

DIVISION MOUNTAIN PROPERTY

Cash Minerals Ltd.

President & Chief Executive Officer: Gregory Duras

Corporate headquarters

Suite 1890, Oceanic Plaza
1066 West Hastings Street
Vancouver, British Columbia V6B 3X1

Phone (604) 633-9942
Fax (604) 633-9972
E-mail info@cashminerals.com
Website www.cashminerals.com

Stock symbol: CHX (Toronto Venture Exchange)

PROJECT STATUS

Reviewing feasibility study



Location

90 km north-northwest of Whitehorse

Ownership

Cash Minerals Ltd.

Commodity

High-volatile bituminous B coal

Drill-indicated raw coal reserves*

52.5 million tonnes high-volatile bituminous B coal

*NI 43-101-compliant scoping study by Norwest Corporation, December, 2005

Proposed mining method

Open-pit, 365 days/year

Proposed processing method

Washing plant, 365 days/year

Potential employment

340 people

HISTORY

Three coal seams were mapped by D.D. Cairnes of the Geological Survey of Canada in 1907. The seams are exposed in the Teslin Creek cut, 2 km north of Division Mountain; an additional coal occurrence was located by Cairnes near the base of the eastern flank of Red Ridge, approximately 5 km northwest of the Teslin Creek showings.

The Division Mountain coal property is currently held under territorial coal licenses and coal leases totalling 3223 km², owned by Cash Resources Ltd. A field program, including line-cutting, geophysics, excavator trenching, hydrological surveys and diamond drilling, was funded by Cash Resources Ltd. and managed by Archer, Cathro and Associates (1981) Ltd. from 1992 to 1998. Large-diameter diamond drilling has totalled 10 558 m in 64 holes. Extensive environmental, archaeological and sociological studies have also been carried out.

The property was optioned to Usibelli Coal Mine Inc. of Alaska in November, 1998. In the spring of 1999, Usibelli carried out a program of excavation trenching with 20 reverse circulation drill holes totalling 1874 m. Coal measures were discovered in a previously undrilled area, 10 km east of Division Mountain. Usibelli dropped its option due to prevailing thermal coal market conditions, despite the high exploration potential of the project.

In May, 2001, Cash Resources Ltd. changed its name to Cash Minerals Ltd.

In December, 2004, Cash restructured and installed a new board and management team, with the previous board members serving as consultants.

In 2005, five drill holes, for a total of 2800 m, were drilled at Division Mountain. In 2006, Cash Minerals' drilling program included seven holes at Division Mountain and seven holes at Tantalus Butte.

PROJECT SUMMARY

The Division Mountain coal deposit is located only 20 km from the main electrical distribution grid for the Yukon, and 280 km by highway from a deep sea port at Skagway, Alaska. Current access into the property is by a 31-km four-wheel drive road, leaving the Klondike Highway at Braeburn, Yukon. The coal at Division Mountain is similar to or better than the quality of most British Columbia export thermal coals.

Geology, exploration and ore reserves

Coal occurs in at least 14 major seams at Division Mountain within a 50-m stratigraphic interval near the base of the Upper Jurassic Tanglefoot Formation. Aggregate coal thickness (in seams greater than 1 m thick) ranges up to 32 m.

The March, 2005 43-101 report on Division Mountain (based on the results of 64 diamond drillholes) outlined a resource of 51.6 million tonnes of high-volatile butiminous B coal, including 38.6 million tonnes of measured and 13.0 million tonnes of indicated resources. The coal resource is also open to expansion down-dip and along strike, and coal exposures and favourable stratigraphy occur within a 7.5-km radius of the delineated resource. The report demonstrated the potential to produce clean coal with parameters of 11% ash, 0.58% total sulphur and 6795 kcal/kg (kilogram) calorific value and is also suitable for pulverized coal injection (PCI) used in steel production.

An updated NI 43-101 report dated December, 2005 upgraded the coal resource to 52.5 million tonnes, entirely in the measured category. The total delivered coal over the 20-year period of the feasibility study is 4.98 million tonnes. Adding an assumed coal loss of 10%, the total resource mined is approximately 5.5 million tonnes, which represents only 10.5% of the confirmed coal resource at Division Mountain.

Production plans

The April, 2005 scoping study supported the development of an open-pit mine with annual production of roughly 1 375 000 tonnes of saleable coal: ~900 000 tonnes of high-volatile butiminous B coal for the thermal market in the Pacific Rim; 300 000 tonnes for pulverized coal injection (PCI); and, 175 000 tonnes for sale for a proposed mine-mouth 40-megawatt generating market located on or near the property. The study's authors estimated a 22-year open-pit mine life, capital costs to

develop the mine of \$31.9 million, a 59.6% internal rate of return (IRR) and a net present value (NPV) of \$74.8 million.

The November, 2006 feasibility study found that current conditions did not support the development of a mine to serve the export coal market, however, it concluded that it is technically and economically feasible to develop an open-pit mine producing 240 000 tonnes of unwashed coal per year over a 20-year period, with the product being sold to a potential 50-megawatt (net) mine-mouth power station located adjacent to the Division Mountain property. According to the study, the mine would generate an estimated net present value (NPV) of \$21.88-million at a discount rate of 5%, which represents an internal rate of return (IRR) of 28.5%. A payback period of 4.4 years was estimated for the initial capital investment of \$14.51 million.

Over the 20-year period on which the feasibility study is based, the average strip ratio is 2.2 bank cubic metres of waste (BCM) per tonne of run-of-mine (ROM) coal produced. The coal is a high-volatile butiminous B coal, with average ROM quality parameters for the unwashed product including calorific value of 4997 kcal per kilogram and sulphur of 0.44%.

Cash Minerals has evaluated coal liquefaction projects and commissioned a conceptual study on the viability of the coal to Fischer-Tropsch liquids process. Cash Minerals also commissioned a preliminary pre-feasibility study on the potential mine-mouth coal-fired electricity generating plant located adjacent to the mine. The study estimated an operating cost of 12.2 cents per kilowatt hour (2006 cost basis). This compares with Yukon Energy's 2005 residential rate of 13.74 cents per kilowatt hour and 2005 general service rate of 15.39 cents per kilowatt hour, which were reported in Yukon Energy Corporation's 2005 annual report.

In June, 2008, the company announced it was upgrading the feasibility study to determine the potential for export coal and revising the feasibility study for the potential of a Division Mountain coal mine to provide feedstock to a proposed mine-mouth power station to be located adjacent to the property.