



ASX Release
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MAJOR CONDUCTOR TARGET OPEN DOWN PLUNGE AT EMU LAKE

Jubilee Mines (now Xstrata Nickel) has completed six diamond drill holes in the current programme at the Binti Gossan Zone to test extensions of previously intersected high grade nickel sulphide mineralisation. Results received to date, including previously reported drill hole ELD27, are summarised as follows:

Hole Number	Collar Coordinates (local)		From m	To m	Interval m	Grade		
	E	N				Ni%	Cu%	PGE g/t
ELD27	50440	48500	480.89	482.52	1.63	1.62	0.97	na
		including	481.65	482.52	0.87	2.45	1.73	na
			485.90	488.40	2.50	1.11	0.07	na
ELD28	50300	48450				nsr	nsr	na
ELD29*	50441	48500	551.05	551.55	0.50	3.76	0.23	na
ELD30	50422	48450	513.00	513.44	0.44	1.33	0.07	na
ELD31A	50353	48392				na	na	na
ELD37	50450	48550	465.08	465.50	0.42	1.37	0.89	na
			466.56	467.38	0.82	1.13	0.07	na
			476.83	477.00	0.17	3.84	0.91	na
			478.43	478.58	0.15	2.37	0.03	na

Holes drilled on grid azimuth approx 270°, dip -60° unless otherwise shown

* dip -67° nsr – no significant result na – assays not yet available

The drilling has confirmed the presence of nickel sulphide mineralisation on the basal ultramafic contact in four out of six holes in the current programme as shown in the longitudinal projection in Figure 1 and the cross section in Figure 2. The best intersections include **0.87m @ 2.45% Ni, 1.73%Cu in ELD27; 0.5m @ 3.76% Ni, 0.23% Cu in ELD29 and 0.17m @ 3.84% Ni, 0.91% Cu in ELD37**. Platinum-group element (PGE) results have yet to be received. In addition, narrow high-grade nickel sulphide mineralisation previously intersected at the base of what appears to be a stratigraphically higher ultramafic remains open down plunge.

Down-hole electromagnetic (DHEM) surveys have now confirmed the presence of off-hole DHEM conductors in all six of the recently complete holes as shown in Figure 1. **Significantly, the DHEM conductors from drill holes ELD27, ELD29, ELD39 and ELD37 align on a 30° south-plunging trend between these drill holes over a distance of at least 150m, open down plunge.** The position of this zone of conductors is also shown in Figure 2. Drilling of this attractive target is scheduled to commence at the end of March.

The combination of ore-grade nickel sulphide intersections and associated coherent DHEM anomalies at the Binti Gossan Zone continues to support the view that a significant nickel sulphide system may exist at Emu Lake.

