



ABN 52 007 626 575

17 September 2009

The Manager

Company Announcements

Australian Stock Exchange

Level 10, 20 Bond Street

SYDNEY NSW 2000

NEW NICKEL/COBALT PROSPECT – SUMMERVALE, NSW – EL 7281

Dear Sir,

Following the interesting nickel intersections reported on 25 June 2009, the Company has drilled a further 36 air-core drill holes for a cumulative 2154 metres. This work was completed on 11 September 2009.

It is anticipated that receipt of assay results will be much quicker this time following a change to the assay technique from ICP to XRF. This new technique should also, we are told, be more accurate. Shareholders will be promptly advised in the usual way of any significant assay results.

The Summervale prospect is a new discovery by the Company which now seeks, in general terms, nickel grades in laterite at 1% nickel or better. Nickel grades of less than 1% are unlikely to reach development stage pending a metallurgical breakthrough of the type that Jervois seeks with its Canadian consortium. This work is on-going as advised previously.

By Order of the Board

A handwritten signature in black ink that reads "D.C. Purcell".

DUNCAN C. PURSELL

MANAGING DIRECTOR

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by D.C. Pursell who is a Member of the Australasian Institute of Mining and Metallurgy. D.C. Pursell 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'. D.C. Pursell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.