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ASX Announcement – 5 June 2007

The Companies Announcement Office  
Australian Stock Exchange  
Level 10 Exchange Centre  
20 Bond Street  
SYDNEY NSW 2000

Dears Sirs

### **INTERIM DRILL RESULTS**

The Company is pleased to report interim results from the infill drilling program that commenced in March 2007 at the NiWest Nickel Laterite Project located near Murrin Murrin in the North Eastern Goldfields of Western Australia.

Assessment of the assay results received to date continues to support the significant resources at the NiWest Nickel Laterite project. The combination of high Nickel grades, increased thickness and continuity of mineralisation along strike, further underpin the robust nature of the resources.

The high density infill drilling program has been designed to up grade the resources at the Hepi, Mt Kilkenny and Eucalyptus projects. Resources of over 40 million tonnes grading 1.24% Nickel have been defined at the above project areas and underpin the development of the NiWest Nickel Laterite Heap Leach Project. The current drilling work includes a Sonic Drill coring program to facilitate a new round of metallurgical test work that will form part of the Feasibility Study that is progressing. Interim results from the drilling program are listed in APPENDIX 1.

The Company recently announced results from the Pre Feasibility Study (PFS) on the development of the NiWest Nickel Laterite Heap Leach Project. The study outline Capital Costs of \$455 million and average Operating Costs of US\$2.49/lb Nickel produced. Using US\$10/lb nickel, the project has the potential to deliver pre tax operating surplus of \$3.7 billion over the 20 year mine life.

#### **Hepi Project**

Drilling results from the Hepi project have confirmed continuity of the +2% nickel horizon through the central area of the resource. This area of mineralisation remains open to the east and is expected to add substantial tonnage to the resource. Additional holes have been planned over this area and will be drilled in the current program. Highlights from the Hepi drilling are listed below.

<b>HPC168</b>	<b>21 metres averaging 2.45%Nickel 0.09% Cobalt</b>
<b>HPC167</b>	<b>15 metres averaging 2.08%Nickel 0.06% Cobalt</b>
<b>HPC169</b>	<b>9 metres averaging 2.15%Nickel 0.07% Cobalt</b>
<b>HPC166</b>	<b>12 metres averaging 1.97%Nickel 0.13% Cobalt</b>

## **Mt Kilkenny**

A total of 351 holes have been planned for the Mt Kilkenny resource. Infill drilling over the Central area of the resource will be drilled on 50 metre by 50 metre pattern to support measured classification. The drill hole density over the northern section of resource will be increased to 100 metre X 50 metre pattern (Indicated). Approximately 70% of the program has been now been completed.

Results from the drilling over the Central area have confirmed a series of high grade near surface lenses of mineralisation. Numerous intersections up to 40 metres thick from several metres below surface indicate that a sizable increase in resource tonnes is likely to be achieved over this area of the resource. Significant results from the Mt Kilkenny drilling completed to date are contained in APPENDIX 1. Some of the better intersections are listed below.

