HALCYON GROUP LTD

ABN 13 083 072 420

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HIGH PRIORITY NICKEL SULPHIDE TARGET REQUIRES FURTHER FOLLOW-UP

The Directors of Halcyon Group Ltd (ASX:HCY) are pleased to announce that the recent drill testing of the Company's off-hole conductor at the Bardoc Project intersected sulphides with assays of up to 0.1% copper. A down-hole electromagnetic (DHEM) survey of the drill hole has returned a stronger off-hole response than the previous conductor. **The company regards this as an extension of the high priority nickel sulphide target and drilling to test this zone has already commenced.**

The follow-up drill hole will be adjacent to the last line of the original ground transient electromagnetic (TEM) coverage on this part of the basal contact, in which there is an EM anomaly that is still open along strike for 1.1 kilometres.

The TEM survey over the entire 13kms of the basal contact with the **"B-Field" probe will commence today and will initially focus on the area currently being drilled.** This survey will see an additional 34 line kilometres of TEM coverage, which is more than double that of the previously survey, significantly increasing the chance of a nickel sulphide discovery. Upon completion of the TEM program the results are likely to generate new targets that will be ready to drill test in late February.

The results from the current drill program and the planned geophysical survey will be made available at the earliest opportunity.

This work is part of the recently formed joint venture, where by Minara Resources Limited (ASX:MRE) are earning up to 70% of the nickel rights to the Bardoc Project through the expenditure of 2.7 million dollars.

Kind regards
HALCYON GROUP LIMITED

Andrew Radonjic
EXECUTIVE DIRECTOR