



Nickel Australia Limited

NICKEL EXPLORATION COMMENCES AT NORSEMAN

Nickel Australia Ltd (ASX: NKL) is pleased to announce that field exploration has commenced at its Norseman project in Western Australia, where the Company owns 100% of the nickel and base metal rights.

The exploration program comprises detailed surface electromagnetic (TEM) surveys and widespread reconnaissance aircore drilling. This will be followed by diamond core drilling and downhole electromagnetic (DHEM) surveys. Work will initially focus on the Talbot Island, Jimberlana and Polar Bear prospects, where previous exploration has returned numerous significant drill intercepts of nickel sulphide mineralisation (including 14.3m @ 1.16% Ni, 10m @ 1.03% Ni and 2m @ 7.0% Ni).

The TEM surveys are designed to identify electromagnetic conductors which may represent bodies of massive nickel sulphides. The aircore program, comprising about 12,000m of drilling, will define the locations and boundaries of the ultramafic units which have nickel sulphide potential, and test for anomalous geochemistry within these rock units. This work is scheduled to take about two months to complete, with results being received on an on-going basis.

The diamond core drilling program (8 holes planned for 2,400m) and DHEM surveys will commence in mid-March, and are designed to follow-up targets identified by the TEM and aircore drilling currently in progress.

Background

Nickel Australia's Norseman property covers approximately 420 square kilometres of the Norseman-Wiluna greenstone belt, and is considered very prospective for high-grade massive nickel sulphide deposits. It contains the southern extensions of the ultramafic rocks which host numerous nickel mines in the nearby Widgiemooltha and Kambalda districts.

NKL's review of historical data indicates there has been very little exploration for nickel sulphide mineralisation in the Norseman project area due to a strong focus on gold by previous companies. However, the minor nickel exploration that was undertaken in the past identified several areas containing nickel sulphide mineralisation, confirming the significant potential of this area.

This report has been compiled by Mr Tony Rovira (Managing Director – Nickel Australia Ltd) who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) with 20 years experience in the mining industry. Mr Rovira has relevant experience in relation to the geology and mineralisation being reported on and qualifies as a Competent Person as defined by the Joint Ore Reserve Committee (JORC) of the AusIMM.