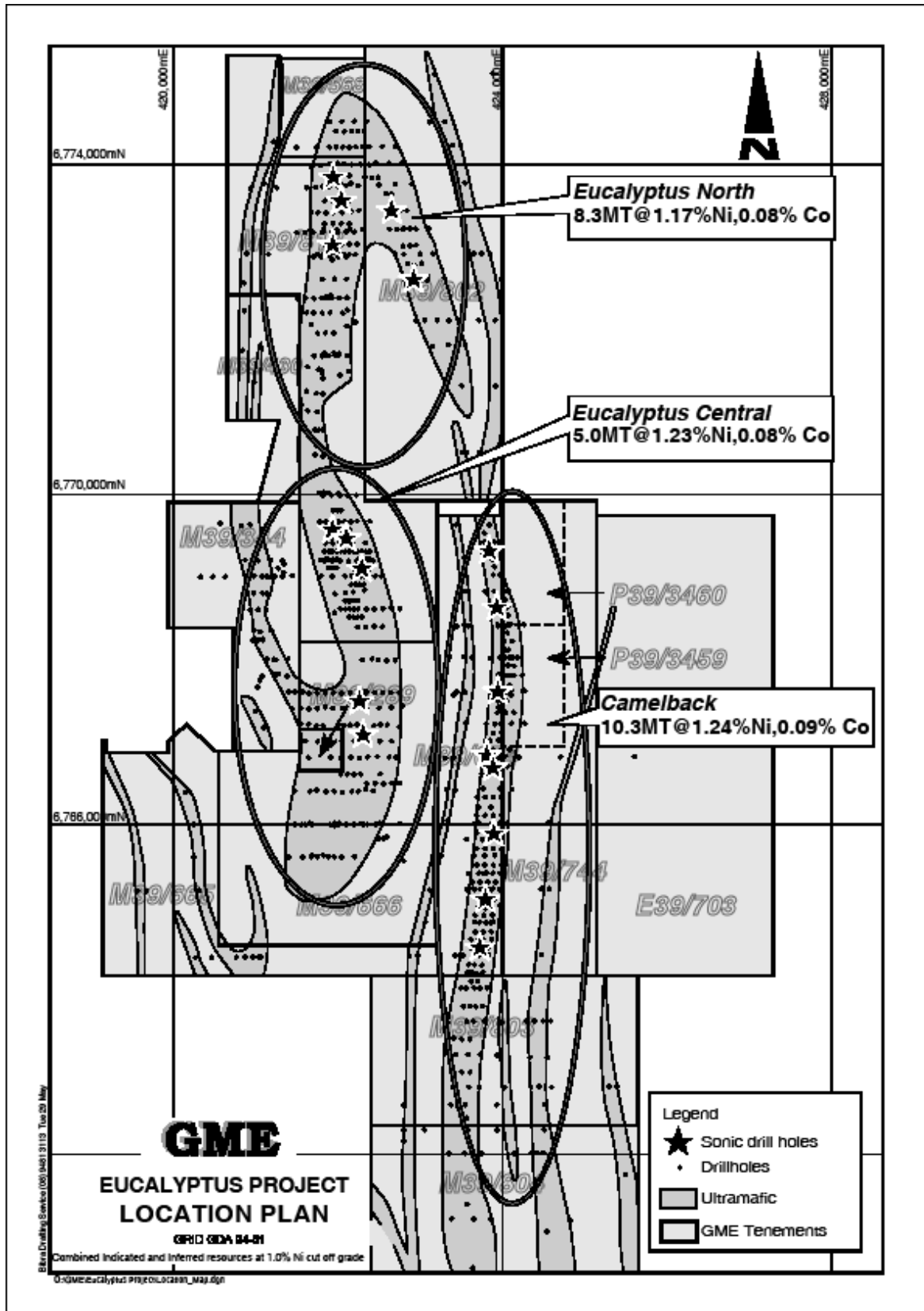
<b>MKC0351</b>	<b>20 metres averaging 1.67%Nickel and 0.06% Cobalt</b>
<b>MKC0355</b>	<b>26 metres averaging 1.44%Nickel and 0.07% Cobalt</b>
<b>MKCO357</b>	<b>27 metres averaging 1.36%Nickel and 0.10 Cobalt</b>
<b>MKCO434</b>	<b>21 metres averaging 1.57% Nickel and 0.10% Cobalt</b>
<b>MKCO441</b>	<b>31 metres averaging 1. 37%Nickel and 0.06% Cobalt</b>
<b>MKCO484</b>	<b>37 metres averaging 1. 27%Nickel and 0.06% Cobalt</b>
<b>MKCO487</b>	<b>41 metres averaging 1.35%Nickel and 0.06% Cobalt</b>

## **Eucalyptus Project**

The infill RC drilling program designed for the Eucalyptus project has now been completed. The majority of the 218 hole program were focused on the Camelback resource where continuous high grade mineralisation (+1.2% Ni) has been defined over a five kilometre strike length. The program included re drilling of all historical RAB and Aircore holes as well as increasing infill lateral drill hole density to 50 metres on 100 metres line spacing. Results from the infill drilling are in line with previous results and confirm that the near surface mineralized horizon is continuous over the entire strike with an average lateral width of approximately 150 metres.

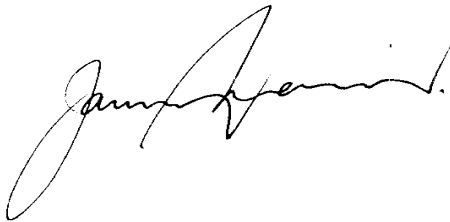
Eighteen Sonic drill holes were completed to produce core sections of the 1% Nickel envelope over all of the defined resources at the Eucalyptus project. The core from the Sonic program which is in the process of being logged and cut will be used to make up a new series of column tests. The following plan of the Eucalyptus project shows the location of the recent Sonic hole program. Highlights from the program are listed below.

