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PRESS RELEASE

DIAMOND DRILLING TO COMMENCE ON NICKEL OFFSETS PROPERTY, SUDBURY MINING DISTRICT

United Reef Limited (URPL–CNQ) is pleased to announce that a diamond drilling program will commence later this week on its Nickel Offsets property located 40 km northwest of Sudbury. Heath & Sherwood Drilling (1986) Inc. of Kirkland Lake, Ontario has been awarded the contract for the diamond drilling program. A field crew has re-established reference markers on the property-wide exploration grid in preparation for spotting drill hole collar locations. The program is being funded by International CHS Resource Corporation (“International CHS”) (ICJ-TSXV) as part of its option to acquire an interest in the property.

This first round of drilling on the project will consist of just over 2,500 metres of diamond drilling in 13 holes and will cover several exploration targets within and in close proximity to the Foy Offset dike, which occupies a 2.25-km strike length across the property. Planned lengths for each drill hole range from 75 to 325 metres, representing vertical depths from 65 to 281 metres. The objective of the upcoming diamond drill program is to test new chargeability anomalies interpreted from Induced Polarization surveys conducted on the property in 2003 and 2004, to test potential extensions of ore lenses in the vicinity of the old mine workings and to investigate the platinum group metals (“PGM”) potential of the property. Mineralized core will be assayed for Ni, Cu, and PGM.

Part of the scheduled exploration program will consist of systematic rock and tailings sampling to evaluate the relationship between PGM levels of the tailings and mineralized massive sulphide material found in existing waste and muck piles on the property. Results of this sampling program may give an indication of PGM grades for the property and may also provide information on the possible PGM resource potential of the tailings. Only limited historical information is available regarding the PGM content of the previously mined ore. United Reef has confirmed the presence of significant values for PGM in material previously mined on the property (see September 25, 2003 press release).

United Reef and International CHS have entered into an option agreement (see January 4, 2005 press release) whereby International CHS may acquire a 50% working interest, over the next 4 years, in United Reef’s wholly-owned Nickel Offsets property. Under the terms of the agreement, United Reef, as operator, will manage the upcoming drill program. The Nickel Offsets property hosts the past producing Nickel Offsets (Ross) Mine which produced 208,000 tons of Ni-Cu ore between 1943 and 1957 through two shafts, with reported recoveries of 4.56 million pounds of Ni and 3.32 million pounds of Cu.

Gary Nassif, P.Geo. is United Reef’s qualified person for purposes of NI 43-101 and the person responsible for supervising the above programs. The programs are expected to take 8 weeks to complete.

For further information on the Nickel Offsets property visit our website at www.unitedreef.com or contact Michael Coulter, President or Gary Nassif, Exploration Manager, at 416-368-3332 or email: info@unitedreef.com