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Chinese State Owned Enterprise invests in Kyrgyz Copper-Gold Project JV Partner

Highlights

- Initial \$1.74 million investment in Kyrgyz Chanach Project joint venture partner by Chinese state owned enterprise – Hebei Mining Company
- Option for Hebei Mining Company to invest a further \$6.56 million in JV partner
- Chanach project 2011 field season exploration activities commence and camp established

White Cliff Nickel Ltd (“WCN”) is pleased to announce that its Kyrgyz Chanach copper-gold project joint venture partner, T2 Gold Pty Ltd (“T2G”), has completed a funding arrangement with Hebei Mining Company, a Chinese state owned enterprise (“Hebei”). Under this funding arrangement Hebei has acquired a 20% interest in T2G by way of an initial \$1.74 million investment.

Further Hebei have an option, exercisable up to 31 August 2011, to subscribe for additional T2G shares for a minimum further investment of \$6.56 million that would result in Hebei having a 44% interest in T2G.

As a result of this investment by Hebei, T2G is now well placed to fund its share of the next few years of proposed exploration programs at the Kyrgyz Chanach copper-gold joint venture project. Both T2G and WCN each hold a 45% interest in this project.

WCN Chairman Michael Langoulant commented “This significant investment by Hebei in our Chanach joint ventured project provides a huge uplift in the value of this project which the market has yet to appreciate. The project due diligence undertaken by Hebei was very detailed and included a field visit by three very experienced and highly qualified geologists. They concluded that our project has enormous potential. Indeed every geologist that has been to our project area has been impressed by the extent of near surface mineralisation and have all agreed that there is a strong possibility that systematic exploration will outline a minable resource. WCN regards this project very highly and we consider that its true potential has not been fully understood by the broader investment community.”

At the Chanach Project, the 2011 field season camp has been established and two bull dozers are currently on site cutting new access tracks, upgrading existing tracks, establishing drill pads and creating trenches for sampling activities. An Induced Polarisation (IP) and ground magnetics geophysical program will be conducted during June to provide further information to assist designing this year’s drill program. Drilling is expected to commence in July/August.

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About White Cliff Nickel Limited

White Cliff Nickel Limited is a Western Australian based exploration company with the following main projects:

Chanach Gold Copper Project: The project consists of 93 square kilometres and is located in the Kyrgyz Republic 350km west-southwest of the capital city of Bishkek. The Chanach project is located in the western part of the Tien Shan Belt, a highly mineralised zone that extending for over 2500 km, from western Uzbekistan, through Tajikistan, Kyrgyz Republic and southern Kazakhstan to western China. Mineralisation occurs as porphyry and epithermal systems developed within magmatic arcs, and orogenic type gold deposits that are structurally controlled. Major deposits located within 100km of Chanach contain up to 93 million ounces of gold and 25 million tonnes of copper. Initial work indicates that the project may host porphyry and skarn style gold and copper mineralisation. Sampling during 2007-2010 has identified several areas containing gold values of up to 40 g/t and copper values of up to 5%.