<b>EBCO425</b>	<b>36 metres averaging 1.16% Nickel and 0.061% Cobalt</b>
<b>EBCO466</b>	<b>34 metres averaging 1.15% Nickel and 0.06% Cobalt</b>
<b>EBCO469</b>	<b>30 metres averaging 1.38% Nickel and 0.05% Cobalt</b>
<b>EBCO535</b>	<b>34 metres averaging 1.58% Nickel and 0.11% Cobalt</b>



The 600 hole reverse circulation drilling program, which is the largest undertaken by the Company, is progressing as expected and is scheduled to be completed by mid June. Results from the drilling will be used to recalculate upgraded resources at the respective project areas.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jamie Sullivan', written in a cursive style.

**Jamie Sullivan**  
**Managing Director**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Bill Hill and Mr Steve Geortz who are members of The Australasian Institute of Mining and Metallurgy. Mr Hill is self employed and consults to the Company as and when required, Mr Hill has sufficient experience, which is relevant to the style of mineralization 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 Mineral Resources and Ore Reserves. Mr Hill and Mr Geortz consent to the inclusion in the report of the matters based on information provided in the form and context in which it appears.

## APPENDIX 1 May 2007 Drill Results

1% Nickel cut off

**HEPI PROJECT**

Hole	Easting	Northing	From	To	Interval	Ni %	Co %
HPC143	382320	6806755	11	19	8	1.49	0.12
HPC149	382414	6806656	15	18	3	1.17	0.09
HPC150	382382	6806660	18	21	3	1.27	0.04
HPC151	382341	6806651	12	26	14	1.64	0.08
HPC152	382295	6806654	15	21	6	1.12	0.10
HPC153	382239	6806657	8	12	4	1.10	0.06
HPC154	382202	6806657	10	13	3	1.11	0.13
HPC155	382227	6806715	9	14	5	1.13	0.14
HPC156	382272	6806708	11	14	3	1.08	0.11
HPC157	382312	6806712	16	21	5	1.34	0.10
HPC158	382351	6806710	11	14	3	1.01	0.09
HPC159	382172	6806601	17	24	7	1.28	0.14
HPC160	382207	6806595	12	20	8	1.22	0.07
HPC161	382260	6806602	7	20	13	1.27	0.10
HPC162	382308	6806605	12	22	10	1.61	0.11
HPC163	382357	6806603	15	23	9	1.41	0.05
HPC165	382465	6806606	10	20	10	1.01	0.03
HPC166	382393	6806561	12	24	12	1.97	0.13
HPC167	382333	6806563	16	31	15	2.09	0.06
HPC168	382276	6806554	7	28	21	2.45	0.09
HPC169	382233	6806533	14	23	9	2.15	0.07
HPC170	382176	6806545	17	24	7	1.11	0.15
HPC172	382198	6806500	14	28	14	1.56	0.08
HPC173	382253	6806500	16	20	4	1.15	0.16
HPC173	382198	6806500	14	28	14	1.56	0.08

**EUCALYPTUS PROJECT**

Hole	Easting	Northing	From	To	Interval	Ni %	Co %
EBC0414	421096	6768260	20	32	12	1.19	0.05
EBC0420	422290	6767103	7	16	9	1.29	0.08
EBC0421	422264	6767094	11	15	4	1.29	0.12
EBC0421	422264	6767094	17	20	3	1.08	0.06
EBC0422	422232	6767296	19	22	3	1.20	0.08
EBC0423	422175	6767287	19	26	7	1.26	0.09
EBC0424	422139	6767298	19	26	7	1.24	0.07
EBC0425	422257	6767500	3	39	36	1.16	0.07
EBC0426	422231	6767509	19	25	6	1.37	0.16
EBC0441	423826	6770797	3	6	3	1.07	0.02
EBC0441	423826	6770797	14	18	4	1.09	0.04
EBC0447	423774	6770405	22	28	6	0.98	0.12
EBC0450	423784	6770100	20	25	5	1.18	0.09
EBC0461	423887	6769022	3	7	4	1.05	0.03
EBC0462	423933	6769027	3	12	9	1.35	0.04
EBC0464	423943	6768826	1	12	11	1.18	0.07
EBC0466	424918	6768732	14	48	34	1.15	0.06

