

July 28, 2008

Dear Shareholder,

As you may know from following our press releases, your Company has undergone some significant changes in the past couple of months. These have been brought about by our rapid advancement from simply exploring for mineral resources at our El Espino-Venus Project (the “Project”) in Chile, to the commencement of a scoping study and preparation for eventual mine development.

In February of this year we announced a National Instrument 43-101 (“NI 43-101”) compliant mineral resource estimate that was audited by Micon International (see press release dated February 27, 2008). That initial mineral resource estimate described 11.68 million tonnes of an indicated resource at 0.64% Cu and 0.18 g/t Au and 88.67 million tonnes of an inferred resource at 0.61% Cu and 0.19 g/t, with a 0.2%Cu cut off. These figures contain an oxide and a majority sulphide component and are the basis of the current scoping study.

Explorator recently strengthened its board of directors by adding Mr. Shaun Browne. Shaun’s background and knowledge of mineral resource economics and his extensive contacts in the banking industry and financial community will be valuable as the Company moves rapidly towards preparation of feasibility studies, mine development and associated financing requirements.

We have appointed Mr. Antonio Ortuzar as our new Chairman. Mr. Ortuzar is a lawyer and international partner with Baker McKenzie, Cruzat, Ortuzar, McKenna, specializing in the mining sector. We believe that his appointment was very appropriate in order to bolster our Company’s profile in Chile as the El Espino-Venus project advances. Antonio’s high profile and ability in the Chilean mining sector will be a strong asset as the Project matures and requires a greater local input in legal and socio-economic aspects. Antonio has already made valuable recommendations regarding the capabilities of individuals and companies included in the scoping study team that was announced recently and provides counsel at scoping study team meetings.

The scoping study team is being managed and co-ordinated by Mr. David Prins, who was recently appointed Chairman of our Technical Advisory Committee. He leads the team of capable and experienced individuals that we have assembled to work on the scoping study. Bottle roll testing is well underway and column leach testing of oxide mineralization together with grinding and flotation testing of the sulphides will commence as soon as possible. Initial technical and financial modeling runs have been carried out and results will be announced as soon as all relevant input is received. At this stage, it is anticipated that the sulphide parts of

**the deposit will contain the majority of the Project's economic value and exploration is underway to define shallow sulphide resources which could be developed early to accelerate sulphide treatment start up.**

**We continue drilling with three rigs to upgrade our inferred resources to indicated resources and to define additional areas which will be included in an updated mineral resource estimate to be audited by Micon International. This updated estimate will include drill results from the Portugesas, Pirata, Pichanilla, La Viuda and Venus areas and it is expected that these will have a considerable positive impact on the overall economics of the El Espino-Venus Project. Announcements of new drill results are being released and will continue to be on a timely basis (see Press Releases dated April 24, May 8, May 26, July 21 and July 23 of this year). These, together with results in the pipeline and from additional drilling underway will be incorporated in an updated scoping study and will take the project through to final feasibility.**

**The Environmental Impact Study covering the Project area has been delivered. As a result and in co-operation with the Municipality of Illapel, we have commenced the process of assisting in the relocation of families from dwellings in the area that would be affected by the Project. This process remains ongoing in a positive and friendly manner with the continued support of the local community. Additionally, from an environmental standpoint, various alternative sources of water for the Project are being studied.**

**Further, the initial NI 43-101 Technical Report dated March 30, 2008, audited by Micon International, identified the geological potential, through further drilling, for significant gold mineralization in what we are calling the Chon Chon gold project. Results specific to this gold mineralization have been included using more stringent parameters. Drilling to define overall copper-gold mineral resources continues to intersect high grade gold mineralization which will be incorporated into a specific gold study. This will generate a separate and specific gold project, additional to the copper-gold Project, currently being advanced.**

**By now, you will note that the July 25, 2008 expiry date of the \$0.30 warrants has come and past. We believe that the gradual exercise of these warrants up to their expiry date had been causing a major overhang on the share price. We have seen active trading in the past couple of weeks and believe that those who needed to sell their shares to finance their warrant exercises did so. In our view, it is likely that the Company's share price had suffered as a result of a challenging market environment, which is beyond our control, in addition to being suppressed by the warrant overhang. Going forward, we are committed to structuring any financings**

with the goal of avoiding or limiting these situations to the extent they are within our control.

We will continue to keep shareholders and investors up to date on the Company's progress, especially as it relates to milestone events. We remain determined to grow the near-term value of the Company with a view to maximizing the Project's longer term potential, all of which we ultimately expect to be reflected in the share price. Results, as announced, should speak for themselves. I would be pleased to discuss progress of the Company and its projects at any time, including discussions of all technical matters, and can be reached at the contact information listed below. General enquiries or those of a corporate nature can be sent to Tony Wonnacott in our Toronto office at the contact information listed below.

With best wishes for the future,

David O'Connor (President and CEO).  
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**REGULATORY FOOTNOTE**

Mr. Michael Schuler, Explorator Resources' Vice President, Exploration is the "Qualified Person" as defined under the National Instrument 43-101 and is responsible for the scientific and technical work on Explorator's exploration program and is responsible for reviewing the technical disclosure in this investor update. All analytical work has been completed by ALS Chemex of La Serena in Chile; ALS Chemex is a respected international analytical service which is accredited with NATA and complies with standards of ISO 9001:2000 and ISO17025:1999. They employ a variety of international standards for quality control purposes. Samples are transported from the project to the ALS Chemex laboratory in La Serena sample by Company personnel or a reputable commercial carrier. All analytical testing is performed utilizing a variety of industry standard analytical techniques, including: (1) ALS Analytical Code Au-ICP22 (Au 50g fire assay with ICP-AES finish), (2) ALS analytical code Au-GRA22 (Au 50g fire assay with a gravity finish), (3) ALS analytical code ME-ICP61 (33 element analysis using a four acid digestion and ICP-AES analysis), (4) ALS analytical code Cu-AA62 (ore grade copper analysis using a four acid digestion and an AAS finish. All diamond drill core is geologically logged, cut in half using a diamond saw and sampled by Company geologists in one (1) to three (3) meter sample intervals depending on visual grade estimates; the archive portion of the sample is securely stored at the company's core shed adjacent to the office in the town of Illapel.

The Company has initiated a QA/QC program consisting of utilizing standards, duplicate and blank samples and laboratory cross-checks and routinely repeats sample analysis.

**FORWARD-LOOKING STATEMENTS**

Certain statements contained in this investor update may contain forward-looking information within the meaning of Canadian securities laws. Such forward-looking information are identified by words such as "estimates", "intends", "expects", "believes", "may", "will" and included, without limitation, statements regarding the company's plan of business operations, production levels and costs, potential contractual arrangements and the delivery of equipment, receipt of working capital, anticipated revenues, mineral reserve and mineral resource estimates, and projected expenditures. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from such statements. Factors that could cause actual results to differ materially include, among others, metal prices, risks inherent in the mining industry, financing risks, labour risks, uncertainty of mineral reserve and resource estimates, equipment and supply risks, regulatory risks and environmental concerns. Most of these factors are outside the control of the company. Investors are cautioned not to put undue reliance on forward-looking information. Except as otherwise required by applicable securities statutes or regulation, the company expressly disclaims any intent or obligation to update publicly forward-looking information, whether as a result of new information, future events or otherwise.