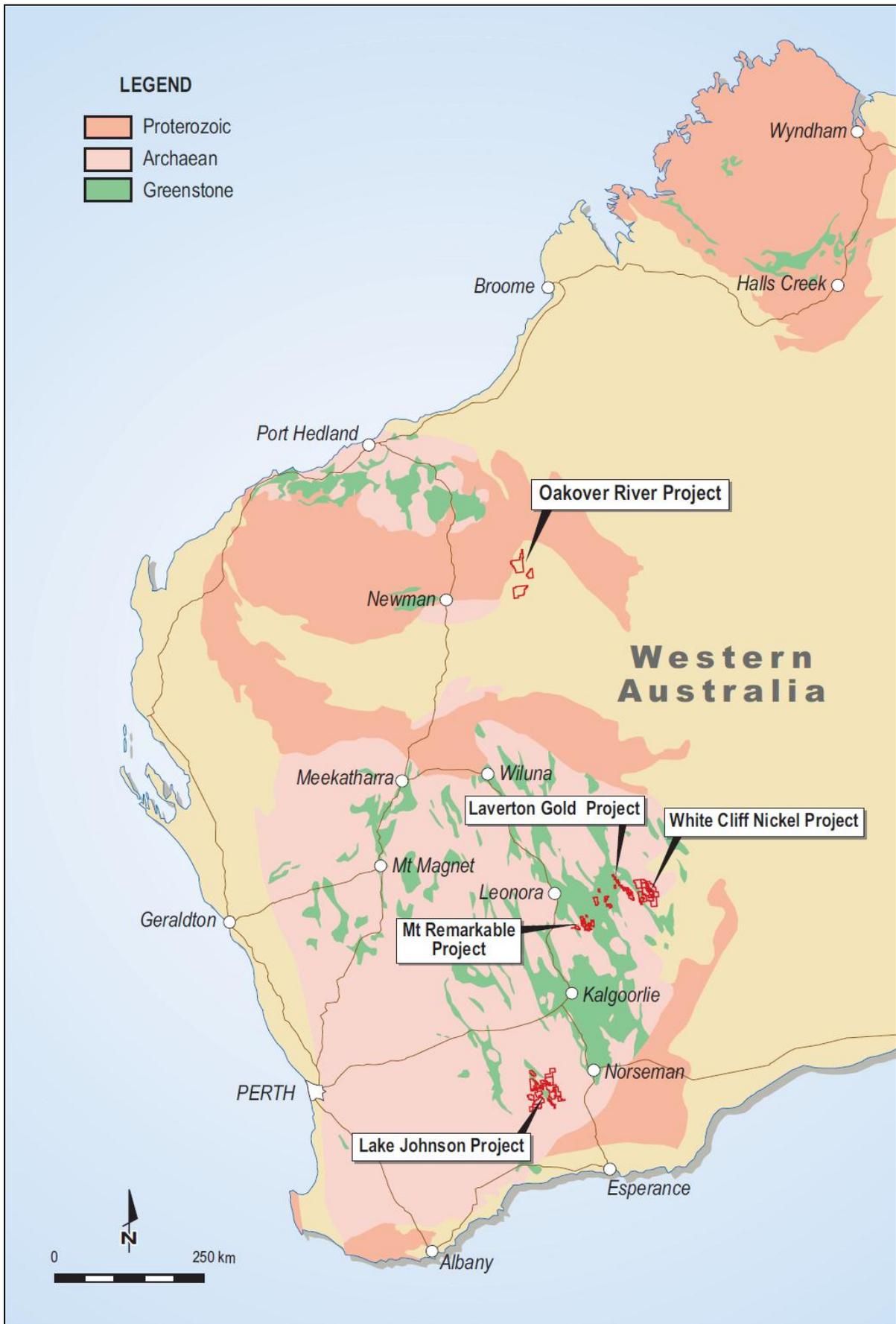
White Cliff Nickel Project: The project which covers over 1,200 square kilometres in the Merolia section of the Laverton Greenstone Belt situated 60 kilometres south-east of Laverton WA. The region contains the Irwin-Coglia and Mineral Patch Hill nickel deposits and Fish and Lord Byron Gold deposits. This project has been joint ventured with a Korean consortium, comprising Daewoo International Corporation and the 100% government owned Korea Resources Corporation, for the Korean consortium to earn up to 50% of the project by the expenditure of up to \$5 million.

Mount Remarkable Project: The project located approximately 170 km N-NE of Kalgoorlie and about 25 km SE of Kookynie in the Northern Goldfields. Included in the project area are the historic mining centres of Mt Remarkable and Yerilla which consists of several old workings. Major gold mines in the surrounding area include Sons of Gwalia, Tarmoola, Carosue Dam, Granny Smith, Wallaby and Sunrise Dam

