

Attention Business Editors:

Fletcher Nickel encounters 0.57% Nickel over 12 metres within 118 metres grading 0.29% Nickel at a 700-metre step out at Texmont

TORONTO, July 16 /CNW/ - Fletcher Nickel Inc (TSX: FL) reports that assays from diamond drill hole TEX08-49 returned a higher grade core section of 12 metres grading 0.57% Ni within a 39 metre interval averaging 0.41% Ni within a mineralized intersection of more than 118 metres grading an average of 0.29%. An additional 17 metre mineralized intersection higher up in the hole averaged 0.325% Ni within which a 3 metre interval graded 0.49% Ni. Hole TEX08-49 is located on grid section 17+00N, 1+50E, 270/-50 about 700 metres north of the Texmont shaft. Core length represents approximately 80% to 85% of the true width of the steeply-dipping mineralized zone.

This and other drill intersections reported previously on lines 14+00N and 16+00N demonstrate considerable potential for the development of a large-tonnage nickel deposit recoverable by open-pit mining at nickel grades that compare favorably to those reported at Australia's Mt Keith Nickel Mine operated by BHP in a similar geological setting. At Texmont, moreover, fresh mineralized bedrock is either exposed or overlain by a thin veneer of gravel till at a height of land.

Fletcher's on-going north extension drilling program has now established that disseminated pentlandite mineralization in the Texmont peridotite body extends for 700 metres beyond that formerly known at the past producing Texmont Nickel Mine and remains untested farther along strike. Current drilling has also confirmed that induced polarization ("IP") anomalies are associated with the Texmont disseminated mineralized envelope and extend directly from the mine mineralization (itself a distinctive IP target) towards the Texmont leases' boundary approximately 2 kilometres north of the former mine shaft. Currently, the IP survey is being extended northward beyond its current limit to survey the complete extent of the Texmont peridotite body.

Fletcher Nickel's drill core is secured from the gated Texmont Mine site to a locked warehouse in Timmins for geological logging, and mineralized sections are split by diamond saw - half core is retained in the warehouse for future examination and verification. Mineralized half-core is sampled, numbered and bagged under the supervision of a qualified geologist, and the samples are crushed at True North Mineral Laboratories in Timmins, and pulps are sealed and shipped to Activation Laboratories Ltd in Ancaster (Actlabs), Ontario for assay. Actlabs' quality assurance system is accredited to ISO/IEC 17025 standards with CAN-P-1579 (Mineral Analysis) for specific registered tests by the Standards Council of Canada. Fletcher also inserts standards and blanks into assay batches to confirm assay batch consistency. André Jean, PGeo, the manager of exploration for Fletcher Nickel, is a qualified person within the meaning of National Instrument 43-101 and has verified the data disclosed in this release, including the sampling, analytical and test data underlying the information. Geological logging, sampling and core handling procedures were carried out under the supervision of Mr. Jean. Hadyn R. Butler, PGeo, is a qualified person within the meaning of National Instrument 43-101 and is retained as such as an independent exploration program consultant by Fletcher Nickel. Mr. Butler supervised the preparation of the disclosure in this release.

Forward Looking Information: This news release contains or refers to forward-looking information. All information other than statements of historical fact that address activities, events or developments that Fletcher Nickel believes, expects or anticipates will or may occur in the future are forward-looking statements. Such forward-looking statements contained in this news release include statements regarding potential exploration results and mineralization at Fletcher Nickel's Texmont property. Such forward-looking statements also include, without limitation, statements contained in this news release regarding potential exploration results and the potential for the delineation of a large tonnage nickel deposit recoverable by open pit mining at nickel grades that compare favourably with those reported at Australia's

Mt. Keith Nickel Mine. These forward-looking statements reflect the current expectations or beliefs of Fletcher Nickel based on information currently available to Fletcher Nickel. These forward-looking statements are subject to a variety of risks and uncertainties beyond Fletcher Nickel's ability to control or predict that may cause actual events or results to differ materially from those discussed in such forward-looking statements. Factors that could cause actual events or results to differ materially from current expectations include, among other things: future exploration results varying significantly from estimates; exploration results being insufficiently favourable to support the development of a large tonnage nickel deposit; inability to delineate additional mineral resources or reserves; and other factors. Any forward-looking statement, speaks only as of the date on which it is made and, except as may be required by applicable securities laws, Fletcher Nickel disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Fletcher Nickel believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be placed on these forward-looking statements due to the inherent uncertainty therein.

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