



# *Jubilee Mines N.L.*

Our Ref: 6-A-3

22 July 2005

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

[www.asxonline.com](http://www.asxonline.com)

Dear Sir

In accordance with ASX listing rule 3B(5) we lodge a copy of the Company's Quarterly Report for the period ended 30 June 2005, together with a "Letter to Shareholders" which will be mailed to all shareholders.

Yours sincerely

A handwritten signature in black ink, appearing to read "Kerry Harmanis". The signature is fluid and cursive, with a large loop at the end.

**KERRY HARMANIS**  
Executive Chairman



# *Jubilee Mines N.L.*

## **LETTER TO SHAREHOLDERS**

Dear Shareholders

The June 2005 quarter ended another good year for the company in all areas.

### **COSMOS PROJECT**

Operationally, the Cosmos Project achieved solid results. Our mining and operating team handled a number of challenges extremely well, with contained nickel production for the year exceeding 11,000 tonnes.

Our nickel recoveries were 96.4%, with plant availability an excellent 96.5%.

### **EXPLORATION**

The announcement of the initial Prospero resource, and the recent upgrade of this, was the exploration highlight of the year. The announced resource of 1,060,000 tonnes @ 5.72% nickel for 60,600 contained nickel tonnes has provided the Company with an extended mine life and a second feeder source near to the Cosmos Deeps - Alec Mairs complex and concentrator facility. It is interesting to calculate the in-ground value of the announced Prospero resource at current nickel prices is in excess of one billion dollars. Prospero was discovered less than 12 months ago, and this gives testament to the tremendous value and future potential of our exploration ground with its uniquely high grade nickel occurring over a widespread area. It also gives comfort to the success of our strategy of primarily focusing on organic growth through exploration on our main project area at Cosmos and surrounds. Prospero is expected to grow further with ongoing drilling, as it is still open in most directions with drilling proceeding.

Additionally, the recent announcement of the discovery of high grade massive nickel sulphides at Anomaly 4 above and offset to Prospero is a very exciting development, as it is near the path of the planned Prospero decline albeit nearer to surface, and will provide access to a potential new ore body early in development.

We have planned our Prospero box-cut and decline development to commence in late July, and await only permitting approvals to proceed.

At Cosmos - Alec Mairs surface and underground drilling is proceeding with a view to better understanding the complexities in this area outside of the main orebody. Our geologists have been particularly encouraged with the area between Alec Mairs proper, and the geological contact to the south which ultimately leads to Prospero – Anomaly 4, approximately 4km to the south. Results from this area, known as Alec 2, have returned high grade nickel of up to 17% and include one intersection of 6.32m @ 3.8% nickel. In fact, most drill holes into this zone have returned some nickel results and these, together with the requirement for enhanced ventilation and access for this overall area, have led to the decision to develop a new decline past Alec Mairs to a position behind Alec 2 and the lower portions of Anomaly 1, enabling us to fully drill test these areas and provide future access for mining.

At Bannockburn, we recently consolidated our interests to 100% and are now proceeding to drill test a number of promising targets.



# *Jubilee Mines N.L.*

At Acra - Emu Lake, our geologists are very encouraged by our initial results and are proceeding with ongoing drilling at the Jubilee and Acra target areas. Our immediate plan has been to initially gain a better understanding of the geological setting, both locally and along the 140km project strike length, to better focus on ongoing drilling programs. During the next few months we intend to carry our further diamond drilling at the Emu Lake area 30km north of Acra where previous high grade nickel results have been returned.

## **FINANCIAL/CORPORATE**

Based upon continuing high nickel prices and good operational performance, the Company is now set for another strong financial result for the 2005 financial year. We await completion of the audit process for final results. Our cash at bank and receivables at 30 June 2005 total almost \$132 million. Consistent with our focus on providing returns to our shareholders, Jubilee again is likely to declare and pay a generous dividend during August/September 2005.

Again, I would like to thank all our personnel, contractors and consultants for the excellent efforts they have contributed.

A handwritten signature in black ink, appearing to read 'Kerry Harmanis', with a large, stylized flourish at the end.

**KERRY HARMANIS**  
*Executive Chairman*

22 July 2005



**JUBILEE MINES NL  
QUARTERLY REPORT  
FOR THE PERIOD ENDED JUNE 30, 2005**

**HIGHLIGHTS**

***Cosmos Nickel Operations***

- Continued sound operational performance.
- Head grade increased to 6.2% Ni in this quarter from 5.2% Ni in the March quarter.
- Contained nickel production for the financial year to 30 June 2005 of in excess of 11,000 tonnes.

***Development***

- Continuation of the Prospero bankable feasibility study including development planning and seeking of necessary statutory approvals.
- Commencement of a new exploration decline from the bottom of the Cosmos Deepes infrastructure to the bottom of the known Alec Mairs orebody and beyond to provide future development access to Alec Mairs and drill platforms for near mine underground exploration of both high grade targets and the Anomaly 1 deposit.
- Ongoing studies undertaken with regard to the assessment of the Anomaly 1 deposit.

***Exploration***

- Announcement of initial Inferred Resource for the Prospero deposit and subsequent upgrades (currently 1,060,000 tonnes @ 5.72% nickel for 60,600 tonnes of contained nickel).
- Discovery, subsequent to the quarter, of a new mineralised zone at Anomaly 4, 200 metres up-dip from the Prospero deposit.

***Financial / Corporate***

- Continued strong financial position with cash at bank and receivables totalling nearly \$132 million at 30 June 2005.
- One shipment of nickel concentrate was dispatched to Inco Limited during the quarter with another shipment taking place in early July.
- Completion of joint venture restructure at the Bannockburn Project, with Jubilee now holding a 100% interest in the prospective nickel tenements.
- Agreement to partially underwrite the exercise of Falcon Minerals Limited's 30 June 2005 options.



