



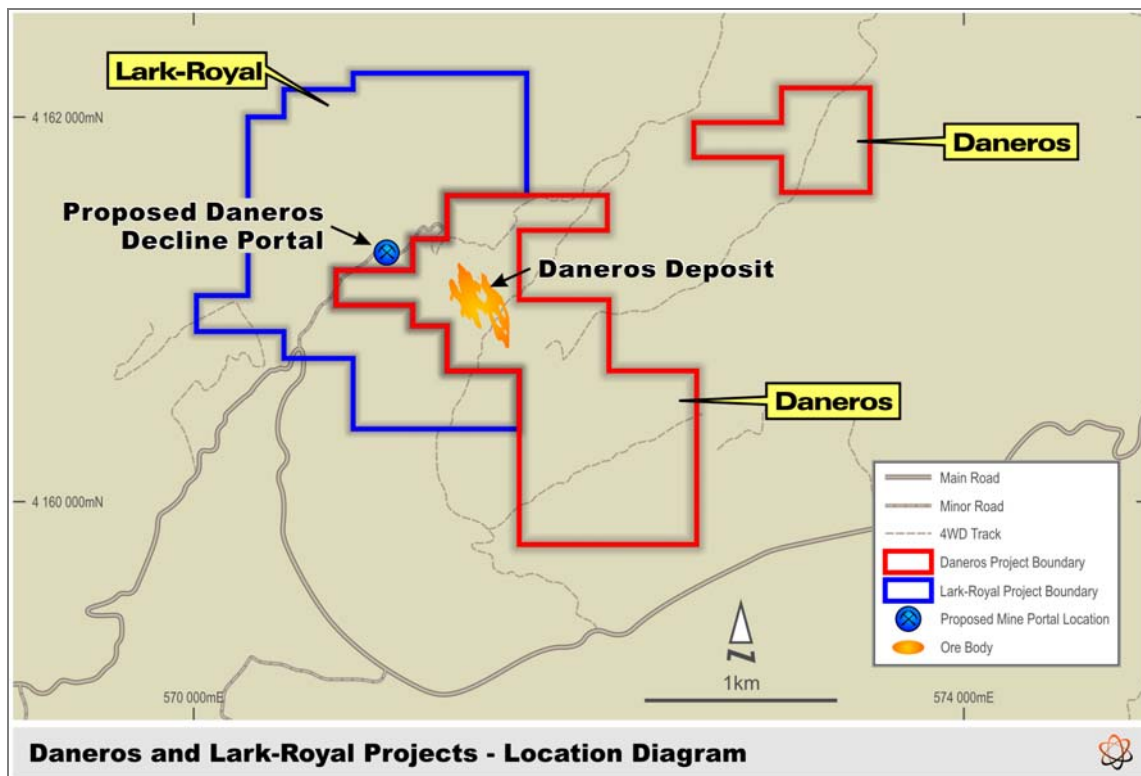
ANNOUNCEMENT

Acquisition of Lark-Royal Project, Blanding, Utah from Uranium One Inc

White Canyon Uranium Limited is pleased to announce the purchase of 33 mining claims, known as the Lark-Royal Project, covering an area of 276 hectares (682 acres), adjacent to the Company's Daneros mine development project, near Blanding, Utah, from Canadian-based Uranium One Inc.

Terms of the acquisition were US\$300,000 for 100% ownership of the claims. The Lark-Royal claims are subject to an existing 2½% royalty on production, to local prospector Jim Butt.

Lark-Royal covers the northern extensions of the Company's Daneros uranium deposit, which is currently undergoing mine permitting with a projected mine start-up in the first quarter of 2009.



The Lark-Royal claims also cover the location for the proposed Daneros decline portal as well as proposed surface facilities, including waste dump and ore pad, for the new mine. There will be considerable cost and operational benefits from the location of these facilities on the Lark-Royal claims rather on the Daneros claims.

The data package for the new claims will be amalgamated with White Canyon's database, and it is anticipated that following assessment, exploration drilling will commence in the third quarter of 2009 to locate extensions of the Daneros deposit on the Lark-Royal project area.

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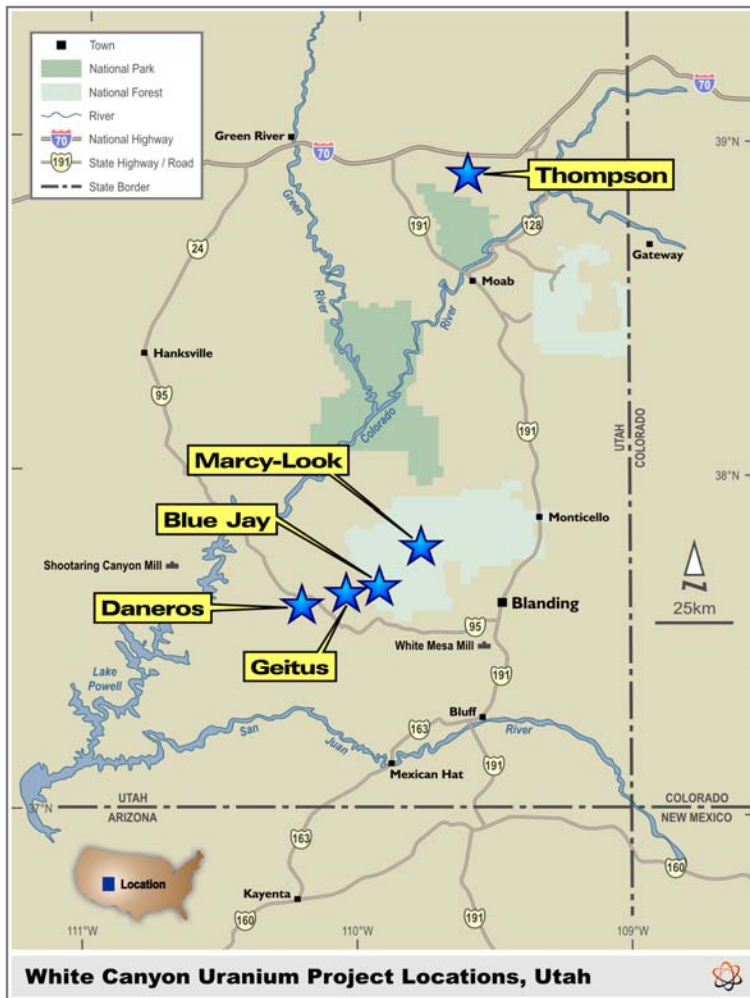
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Daneros Mine Permit Progress

The public comment period for the proposed Daneros Mine has been extended to 19 December by the BLM to encourage public participation.

A period of formal environmental assessment, technical review and comment resolution will then proceed, to be concluded by the issue of a mine permit, at the earliest by the end of January 2009 and at the latest by March 2009.

Underground development will commence immediately upon issue of the permit, and mining and shipment of ore is expected in 60-120 days thereafter.



Negotiations are proceeding with Denison Mines, owner of the White Mesa uranium mill.

White Canyon Uranium has \$6.5 million in cash deposits – **underground development and mine production can be achieved within the current cash reserves of the Company.**

The Company 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.

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, near Blanding. The deposit is 100 km by established roads from the White Mesa Uranium Mill (Denison Mines).

John Hasleby
 Managing Director
 18 December 2008

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