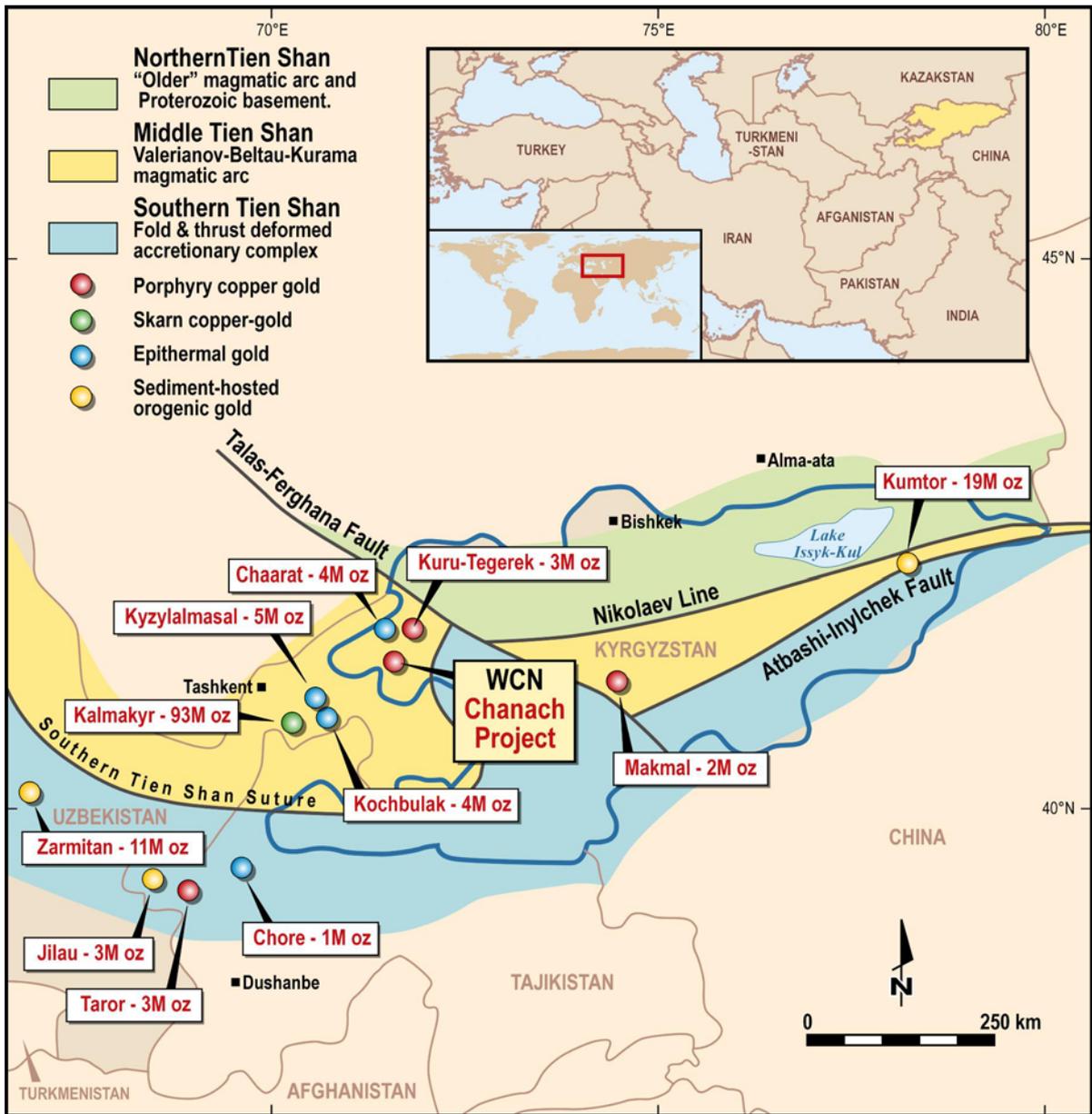
Lake Johnston Project: This project covers approximately 1,400 square kilometres of exploration tenement applications in the Lake Johnson Greenstone Belt. This Greenstone Belt contains Norilsk's Emily Ann and Maggie Hayes nickel sulphide mines which combined have a total resource of approximately 140,000 tonnes of contained nickel. Much of the project area was previously held by LionOre and contain excellent prospectively for both komatiite associated nickel sulphides and amphibolite facies high-grade gold mineralisation. The area contains little outcrop, with the bedrock geology concealed by transported cover.

Laverton Gold Project: The project consists of 1200 square kilometres of tenement applications in the Laverton and Merolia Greenstone belts. The core prospects are located 20km south of Laverton in the core of the structurally complex Laverton Tectonic zone immediately south of the Granny Smith Gold Mine (3 MOz) and 7 kilometres east of the Wallaby Gold Mine (7MOz). In addition, applications are pending over a large part of the Merolia Greenstone belt immediately Southwest of Laverton.

<p>The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Todd Hibberd, who is a member of the Australian Institute of Mining and Metallurgy. Mr Hibberd is a full time employee of the company. Mr Hibberd has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)'. Mr Hibberd consents to the inclusion of this information in the form and context in which it appears in this report.</p>



Tenement Map- Australia. A regional geology and location plan of White Cliff Nickel Limited exploration projects in the Yilgarn Craton, Western Australia



Project Map- Kyrgyzs Republic. Location of the Chanach Gold-Copper Project