



June 10, 2011

Australian Securities Exchange Limited
Company Announcements Office
91 King William Street
Adelaide SA 500

Dear Sirs,

RETRACTION OF CERTAIN STATEMENTS CONTAINED IN THE COMPANY'S 9 JUNE 2011 ANNOUNCEMENT

Following lodgement of the announcement titled "New Development Project in Germany" dated 9 June 2011 ("the Announcement"), the Company's attention has been drawn to a need to retract two statements contained in the Announcement.

Investors are not to rely on the information contained in the statements that are being retracted for their investment decisions.

Retraction 1

The Company retracts the statements on estimates currently not reported in accordance with the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* ("the JORC Code") in relation to the Kierferberg project ("the Project") as there is no reasonable basis under the JORC Code to present a mineral resource for the Project. Accordingly, the Company retracts the following statement on page 3 of the Announcement:

This drilling has identified a non-compliant nickel-cobalt-chrome resource at Kierferberg. This non-compliant resource was defined as a German Democratic Republic ("GDR") B-classification resource. Classes A and B in the GDR system correspond to "secure reserves" according to UN-classification 331 and "measured resources" according to the JORC Code.

As stated in ASX Companies Update 05/04, references to and comparisons to non-compliant resources are prohibited unless a company is granted an ASX waiver of Listing Rule 5.6 to announce this information. No waiver was applied for or granted in this case and the statement is to be retracted for this non-compliance.

Retraction 2

The Company retracts the statements on information on exploration results relating to the Kierferberg Project as the JORC code requires a Competent Person to sign off on the presentation of such exploration results. Accordingly, the Company retracts the following statement on page 4 of the Announcement:

The initial assessment of historical drilling results has identified several high grade nickel zones that would allow the fast-tracking of the plant and suggest sound economic potential.

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As stated in ASX Companies Update 03/08, public reports that contain information in relation to Exploration Results, Mineral Resources and/or Ore Reserves, companies are required to include the sign-off of a Competent Person in accordance with clause 8 of the JORC Code. This was not included here and the statement is to be retracted for this non-compliance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Mortimer'.

Andrew Mortimer
Chairman and Managing Director

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