ASX ANNOUNCEMENT

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WA's MT THIRSTY COBALT-NICKEL PROJECT POTENTIALLY WORLD'S FOURTH LARGEST COBALT PRODUCER

Highlights

- **Project has potential to deliver 3,700 tonnes of cobalt, 10,300 tonnes of nickel and 27,000 tonnes of manganese per annum during first 3 years of production**
- **Atmospheric leach extractions of 99% Cobalt, 78% Nickel and 98% Manganese achieved during recent metallurgical testwork**
- **Desktop study reveals NPV of A$450 million with an IRR of 27% calculated using US$10,000 per tonne nickel price and an exchange rate of 0.70 USD/AUD**
- **Potential net cashflows for the life of mine after capital payback pegged at A$1.65 billion at US$4.54lb Nickel, US$16lb Cobalt and US$1,200 per tonne Manganese Carbonate**
- **Production profile targeting 2 million tonnes per annum plant feed rate**
- **Proposed plant flow design is proven with no new technology**

The Mt Thirsty cobalt-nickel-manganese project in Western Australia has the potential to emerge as the world's fourth largest cobalt supplier, according to the results released today from a key ongoing metallurgical and engineering pre-feasibility study.

On conservative estimates for the first three years of production, the study found the project would immediately rank comfortably in the world's top 5 cobalt producers (See Figure 1).

The findings are from an independent study by Simulus, a metallurgical and engineering consultancy firm, as part of ongoing pre-feasibility work into the Mt Thirsty cobalt-nickel-manganese deposit located 20 kilometres northwest of Norseman in southern Western Australia.

The Mt Thirsty project is owned equally by ASX-listed joint venture partners, Barra Resources Ltd (ASX: "BAR") and Fission Energy Ltd (ASX: "FIS").

The metallurgical and engineering study found that, as a minimum, Mt Thirsty has the potential to support production of 3,700 tonnes of cobalt per year in its first three years at a throughput of 2 million tonnes per annum (tpa), ranking it around the top four or five such producers globally.

High cobalt throughput can be easily achieved early in the production schedule due to the majority of high grade ore sitting close to the surface, within 8-19m. The Joint Venture partners say this front-loads production, increases Net Present Value (NPV) and significantly shortens capital payback.

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Simulus is a Perth based engineering company servicing the minerals industry in Australia and worldwide. They have established a reputation as leaders in nickel laterites through their involvement in many of the new generation of projects, as well as design, commissioning and operation of the existing WA laterite plants. They specialise in adding value through rigorous options assessment from concept studies and following through to detailed design.

The Simulus study determined a project development strategy that builds an atmospheric acid leach plant at Mt Thirsty at a present day cost of approximately US$400 million to produce cobalt and nickel metal together with manganese carbonate concentrate for shipping to third party refineries. The plant is versatile and is easily expanded.

Metallurgical testwork completed to date has returned impressive recoveries at low acid consumptions of between 150-330kg per tonne. Atmospheric leaching at moderate temperatures has returned 99% cobalt, 77.5% nickel and 98% manganese extractions at 329 kg per tonne of acid. Nickel extraction can be increased above 95% with higher acid addition. Overall recoveries were discounted to a more conservative level for financial modelling. Cobalt and manganese extractions used for modelling were 96% and 95% respectively. Nickel extraction was modelled at 90% using 450 kg/t based on extrapolated testwork data.

Cash operating costs for the project are estimated at approximately A$100 per tonne of ore. After cobalt credits the cash operating cost is in the lower quartile at approximately US$2.49 per pound of nickel.

Long-term free-on-board sulphur price of US$50 per tonne, based on long-term price forecasting, was applied during the study.

Potential net cashflows after capital payback but excluding capital depreciation, project loan interest, royalties and income tax for the life of the project is estimated at A$1.65 billion.