EBC0467	423945	6768725	30	46	16	1.30	0.08
EBC0468	423982	6768714	5	24	19	1.22	0.04
EBC0469	423935	6768637	9	39	30	1.39	0.05
EBC0472	424030	6768529	1	9	8	1.24	0.04
EBC0472	424030	6768529	14	18	4	1.05	0.03
EBC0478	423991	6767916	20	26	6	1.17	0.05
EBC0479	423995	6767810	20	26	6	1.37	0.16
EBC0481	424027	6767702	30	36	6	1.54	0.21
EBC0482	423940	6767699	11	23	12	1.41	0.13
EBC0484	423940	6767608	20	30	10	1.45	0.17
EBC0485	424004	6767501	15	24	9	1.05	0.09
EBC0490	424042	6767230	14	18	4	1.15	0.05
EBC0491	423978	6767236	11	17	6	1.25	0.12
EBC0492	423911	6767218	12	16	4	1.24	0.13
EBC0494	423938	6767103	12	21	9	1.24	0.04
EBC0495	424011	6767111	7	18	11	1.28	0.08
EBC0497	423938	6767040	12	21	9	1.29	0.08
EBC0498	424007	6767023	13	19	6	1.31	0.08
EBC0499	424043	6766915	15	24	9	1.36	0.06
EBC0500	423935	6766904	14	25	11	1.45	0.04
EBC0502	423922	6766828	13	23	10	1.25	0.07
EBC0503	423808	6766834	2	10	8	0.95	0.02
EBC0504	423822	6766721	11	19	8	1.16	0.07
EBC0505	423919	6766708	18	28	10	1.40	0.11
EBC0506	423757	6766614	4	9	5	1.15	0.04
EBC0507	423807	6766619	14	24	10	1.35	0.06
EBC0508	423848	6766615	8	18	10	1.35	0.07
EBC0509	423904	6766618	8	17	9	1.66	0.10
EBC0510	423961	6766613	11	16	5	1.37	0.07
EBC0514	423877	6766426	5	10	5	1.30	0.07
EBC0515	423765	6766430	11	15	4	1.24	0.06
EBC0516	423722	6766425	5	15	10	1.02	0.04
EBC0518	423924	6766274	2	8	6	1.25	0.03
EBC0519	423752	6766330	14	21	7	1.12	0.04
EBC0520	423865	6766213	5	15	10	1.37	0.10
EBC0521	423910	6766214	5	10	5	1.02	0.07
EBC0522	423761	6766210	8	13	5	1.18	0.15
EBC0525	423739	6766111	1	14	13	1.17	0.07
EBC0526	423857	6766110	10	16	6	1.27	0.12
EBC0534	423939	6765908	4	18	14	1.21	0.09
EBC0535	423843	6765912	17	45	28	1.58	0.11
EBC0536	423746	6765908	9	26	17	1.16	0.06
EBC0537	423691	6765820	4	9	5	1.02	0.07
EBC0538	423763	6765822	12	23	11	1.51	0.07
EBC0539	423869	6765822	15	21	6	1.22	0.05
EBC0539	423869	6765822	31	40	9	1.35	0.02
EBC0541	423743	6765714	21	39	18	1.51	0.08
EBC0542	423841	6765710	13	23	10	1.56	0.06
EBC0543	423654	6765632	15	23	8	1.30	0.19
EBC0544	423737	6765631	17	30	13	1.39	0.11
EBC0545	423857	6765627	22	32	10	1.08	0.06
EBC0546	423926	6765624	12	23	11	1.34	0.19