## OPERATIONS

The Cosmos Nickel Mine is located approximately 450 kilometres north of Kalgoorlie in Western Australia and is wholly owned by Jubilee Mines N.L. The mine produces nickel in concentrate which is sold to Inco Limited and is traditionally one of the lowest cost nickel sulphide producers in the world. The Cosmos region is proving to be a substantial nickel sulphide region with four high grade and one low grade nickel sulphide deposits being identified and discovered by Jubilee Mines through exploration over the past eight years.

### Cosmos Operations

Operations across the site were steady during the quarter, with all areas of the site operating according to plan which completed another year of sound performance where in excess of 11,000 tonnes of contained nickel was produced.

There was no development of either the Ilias decline or the Alec Mairs decline during the quarter, however at the end of June, preparations were in hand to commence development of the Alec Mairs Lower Exploration Decline (see Project Development section).

Ore for the quarter was sourced from the 9895 and 9870 cut and fill stopes, 9970 B lode and 9945 north and south stopes. At the end of June, mined ore stocks have been increased to enable blending of ore feeds for optimum metallurgical treatment.

Cemented aggregate fill (CAF) was placed in the 9945 north stope, with cemented rock fill being placed in the 9895 stope during the quarter. Both mining and fill programmes have proceeded as planned throughout the quarter, with CAF being delivered by a combination of the CAF hole and truck placement.

The treatment plant again demonstrated good mechanical reliability and performed steadily throughout the quarter. The average mill feed for the quarter improved to 6.20% nickel, while metallurgical recovery for the quarter improved slightly to 96.4%. Plant availability was 96.5% for the quarter, compared to the design point of 91.3%.

Key Performance Indicators for the quarter are as follows:

	June Quarter	Project to Date
Ore Mined (tonnes)	53,664	759,815
Nickel Grade	5.74%	7.99%
Plant Feed (tonnes)	44,515	747,210
Nickel Grade	6.20%	8.03%
Nickel Recovery	96.4%	95.7%
Concentrate Produced (dmt)	13,517	299,081
Plant Availability	96.5%	96.2%
Shipped Concentrate (dmt)	9,097	296,684

There was one shipment during the quarter, totalling 9,097dmt with a further shipment of 5,705 dmt taking place shortly after the end of the quarter on 6 July 2005.



### **Safety**

There were no Lost Time Injuries recorded during the quarter. There were 2 Restricted Work Injuries and 1 Medical Treatment Injury across the site during the quarter. Safety awareness continues to be at the forefront of management initiatives, and is believed to be paying a significant part in the reduced frequency of serious injuries.

The site's 12-month LTIFR has reduced to 2.1 while the MTIFR has slightly decreased during the quarter to 16.6.

### **Environment**

There were two meetings of the site's environmental steering committee during the quarter, with several initiatives being adopted to further increase people's awareness of their environment and to further enhance our environmental management. The environmental steering committee consists of people from each area of the site operation.

Water recovery bores have been installed at strategic points around the evaporation cells to maintain groundwater at the desired levels. This is part of an ongoing groundwater management plan and a part of our environmental commitment.

## **PROJECT DEVELOPMENT**

### **Prospero**

There was significant activity during the quarter in order to progress both the permitting of Prospero and the feasibility study for the project.

Two clearing permits were submitted to the Department of Environment (DoE) the first for clearing of the box-cut and associated waste dump, laydown area and service corridor, the second for all other components of the project including Tailings Storage Facilities (TSF), evaporation ponds and ventilation and secondary egress shafts.

During the quarter, RC drilling was undertaken to determine a suitable site for the location of a box-cut in which to locate the portal for the decline. These holes were subsequently used to assess the hydrogeological characteristics of the box-cut and provide samples for determination of Acid Mine Drainage (AMD) potential. The samples were all determined to be Non-Acid Forming (NAF).

A contract for the development of the box-cut has been let to MinePower with development expected to commence in late July subject to the receipt of all necessary approvals.

Geotechnical holes were drilled along the path of the proposed decline route to establish the ground conditions likely to be encountered during decline development. These holes, together with all of the Prospero exploration holes have been packer tested to determine the hydrogeological setting of the decline and proposed mine.

Also during the quarter, metallurgical testwork was undertaken on samples of drill core. This suggests that metallurgical performance of the Prospero ore is likely to be similar to that of Cosmos Deeps. Testwork on a larger sample is in progress and will also be used to establish the physical characteristics of the concentrate and tailings.

A preliminary design for a TSF to contain the Prospero tailings has been undertaken based on extending and joining the existing storage facilities.



Site investigations were also undertaken for the location of additional evaporation ponds.

Preliminary investigations were undertaken during the quarter to review the on-site power generating capacity and electrical distribution to supply the new mine.

Orders were placed for additional accommodation for the Cosmos village to accommodate the increased workforce required to develop the Prospero deposit.

Subject to the issue of all necessary permits, development of the decline will commence upon completion of the box-cut in late September.

### **Alec Mairs**

During the quarter it was decided to develop a Lower Exploration Decline from stockpile 24 on the Ilias decline.

The location of the decline was selected to pass close to the base of the known Alec Mairs mineralisation; it will then extend approximately 500 metres further south to a point coincident with a higher grade intersection in Anomaly 1 (BJD078 67m @ 0.75% including 30m @ 1.1% and 9m @ 1.8%). The decline will also facilitate underground exploration drilling below the known Alec Mairs deposit, the area nearby known as "Alec 2" and the lower parts of the Anomaly 1 deposit.

The intended drilling of the Anomaly 1 deposit at depth is focused on increasing the size of this resource and also determining if the deposit increases in grade with depth. In the medium term, the decline will enable access to the bottom of the Alec Mairs orebody to allow mining of the deposit and the development of a shaft to connect the upper and lower declines and provide through ventilation.

Development of the decline will commence in late July, with completion expected in early 2006. The total cost of this development is anticipated to be \$4.4 million.

### **Anomaly 1**

During the quarter, mining studies commenced on the Anomaly 1 resource and will continue into the September quarter.

In order to explore all of the technically feasible options for development of the Anomaly 1 deposit the company commenced testwork with a non-conventional technology supplier in May. Testwork was on-going at the end of the quarter.

