Jubilee Mines N.L.

Our Ref: 6-A-3

24 January 2004

The Manager
Companies Announcement Office
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

www.asxonline.com

Dear Sir

RE: JUBILEE ACQUIRES STRATEGIC INTEREST IN FALCON MINERALS

We enclose herewith a copy of an announcement in relation to the above.

Yours faithfully

KERRY HARMANIS
Executive Chairman

Encl.

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JUBILEE ACQUIRES STRATEGIC INTEREST IN FALCON MINERALS

ACQUISITION PROVIDES EXPOSURE TO EXCITING COLLURABBIE NICKEL SULPHIDE DISCOVERY

Jubilee Mines NL (ASX: **JBM**) has moved to consolidate its growth strategy in nickel sulphides in Western Australia, today announcing an agreement to acquire a strategic interest in ASX-listed explorer Falcon Minerals Limited (ASX: **FCN**) – giving it exposure to the exciting **Collurabbie** nickel-copper-PGE discovery.

Under the agreement, Jubilee will acquire a total of nearly 20 million shares held by Falcon's Directors and associated parties giving it a 16% shareholding to become Falcon's largest shareholder. Jubilee's Executive Chairman, Kerry Harmanis, and Chief Financial Officer, Gary Lethridge, will join the Falcon Board, while Falcon's Managing Director, Richard Diermajer, and Ray Muskett, will remain as executives. Tony Rechner has agreed to step down from his position as a director.

The consideration payable to acquire the shares will be 50 cents cash and 0.1389 Jubilee shares for every Falcon share acquired. This equates to a total transaction value of approximately $22.98 million or $1.15 per Falcon share acquired. The cash component of $9.99 million will be funded from Jubilee's internal cash resources. The scrip component will result in the issue of approximately 2.77 million new Jubilee shares.

Falcon's key asset is a 30% interest in the Collurabbie Project (in joint venture with WMC Resources Limited), which is interpreted to be a new nickel sulphide province in Western Australia. The mineralisation style and metal association at Collurabbie is regarded as unique in WA. Falcon also hold a 20% free carried interest in adjacent tenements to the south and east of Collurabbie in joint venture with Newmont Mining (62%) and Regis Resources (18%) where it is interpreted that the identified trend continues.

Jubilee's Executive Chairman, Kerry Harmanis, said the acquisition of a significant interest in Falcon Minerals represented a strategic growth opportunity for Jubilee in a new nickel sulphide province outside of its current core areas within the Leinster-Mt Keith nickel belt based around its highly successful Cosmos Project.

"We have been reviewing many opportunities to complement our ongoing and successful organic growth strategy and the Collurabbie area is of strong interest to us as a potentially world-class exploration play currently in its formative stages," Mr Harmanis said. "The type of nickel mineralisation identified is attractive in that it includes relatively high levels of copper and platinum group elements (PGE's) and has strong potential to deliver large scale, long life mines."

"At Cosmos, we have discovered a number of new high-grade massive sulphide deposits over the past 12 months at prospects such as Alec Mairs and Prospero, which are currently the subject of intense exploration activity," he said. "Falcon Minerals has an attractive portfolio of exploration interests for gold and base metals throughout Australia which complements our existing activities."

"Jubilee will bring nickel exploration and mining expertise to Falcon, as well as financial strength that could assist Falcon to maximise its exposure to and participation in the continued emergence of the Collurabbie Project," he added.

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Located approximately 160 kilometres east-north-east of WMC's Mt Keith Nickel Mine and Jubilee's Cosmos Operations, the Collurabbie Project covers over 500 square kilometres of the northern extension of the Gerry Well Greenstone Belt. Exploration drilling by WMC has also intersected disseminated sulphide mineralisation over 7 kilometres of strike immediately to the north of the Collurabbie Joint Venture area.

Falcon first announced the discovery of nickel, copper and platinum group elements in sulphides at Collurabbie in August 2004 following an initial round of RC and diamond drilling along the Olympia zone. Initial results included 8 metres @ 1.23% nickel, 1.62% copper and 3.84 g/t of PGE's from 57 metres depth. Subsequent drilling has returned further encouraging results including 5.77 metres @ 3.0% nickel, 1.95% copper and 5.55 g/t of PGE's from 279 metres, 8.0 metres @ 1.23% nickel, 1.62% copper and 4.24 g/t of PGE's, 12.86 metres @ 1.33% nickel, 0.95% copper and 2.75 g/t of PGE's and 1.9 metres @ 3.65% nickel, 2.8% copper and 7.28 g/t PGE's.

WMC has publicly reported that aircore drilling has intersected nickel-copper-PGE mineralisation on the Collurabbie Joint Venture ground over an 8 kilometre strike length, with intensive exploration currently underway to test the southern 5 kilometres of this trend.

Mr Harmanis said Jubilee was looking forward to working closely with the Falcon Minerals team and with its joint venture partner WMC Resources to facilitate the rapid advancement of the Collurabbie Project.

- ENDS -

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