



# Nickel Australia Limited

ABN 46 106 346 918

5 December 2005

The Manager  
Companies Announcement Office  
Australian Exchange Limited  
Level 10, 20 Bond Street  
SYDNEY NSW 2000

Dear Sir

**RE: DRILLING COMMENCES AT DAVYHURST**

We enclose herewith a copy of an announcement in relation to the above.

Yours faithfully,

Tony Rovira  
Managing Director

Encl.



# Nickel Australia Limited

ABN 46 106 346 918

ANNOUNCEMENT

5 DECEMBER 2005

## NICKEL AUSTRALIA COMMENCES DRILLING AT DAVYHURST

### HIGHLIGHTS

- 2,500 metre Reverse Circulation drilling program has commenced on the Davyhurst project.
- Drilling to test zones of anomalous geochemistry and strong electromagnetic conductors.

### DETAILS

Nickel Australia Ltd (ASX: **NKL**) has commenced a 2,500 metre Reverse Circulation (RC) drilling program at its 100% owned Davyhurst project, located 130 kilometres north of Kalgoorlie in Western Australia.

The program comprises deep RC drill testing of coincident geochemical and geophysical anomalies located on the Riverina ultramafic. The target is considered prospective for nickel sulphide mineralisation, and several lines of drill holes will test the primary zone of the ultramafic to depths of about 200m below surface.

Anomalous aircore geochemistry within the ultramafic unit and a strong electromagnetic (EM) conductor coincident with the ultramafic footwall contact define the area of interest. The EM anomaly is a steep east-dipping conductor about 400m in length which could possibly represent a body of massive nickel sulphides. This potential is supported by the presence of highly anomalous geochemistry with grades up to 1.5% Ni, 0.11% Cu and 165ppb PGM's (platinum + palladium).

The target is situated on the Riverina ultramafic within the northern part of the Davyhurst property. It is located 2.4 kilometres south of the high grade nickel sulphide mineralisation (0.37m @ 10.88% Ni) discovered by the Riverina JV (Barra Resources 30% / Riverina Resources 70%).

### BACKGROUND

Historically Davyhurst was a gold producing district, with previous exploration being entirely gold-focused and the potential for nickel sulphide mineralisation ignored. No previous exploration for nickel sulphides has been carried out within the project area, which contains in excess of 50 strike kilometres of ultramafic units.

Nickel Australia considers Davyhurst has potential to be a significant greenfields nickel sulphide exploration project, with recent exploration successes highlighting the potential of this district.

Released by Tony Rovira  
Managing Director  
Nickel Australia Ltd  
5 December 2005

*The information in this report that relates to Exploration Results is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Rovira is a full-time employee of Nickel Australia Ltd. Mr Rovira has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rovira consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

street address: Level 1, 30 Richardson Street, WEST PERTH, WA 6005    postal address: PO Box 493, West Perth, WA 6005  
phone: 08 9481 2555    fax: 08 9485 1290    email: [admin@nickelaustralia.com.au](mailto:admin@nickelaustralia.com.au)    web site: [www.nickelaustralia.com.au](http://www.nickelaustralia.com.au)

# Davyhurst Project

## Geology and Aircore Geochemistry

