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21 November 2007

The Manager
Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Pages: 7

By Electronic Lodgement

Dear Sir

**Re: Press Release - Continental Nickel Ltd (Canada)
CNI Announces First Drill Results - New Mineralized Zones Discovered at Nachingwea**

Please find attached a press release made to the Toronto Stock Exchange at 10 pm WDST by Continental Nickel Ltd, a Canadian publicly listed company of which Goldstream Mining NL has a 53.03% direct interest and a 30% direct free carried interest in the Nachingwea project licences.

Yours faithfully

A handwritten signature in black ink, appearing to read "K. G. France".

KIMBERLY G FRANCE
COMPANY SECRETARY



20 November 2007

Press Release

**CONTINENTAL NICKEL ANNOUNCES INITIAL DRILL RESULTS FROM THE NACHINGWEA PROJECT, TANZANIA
NEW HIGH GRADE NI-CU SULPHIDE ZONE DISCOVERED GRADING 7.50% NI, 1.15% CU OVER 9.55 M**

Toronto, Ontario (November 20, 2007): Continental Nickel Limited (TSXV: CNI) ("CNI" or "the company") is pleased to announce the first drill results from its 70% owned Nachingwea nickel sulphide project in Tanzania. The Nachingwea project is a 70:30 JV with Goldstream Mining NL ("Goldstream") of Australia. The drill holes in this initial program intersected six new zones of magmatic sulphide mineralization, including the new **high grade zone H intersected in drill hole NAD007-028 which grades 7.50% Ni, 1.15% Cu and 0.10% Co over 9.55 m. The intersection includes a 4.0 m interval of massive sulphide grading 15.31% Ni, 2.53% Cu and 0.19% Co.** Follow up drilling at the NAD013 area discovered by Goldstream Mining in 2006 (located 300m northwest along strike of the H Zone) has also returned **an intersection of 17.11% Ni, 2.71% Cu and 0.19% Co over 1.9 m from drill hole NAD07-019.**

In August and September, 2007, a ground fixed loop time domain EM survey was completed by Crone Geophysics and Exploration Ltd. Seventy-five line kilometres of surveying were completed from eleven loop positions designed to provide systematic coverage of the Ntaka intrusion where high grade nickel sulphide mineralization was discovered by Goldstream in 2006 ("NAD013" area). Subsequent modelling of the data by Crone identified at least twelve (12) moderate to high conductance targets ranging from less than 100m to greater than 300m in strike length, one of which was coincident with the high grade, Ni-Cu mineralization at NAD013. A map showing the locations of the target areas is provided as figure 1 attached.

Drilling commenced in mid-August with fifty-three drill holes totalling 10,514 m completed with two drill rigs. The assays from seven holes have been received and are reported in the attached table. The locations of the various drill holes completed in the NAD013 and H target areas shown in figure 2 attached.

The new high grade mineralized zone was discovered while drill testing a strike limited (less than 100m), conductor (Target H) located 300m southeast of the NAD013 area. Seven drill holes have tested the new H zone to date. Both the NAD013 and the H zones are located along the western margin of the Ntaka intrusion and are mineralogically similar consisting of massive pyrrhotite-pentlandite-millerite-chalcopyrite. The first hole to test Target H (NAD07-26) intersected a narrow zone of sulphide mineralization from 61.7 m down hole which graded 3.52% Ni, 0.38% Cu and 0.06% Co over 2.05 m including a 0.45 m interval of massive sulphide mineralization grading 14.75% Ni, 1.12% Cu, and 0.23%Co. Drill hole NAD007-028 tested a location 20 m down dip of the intersection in NAD07-26 and intersected several zones of closely spaced massive to semi-massive to stringer sulphide mineralization which graded **7.50% Ni, 1.15% Cu and 0.10% Co over an interval 9.55 m at a depth of 66.45 m down hole. This interval includes a zone of high grade massive sulphide grading 15.31%Ni, 2.53% Cu, and 0.19% Co over 4.0 m from 66.45m to 70.45m.** Five additional drill holes have been completed on this target, with four intersecting massive sulphide mineralization ranging from less than 0.5 m to 2.25m in core length. The assays results are pending from those drill holes.

The discovery of this new H zone underscores the potential for additional high grade mineralized zones along the western margin of the Ntaka intrusion and provides a high level of confidence in the geophysical targeting methodology.

In the area of drill hole NAD013 drilled in 2006 by Goldstream which graded 11.23% Ni, 1.74% Cu over 3.0 m, the Crone ground EM geophysical survey confirmed the presence of a strike limited (less than 100 m), shallow dipping, strongly conductive anomaly which can be correlated with the mineralization intersected in that hole. Eleven drill holes (NAD07-18, 19, 20, 21, 22, 53, 55, 56, 58, 60 and 62) totalling 2,055 m tested the area of conductivity along strike and down dip of the NAD013 discovery hole. Assays have been received for five of the holes. Hole NAD07-19, drilled 30m south and along strike of hole NAD013 returned **1.90 m of massive sulphide mineralization grading 17.11% Ni, 2.71% Cu and 0.19% Co at a depth of 48.94 m down hole**. Holes NAD07-18 and 20, positioned 30 m down dip of holes 13 and 19 respectively, both intersected narrow, high grade massive sulphides. NAD07-21 and NAD07-022 were drilled 50 m south along strike of NAD07-19 and 20 and did not intersect any significant mineralization.