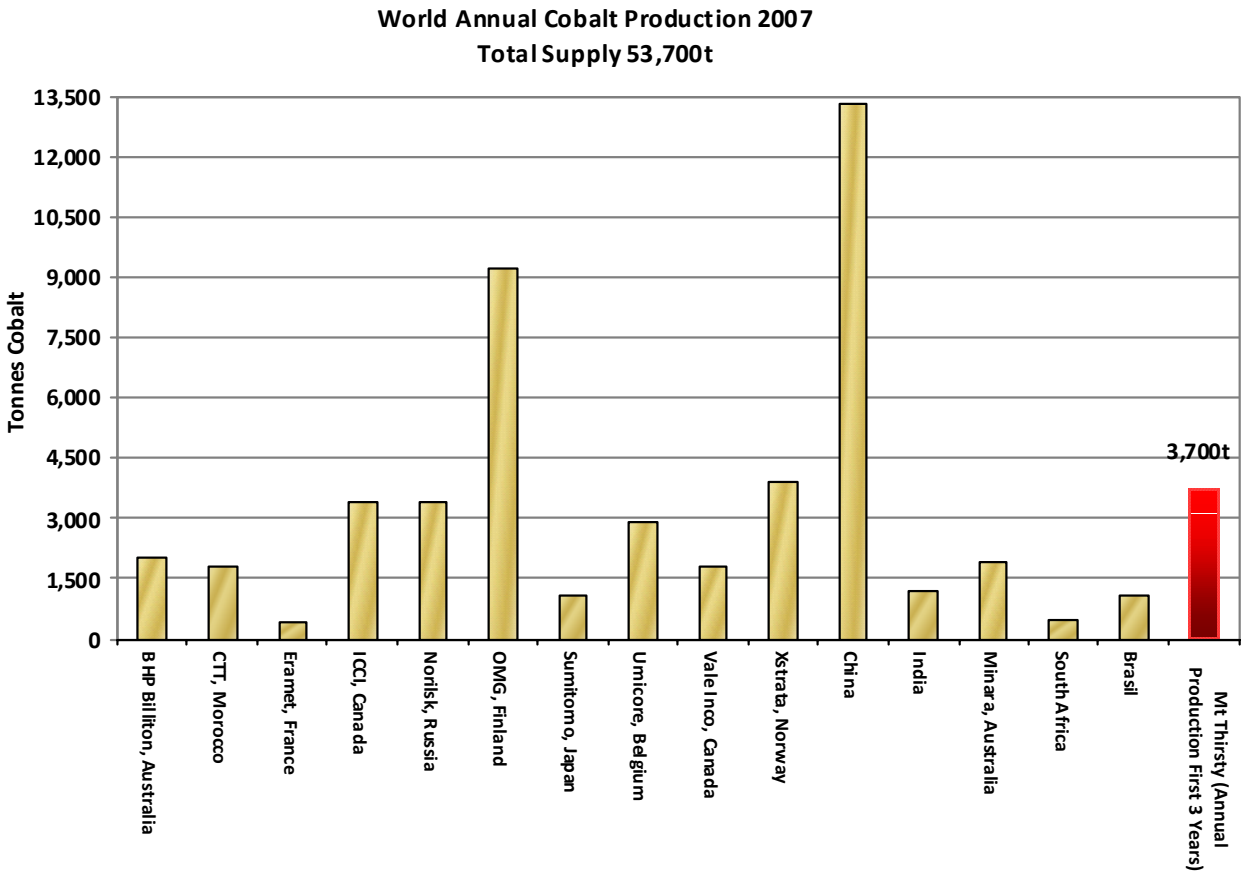

Figure 1 – World annual cobalt production 2007 compared with Mt Thirsty's forecast annual production rate for the first 3-4 years. (Sourced from the Cobalt Development Institute)

Key findings of the study, announced today, include:

- Project operating costs would be in the lower quartile – around US$2.49 per pound of nickel after cobalt credits.
- Total capital costs estimated at US$400 million.
- Quick 4-5 year capital payback with high grade ore being sourced for the first 3 years of production.
- The project ore is totally oxidised, negating the need for drilling and blasting.
- The shallow ore body is amenable to low cost, simple, conventional open pit mining.
- Acid consumption in processing would be low for atmospheric leach, at around 450kg per tonne.

Barra's Managing Director, Mr Goodwin, said today that while further pre-feasibility modelling remains to be completed, it is expected that proceeds from Mt Thirsty's nickel production would cover most if not all of the mine's operating costs – leaving the cobalt and manganese production credits delivering an undiluted revenue stream.

Mt Thirsty has a current JORC Inferred and Indicated resource of 29 million tonnes at 0.56% nickel, 0.14% cobalt and 0.88% manganese, at a 0.06% cobalt cutoff, over an apparent strike of 1.3 kilometres and 800 metres width. This translates to a mine life of 15 years at 2 million tonnes per annum throughput. The total uncut JORC Inferred and Indicated resource stands at 44 million tonnes at 0.52% nickel, 0.10% cobalt and 0.65% manganese which equates to a potential 22 year mine life at a throughput of 2 million tonnes per annum. The deposit remains open along strike with the potential to further increase resources significantly through inexpensive aircore drilling.

Compelling Fundamentals

"The results strongly qualify our long-held view that Mt Thirsty has outstanding fundamentals in respect to its mineralisation and metallurgy. Furthermore the projects establishment costs and operational performance are competitive relative to its peers," Mr Goodwin said.

"On the metallurgical findings alone, it is abundantly clear that Mt Thirsty's mining and production potential will allow it to command from start-up, at least 3-4% of global cobalt production," he said.

