

MEDIA RELEASE: September 6 2006

SHAREHOLDER WINS NON-DISCLOSURE CLAIM

A shareholder and former managing director of WA-based nickel miner Jubilee Mines NL has won \$1.856 million plus interest in the WA Supreme Court after the company withheld news for two years of an important nickel find on its tenement.

It is believed to be the first case of its kind to be determined by the courts. Previous shareholder non-disclosure claims have been settled out of court.

Brisbane businessman Kim Riley resigned from Jubilee in 1993 and his family trust sold its 3.4 million shares for \$290,000 (an average of about 9 cents per share) between September 1994 and July 1995. Jubilee shares are now worth nearly \$10.

During the three-week trial in May this year, Mr Riley said had he known about the nickel potential of the Jubilee tenement he would have held most of his shares until further exploration had been done.

In September 1994 rival miner WMC told Jubilee that it had inadvertently drilled on a Jubilee tenement and handed over results showing ore-grade nickel. Jubilee neither announced this to the market nor conducted further exploration work at the time. The nickel discovery was not disclosed to the ASX by Jubilee until 1996.

The court was told that the information Jubilee received from WMC was material to its share price and the failure to disclose this to the market for two years breached Australian Stock Exchange rules and the Corporations Law.

In the WA Supreme Court Master Sanderson said: "What is important is that material information should be released. If there is any doubt about whether the information is material, then the company ought to err on the side of caution and make the release."

Slater & Gordon lawyer Michael Magazanik said it has been a long and difficult legal battle since client Kim Riley first contacted the law firm in 1999.

"Today's decision applies well-established law to a set of listing rules for the first time," he said.

"This result reinforces corporate Australia's disclosure obligations and the protection that these afford investors, but does not affect the vast majority of company directors who do the right thing and comply with the requirements of disclosure.

"Of course, Jubilee Mines is now a very different company to what it was in 1994-96 when these events took place. Today it is a successful nickel producer with a surging share price; then it was a struggling junior explorer.

"The damages awarded today in the WA Supreme Court represent only 0.15% of the company's market capitalisation of \$1.2 billion."

Kim Riley says he is relieved that the matter is over.

"This was simply about legal issues and fairness," he said. "Despite efforts by my legal team at Slater & Gordon to resolve this outside court, when I would have settled for less, we have had to go to court to have this resolved."