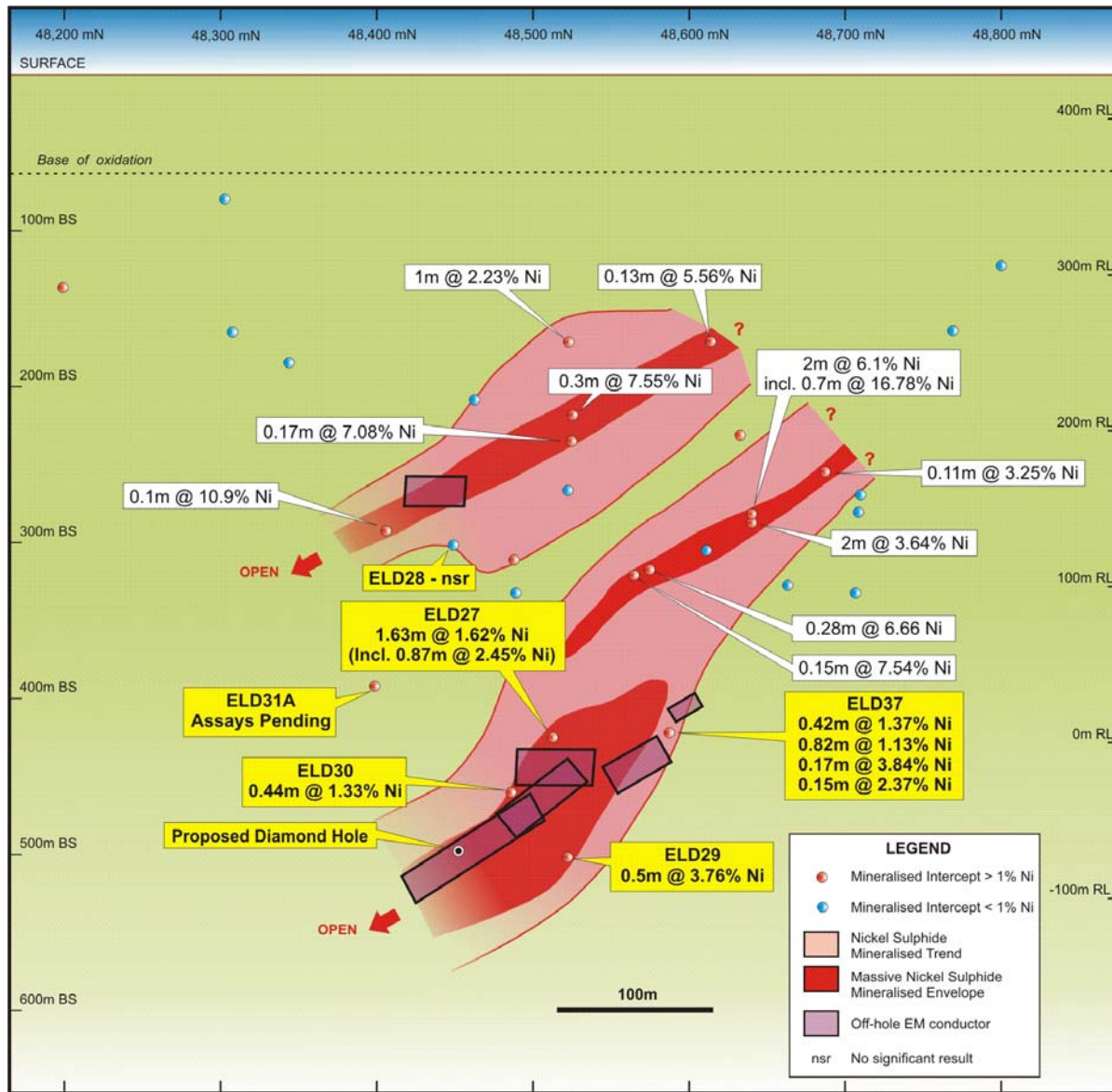


Figure 1
Binti Gossan Zone – Longitudinal Projection

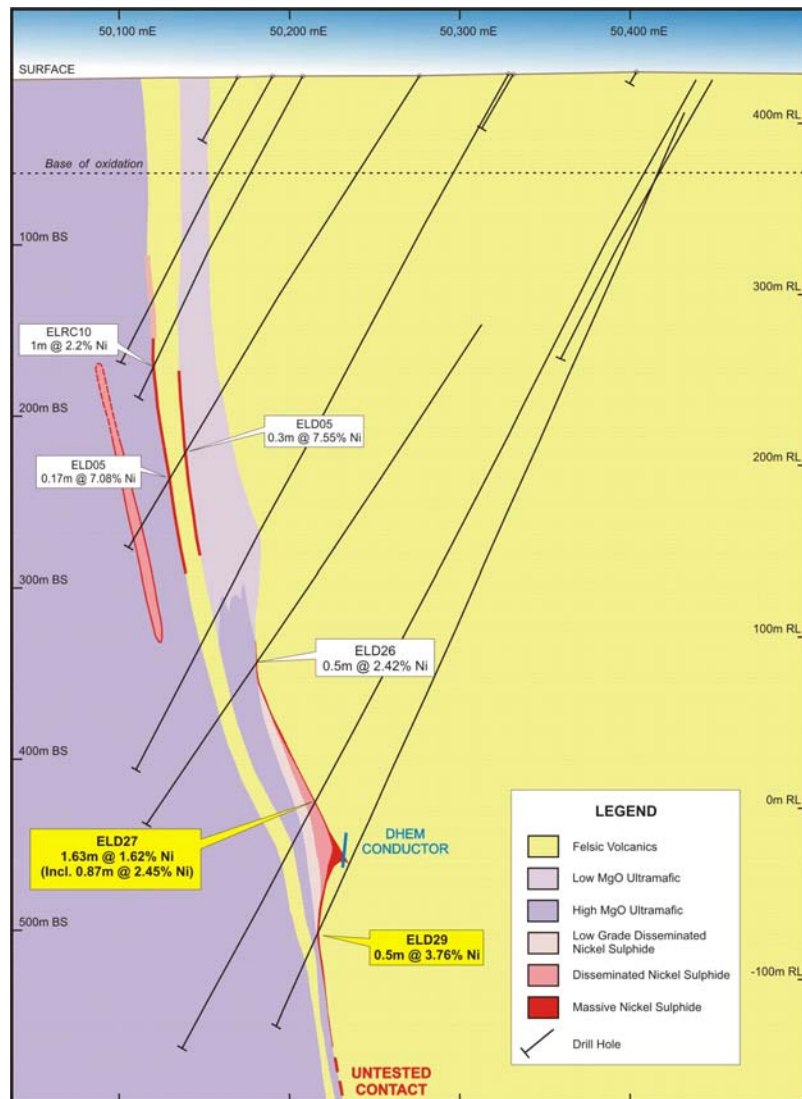


Figure 2
Binti Gossan Zone – Section 48525N

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The information in this report that relates to exploration results is based on information compiled or reviewed by Roger Thomson BSc, ARSM, MAusIMM, who is a Member of the Australian Institute of Geoscientists. Roger Thomson is a consultant to Emu Nickel NL. Roger Thomson 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Thomson consents to the inclusion of this information in the form and context in which it appears in this report.