



HALCYON GROUP LTD

ABN 13 085 672 426

Tuesday, 12 July 2005

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Australian Stock Exchange Limited
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Sydney NSW 2000

NICKEL EXPLORATION CONTINUES TO MOVE FORWARD AT BARDOC

The Directors of Halcyon Group Ltd (ASX:HCY) are pleased to announce that the Company has achieved another milestone on its way to making a Nickel Sulphide discovery at Bardoc through its latest round of exploration results.

Assays in excess of 1% Ni were achieved over 2 metres with **veins of massive nickel sulphide** containing violarite/pentlandite being intersected. This was further supported by a **strong down-dip off-hole conductor** that may represent **greater widths of massive sulphides**. Drilling of this priority target has **already** commenced with **results due shortly**.

Western Zone

Results from the 2 holes drilled into the Western Zone to test the off-hole conductors, above the mineralisation intersected previously returned the following intersections (see attached sections):

HOLE No.	Northing AMG(m)	Easting AMG(m)	Depth From(m)	Interval	Nickel Grade	Copper Grade
HNIC027	6641810	335342	57	15m	0.2%	
		including	63	2m	0.3%	
			78	5m	0.2%	
			104	4m	0.4%	0.1%
			114	5m		0.5%
		including	115	1m		0.8%
HNIC028	6641610	335354	150	2m	1.05%	0.12%
		including	150	1m	1.21%	0.13%
			153	1m	0.3%	
			155	1m	0.3%	
			158	1m	0.4%	0.1%
			167	5m	0.2%	0.1%

NB: All RC intersections are derived from 1 metre samples that have been riffled split down to 2-3kgs and are analysed by fire assay. The holes were designed at -60° towards AMG East.



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The new ground transient electromagnetic (TEM) survey identified a large strong anomaly that coincided with the Western Zone mineralisation but only deeper. This was confirmed on section 6641610mN by the more recent Down-Hole Electromagnetic (DHEM) surveys which sits in-line with the current interpretation and may indicate higher grade massive sulphides at depth.

Remaining Drill Targets

A further 4 holes have been completed with one into the Number One Target Area and the other three holes having tested TEM targets. Results will be announced upon completion.

Target Generation

Three new additional TEM targets have been generated by the interpretation of the recently completed survey, this now brings the total number of Nickel Sulphide Drill Target Areas to sixteen (refer to plan).

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\$3.1 million.

