



25 November 2005

The Listing Manager
Australian Stock Exchange
2 The Esplanade
Perth WA 6000

Dear Sir/Madam,

Re: Hinckley Range Pty Ltd and Austral Nickel Pty Ltd (Wingellina and Claude Hill Exploration projects)

The Directors of Metals Exploration Limited ("Metals Ex") advise that they have reached agreement to buy their joint venture partner, Acclaim Exploration Ltd ("Acclaim") out of their entire interests in Hinckley Range Pty Ltd and Austral Nickel Pty Ltd. The acquisition price is \$5 million in cash and 4.5 million fully paid ordinary shares in Metals Exploration Limited.

Hinckley Range Pty Ltd is the holding company of the Wingellina Project, the subject of a farm-in JV between Metals Ex and Acclaim as previously announced on March 23, 2005. Metals Ex commenced a 20,000 metre RC drilling program at Wingellina in August 2005 and is continuing with that program.

Austral Nickel Pty Ltd is the holding company of the Claude Hills Project, also the subject of a farm-in agreement between Metals Ex and Acclaim.

Metals Exploration Ltd Chairman, Peter Cook said " the consolidation of ownership of the Wingellina Project through Hinckley Range Pty Ltd is a major milestone that will make the continued exploration and any future development simpler. Wingellina is a world class nickel oxide accumulation hosted within ultramafic intrusives injections of a major layered intrusive complex. The Claude Hills project holds extensions of the same stratigraphy and more importantly up to 40 line kilometres of basal contact of the intrusion which has potential to host Nickel sulphides and platenoids, and the majority of which is unexplored. Together, these projects will form part of a major nickel oxide and nickel sulphide exploration push by Metals Ex."

The offer is subject to shareholder approval by Acclaim. Metals Ex has agreed to advance the cash payment of \$5million to Acclaim in return for first ranking fixed and floating charges over the shares in and assets of Hinckley Range and Austral Nickel. Should the transaction not be completed within 90 days after date of advance, the funds will be immediately repayable with interest at 10% payable from the date of advance.

Until such time that this transaction is completed, the current farm-in agreements between Metex Nickel Pty Ltd and the two holding companies will subsist.

Yours faithfully
Metals Exploration Limited

Peter Cook
Chairman