## **FINANCIAL**

Cash at bank at June 30 2005, totalled \$92.3 million and receivables relating to nickel sales to Inco Limited, amounted to \$39.4 million, giving a total of \$131.7 million in short term liquid assets at quarter end. The Company remains debt free.

During the quarter, one shipment was dispatched from Esperance to Canada, No.34 with a load of 9,097 dry metric tonnes of nickel in concentrate. Also, final pricing on three shipments was determined during the quarter. At June 30, 2005, final pricing of two shipments remained outstanding.

Subsequent to quarter end, on the 6 July, shipment No.35 departed from Esperance with a load of 5,705 dry metric tonnes of nickel in concentrate. This shipment was expected to depart Esperance in late June; however events outside of the Company's control delayed this departure until early July. At 30 June 2005, Inco Limited had agreed to accept delivery of the concentrate attributable to



shipment No.35 in Esperance. Consequently, Jubilee has recorded the revenue attributable to this shipment of \$21.6 million in the 2005 financial year.

### Financial Statistics at June 30, 2005

<i>Revenue/Costs – A\$'000</i>	<b>June Quarter</b>	<b>Year to Date</b>
Sales Revenue	56,911	230,603
Mine Costs	21,146	72,311
Amortisation, Depreciation and Rehabilitation	5,625	21,133
Royalty	1,540	6,429
Administration – corporate (net)	1,536	1,621
Exploration	7,221	23,201
<i>Unit Costs – A\$/lb Payable Ni</i>	<b>June Quarter</b>	<b>Year to Date</b>
Mining	0.98	0.83
Milling	0.37	0.33
Administration	0.29	0.26
Transport	0.08	0.07
Smelting/Refining (net of by-product credits)	1.31	1.28
Royalty	0.26	0.25
Amortisation, Depreciation and Rehabilitation	1.02	0.92
Total	4.31	3.94

The June quarter saw a unit cash operating cost of A\$3.03/lb of payable nickel, representing a slight reduction over the unit operating costs recorded in the March quarter of A\$3.11/lb of payable nickel. The reduction is predominately as a consequence of an increase in average nickel head grade for the quarter compared to the March quarter.

Due to an anticipated lower head grade being achieved compared to that in the June quarter, the September quarter is expected to see a slight increase in unit cash operating costs.

### CORPORATE

The Company negotiated and completed a re-structure of the Bannockburn exploration project during the quarter. Following this re-structure Jubilee now holds 100% of the tenements considered prospective for nickel that were the subject of the previous joint venture with Breakaway Resources Ltd.

During the quarter, Jubilee agreed to partially underwrite the exercise of Falcon Minerals Limited's 30 June 2005 options. The shortfall attributable to Jubilee under the underwriting arrangement from the non-exercise of the options was a total of 33,395 shares at a cost of \$6,679.

### EXPLORATION

#### Summary

During the June quarter, Jubilee undertook extensive programs of exploration for nickel sulphide mineralisation across the 100% Jubilee-owned projects in the Cosmos region and at the Acra and Emu Lake Joint Venture Projects. In addition, a large program of gold exploration drilling was commenced in the Kathleen Valley area.





Programs consisted of surface and underground diamond drilling, reverse circulation drilling, aircore drilling, down hole electromagnetic (DHEM) surveys and geological mapping.

### **COSMOS PROJECT (Jubilee 100%)**

#### **Prospero**

The Prospero Deposit is located approximately 4.5 kilometres south of the Cosmos Mine on the strike extension of the prospective Cosmos ultramafic sequence (Figure 1). Over the past Quarter the Company has released a series of ASX announcements relating to the discovery of a significant high grade nickel sulphide resource at Prospero. The latest ASX announcement (14 July, 2005), reported an updated inferred resource of:

**Table (1) – Prospero Inferred Resource (as of 13<sup>th</sup> July, 2005)**

<b>Category</b>	<b>Tonnes</b>	<b>Grade (%)</b>	<b>Ni Metal (tonnes)</b>
Inferred	1,060,000	5.72	60,600

See Table (2) and Figure (2) for additional detail.

The mineralisation at Prospero typically consists of massive, massive-breccia and massive-stringer high tenor, nickel sulphides associated with a package of felsic volcanic rocks internal to the ultramafic sequence.

The mineralisation has been defined to date over a plunge extent of 260 metres and 250 metres down-dip (Figure 2). The entire zone remains open in most directions and the results of DHEM surveys continue to provide further support for extensions to the currently defined extent of the mineralisation. In particular, the wide, high grade intersection reported in BJD119c (15.6m @ 7.8% Ni, including 4.85m @ 15.2% Ni) may indicate the presence of a new thickened high grade area of mineralisation in the southern down-plunge position.

Drilling is continuing with 3 diamond rigs working on both step out drilling to extend the known boundaries of the mineralisation and infill drilling to increase confidence levels for resource classification.

#### **Anomaly 4**

Anomaly 4 lies on the same basal contact position that hosts the high grade massive nickel sulphide mineralisation at Cosmos, Alec Mairs and Prospero. The new zone of mineralisation is situated around 300 metres below surface and approximately 200 metres up-dip of the high grade massive sulphide mineralisation defined at Prospero (Figure 3).

As announced on 19 July 2005, follow-up drilling to test the prospective basal contact beneath a series of previously announced hanging wall intersections (BJD092; 4 metres @ 4.5% Ni and BJC094; 3 metres @ 1.1% Ni), has successfully intersected a new zone of high grade massive nickel sulphides in the targeted position.

Diamond drill hole VSD007 intersected a zone of massive and massive-breccia high tenor nickel sulphides on the contact between the footwall felsic volcanic rocks and the overlying ultramafic rocks. Results are summarised below (see Table 3 for details);

- **VSD007 2.4 metres @ 6.1% Ni**



A second diamond drill hole (BJD145) was drilled approximately 70 metres north of VSD007 and has intersected a 1.2 metre interval of massive nickel sulphides on the basal contact. Assays for this hole are awaited.

