

News Release

Private Placement Accepted for Filing

January 3, 2006

The Company announces that its private placement announced in its [news release dated December 5, 2005](#) was accepted for filing by the TSX Venture Exchange on December 29, 2005. In accordance with the provisions of the Subscription Agreements, on December 30, 2005 the Company issued:

- A total of 400,000 Flow-Through Shares (the "FT Shares") at a price of \$0.10 per FT Share for gross proceeds of \$40,000; and
- A total of 2,000,000 Non Flow Through Units (the "NFT Units") at a price of \$0.08 per NFT Unit for gross proceeds of \$160,000, each NFT Unit consisting of one non flow-through common share and one non-transferable share purchase warrant, each warrant entitling the holder thereof to purchase one additional non flow-through common share, exercisable for a period of two years from the date of issuance at a price of \$0.12 per share from December 30, 2005 until December 29, 2007.

All of the above shares and any shares issued on exercise of the warrants (the "Securities") will be subject to a hold period under applicable Canadian securities laws expiring on May 1, 2006, and will be subject to such further restrictions on resale as may apply under applicable foreign securities laws.

Four of the directors and officers of the Company, being related parties, have together directly and indirectly subscribed for a total of 1,287,500 Units, and upon closing of this private placement, those related parties will therefore acquire an additional 1,287,500 shares in the capital stock of the Company which will increase their pro rata shareholdings in the Company (the "Related Party Transaction"). All of the independent directors of the Company, acting in good faith, have determined that the fair market value of the securities being issued and the consideration paid is reasonable and, with the value of the Related Party Transaction being less than 25% of the Company's market capitalization, is exempt from the formal valuation and minority shareholder approval requirements of the Ontario Securities Commission's Rule 61-501.

On behalf of the board of directors

"Elliot Strashin"

Dr. Elliot Strashin, President