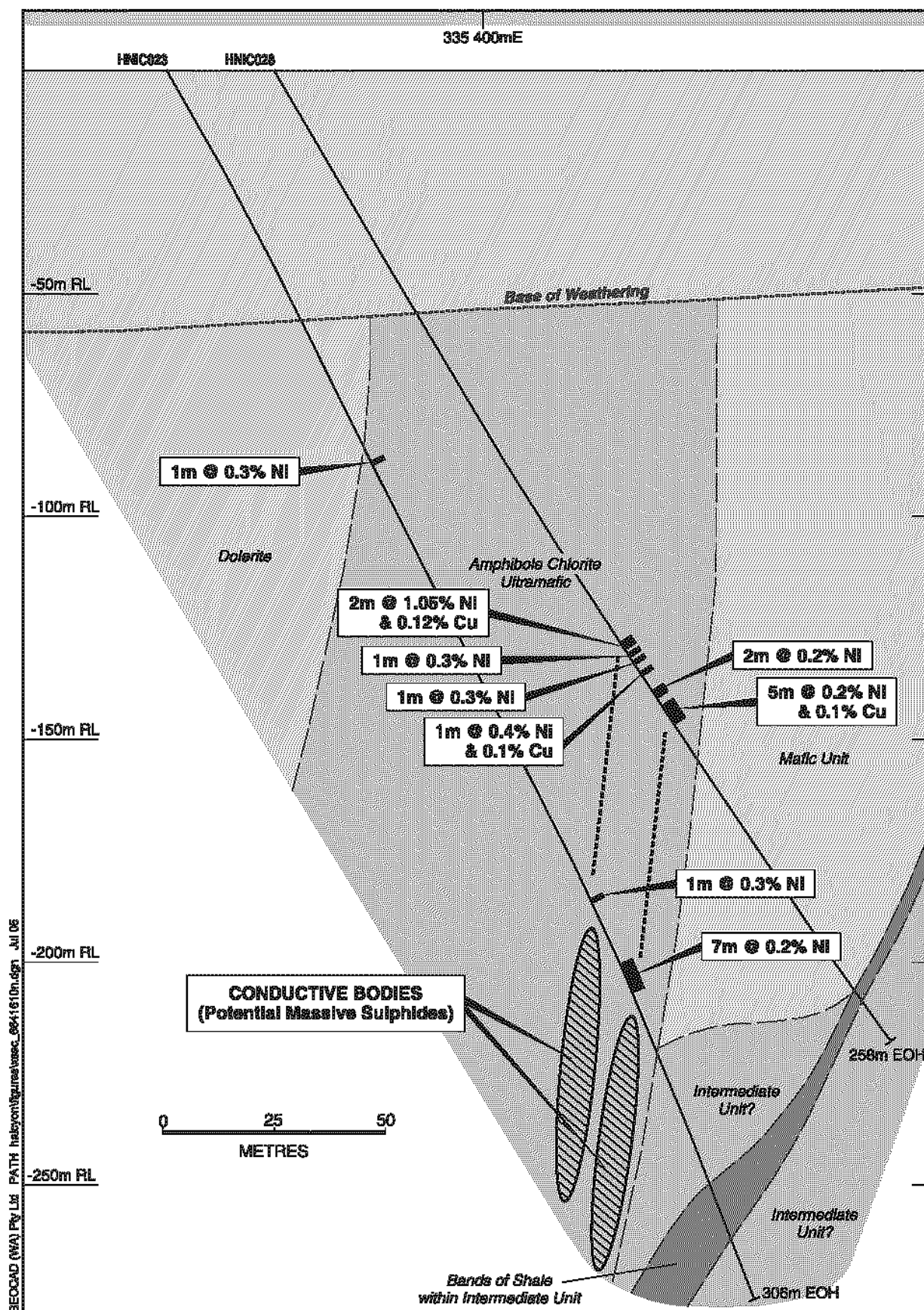
Kind regards

HALCYON GROUP LIMITED

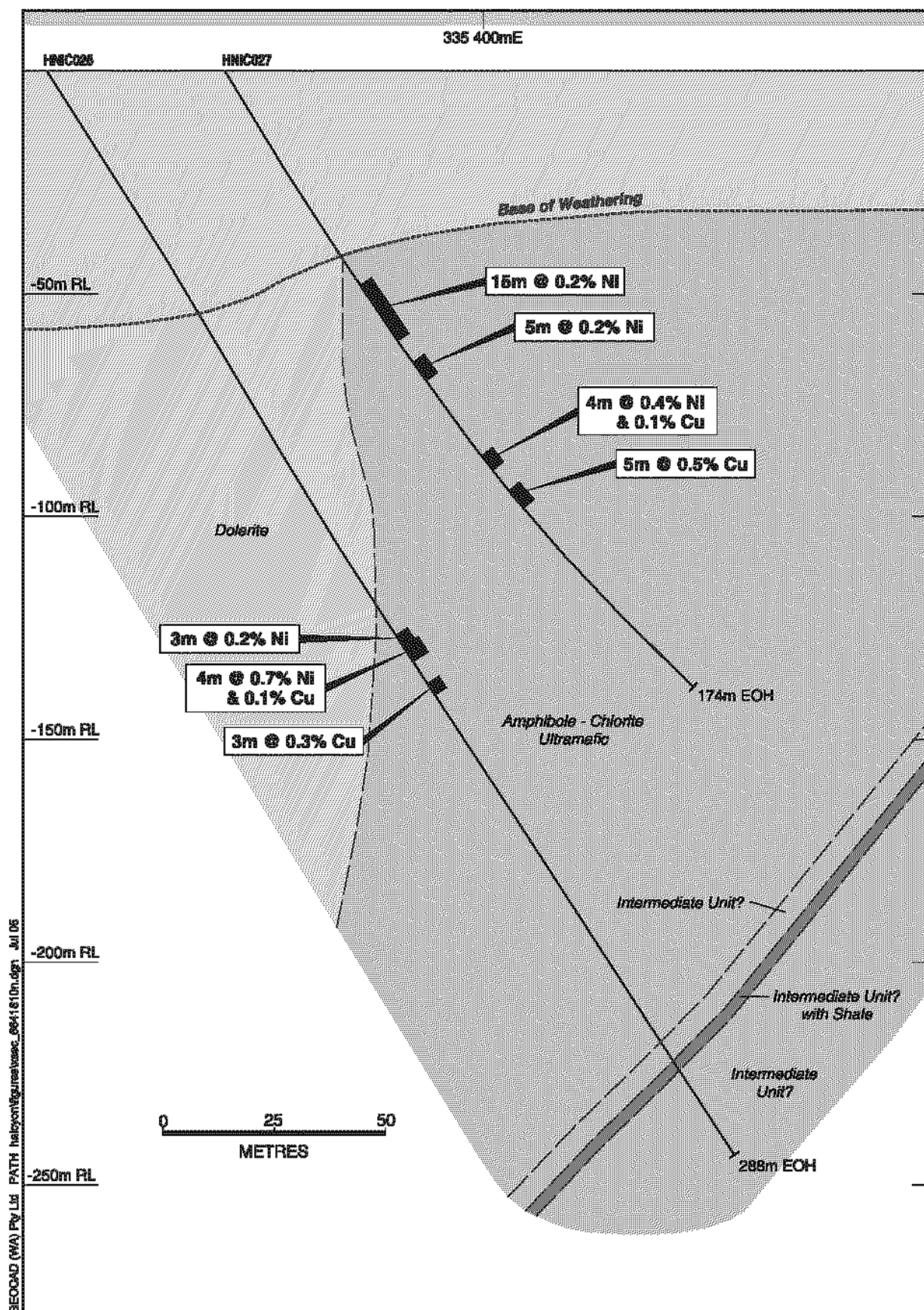
Andrew Radonjic
MANAGING DIRECTOR

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
BARDOC WESTERN ZONE CROSS SECTION 6 641 610mN



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



SIMPLIFIED GEOLOGY, TENEMENTS AND RECENT DRILL INTERSECTIONS