Subsequent DHEM surveys of VSD007 indicate that a significant conductor is associated with the mineralised intersection, whilst DHEM surveys are also currently underway on BJD145. When these drilling results are combined with a modelled DHEM conductor from drill hole BJD141, which is located approximately 140 metres away to the north west, it is clear that potential exists for a substantial body of massive nickel sulphides to be present in this position.

In order to assess this potential, follow-up drilling is currently underway with a dedicated diamond drill rig being utilised for this task.

This position is located close to the proposed path of the Prospero decline development, and, as such, could represent an early opportunity to access high grade nickel sulphide mineralisation.

#### Alec Mairs

The final phase of resource development drilling at Alec Mairs has been put on hold until the Lower Alec Mairs exploration decline is in place to provide improved drilling access.

#### Deeps Exploration

The Deeps Exploration program is focused on targets that have been defined in or near the immediate underground mine environment, and in general can be tested by underground diamond drilling and associated geophysical programs.

As reported last quarter this initiative is the result of an upgraded review and interpretation of all recent drilling in the mine environment. The outcome of this work is a series of highly prospective targets that are now being systematically tested.

The "Alec 2 Target" is located approximately 200 metres south of Alec Mairs (Figure 4). To test this position holes are being extended from the holes drilled as part of the Anomaly 1 resource drilling to test the prospective basal contact. A total of 5 holes have now been completed into this target and have defined an open ended mineralised zone that extends over 100 metres up and down dip and 70 metres along strike. Significant intersections include (see Table 4 for details):

- **BJDM 002**      **6.42 metres @ 3.8% Ni (includes 3.1 metres @ 7% Ni).**
- **BJDM001**      **1.12 metres @ 1.7% Ni**
- **BJDM001a**     **0.70 metres @ 17.3% Ni**
- **BJD050**        **0.10 metres @ 3.3% Ni**
- **BJD054**        **0.10 metres @ 5.9% Ni**

The drilling results and the supporting DHEM surveys indicate the presence of a strong mineralised system in this location. However, at this point in time the drilling is wide spaced and the continuity of the mineralisation has yet to be established. The current plan is to continue the program of wide spaced drilling from surface to determine the overall potential of the target area and, once the Alec Mairs lower decline is in place, undertake more detailed evaluation by underground drilling.

Underground diamond drilling has recently commenced testing the "44650N Target". This program is targeting a sub-vertical plunging structural corridor down dip from Cosmos Deeps, with a similar orientation to the Alec Mairs trend. Previous drilling has intersected 1m @ 8% Ni (JCD123) and 11m @ 1.42% Ni (including 2.53m @ 3.6% Ni (CME072)).



### North Cosmos

The North Cosmos target is located approximately 500 metres north of the Cosmos open pit and covers the interpreted northern extension of the West Cosmos ultramafic sequence (Figure 1). As previously reported, surface geochemical soil sampling has highlighted a strong anomaly in this position that is supported by a series of gossanous rock chip samples (peak value 4580ppm Ni and 693ppm Cu).

Initial testing involved the completion of 2 reverse circulation drill holes to test the interpreted basal contact position. The holes failed to intersect the contact indicating that the contact is locally overturned. Additional drilling and DHEM surveys are planned to fully test this target. The prospectivity of this position remains unchanged.

### Kathleen Valley - Gold

The Kathleen Valley gold project represents a large gold endowed area that has previously only been the subject of targeted drilling around historical gold workings (e.g. Mossbecker, Yellow Aster and Nils Desperandum). Evaluation of this area over the past year (including RC drilling, airborne magnetics, gravity and mapping) has confirmed the potential of the area due to its structural setting and the large size of the broader alteration system.

A drilling program of approximately 5,000 metres of reverse circulation has now been completed testing a series of targets away from the main gold resources over the Kathleen Valley (JBM 100%), Kathleen Valley JV (JBM 84% / Giralia 16%) and Mt Harris JV (JBM 70% / Giralia 30%) project areas. The results have confirmed the presence of a large alteration system typified by broad zones of silica-sericite-sulphide alteration, with sporadic, discontinuous quartz veining. The results are still being fully evaluated. A summary of significant results is provided in Table (5).

### **BANNOCKBURN NICKEL PROJECT (Jubilee 100%)**

Due to the reorganisation of the project ownership during the quarter (see Corporate section) no exploration activities were undertaken.

### **STURT MEADOWS NICKEL PROJECT (Jubilee 100%)**

Final evaluation of a series of moving and fixed loop electromagnetic (MLEM and FLEM) targets has now been completed and follow-up drilling programs planned. The conductors are modelled to be bedrock conductors of limited strike length located at the interpreted base of the ultramafic rock sequence and are coincident with a zone of nickel-copper geochemical anomalism identified in shallow reconnaissance drilling.

### **ACRA PROJECT (Jubilee earning 75% interest)**

Jubilee is currently earning a 75% interest in the Acra Project which is located approximately 75km north east of Kalgoorlie. The project provides a dominant ownership position over a 140km strike length of a highly prospective ultramafic sequence that has been demonstrated to host both high tenor massive and disseminated sulphides at a number of locations.

Exploration activities for the quarter included reverse circulation drilling, diamond drilling, surface EM surveys, down hole EM surveys and surface geochemistry.

A total of 5 diamond holes were completed at the Acra Prospect during the quarter. The holes were designed to target a prospective contact at depth and also to identify potential structural repeats of the prospective contact. These holes intersected multiple horizons of disseminated mineralisation within the ultramafic sequence and confirmed the opportunity for structural repeats of the interpreted basal contact to exist. The majority of the assay results are pending. All holes will be DHEM surveyed.



A total of 7 reverse circulation drill holes were completed for a total of 1,354 metres. This reconnaissance drilling in the Acra and Jubilee Prospect areas, was targeted at a series of geochemical and geophysical anomalies defined by earlier surveys. Although no significant nickel mineralisation was intersected, the drilling defined high-magnesian ultramafic rocks indicative of a potentially mineralised environment. In addition, a number of holes returned anomalous gold values over narrow intervals (best result was from JBRC001; 7 metres @ 1.33g/t Au from 34 metres).

