

news release

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GLADSTONE PACIFIC NICKEL LIMITED

DRILLING UPDATE

The RC drilling programme has progressed to more than 23,000 metres of the planned 27,000 metres for 2005. The Definitive Feasibility Study requires the drill programme to provide infill information on known deposits and to investigate extensions and potential new deposits.

The infill drilling programme on Slopeaway extension and an initial programme on Magpie West are complete. Analytical results are awaited.

An update on the latest analytical results received, from the Coorumburra area adjacent to known resources, is summarised below. Of the 214 drill holes completed in the Coorumburra area, results for 82 have been received to date. Previously 11 of the most significant drill holes were reported. Of the further significant 22 drill holes reported here, 10 have intersections of 10m or more accompanied by Nickel grades generally of above 1% and numerous Cobalt grades in excess of 0.1%. These results are very encouraging and subject to further evaluation, may indicate the presence of higher grade additional resources.

Please note that drill holes are not sequentially drilled and that adjacent drill hole numbers do not imply that the drill holes were drilled in proximity to each other.

Drill Hole	From (m)	To (m)	Thickness (m)	Ni %	Co %
COR003	14	19	5	0.75	0.13
COR010	3	6	3	0.81	0.16
COR011	27	34	7	0.84	0.06
COR013	17	23	6	1.09	0.15
COR024	27	42	15	1.00	0.16
COR025	20	35	15	0.94	0.08
	Inc 20	30	10	1.05	0.10
COR034	18	23	5	0.91	0.13
COR035	32	53	21	1.07	0.05
COR036	24	34	10	1.12	0.13
COR083	21	29	8	0.74	0.05
COR071	19	23	4	0.90	0.21
COR065	26	48	22	0.70	0.04
	Inc 26	32	6	0.73	0.10
COR062	35	43	8	0.74	0.12
COR033	40	64	24	0.91	0.06
	Inc 40	48	8	1.10	0.12
COR056	37	45	8	1.07	0.03
COR059	41	54	13	1.08	0.02
COR061	34	69	35	0.98	0.14
COR063	27	51	24	1.19	0.07
	Inc 27	35	8	1.64	0.17
COR064	21	42	21	0.95	0.03

COR082	12	27	15	0.81	0.05
COR085	28	36	8	0.92	0.05
COR087	16	24	8	0.91	0.04

Robert Pearce, Chairman of Gladstone, commented:

"These drill holes provide the Company continuing evidence of higher than expected grades and thicknesses at Coorumburra. Combined with the results already reported at Slopeaway and at Gumigil East, they indicate that the drilling programme is more than meeting its objectives in defining the orebody further and confirming and exceeding the drilling results from the previous owners of the property."

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