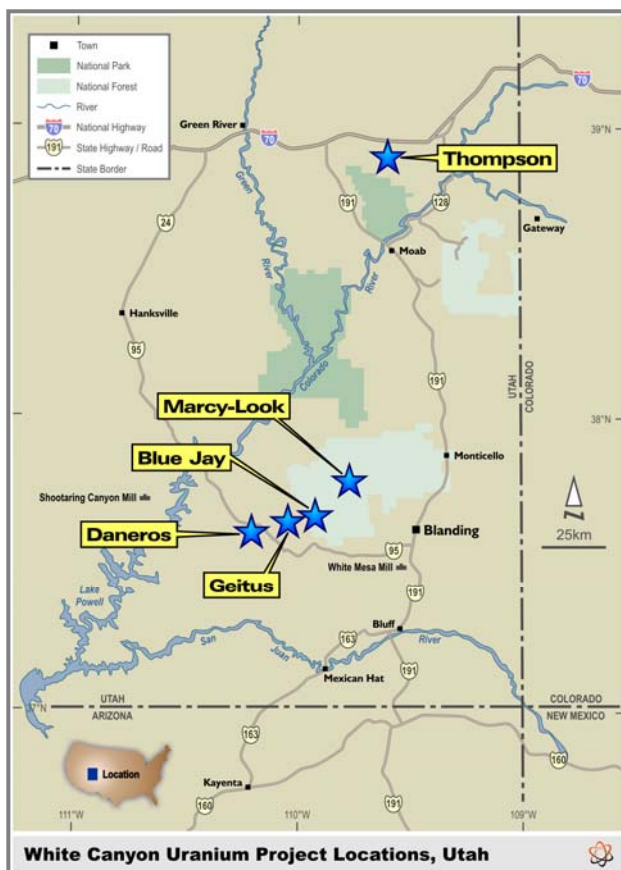


## QUARTERLY ACTIVITIES REPORT

For the Three Months ended 30 June 2009

### HIGHLIGHTS

- Final Mine Permit Approvals received from the Bureau of Land Management in Utah.
- Mining commenced on issue of licence.
- Water bore completed.
- Twin decline development progressing on schedule. Approximately 30m of advanced development completed.
- Site infrastructure progressing.



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

#### DANEROS DEPOSIT, UTAH USA

The Daneros uranium deposit is a “brownfields” exploration project in close proximity to major past producing uranium mines of the Red Canyon mining area, near Blanding, Utah. The deposit is 100 km by established roads from the White Mesa Uranium Mill (Denison Mines) at Blanding.

#### Mine Permit Approved - Daneros Uranium Mine

The US federal Bureau of Land Management (“BLM”) delivered the final approvals for the Company’s Mine Permit for the development of the Daneros Mine in May.

This is the first new uranium mine permit issued in Utah for close on 30 years and culminates 15 months of work by White Canyon Uranium since listing on the ASX in March 2008.