In addition to the drilling, two MLEM surveys were completed at the Acra and Jubilee Prospects. Two significant anomalies were identified from these surveys, and subject to field checking and evaluation will be drill tested in the next quarter.

Programs of geological mapping and associated surface rock chip sampling were maintained during the quarter away from the main prospect areas.

**EMU LAKE JOINT VENTURE (Jubilee 60% / Image Resources 30% / Skryne 10%)**

Activity at the 60% owned Emu Lake nickel project 70km north east of Kalgoorlie during the quarter was limited to planning a series of deeper diamond holes to test for depth extensions of the massive nickel sulphide mineralisation identified in previous drilling. Pending the availability of drill rigs this work is anticipated to be completed by the end of 2005.



**Table (2) – Prospero Significant Drilling Intercepts**

Hole No	Northing	Easting	Dip	Az	From (m)	To (m)	Width (m)	Grade (Ni%)
<b>Previously Reported</b>								
BJD119c	6,940,480	261,600	-55	268	837	852.6	15.6	7.8
					<b>(Includes)</b>		<b>4.85</b>	<b>15.2</b>
BJD139a	6,940,540	261,290	-75	270	656.7	670.3	13.6	7.7
BJD139b	6,940,540	261,290	-75	270	624	627.5	3.5	2.5
BJD139c	6,940,540	261,290	-75	270	620.1	629	8.9	6.9
BJD132b	6,940,600	261560	-56	268	788.1	793.3	5.2	7.8
BJD132c	6,940,600	261560	-56	268	796.5	797.9	1.4	8.9
BJD112	6,940,640	261,380	-60	270	713.72	717.51	3.8	15.1
BJD112a	6,940,640	261,380	-60	270	683.80	684.20	0.8	13.5
					<b>(Includes)</b>		<b>0.4</b>	<b>19.7</b>
					706.30	717.60	11.3	10.7
BJD112c	6,940,640	261,380	-60	270	674.28	678.28	4.0	10.67
BJD112d	6,940,640	261,380	-60	270	684.15	714.7	30.5	7.6
					<b>(Includes)</b>		<b>8.75</b>	<b>12.4</b>
BJD0112e	6,940,640	261,380	-60	270	673.54	677.14	3.6	3.60
					696.97	701.67	4.7	4.48
BJD080a	6,940,640	261,320	-60	270	612.60	614.70	2.10	6.7
					<b>(Includes)</b>		<b>0.95</b>	<b>10.0</b>
BJD080b	6,940,640	261,320	-60	270	614.58	618.23	3.65	5.5
					<b>(Includes)</b>		<b>1.23</b>	<b>11.24</b>
BJD082	6,940,510	261,400	-60	270	624.53	625.15	0.60	4.0
					651.74	653.45	1.71	6.5
BJD082a	6,940,510	261,400	-60	270	629.84	632.81	2.97	7.85
					<b>(Includes)</b>		<b>1.40</b>	<b>12.5</b>
BJD082b	6,940,510	261,400	-60	270	633.40	638.01	4.60	9.2
					<b>(Includes)</b>		<b>2.0</b>	<b>12.4</b>
BJD082c	6,940,510	261,400	-60	270	613.47	615.28	1.8	4.01
					<b>(Includes)</b>		<b>0.27</b>	<b>13.2</b>
BJD082d	6,940,510	261,400	-60	270	634.85	645.00	10.15	6.47
					<b>(Includes)</b>		<b>6.9</b>	<b>8.9</b>
BJD82e	6,940,510	261,400	-60	270	610.82	613.08	2.26	8.52
BJD82f	6,940,510	261,400	-60	270	665.68	679.68	14.0	6.56
BJD82g	6,940,510	261,400	-60	270	666.50	686.00	19.5	1.6
					<b>(Includes)</b>		<b>2.3</b>	<b>5.6</b>
BJD114	6,940,480	261,378	-65	268	625.75	629.54	3.8	3.31
BJD119	6,940,480	261,600	-55	268	811.28	813.00	1.72	9.12
					759.43	760.00	0.57	11.0
BJD119a	6,940,480	261,600	-55	268	776.00	777.10	1.1	7.21
					798.00	800.40	2.4	2.32
BJD119b	6,940,480	261,600	-55	268	828.58	831.78	3.2	13.4
BJD132	6,940,600	261,560	-56	268	802.00	805.60	3.6	5.34
BJD139	6,940,540	261,290	-75	270	634.31	662.39	28	3.97
					<b>(Includes)</b>		<b>10.1</b>	<b>8.35</b>



**Table (3) – Anomaly 4 Significant Drilling Intercepts**

Hole No	Northing	Easting	Dip	Az	From (m)	To (m)	Width (m)	Grade (Ni%)
<b><u>New results</u></b>								
VSD007	6,940,580	260,915	-75	310	291.6	294	2.4	6.1
BJD145	6,940,700	261,030	-60	270	Assays awaited			
<b><u>Previously reported</u></b>								
BJD092*	6,940,600	261,660	-60	270	112	116	4.0	4.5
					<i>(Includes)</i>		2.0	8.0
BJD094*	6,940,800	260,620	-60	270	68	71	3.0	1.1

(\*Both intersections are oxide intersections above the base of oxidation, i.e. no sulphides).

