

**Registered Office**  
C/- HLB Mann Judd (SA) Pty Ltd  
82 Fullarton Road  
NORWOOD SA 5067

14 October 2010

**Kagera Nickel – Remaining Condition Precedent**

The Directors of Kagera Nickel Limited (Kagera Nickel) advise that the completion under the Share Sale Agreement remains subject to the satisfaction of one last condition precedent. The condition precedent relates to the receipt of Tanzanian licensing authority approval to transfer all of the shares in Castillian Resources (Tanzania) Limited, the Castillian subsidiary which holds the 4 mineral exploration licences and 2 applications for mineral exploration licences.

Kagera Nickel's Tanzanian Counsel has confirmed that the consent has been drafted and sent to the Tanzanian Commissioner of Minerals for his review. Following the Commissioner's review, it will be sent to the Tanzanian Minister for approval. Kagera Nickel is hopeful that this will occur within 3 Tanzanian business days.

Under this assumption, the transaction timetable is adjusted as follows:

Satisfaction of the remaining condition precedent	19 October 2010
Allotment Date	19 October 2010
Dispatch of Holding Statements	21 October 2010
Delisting from NSX	19 October 2010
Expected date for Shares to commence trading on ASX	27 October 2010

These dates are indicative only and may be subject to further change.

The Directors of Kagera Nickel will inform the market of any further developments.

Yours sincerely



Simon O'Loughlin  
Chairman