



Nickel Australia Limited

ANNOUNCEMENT

ACQUISITION OF 100% OWNERSHIP OF SPLINTER PROJECT

Released 23rd June 2004

- Nickel Australia exercises Right of First Refusal to acquire the outstanding interests in the Splinter gold exploration project
- Exploration to commence at Splinter in the 2nd half of 2004

COMMERCIAL TERMS

Nickel Australia Limited (**ASX: NKL**) is pleased to announce that the company has exercised its Right of First Refusal under the terms of the Splinter Joint Venture Agreement to acquire the outstanding interests in the Splinter gold exploration project in Western Australia.

Under the terms of the Splinter Joint Venture Agreement, NKL held the right to earn an initial 51% interest in the project and thence to proceed to an 85% interest by meeting certain expenditure conditions.

The Splinter Project is considered by the board of Nickel Australia to have significant potential, and consequently the Company elected to exercise its Right of First Refusal to acquire the outstanding interests for a consideration of \$59,500. Upon conclusion of this transaction, Nickel Australia will hold 100% of the project.

TECHNICAL DETAILS

The Splinter Project comprises one granted Exploration Licence and adjoining applications for a further three Exploration Licences covering approximately 840 square kilometres. The project area is situated 120km northeast of Esperance.

The target is a large (8.5km x 5.5km) gold-in-calcrete geochemical anomaly located at the intersection of major structural trends, and is considered highly prospective for shear-hosted gold mineralisation. The dimension and magnitude of the Splinter anomaly is comparable to those that led to the discoveries at Tropicana (Independence Group Ltd / AngloGold Australia Ltd), Tunkillia (Helix Resources Ltd), Barnes and Baggy Green (Adelaide Resources Ltd / Newmont Australia).

NKL will commence exploration at Splinter in the second half of 2004. Work will include an airborne magnetic survey and detailed surface geochemical (calcrete) sampling designed to infill and define the existing geochemical anomaly, to be followed by an aircore drilling program.

- 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.



Nickel Australia Limited

SPLINTER PROJECT REGIONAL GEOLOGY & PROJECT AREA