World cobalt supply in calendar 2007 totalled 53,700 tonnes. Lead suppliers included China (just under 13,500t); OMG, Finland (9,100t); Xstrata's Norwegian operations (3,939t); Russia's Norlisk plants and ICCI's Canadian operations – both just above 3,500t; and BHP Billiton's Australian operations - producing just under 2,000t.

"Looking at the production figures for 2007, the Barra-Fission Joint Venture could potentially be a leading global cobalt producer during its first 3-4 years of production."

"A key point of difference and one delivering substantial commercial upside is Mt Thirsty's ore mineral profile," Mr Goodwin said.

"It is not a typical nickel laterite deposit, its ore is totally oxidised, extremely friable, contains high grade cobalt and contains virtually no clays or silica.

"This makes it highly amendable to low cost, conventional treatment and we are anticipating low sulphur consumption requirements. That's a major operational and cost advantage going into a Bankable Feasibility Study (BFS) from a project which will also be able to boast considerable logistics superiority, being very close to rail, road, water, gas and sea export infrastructure."

"We are planning to get the BFS underway soon, pending capital raisings, with the view of having it all completed by December 2009," Mr Goodwin said.

Competitive amid nickel price pressures

"In particular, today's results clearly point to a simple, conventional atmospheric leaching project able to deliver rapid start-up, at only moderate temperature demands and to be a low cost operation," Mr Goodwin said.

"Against the near to medium term outlook for nickel pricing, this also positions Mt Thirsty very favourably against older, costlier global nickel suppliers under pressure from the weakening demand for stainless steel (of which nickel is a key component).

"Pig iron producers in China need to have nickel above US$22,000 per tonne to remain profitable – against current nickel prices of around US$11,000/t.

"In addition, future sulphur shortfall globally is expected to put a medium-term floor price under nickel at a level highly favouring the likely timing of Mt Thirsty's market entry."

Mt Thirsty independent review and ongoing pre-feasibility study assumptions

- Two million tonnes per annum throughput
- Life-of-mine totalling 17 years based on current resource inventory.
- Metal prices of US$16lb cobalt, US$4.54lb nickel and US$1200/t manganese carbonate used in all calculations.
- Exchange rate of 0.70 USD/AUD
- Sulphur FOB price of US$50 per tonne applied. (A$167/t delivered)
- Operating costs are inclusive of mining charges, corporate overheads and product transport allowances.
- Overall recoveries of 88.5% cobalt, 83% nickel and 88% manganese applied.
- Discount rate of 12% applied.

Table 1 – Nickel Laterite Project Benchmarking

Project	Ambatovy	Goro	Ravensthorpe	Gladstone Nickel	Mt Thirsty	Cawse Nickel	Wowo Gap	Murrin Murrin	Bulong	Ramu	Niquel do Vermelho[7]
Geographical location	Madagascar	New Caledonia	Western Australia	Queensland	Western Australia	Western Australia	PNG	Western Australia	Western Australia	PNG	Brazil
Year construction complete	N/A	N/A	2007	N/A	N/A	1998	N/A	1998	1998	N/A	N/A
Feed rate, Mt/a		~4[8]			2.0	0.5[11]	4.0	3.75[11]	0.537[11]	4.6 to bene, 3.2 to refinery[9]	3.09 to PAL
Ni production, t/a	60 000	54 000	50 000	63 000[10]	10,783 (&2,300Co)	9 000[11]	40,900	45 000[11]	9 000[11]	32 800[9]	46 000
Capital cost, US$M		1 400[12]	700[19]	3 400[10]	437 (Simulus)	137[12]	1,128[13]	690[12]	138[12]		1 200[14]
Capital cost (actual) US$M	2 500[15]	1 900[19] 3 000[15]	2 200[16]			246[12]		1 300[12]	260[12]	800[17]	
Operating cost, US$/lb	1.66[12]	1.77 to 1.85[12]	~2.00[12]	2.19[10]	~2.79 (inc Co credits)	2.95[12]	2.98[18]	3.16[12]	3.60[12]		
Final product	Briquette	Nickel oxide	Mixed hydroxide	Nickel metal	Cathode	Cathode	Mixed hydroxide	Briquette	Cut cathode	Cathode[9]	Nickel Cathode[14]
Reserve size, Mt		200[19]	238[19]	71[19]	44.5	213[11]	204 (resource)	221[11]	140[11]	143.2[9]	220[19]
Reserve grade, Ni % (Co %)		1.6[19]	0.7[19]	0.9[19]	0.65 (0.13)	0.7[11]	1.3	1.04[11]	1[11]	1.01[9]	0.9[19]

