



Nickel Australia Limited

NICKEL AUSTRALIA IN EXPLORATION AGREEMENT WITH HANNANS REWARD ON QUEEN VICTORIA ROCK PROJECT

Released 22nd February 2005

DETAILS OF THE AGREEMENT

Nickel Australia Ltd (ASX: **NKL**) is pleased to announce that it has entered into an agreement with Hannans Reward NL (Hannans) whereby Hannans has granted to Nickel Australia the sole and exclusive right to undertake an exploration program on the Queen Victoria Rock (QVR) project in Western Australia.

In consideration for Nickel Australia implementing and funding this exploration program, Hannans has agreed to negotiate exclusively with Nickel Australia in relation to a potential joint venture over the QVR tenements.

The exploration program will comprise three diamond drill holes designed to test the three downhole electromagnetic (DHEM) conductors identified by previous exploration. Each hole will specifically target one of the conductor anomalies and DHEM surveys will be undertaken in each hole.

QUEEN VICTORIA ROCK PROJECT

The QVR project is located about 40km southwest of Coolgardie. It comprises four granted Prospecting Licences containing 474 hectares surrounded by two Exploration Licence Applications covering approximately 234km².

Hannans, through their consultants Newexco Services, have previously completed surface electromagnetic surveys, diamond drilling and DHEM surveys. Results have been promising with several strong electromagnetic conductors and zones of anomalous nickel sulphide mineralisation identified.

In particular, their most recent exploration program successfully identified three significant off-hole conductors that Hannans considers may represent massive nickel sulphides. Nickel Australia will model these geophysical anomalies and then test each one with a diamond drill hole. The drilling will be undertaken in April.

- END -

Released by:
Jan Hope / Nicholas Read
Jan Hope & Partners
Telephone: +61 8 9388 1474

On behalf of:
Mr Tony Rovira
Managing Director
Nickel Australia Limited
Telephone: +61 8 9481 2555

The information in this report that relates to Exploration Results is based on information compiled by Mr Tony Rovira, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Rovira is a full-time employee of Nickel Australia Ltd. Mr Rovira 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 for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Rovira consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Nickel Australia Limited

