ASX Release **22 April 2009**

Joint Venture Update

Australian exploration company Graynic Metals Limited (ASX: GYN) (Graynic) advises that following the recent agreement to enter into a Farm-In with Canadian company Nichromet Extractions Inc (Nichromet), notification has been received from Nichromet that they consider the Binding Term Sheet (Term Sheet) in relation to the Farm-In Agreement to have expired due to the inability of certain Conditions Precedent to have been met and are seeking to nullify the agreement.

In line with the Term Sheet Graynic had previously advised Nichromet that the Conditions Precedent contained within the Term Sheet had been waived. Graynic considers that the Conditions Precedent are capable of being waived solely by Graynic notwithstanding that they may not be capable of being satisfied.

Accordingly, Graynic reiterates and confirms its legal position that the Conditions Precedent have been effectively waived by Graynic and that the Terms Sheet is operative and binding upon both parties.

Graynic will now refer the matter to an independent expert in accordance with the dispute resolution procedure set out in the Term Sheet.

Graynic has reserved all legal rights in relation to the above and will continue to update the market in relation to this matter.

ENDS

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