

19<sup>th</sup> December, 2008

2008 has been a challenging year for Indicator and its shareholders. We have watched the Company's share price decline in spite of having the most successful field season since Indicator began operating in 2004.

Indicator is certainly not alone in one of the most difficult markets that junior mining has ever had to face. I would like to take this opportunity to make you aware of the steps that we have taken to ensure the Company's on-going solvency and our strategy to restore value in 2009.

The most important action taken to guarantee the long term viability of the company was to reduce our corporate overhead by more than 40%. These cost cutting measures will preserve the treasury while allowing us to plan and execute a modest field program in 2009. If financing is unavailable, further cuts can be made to guarantee the survival of the company well into 2010. It is important to note that Indicator's land tenure remains in good standing on all of its key projects into 2010 without any further exploration expenditures.

To restore value to its share price in 2009, we will focus efforts on the projects that offer the best chance for discovery of diamonds. The goal is to continue to move our important projects forward with a minimum of dilution to the Company's shares. All of Indicator's key projects are flow-through eligible which will be beneficial to investors as we look for financing.

Kimberlite was discovered on three projects in 2008 and results from these discoveries will determine which projects are advanced. Teck Cominco Limited, our partner on the Darby Project, discovered kimberlite boulders in two locations that were separate from each other and the area where diamond bearing kimberlites were previously discovered. Diamond results from these boulders are expected early in the New Year. On the Nanuq North Project, the first kimberlite was discovered this year and diamond results are still outstanding. In addition, kimberlite boulders were discovered on top of an airborne geophysical anomaly while prospecting on the Borden Project on Baffin Island.

To summarize, Indicator has taken the necessary steps required to preserve its treasury and ensure its long-term survival in the current market. The Company will continue to focus on what it does best: Canadian diamond exploration and discovery; however, we will be selective about which projects are advanced and expenditures on field programs will be more modest.

With my best wishes for the holiday season and may you enjoy health, peace and prosperity in the New Year.

Sincerely,



Bruce Counts  
President & CEO

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