Targets I and L are located along a 1.3 kilometre strike length of the western part of the Ntaka intrusion respectively southeast and northwest of the NAD013 and H target areas. Drilling has intersected multiple zones of semi-massive to massive sulphide mineralization over core intervals ranging from less than 0.5 m to approximately 3.0m. The assay results are pending.

Elsewhere on the property, Targets G, J and M, which are located in the eastern and northern portions of the Ntaka intrusion, are associated with intersections of disseminated, net-textured, semi-massive, or massive sulphides over core lengths ranging from 3.0 m to 18.0 m. The assays are pending.

Management is very pleased to report that the current Phase I drilling was successfully completed as planned, and in advance of the approaching wet season. Down hole pulse EM surveying is underway on selected drill holes to assist in identifying extensions to known mineralization and to evaluate for the presence mineralized zones near existing drill holes.

A 5900 line kilometre airborne magnetic / EM survey has commenced with approximately 1750 line kms completed. Data collected from this survey will be processed and modelled in order to identify new regional targets for follow up in the 2008 program.

Craig MacDougall, President & CEO of Continental Nickel Limited, reported "We are very excited to have discovered a new high grade Ni-Cu massive sulphide zone along the western margin of the Ntaka intrusion. The potential for additional discoveries remains high. This discovery and the discovery previously made by Goldstream Mining in drill hole NAD013 exhibits grades which are exceptional for nickel sulphide mineralization. Moreover, our drilling to date has intersected nickel sulphide mineralization in five other targets for which assays are pending. I wish to congratulate our exploration team for having quickly made new discoveries on this project.

Quality Control

The drilling was completed by Tandrill Limited of Tanzania. Drill core samples (NQ) are cut in half by a diamond saw on site. Half of the core is retained for reference purposes and half is sent for analysis. Samples are generally collected in 1.0m intervals or less at the discretion of the site geologists. Sample preparation is completed at the ALS Chemex preparation lab in Mwanza, Tanzania. Sample pulps are sent by courier to ALS Chemex analytical laboratory in Vancouver, Canada. Blank samples and commercially prepared and certified

Ni sulphide analytical control standards with a range of grades are inserted in every batch of 20 samples or a minimum of one per sample batch. Analyses for Ni, Cu and Co are completed using a peroxide fusion preparation and ICP-AES finish (ME-ICP81). Analyses for Pt, Pd, and Au are by fire assay with an ICP-AES finish (PGM-ICP23).

The quality control, technical information and all aspects of the exploration program were supervised by Patricia Tirschmann, P.Geo., Vice President of Exploration for CNI. Ms. Tirschmann is a qualified person as defined by National Instrument 43-101.

About Continental Nickel

Continental Nickel Limited is an exploration company focused on developing and advancing nickel sulphide exploration projects in geologically prospective, but under explored regions globally. Continental Nickel has 26,933,000 shares issued and outstanding (29,338,415 on a fully-diluted basis) and trades on the TSX Venture Exchange under the symbol CNI.

An Annual General Meeting of Shareholders is scheduled for 4:00Pm, November 22 to be held in Toronto at the St. Andrews Club and Convention Centre, at 150 King Street West, 27th Floor.

On behalf of

Continental Nickel Limited

"Craig MacDougall"

President & Chief Executive Officer

For further information please contact:

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Summary of Assay Results, Nachingwea Project, Tanzania.

Drill Hole (NAD07-)	Target	Location (local grid)	Az/ Dip	Hole Length (m)	From (m)	To (m)	Interval (m)	% Ni	% Cu	% Co
018	NAD13 area	4430N, 2681E	050/ -55	283.3	19.0	23.0	4.00	0.76	0.10	0.02
"					89.4	89.9	0.50	5.88	0.51	0.10
019	NAD13 area	4400N, 2732E	050/ -69	175.6	48.95	50.85	1.90	17.11	2.71	0.19
020	NAD13 area	4400N, 2704E	050/ -70	275.5	72.45	72.85	0.40	9.92	1.56	0.14
"					194.7	207.75	13.05	0.62	0.16	0.02
021	NAD13 area	4350N, 2730E	050/ -50	151.2			NSA	NSA	NSA	NSA
022	NAD13 area	4350N, 2730E	050/ -80	100.6			NSA	NSA	NSA	NSA
026	H	4100N, 2800E	050/ -65	151.32	61.70 Includes: 63.30	63.75 63.75	2.05 0.45	3.52 14.75	0.38 1.12	0.06 0.23
028	H	4100N, 2800E	050/ -80	127.5	66.45 Includes: 66.45 73.50	76.00 70.45 76.00	9.55 4.00 2.50	7.50 15.31 4.02	1.15 2.53 0.21	0.10 0.19 0.05

* Note: Intervals represent core lengths, not necessarily true widths. Pt, Pd and Au assay results are not reported because in general, they are less than 1.0 g/t on a combined basis.

