



HALCYON GROUP LTD

ABN 13 085 672 426

Monday, 16 May 2005

Ref: 606058

Company Announcements Office
Australian Stock Exchange Limited
Level 4 Exchange Centre
20 Bridge Street
Sydney NSW 2000

HIGHEST GRADE NICKEL SULPHIDE INTERSECTIONS TO DATE AT BARDOC

The Directors of Halcyon Group Ltd (ASX:HCY) are pleased to announce that the Company has intersected the highest grade nickel sulphide mineralisation to date at the Bardoc Project. The latest results show that the Western Zone has the potential to hold economic grade intersections with **4 metres @ 0.7%Ni & 0.1%Cu (maximum value of 0.8%Ni) from 152 metres down hole** which is further supported by an **adjacent strong off-hole conductor that may represent massive sulphides**. Drilling which is due to re-commence in 2-3 weeks time will **test this new priority target first**.

Western Zone

In the final results from the 3 holes drilled into the Western Zone the following intersections were returned:

- 3m @ 0.2%Ni from 149 metres, **4m @ 0.7%Ni & 0.1%Cu from 152 metres** and 3m @ 0.3%Cu from 162 metres down hole (see attached plan and section).
- 1m @ 0.3%Ni from 99 metres down hole (second hole drilled).

Results from the Down-Hole Electromagnetic (DHEM) survey of the Western Zone drilling indicates **two strong off-hole conductors**, both above the mineralisation intersected in their respective drill holes.

These conductive bodies may potentially represent higher grade massive sulphides and are new priority targets to be tested first at the start of the next drill program due to commence later this month.

Number One Target Area on the Basal Contact

In the 3 holes drilled into the Number One Target Area only one hole has intersected the target zone, of the two others one requires a diamond core extension (due next month) and the other will need to be re-drilled. The down hole electromagnetic (DHEM) survey of the two holes is yet to be completed.

The drilling has shown that this area contains the geological setting that most resembles that which hosts the Scotia Nickel Deposit (~35,000 tonnes of Nickel Metal).



HALCYON GROUP LTD

ABN 13 085 672 426

Target Generation

The new ground transient electromagnetic (TEM) survey at Bardoc is still in-progress and is due for completion shortly. Once the results are fully evaluated then an update will be announced.

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 A\$2.7 million.

Kind regards

HALCYON GROUP LIMITED

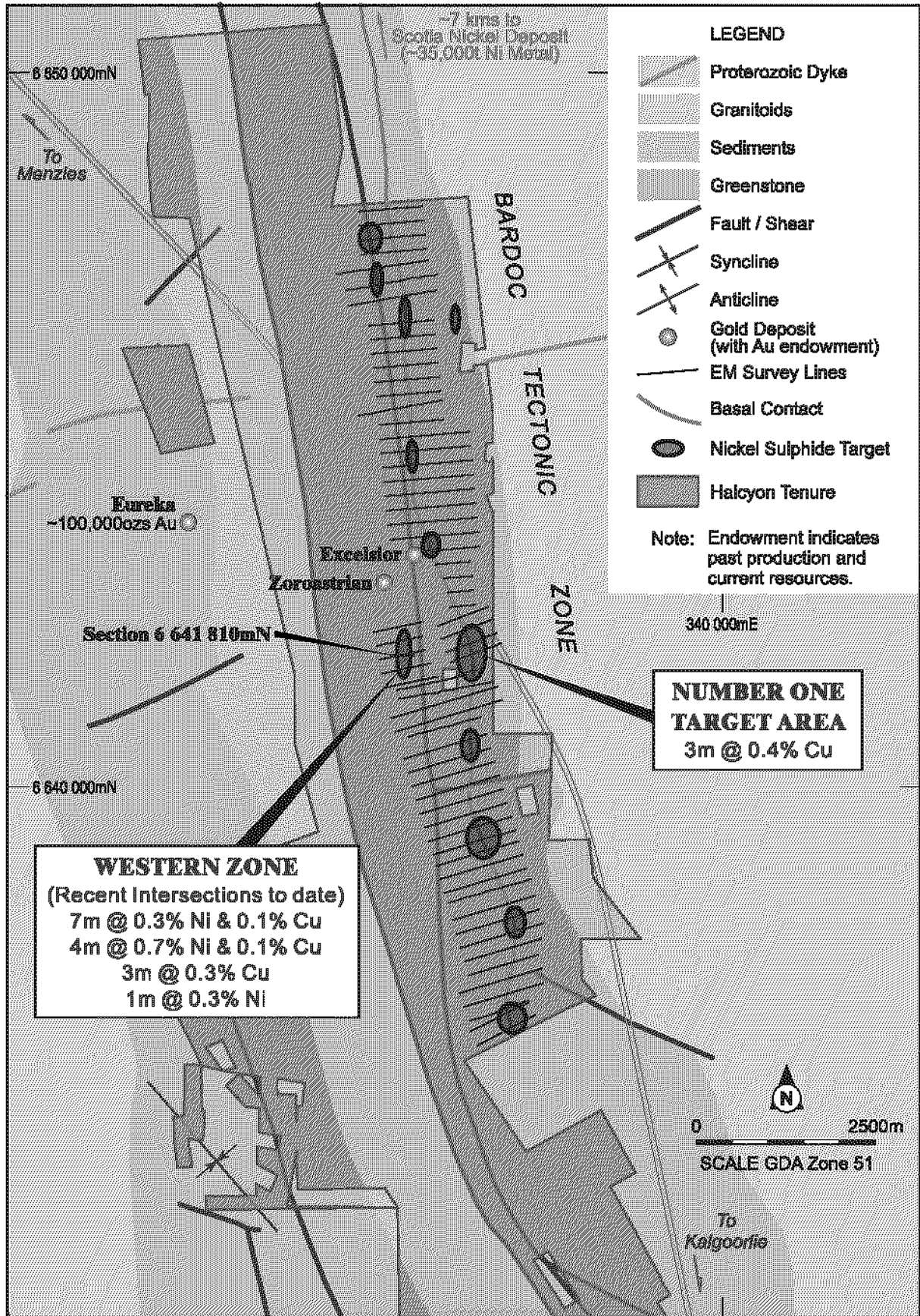
Andrew Radonjic

MANAGING DIRECTOR

Information in this report pertaining to exploration results was compiled by Mr A Radonjic who is a Member of the Aus.I.M.M. with not less than 5 years experience in the relevant fields, and who consents to the report appearing in the form and context in which it appears.

HALCYON GROUP LIMITED

SIMPLIFIED GEOLOGY, TENEMENTS AND RECENT DRILL INTERSECTIONS



 HALCYON GROUP LIMITED
BARDOC WESTERN ZONE CROSS SECTION 6 641 810mN

