



Nickel Australia Limited

INITIAL RESULTS FROM NORSEMAN NICKEL EXPLORATION

HIGHLIGHTS

- Nickel sulphide mineralisation intersected in reconnaissance drilling (223 aircore holes completed for 10,139m).
- Best result to date of **8m @ 1.01% Ni** at the Talbot Prospect, with further results from Jimberlana and Polar Bear awaited.
- Seven conductor bodies representing priority drilling targets identified in electromagnetic survey.
- Diamond drilling underway at Talbot to test strong TEM conductor.

Nickel Australia Ltd (ASX: NKL) is pleased to announce that it has received very encouraging results from the maiden nickel exploration program at its Norseman project in Western Australia, where the Company owns 100% of the nickel and base metal rights.

Exploration Details

This exploration program commenced in mid-February and comprises reconnaissance aircore drilling and surface electromagnetic (TEM) surveys.

The aircore drilling was used to define the locations and boundaries of ultramafic units with nickel sulphide potential, and to test for anomalous geochemistry within these rock units. Drilling was undertaken at the Talbot prospect, followed by Jimberlana and Polar Bear, with 223 holes completed for 10,139 metres.

The Company is pleased to report that ultramafic rocks containing disseminated and stringer sulphide mineralisation were intersected in several holes, with anomalous grades of nickel and other pathfinder elements being returned. To date, results have been received from 65 holes.

The most significant intersection received from these results was a zone of disseminated sulphide mineralisation assaying **8m @ 1.01% Ni** from 44m in NNA 025.

Details of significant drill intercepts are tabled below, while results from the remaining holes and re-splits of anomalous zones are awaited.

Significant Drill Intercepts (at 26th March 2004)

Hole No	North	East	Dip	Azimuth	From (m)	To (m)	Width (m)	Grade (%Ni)	Comments
NNA 025	6450900	393400	-60	270	44	52	8	1.01	
NNA 028	6450900	393600	-60	270	52	56	4	0.56	
NNA 035	6450900	393000	-60	270	24	28	4	0.75	
NNA 036	6450900	393050	-60	270	24	32	8	0.63	End of Hole
NNA 037	6450900	393100	-60	270	44	47	3	0.88	End of Hole
NNA 039	6451300	392850	-60	270	56	61	5	0.53	End of Hole

Note – coordinates are in GDA-94

Drill hole spacing was 400m x 50m, while infill drilling on 200m x 50m spacing was carried out to follow up anomalous results. All samples were collected as four metre composites and analyses of one metre re-splits from anomalous zones is currently in progress.

Access to some parts of the Norseman project area has been hampered by recent rains, and the aircore drilling program will recommence in these areas when ground conditions and access improve.

The TEM survey currently underway is designed to identify electromagnetic conductors which may represent bodies of massive nickel sulphides, and covers the Talbot, Jimberlana and Polar Bear prospects. To date surveying has been completed at Talbot with very encouraging results.

Seven conductor bodies have been identified which are currently being interpreted and prioritised. The conductors are located in favourable geological positions adjacent to basal ultramafic contacts and some are coincident with geochemical anomalies generated by the aircore drilling.

Diamond core drilling has recently commenced at Talbot to follow up one of the strong TEM conductors. Further diamond drilling is being planned to test the other conductors and areas of anomalous geochemistry.

Downhole electromagnetic (DHEM) surveys will be carried out in all diamond drill holes, commencing in mid April.

Background

Nickel Australia's Norseman project covers approximately 420 square kilometres of the Norseman-Wiluna greenstone belt. It contains the southern extensions of the ultramafic rocks which host numerous nickel mines in the nearby Widgiemooltha and Kambalda districts, and is considered very prospective for high-grade massive nickel sulphide deposits. NKL owns 100% of the nickel and base metal rights on the Norseman property.

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- ENDS -

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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.



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NORSEMAN NICKEL PROJECT – LOCATION & KEY PROSPECTS