** NSA – No significant assays

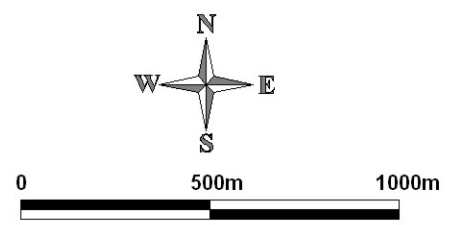
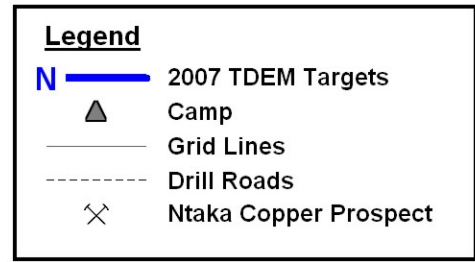
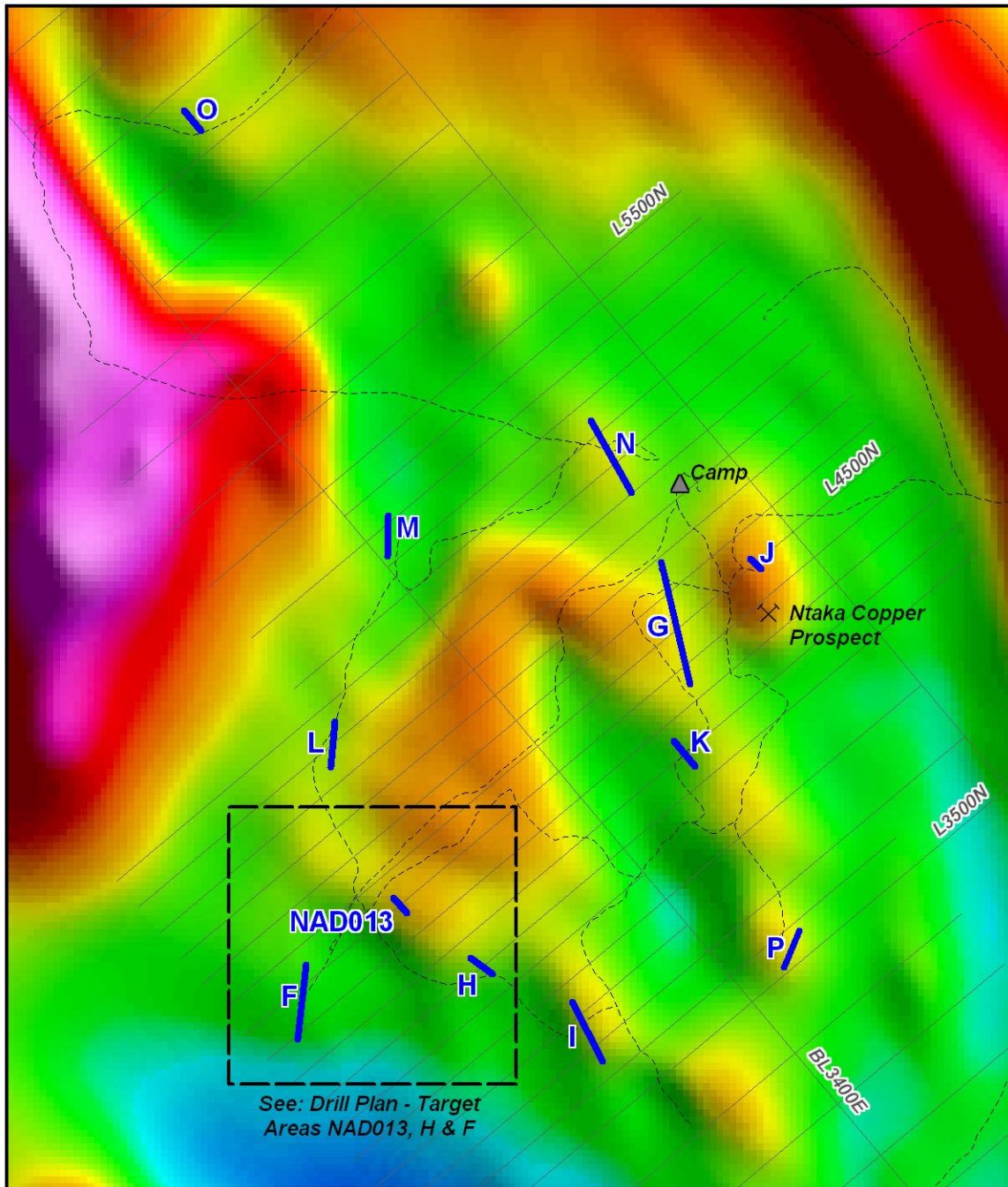


Figure 1.

CONTINENTAL
Nickel Limited

**NACHINGWEA PROPERTY
NTAKA GRID**

**Total Field Magnetics &
2007 TDEM Targets**