**Table (4) – Cosmos Deeps Exploration Significant Drilling Intercepts**

Hole No	Northing	Easting	Dip	Az	From (m)	To (m)	Width (m)	Grade (Ni%)
BJDM002	6,944,020	260,760	-60	270	822	828.42	6.42	3.8
					<i>(Includes)</i>		3.1	7.0
BJD050	6,944,060	260,855	-60	270	879.4	879.5	0.1	3.3
BJD054	6,943,980	260,975	-60	270	927.4	927.5	0.1	5.9
<b><u>Previously reported</u></b>								
BJDM001	6,943,980	260,800	-60	270	799.1	800.22	1.12	1.7
BJDM001a	6,943,980	260,800	-60	270	805.3	806	0.7	17.3

**Table (5) – Gold Exploration Significant Drilling Intercepts**

Project	Hole No	Northing	Easting	Dip	Az	From (m)	To (m)	Width (m)	Grade (Au g/t)
KV100%	IRC015	6951540	260460	-60	90	63	64	1	1.40
KV100%	IRC018	6951540	260340	-61	90	137	138	1	1.00
KVJV	IRC025	6951000	260440	-63	92	17	18	1	1.28
KV100%	NCRC011	6953940	259740	-90	0	40	41	1	4.21
KV100%	NCRC011	6953940	259740	-90	0	52	53	1	1.40
KV100%	NCRC016	6953820	259740	-90	0	74	76	2	1.90
KV100%	NCRC018	6953425	259820	-90	0	51	52	1	4.50
KVJV	ZRC018	6956240	259160	-90	0	2	3	1	2.39
KVJV	ZRC028	6956040	259280	-90	0	1	2	1	1.58
KVJV	ZRC028	6956040	259280	-90	0	3	4	1	2.58
KVJV	ZRC032	6955940	259284	-90	0	20	21	1	2.19
KVJV	ZRC032	6955940	259284	-90	0	25	26	1	1.86
KVJV	ZRC032	6955940	259284	-90	0	28	29	1	2.49
KVJV	ZRC032	6955940	259284	-90	0	42	43	1	1.52
KVJV	ZRC032	6955940	259284	-90	0	46	47	1	1.52
KVJV	ZRC032	6955940	259284	-90	0	56	58	2	2.29
						<i>(Includes)</i>		1	3.22
KVJV	ZRC035	6955840	259340	-90	0	76	79	3	3.38
						<i>(Includes)</i>		1	7.78

The details contained in this report that pertain to mineral resources and exploration results are based upon information compiled by Mr Peter Langworthy, a full-time employee of the Jubilee Mines NL group of companies. Mr Langworthy is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and 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 December 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Langworthy consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

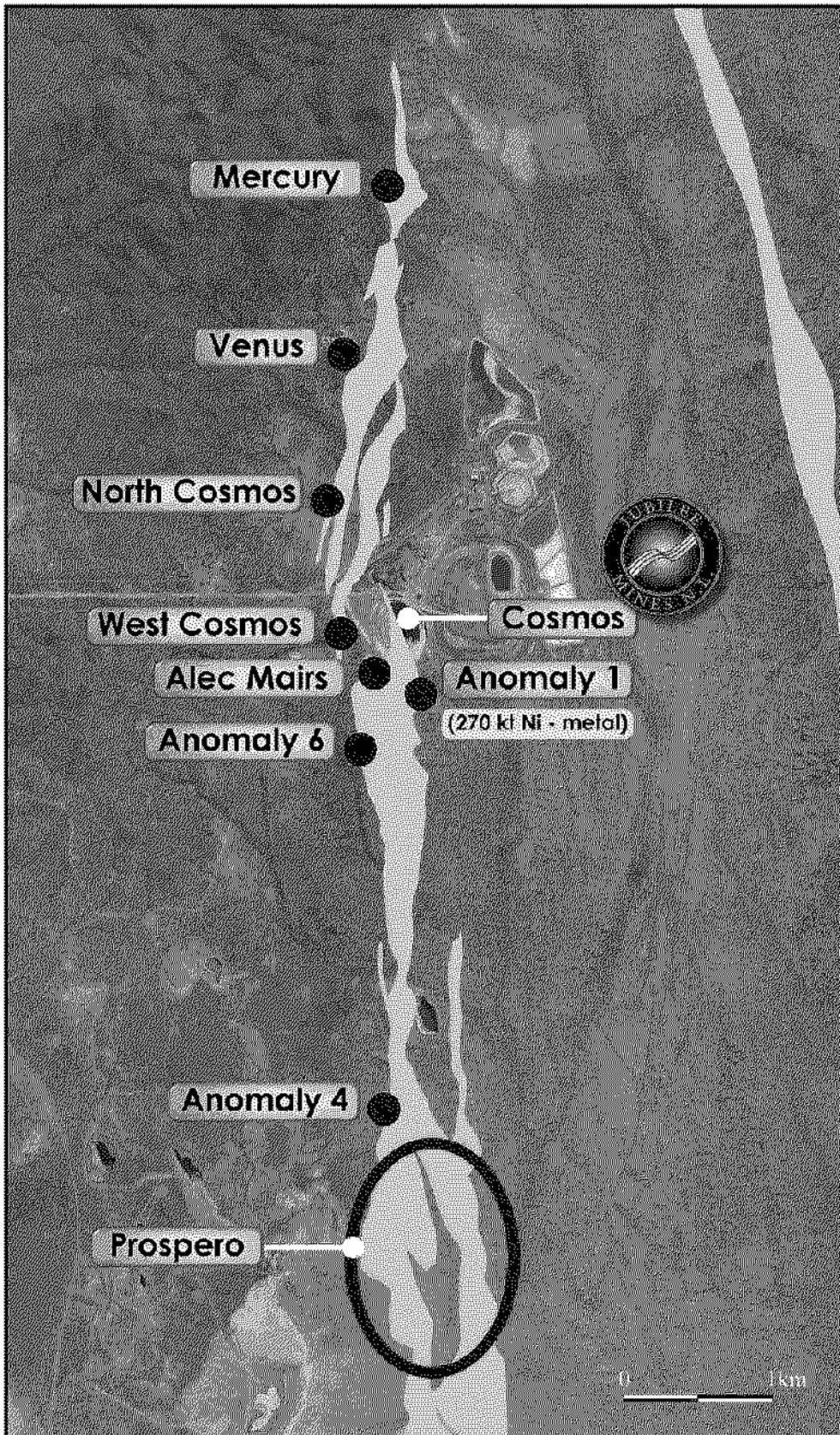


Figure 1: Aerial Photograph of Cosmos Region (with interpreted ultramafic units superimposed)

