



**ACCLAIM EXPLORATION NL**

ABN 99 009 076 233

23 March 2005

The Announcements Officer  
Company Announcements Office  
Australian Stock Exchange Limited  
SYDNEY NSW 2000

Dear Sir / Madam

Metals Exploration Limited Group ("Metals Ex") and Acclaim Exploration NL ("Acclaim") advise that they have entered into the following farm-in arrangements over Acclaim's nickel interests in the Musgrave Ranges of South Australia and Western Australia:

**Wingellina- Farm In**

- ◆ Metals Ex to earn up to an 80% interest in the Wingellina tenements and property rights (on the basis that Acclaim is non-contributing) by meeting all exploration and development expenditure until a Bankable Feasibility Study on the Wingellina Project or such other mineral development project on the titles is completed.
- ◆ Metals Ex cannot withdraw from this obligation until it has expended \$2.5 million on the project, including the initial \$1 million payment.
- ◆ Metals Ex undertakes to spend a minimum of A\$750,000 per annum on exploration and development on the Wingellina tenements.
- ◆ Should Metals Ex spend a total of \$5.25m on the Wingellina Project without completing a Bankable Feasibility study Metals Ex will have earned a 51% interest in the Wingellina tenements and a formal Joint Venture will be formed with Metals Ex holding a 51% interest and Acclaim a 49% interest.
- ◆ On completion of documentation, Metals Ex will pay Acclaim \$1 million to acquire the existing technical and geological information held by Acclaim.

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### **Claude Hills- Farm In**

- ◆ Metals Ex to earn up to an 80% interest in the Claude Hills tenements and property rights (on the basis that Acclaim is non-contributing) by meeting all exploration and development expenditure until a Bankable Feasibility Study on the Claude Hills Project or such other mineral development project on the titles is completed.
- ◆ Metals Ex cannot withdraw from this obligation until it has expended \$1 million on the project, including the initial \$250,000 million payment.
- ◆ Metals Ex undertakes to spend a minimum of A\$250,000 per annum on exploration and development on the Claude Hills tenements.
- ◆ Should Metals Ex spend a total of \$1.75m on the Claude Hills Project without completing a Bankable Feasibility study Metals Ex will have earned a 51% interest in the Claude Hills tenements and a formal Joint Venture will be formed with Metals Ex holding a 51% interest and Acclaim a 49% interest.
- ◆ On completion of documentation, Metals Ex will pay Acclaim \$250,000 to acquire the existing technical and geological information held by Acclaim.

### **Wingellina - Technical**

The Wingellina Project is Australia's largest and one of the World's largest undeveloped nickel oxide deposits. Acclaim have previously announced an Identified Mineral Resource estimate of 226.9 million tonnes at 1% Ni, 0.07% Co and 30.1% Fe at a 0.5% cut-off grade classified as per the following table:

#### **Wingellina - Identified Mineral Resource Estimate at 0.5% Cut-Off**

Measured	32,149,000 tonnes at 1.0% Ni, 0.08% Co and 33.5% Fe
Indicated	113,496,000 tonnes at 1.0% Ni, 0.08% Co and 31.6% Fe
Inferred	81,261,000 tonnes at 1.0% Ni, 0.06% Co and 26.8% Fe
<b>Total</b>	<b><u>226,905,000 tonnes at 1.0% Ni, 0.07% Co and 30.1% Fe</u></b>

At a higher cut-off grade of 1% Ni, Acclaim have estimated the total Identified Mineral Resource estimate to be 86 Million tonnes at 1.2% Ni and 0.08% Co.

The total in-situ value of Nickel and Cobalt at Wingellina at current metal prices is approximately 50 billion Australian dollars.

Metals Ex believes there is significant potential to increase the size of the Wingellina nickel oxide resources.

The geochemistry of Wingellina's nickel oxide mineralisation differs significantly from that of other Australian nickel laterite deposits. It is closer in chemistry to the large nickel oxide deposits of New Caledonia. Nickel oxide mineralisation at Wingellina occurs in limonitic (top 100m) and saprolitic laterites, the former representing approximately 55% of the resource.

The limonitic laterite has a much lower MgO and lower clay content (and hence silica). As a result, processing of Wingellina ore would consume lower volumes of acid, and due to lower consequential viscosities would be capable of being processed at a faster rate by Pressure Acid Leach techniques. Metallurgical tests carried out in 2002 showed that recoveries of up to 95% Ni are obtainable from both limonitic and saprolitic ores. Further, test-work completed in 2002 on saprolitic ores showed that recoveries of approximately 80% were achievable from atmospheric leaching of slurry and or saprolite agglomerates.

Metals Ex will be reviewing the Acclaim datasets with a view to advancing the project to a feasibility study in the ensuing years.

### **Claude Hills EL2777- Technical**

The Claude Hills Project area covers the easterly extension of the Wingellina layered intrusion and basement gneiss. Bedrock geochemistry at Wingellina suggests that sulphides may have formed in the melt prior to formation of the layered intrusion and there is a possibility that sulphides may have accumulated in trap sites in feeder dykes or irregularities in the floor of the layered intrusion.

Metals Ex believes that if magmatic sulphide concentrations have formed then potential feeder zones occurring as mafic dykes within the basement gneiss and the interpreted basal contact of the layered intrusives within the Claude Hills tenure is a likely place.

Recently collated aeromagnetic, radiometric and geochemical data collected by Acclaim re-enforce this view.

Metals Ex will review and process all data collected to date and plans to follow up existing anomalies with more geochemistry and electro-geophysical prospecting.

Acclaim also advises that Mr Donald Thomson has resigned as a director.

Enquiries:

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Warren Hallam	Managing Director – Metals Exploration Ltd
Craig Willis	Director – Acclaim Exploration NL