

UNITED REEF LIMITED

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PRESS RELEASE

UNITED REEF TO JOINT VENTURE NICKEL OFFSETS PROPERTY, SUDBURY

United Reef Limited (URPL – CNQ) is pleased to announce that it has entered into an option agreement with International CHS Resource Corporation (ICJ.H-TSXV) (“CHS”) whereby CHS may acquire a 50% working interest in United Reef’s wholly-owned Nickel Offsets property, 40 km northwest of Sudbury. The property straddles a 2.25 km strike-length of the Foy Offset dike and includes the past producing Nickel Offsets (Ross) Mine. Further information on the project can be found on United Reef’s website at www.unitedreef.com.

To earn their interest CHS has agreed to expend a total of \$2.8 million in staged exploration expenditures on the property over the next 4 years. In addition, during the option earn-in period, CHS will make aggregate cash payments of \$107,000 and issue 400,000 CHS common shares to United Reef. United Reef will remain the operator of the project and manage recommended exploration programs, to be funded by CHS, until such time as CHS has earned their 50% interest in the project. Once CHS has earned their interest they will become the operator of the project.

To secure the option until October 31, 2004, CHS has made a \$25,000 non-refundable cash payment to United Reef. In order for CHS to exercise the option and commence earning their interest in the Nickel Offsets project, CHS must do the following prior to October 31, 2004: make a further payment of \$7,000 to United Reef to reimburse it for certain project related expenses; issue 100,000 common shares to United Reef; and, demonstrate to United Reef’s satisfaction that they have raised adequate funds to finance their first year’s exploration expenditure commitment of \$350,000 for the program recommended by United Reef. CHS’s right to exercise the option is subject to regulatory approval. CHS has advised United Reef that they have entered into discussions with an investment dealer for the purpose of making an offering of CHS securities to raise sufficient working capital to meet the obligations described above.

Michael Coulter, President of United Reef, has been a director of CHS since February 1992. Mr. Coulter has advised the board of directors of United Reef that he does not presently own, nor does he hold the right to acquire any shares of CHS.

United Reef’s common shares are listed for trading on the Canadian Trading and Quotation System Inc. (“CNQ”) under the symbol “URPL”. CNQ recently announced that it has received Ontario Securities Commission recognition as a stock exchange.

For further information about the Company, please visit United Reef’s website at www.unitedreef.com or contact Michael Coulter, President at 416-368-3332.