

14 August 2009

Dear Shareholder,

Attached are the notice of meeting and accompanying supporting documents for our forthcoming Extraordinary General Meeting on September 23. It is important that you read them carefully and vote on the various resolutions proposed. This meeting will be a watershed in the development of MKY and, subject to your approval, will see the company take its place among Australia's top uranium exploration companies under its new proposed name.

The world has been difficult for junior explorers over the past year of financial turmoil and during this time the company's management has been pursuing a strategy to identify and acquire first class uranium exploration projects to complement its own portfolio. Callabonna Uranium Limited ("Callabonna") is an unlisted public company that holds a significant area of tenements in the highly prospective Frome embayment in South Australia. These tenements are close to the Beverley and Honeymoon deposits and the Four Mile deposit, recently approved for development. Owners of these deposits have put considerable effort into understanding them and developing techniques to exploit them commercially. The style of deposit sought within the Callabonna tenements is of similar style to these and any potential development will be well placed to leverage off this historical knowledge.

Callabonna has already carried out exploration on its tenements involving the development of a clear understanding of the geological setting and analysis of the work of previous explorers. This has led to the completion of an aerial electrical geophysical survey that has identified targets interpreted to be old river channels, the first key element in the discovery this style of uranium deposit. Plans are already in hand to commence a significant drilling programme on these targets following the approval of the acquisition.

Along with this exciting "flagship" project Callabonna brings projects in the Northern Territory which involve uranium deposit targets of a different style and a group of expert explorers that Callabonna has assembled. The marriage of this team with the MKY team will create a formidable exploration group focussed on discovery and development and the combination of the two companies other projects will provide a pipeline of projects for the future.

Another important aspect of this acquisition is the involvement of a significant backing shareholder in the form of the Korean energy company SK Energy International Pte Ltd who, along with their earlier investment in Callabonna are prepared to back the merged group with a significant new investment.

The importance of these developments to shareholders has been reflected in the recent positive movements in the company's share price and the fact that we have been able to attract new investors prior to the acquisition. As part of the acquisition we have decided to adopt a new name Callabonna Uranium Ltd that reflects the focus of our future exploration and the significance of this project to the company going forward.

Subject to your approval, the new MKY will be a newly branded company with a major flagship project in a highly prospective terrain proximal to known commercial uranium deposits. With the backing of a major shareholder it will have in excess of \$5 million available to it and have the technical team to be in a position to immediately commence drilling in the Frome Embayment.

The independent expert's report in the attached Notice of Meeting recommends that the acquisition is both fair and reasonable to shareholders of MKY.

I commend the four resolutions in the Notice of Meeting document to you and recommend that you support all of the resolutions.

Yours sincerely,



Phillip Harman,
Chairman

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