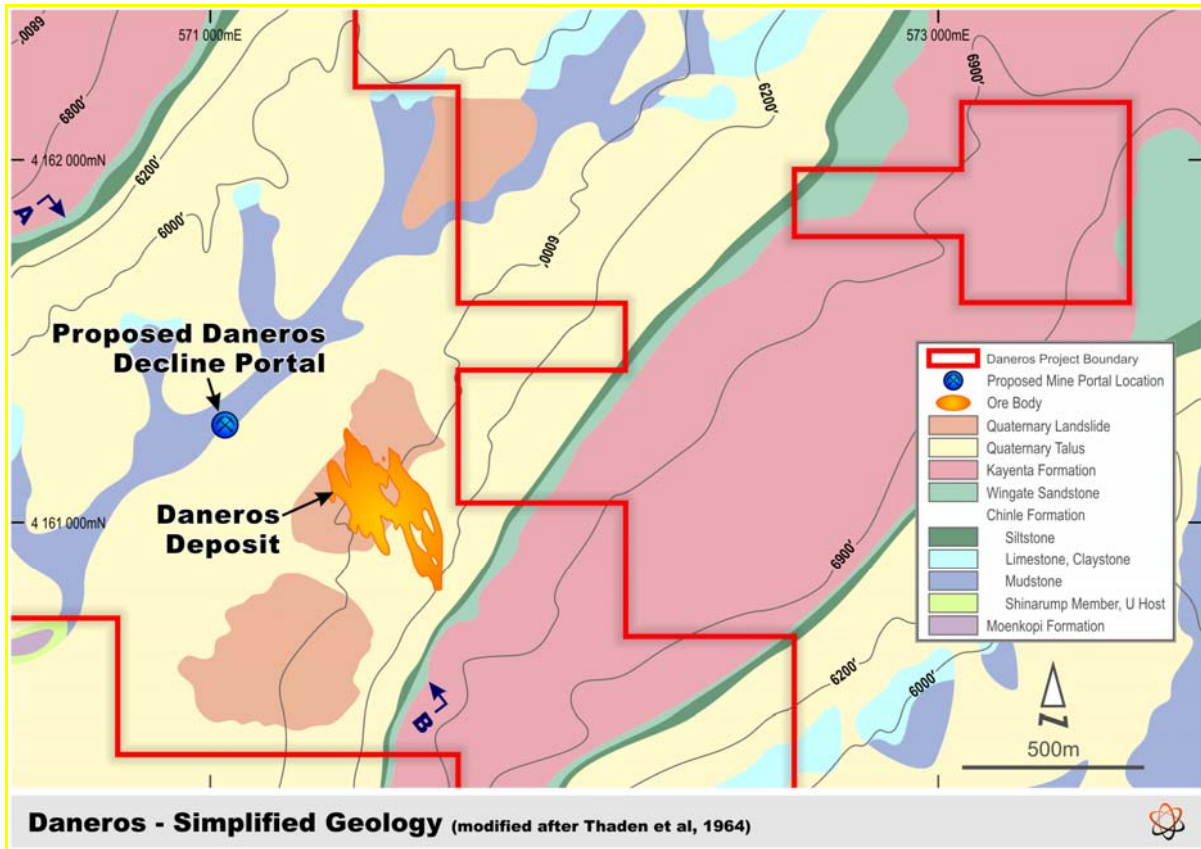
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Underground development commenced immediately on receipt of the BLM approvals. Site earthworks were commenced prior to the transport of infrastructure and the decline portals were surveyed and mining commenced within a week of receiving the approvals.

**White Canyon is confident that underground development and mine production will be achieved within its current cash reserves, which at the end of the quarter stood at \$4.5 million.**

### Mining Progress

The portals were completed and the declines had advanced 30m at the end of the reporting period. Daneros will utilise a twin decline development with an access decline and a ventilation decline. Ventilation fans and the attendant generator are in place and operational ahead of requirement.

The site office is in place and the workshops and utility buildings are available awaiting the construction of pads for their erection.

The water bore was completed and the infrastructure for water storage is in place.

This progress is within the budgeted schedule and the expectation is that the declines will be completed at the end of the following quarter.

### Processing Options

White Canyon has the option of selling any production from the Daneros Mine into the Denison Ore Buying Schedule already in operation and open to third parties at the White Mesa Mill in nearby Blanding.

The Company has approached Denison for an alternate Toll Treating Agreement, where the Company would pay a contract rate to have Denison process ore from the Daneros Mine and the Company would receive the  $U_3O_8$  produced at the end of the process. The Company could then negotiate for an offtake agreement or long term contract for the sale of product.

Denison has agreed to draw up a Toll Treating Agreement. The Company is in contact with Denison and the arrangement is progressing as expected.



Site works at Daneros

## EXPLORATION

### Daneros-Lark Royal, Blanding UT

Included in the Mine Permit is the permitting of 22 holes for development of the Daneros orebody. These holes are planned to extend the mineralisation to the north towards the historic mineralisation previously intercepted in the Lark and Royal mines.

### Geitus and Blue Jay, Blanding UT

Exploration permits are being submitted for the commencement of modern exploration for the Company's Geitus and Blue Jay projects. This drilling is designed to test historic drilling on both projects to replicate the mineralisation identified in the 1970s and to test for extensions of this mineralisation.

White Canyon has commenced the exploration permitting process with a view to define the full extent of the deposit and progress the historically defined mineralisation to JORC-compliant resource categories. Drilling operations should start in the third quarter of the year.

Uranium in the White Canyon District occurs in channels 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%  $U_3O_8$ .

## CORPORATE

During the reporting period the directors announced the resignation of the Managing Director, John Hasleby. John had managed White Canyon from the IPO through to the permitting of the Company's first mine, Daneros.

The new Managing Director, Peter Batten, commenced on July 1. Peter Batten has been mandated to grow the Company aggressively and move the Company into the producing category of uranium companies.

**Peter Batten**  
**Managing Director**

**29 July 2009**

**Enquiries:**

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