



CONTINENTAL PRECIOUS MINERALS INC.

September 16, 2009

Fellow Shareholders,

Fiscal Year Ended May 31, 2009 was a pivotal year for Continental Precious Minerals.

We continued to make significant progress toward achieving our primary goal of advancing our Swedish assets along the exploration pipeline. To reach this objective, we have focused on growing the delineated resource at the MMS Viken licence, which has the potential to become one of the largest mineral resources in the world.

In February 2009, we announced a National Instrument 43-101 (NI 43-101) resource estimate for uranium oxide, vanadium pentoxide, molybdenum and nickel. The NI 43-101 confirmed 23.6 million tonnes of indicated resources and 2.831 billion tonnes of inferred resources, which represents increases of 72% and 143% respectively, from the January 31, 2008 resource estimate. Changes were also made to strengthen our technical team with the appointments of Michael Bromley-Challenor to the position of Executive Vice-President and Director of Exploration and Development, and Gustav Åkerblom to the position of Executive Vice-President and Director of Environmental Management. Both Michael and Gustav have been Swedish-based consultants for our company and their appointments as officers will be invaluable as we continue to advance our Swedish assets along the exploration pipeline.

In addition to our world class mineral resource, our strong cash position sets us apart from other exploration companies. In our recently completed fiscal year, we continued to strengthen this with a private placement for gross proceeds of \$2 million in May 2009. The net proceeds of the private placement will be used toward our Swedish exploration program and the continued advancement of our MMS Viken licence. Given that capital is scarce in today's fluctuating economy, we view the completion of the private placement as a positive sign for our business and in particular, MMS Viken. It also enables us to evaluate expansion opportunities as they emerge.

Looking Ahead

With our strong cash position and the updated NI 43-101 resource estimate behind us, Continental has an active and measured operating agenda for the year ahead.

We have four specific objectives for our current fiscal year, all of which, we began this past year:

- **First**, we will continue to conserve capital in order to fully fund our corporate development plans.
- **Second**, we will continue to delineate the resource at the MMS Viken licence and surrounding licences. While we made tremendous progress increasing the size of the resource at the MMS Viken licence last year, we believe it has more potential. We will continue our cost-effective drill program in order to discover this potential and the possibility of developing the other minerals included in the resource.
- **Third**, we will continue our metallurgical and environmental studies at the MMS Viken licence. We are currently pursuing two different metallurgical studies, one of which uses conventional acid leaching and the other of which uses bioleach technology. The successful completion of these studies is necessary before we conduct a preliminary economic assessment at the MMS Viken licence.
- **Fourth**, we will complete a preliminary economic assessment at the MMS Viken licence. Despite delays in completing the metallurgical studies, we expect to be in a position to publish the results of a preliminary economic assessment in 2010.

Delineating a large and growing resource is a team effort. I thank our Board of Directors for their continued guidance and counsel and extend appreciation to our technical team. I would also like to thank our shareholders for their continued support and confidence.

We are very excited about Continental's future growth prospects and look forward to updating you on our progress.

Sincerely,

"Signed"
Ed Godin
President