

MACUSANI YELLOWCAKE INC.

(\$0.34; YEL: TSX-V)

Recommendation: Speculative Buy (No Change)

Target Price: 1-Year: \$0.70 (No Change)

RECENT DEVELOPMENT: DRILLING RESULTS FROM COLIBRI II

Macusani Yellowcake Inc. announced assay results from the Company's ongoing drilling program at its Colibri II uranium property in southeastern Peru. The top 6.45 metres of Hole DD1 Vertical-P17 showed a high grade of 4.06 lb/t of U3O8.

A table showing the latest assay results is contained in Macusani's August 15, 2008 news release, available on SEDAR at www.sedar.com.

The latest results confirm the Company's model of a very large horizontal bedded structure with substantial amounts of uranium. Macusani is now drilling its 73rd hole; to date every hole is mineralized.

COMMENT: *Ongoing drill results have shown that Macusani is on schedule to achieve an NI 43-101 compliant resource estimate for its Macusani project, which is expected to be available within 16 months. The Company's capital expenditures for the next 12 months are estimated to be approximately \$1.8 million. Currently, the Company has over \$1.2 million in cash, which should be sufficient to finance its exploration activities for the next 8-10 months. Financing has become a big challenge for junior mining companies such as Macusani, as the credit market has deteriorated further over the past two months. Achieving positive results from drilling should help the Company with its future financing, and thus its stock price.*

THE COMPANY

Macusani Yellowcake Inc. is a junior Canadian uranium exploration company that controls over 2,000 square kilometres of uranium mineralization exploration concessions in the Puno District of southeastern Peru (near Bolivia). Macusani's properties are in an area of aggressive exploration activity, which is positive for the Company's prospects.

RECOMMENDATION

Despite the adverse operating environment for junior mining companies, the shares of Macusani Yellowcake have held up rather well. As noted, the raising of new equity by mining exploration companies has become a real challenge, but Macusani's immediate capex program is well covered. On this basis, we continue to recommend Macusani Yellowcake as a Speculative Buy, with a 12-month Target Price of \$0.70.

RATINGS HISTORY

Date	Report Type	Recommendation	Stock Price	Target Price
Apr. 4, 2008	Initiating	Speculative Buy	\$0.42	\$0.70
June 16, 2008	Bulletin	No Change	\$0.40	No Change
June 27, 2008	Bulletin	No Change	\$0.48	No Change
Aug. 20, 2008	Bulletin	No Change	\$0.34	No Change

High-Low Since Initiating: \$0.50-\$0.34

NOTE: eResearch reports on Macusani Yellowcake Inc. and other companies are available *FREE* on our website at www.eresearch.ca.

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