EBC0550	423833	6765508	13	18	5	1.32	0.11
EBC0553	423665	6765306	12	14	2	1.12	0.49
EBC0559	423880	6765227	9	12	3	1.07	0.10
EBC0561	423753	6765104	8	16	8	1.07	0.05
EBC0563	423749	6765000	9	15	6	1.10	0.04
EBC0570	423729	6764701	9	14	5	1.39	0.06
EBC0575	423658	6764609	2	9	7	1.11	0.14
EBC0577	423767	6764507	7	14	7	1.11	0.06
EBC0578	423677	6764497	30	36	6	1.26	0.05
EBC0580	423601	6764420	16	21	5	1.23	0.05
EBC0581	423675	6764431	18	31	13	1.08	0.05
EBC0582	423723	6764418	11	16	5	1.05	0.08
EBC0583	423832	6764424	1	6	5	1.10	0.04
EBC0585	423629	6764305	28	33	5	1.05	0.02
EBC0586	423696	6764301	20	26	6	1.00	0.07
EBC0587	423789	6764298	1	7	6	1.00	0.04
EBC0590	423767	6764215	5	12	7	1.29	0.03

**MT KILKENNY PROJECT**

MKC0305	383499	6787751	47	55	8	1.53	0.12
MKC0306	383599	6787747	51	60	9	1.22	0.09
MKC0311	383820	6785851	18	34	16	1.15	0.09
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MKC0315	383916	6785956	41	48	7	1.26	0.09
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MKC0321	383909	6786050	31	47	16	1.36	0.06
MKC0322	383812	6786053	30	42	12	1.10	0.08
MKC0328	383525	6786157	26	31	5	1.12	0.09
MKC0330	383719	6786168	23	32	9	1.44	0.12
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MKC0341	383934	6785798	39	46	7	1.61	0.13
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MKC0349	384046	6783904	16	26	10	1.58	0.10
MKC0350	383948	6783908	16	20	4	1.02	0.04
MKC0351	384025	6783807	8	28	20	1.67	0.09
MKC0352	383985	6783811	6	35	29	1.27	0.05
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MKC0361	383835	6785805	21	46	25	1.06	0.08
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MKC0369	383813	6785702	15	36	21	1.06	0.04
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MKC0399	383690	6785105	10	31	21	1.33	0.08
MKC0400	383739	6785106	15	23	8	1.65	0.17
MKC0410	383740	6784805	8	26	18	1.19	0.05
MKC0414	383689	6784907	19	37	18	1.25	0.04
MKC0415	383737	6784904	17	35	18	1.34	0.10
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MKC0420	383740	6785004	18	28	10	1.60	0.08
MKC0421	383688	6785005	21	25	4	1.13	0.04
MKC0423	384017	6784504	10	23	13	1.04	0.04
MKC0424	383967	6784507	3	9	6	1.41	0.19
MKC0434	383987	6784400	4	25	21	1.57	0.10
MKC0435	383928	6784407	22	44	22	1.50	0.13
MKC0438	383570	6784406	12	23	11	1.32	0.25
MKC0441	383905	6784302	12	43	31	1.37	0.09
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MKC0446	383542	6784205	10	26	16	1.14	0.08
MKC0447	383531	6784195	20	38	18	1.12	0.12
MKC0450	383865	6784201	1	8	7	1.10	0.15
MKC0455	384025	6784107	5	10	5	1.13	0.04
MKC0458	383524	6784103	14	28	14	1.45	0.13
MKC0459	383463	6784105	9	17	8	1.17	0.06
MKC0460	383420	6784107	2	8	6	1.03	0.03
MKC0461	383364	6784004	10	12	2	1.14	0.06
MKC0461	383364	6784004	20	30	10	1.01	0.03
MKC0462	383421	6784006	9	27	18	1.16	0.08
MKC0463	383459	6784005	12	24	12	1.09	0.05
MKC0466	383738	6784007	19	23	4	1.16	0.11
MKC0466	383738	6784007	26	30	4	1.30	0.11
MKC0468	383836	6784007	13	33	20	1.22	0.09
MKC0468	383836	6784007	36	40	4	1.02	0.04
MKC0470	383848	6783902	13	22	9	1.49	0.15
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MKC0473	383692	6783907	1	21	20	1.19	0.12
MKC0484	383639	6783109	3	40	37	1.27	0.07
MKC0487	383792	6783104	0	41	41	1.34	0.03

MKC0489	383691	6782999	6	13	7	1.00	0.04
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MKC0496	383503	6782906	1	10	9	1.05	0.04
MKC0497	383903	6782905	0	28	28	1.27	0.06
MKC0498	383988	6782802	1	3	2	1.07	0.05
MKC0498	383988	6782802	8	21	13	1.32	0.04

**NIWEST NICKEL LATERITE PROJECT PLAN**

