

# **Open Letter to Investors and Shareholders of Thresher Industries**

**Hanford, California January 9, 2008**

## ***State of the Corporation***

Coming off a difficult but rewarding year, we have seen significant changes in Thresher Industries, our customer base, our Talon Division and our management team and have restructured the organization to take advantage of those changes. Over the past six months our efforts have been rewarded; our current press release regarding the contract with Plantel Nurseries is just one of several exciting new programs we are undertaking as we prepare to increase production and grow Thresher Industries significantly.

I am very proud to announce that Dr. Bill Harrigan, PHD Metallurgist has joined our team as an advisor to help define direction for the composites group and to assist us in development of advanced metal matrix composites for cast applications. Dr. Harrigan is highly respected in the industry and is a leader in advanced materials. We look forward to Dr. Harrigan's guidance and influence for our composites business.

To allow our company to adapt faster we have made Talon Composites a more integral part of Thresher Industries, renaming this division Thresher Composites Group. The Thresher Composites Group, under direction from Dr. Harrigan, will develop unique market driven cast composite alloys for our customers. With this change Dr. Harrigan will oversee a development and testing program a major university's materials engineering department. Details regarding this program will be released at a later date. The Thresher Composites Group will begin manufacturing material for our customers in Q1 of this year. This new direction in metal matrix composites allows us greater opportunity than being just a provider of nuclear shielding materials; automotive aftermarket applications as well as electronics, aerospace and defense systems all become target customers for these new materials. Our objective for Thresher Composites is increased revenue and strong net profit for this division.

As part of our restructuring we have added an additional key individual to our Thresher management team. Jeff Tolle has joined our team as Controller in the financial group. Previously Jeff has worked closely with our team to obtain private funding as well as new customers and market development. Jeff has an extensive background in startup companies and in the investment community. Jeff has proven his abilities in the past year in helping our board and management team clearly define our company and its goals as well as securing diverse customers for the foundry.

## ***Stock Related Issues and Financial Concerns***

Since October 2006, none of our officers - CEO, CFO, insiders or control persons - have sold any Thresher stock either issued to them or that they have purchased in the open market. The consensus is that the current price of Thresher stock is outrageously low and undervalued. Once the company shows its true worth to the

investment community we believe a more realistic value will be achieved. I speak for those close to the company that feel there is value in the shares they have acquired and they will not sell their shares until value and liquidity have been restored to the company.

Thresher Industries has been successful in raising capital through several sources other than selling stock. We have been working with a local California Central Valley manufacturing business that has provided significant funds, enabling us to accomplish goals without the need for selling further stock. With the purchase order mentioned in our current press release we anticipate bank financing by way of either a line of credit or purchase order financing providing additional capital to fill orders, upgrade equipment and increase our customer base, providing us with greater revenues while improving net profitability.

Recently there have been misleading and false statements regarding Thresher Industries. First, we are a real manufacturing company with sales and value; we have a strong yet diverse customer base and unique technologies. The company has a clearly defined business plan and we are on track for a profitable year in 2008. We have added strong players to our team, new customers, new materials and a new dedication to become a leader in our industry. I wish all of our investors and business partners a profitable and prosperous New Year.