[7] Information for original project specifications as at 2006
[8] "Goro Nickel Project", June 06, Mitsui, http://www.mitsui.co.jp/ICSFiles/afieldfile/2006/06/19/041020goro.pdf
"Ramu Nickel / Cobalt Project", Highlands Pacific, April 2007, http://www.highlandspacific.com/projects/pdfsProjects/Ramu_Nickel_Cobalt_Project.pdf
[10] Media Release, "Gladstone Nickel Project Feasibility Study – Capital and Operating Cost Estimates", John Downie – Chief Executive Officer, 26th October 2007
[11] Richard Mayze, "An engineering comparison of the three treatment flowsheets in WA nickel laterite projects", Bateman Brown & Root, http://www.batemanengineering.com/TECHNOLOGY/9June/An%20Engineering%20Comparision%20of%20the%203%20treatment%20flowsheets.pdf
[12] Bruce Wedderburn, "Heap Leaching of Nickel Laterites", Randoll Conference 2005, http://www.malachiteconsulting.com/documents/Randoll-LateriteHeapLeachingPresentation.pdf
[13] Costs for the atmospheric leach and MHP product option with an onsite acid plant
[14] Media Statement, "GRD wins EPCM contract for CVRD's A$1.6 BN Niquel do Vermelho Project", GRD Limited, 3rd January 2006
[15] Michael Rodriguez, "Heap Leach" presentation, Minara Resources, November 2006, http://www.minara.com.au/files/docs/19_nickel-conference-presentation-november-2006.pdf
[16] Ian Clark, "Ravensthorpe Nickel – Building New Capacity", The 3rd New Caledonian Nickel Conference, March 2007, http://www.wmc.com/bbContentRepository/070326newcaledonianiconfmarch07.pdf
[17] Ian Holzberger, "Ramu Nickel and Cobalt Project – Go Ahead", Highlands Pacific Group, ASX Announcement, 6th November 2006
[18] Costs with an onsite acid plant
[19] "The Nickel Sector, Metal and Equity Review", Fox Davies Capital, 26th February 2007

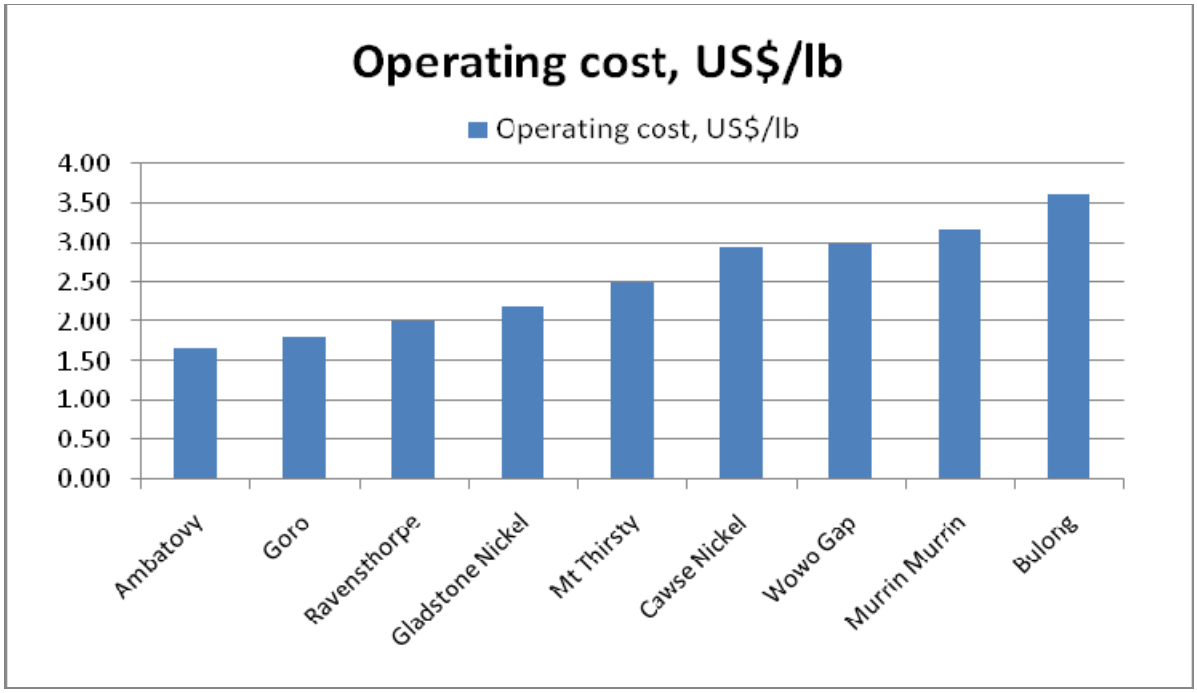

Figure 2 – Benchmark Operating Costs

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dean Goodwin who is a Member of the Australian Institute of Geoscientists. Dean Goodwin is a full-time employee of the Company. Dean Goodwin 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". Dean Goodwin consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.