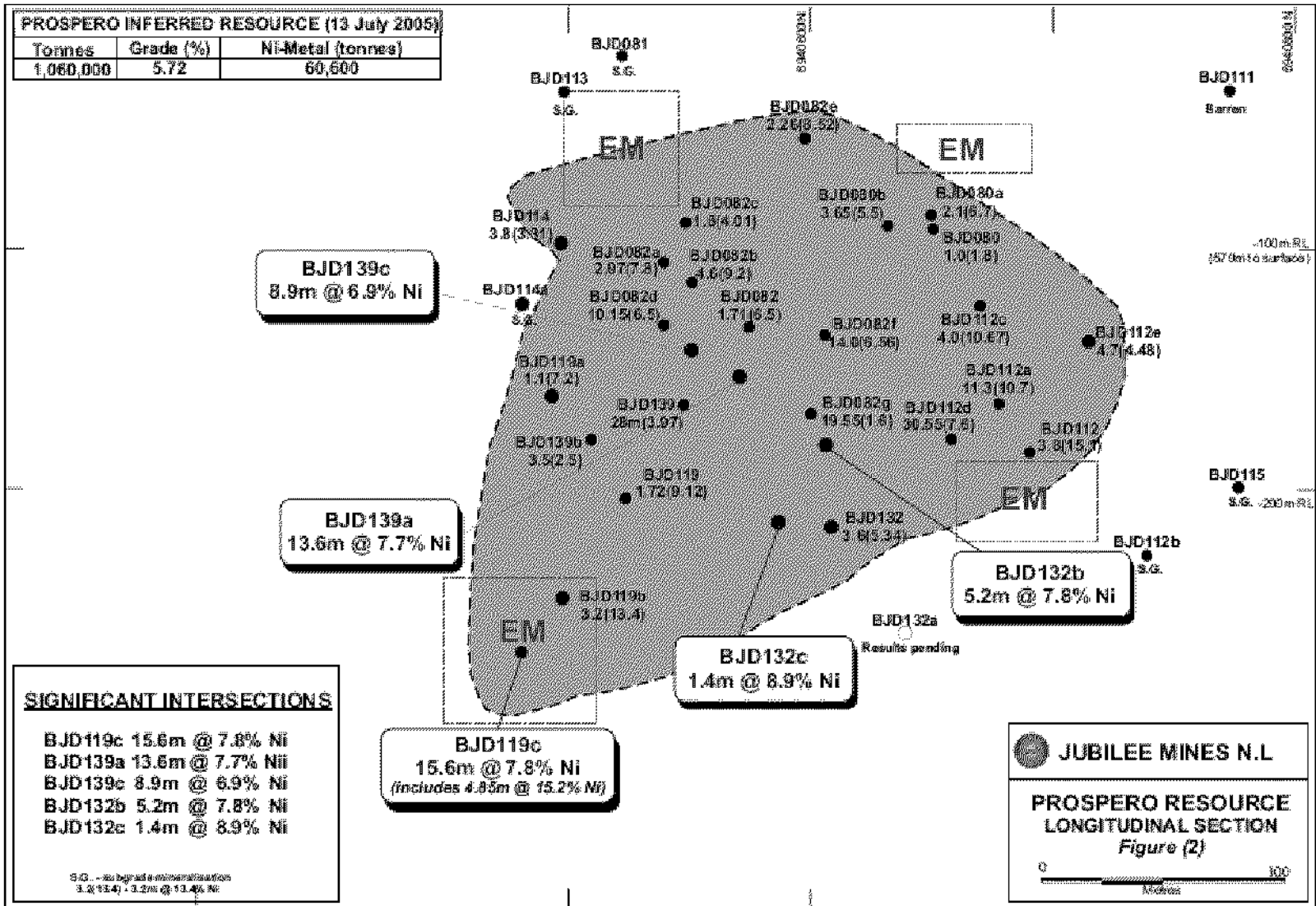


Figure 2: Prospero Inferred Resource



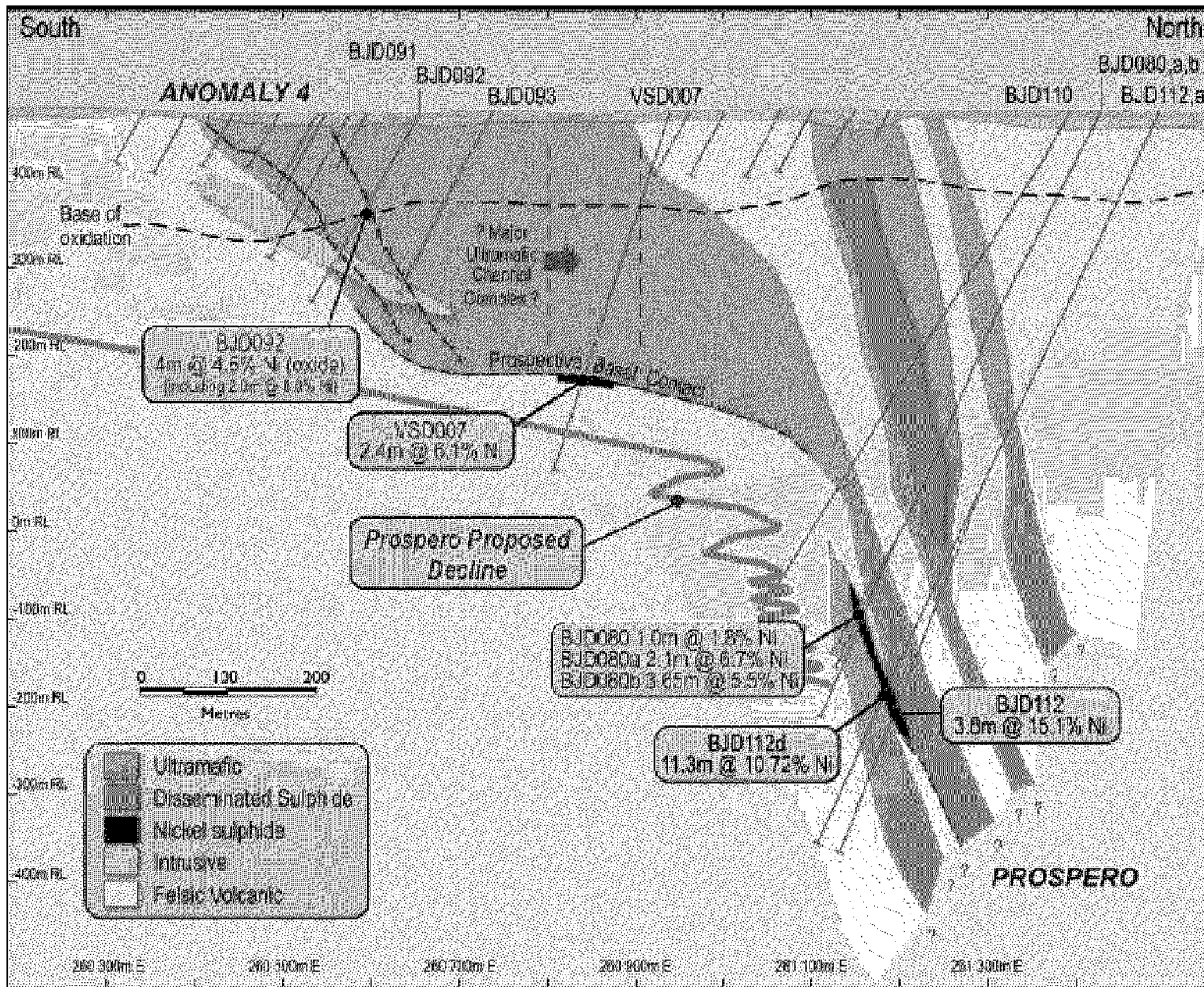


Figure 3: Prospero/Anomaly 