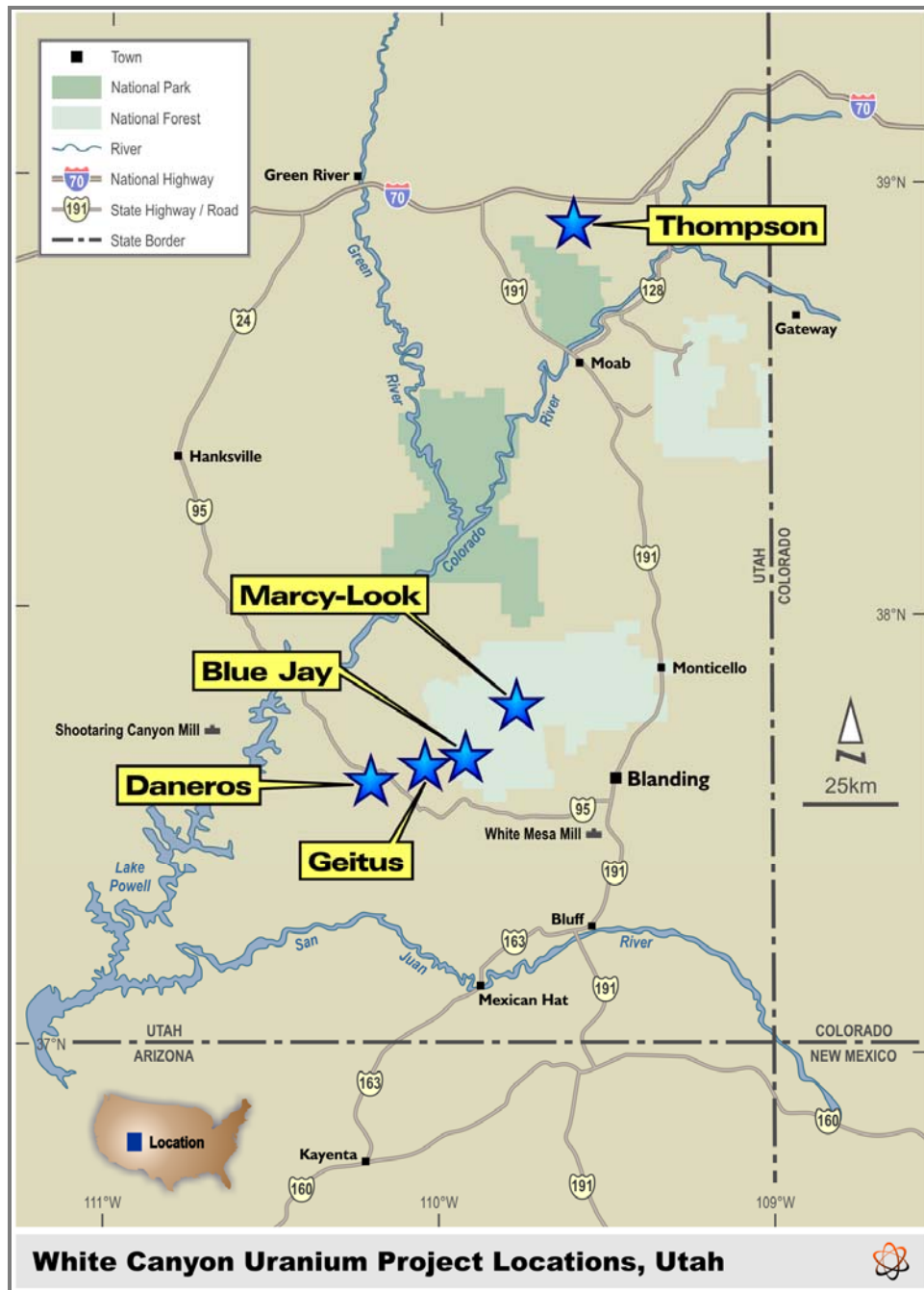
The high grade core of the deposit, defined by the 0.25% U<sub>3</sub>O<sub>8</sub> m contour, was extended to over 250 metres in length by the drilling, and is now shown to be open to the north and south. An intersection in hole DAN052 (2.6m of 1.07% U<sub>3</sub>O<sub>8</sub>) illustrates this new potential to extend the ore body and its high grade core beyond the boundary of the previously defined deposit.

Drill core was submitted to American Assay Laboratories of Sparks, Nevada for XRF and ICP analysis. Down-hole gamma logging was completed by Century Wireline Services.



**Daneros Haul Road**

For personal use only



#### NEW URANIUM DEPOSITS ACQUIRED – Blue Jay, Marcy-Look

Two additional uranium deposits in the White Canyon Uranium District were acquired from local prospectors. The projects, Blue Jay and Marcy & Look, comprise 58 mining claims totalling 1,080 acres (437 ha). The deposits were originally located by exploration completed in the 1970s.

The project packages come with a comprehensive database comprising geological and gamma log data for the completed drilling. White Canyon has commenced the exploration permitting process with view to progress the historically defined mineralisation to JORC-compliant resource categories. Drilling operations will start as soon as practicable, initially on the advanced Blue Jay Project.

The new deposits lie in an arc near to, and to the east of the Geitus Project, within 60 km of the operating White Mesa Uranium Mill at Blanding (Denison Mines).

### Consideration

The new projects were acquired from Blanding prospectors Kevin Shumway and David Lacy for the following cash and share considerations:

Project	Cash consideration (US\$)	Share Consideration *	Mining Claims
Blue Jay	\$200,000	3,200,000 ordinary shares	14
Marcy & Look	\$100,000	1,600,000 ordinary shares	44

\* The shares will be issued on 2 January 2009.

### GEITUS AND THOMPSON PROJECTS

The Company's other deposits in the White Canyon and Thompson districts will be progressed during the coming year. White Canyon is aggressively sourcing new projects and deposits in SE Utah and elsewhere in the Four Corners region of the USA.

### NOTE ON URANIUM OCCURRENCE

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  $U_3O_8$  at an average ore grade of 0.24%  $U_3O_8$ .

Uranium mineralization in the Thompson deposits occurs in the Jurassic Morrison Formation, in four sandstone lenses and in conglomeratic sandstone, as the mineral carnotite (a vanadium-uranium mineral).



John Hasleby  
**Managing Director**  
**31 October 2008**

### Enquiries:

John Hasleby 040 909 4383 or +1 435 220 0720

*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.*