



# Sherlock Bay Nickel Corporation Limited

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The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Sydney NSW 2000

## **New Bulong Farm- In Agreement**

We advise that the Company has received notice of a dispute from the legal advisers of Yilgarn Gold Limited ("Yilgarn"). The dispute related to expenditure incurred by Sherlock Bay Nickel Corporation Limited ("SHN") under the New Bulong Farm-In Agreement between Yilgarn and SHN pursuant to which SHN claim to have earned a 12.5%. The dispute relates to a number of matters including the timing of expenditure incurred in respect of the project.

Yilgarn through their legal representatives, Bennett & Co, have made a settlement offer to grant an interest in the project to SHN failing acceptance of which by the 16 June 2004 Yilgarn would seek to terminate the Agreement.

SHN is seeking legal advice in respect of the matter.

The directors note, that while the New Bulong Project has for some time ceased to be a major focus of the Company's operations and, currently considered it not to be an asset of material interest relative to the Company's other activities, the directors believe it to be an asset of value and shall act accordingly.

Yours Sincerely

**A L Gerick**  
Managing Director