4 Schematic Cross Section

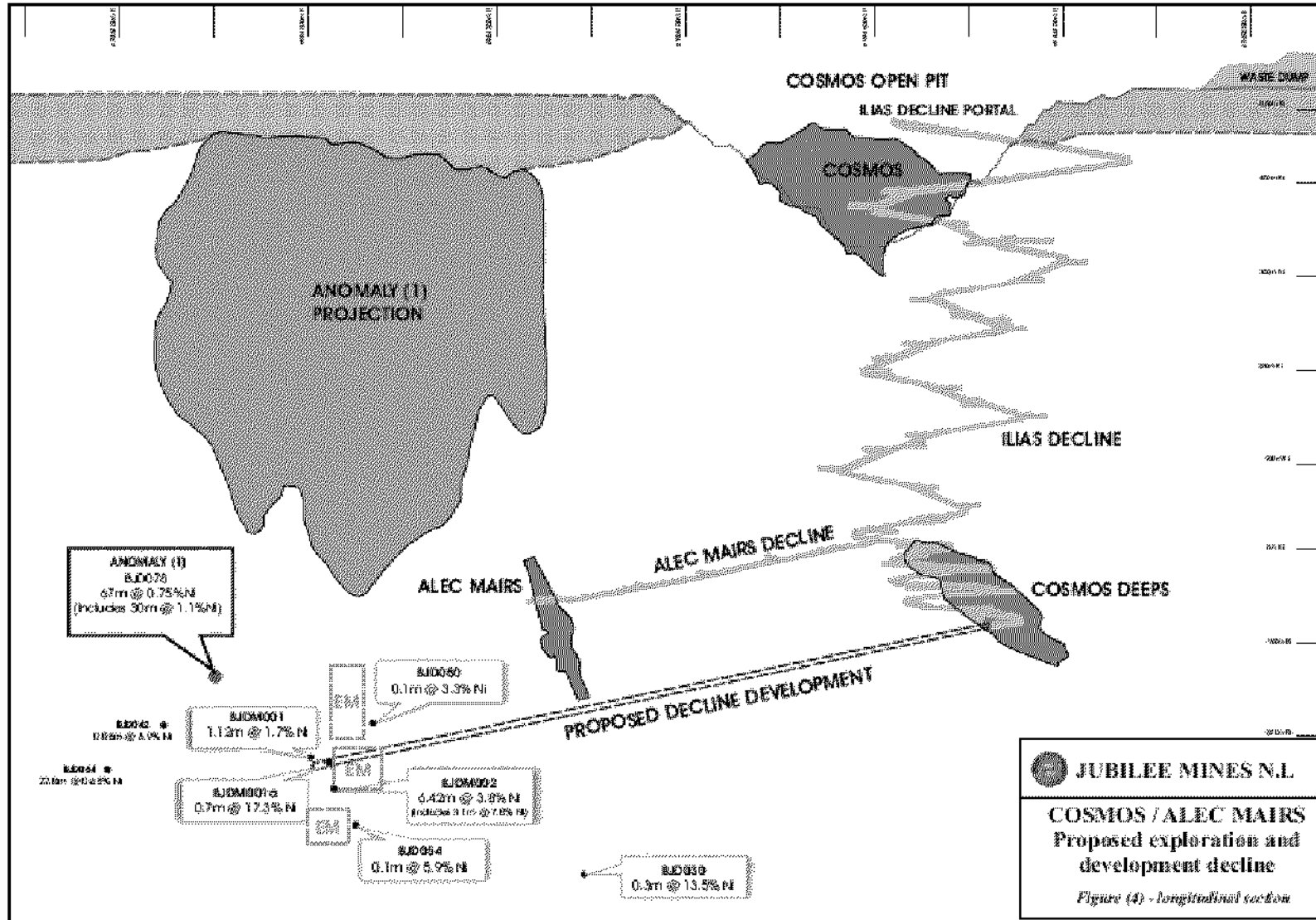


Figure 4: Cosmos / Alec Mairs - Proposed Exploration and Development Decline