

# **WHITE CLIFF NICKEL LIMITED**

**ACN 126 299 125**

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## **NOTICE OF ANNUAL GENERAL MEETING**

**and**

## **EXPLANATORY MEMORANDUM**

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Date of Meeting: Friday, 5 November 2010

Time of Meeting: 1.00pm (WST)

Place of Meeting: Celtic Club  
48 Ord Street  
West Perth WA

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

**WHITE CLIFF NICKEL LIMITED**  
**ACN 126 299 125**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the third annual general meeting of shareholders of White Cliff Nickel Limited ACN 126 299 125 ("**Company**") will be held at the Celtic Club 48 Ord Street, West Perth, Western Australia at 1.00pm (WST) on Friday, 5 November 2010.

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of Annual General Meeting.

**AGENDA**

**ANNUAL FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the financial report, the Directors' report and auditor's report for the Company and its controlled entities for the period ended 30 June 2010.

**ORDINARY RESOLUTIONS**

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**1. Adoption of Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the remuneration report for the Company and its controlled entities for the period ended 30 June 2010 be adopted."*

The vote on this Resolution is advisory only and does not bind the Directors or the Company.
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**2. Re-election of Mr Rodd Boland as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Rodd Boland, who was appointed as a director of the Company to fill a casual vacancy on 22 February 2010, retires in accordance with the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."*

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**3. Re-election of Mr Michael Langoulant as a Director**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Michael Langoulant, who retires by rotation in accordance with the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."*

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**4. Ratification of Share issue**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders of the Company hereby approve and ratify the issue of 572,000 Shares on 16 August 2010 and 572,000 Shares on 27 September 2010 to the vendors of the Kyrgyz Republic Chanach gold-copper project, on the terms and conditions contained in the Explanatory Memorandum."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by the recipients and their associates. However, a person can vote if the vote is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## **5. Ratification of Option issue**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders of the Company hereby approve and ratify the issue of 3,500,000 Options exercisable at \$0.25 on or before 30 June 2011 to the consultants, responsible for introducing, and advancing the progress of, the Kyrgyz Republic Chanach gold-copper project, on 6 May 2010, on the terms and conditions contained in the Explanatory Memorandum."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by the recipients and their associates. However, a person can vote if the vote is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

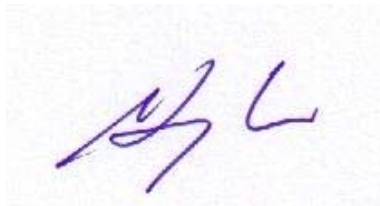
## **6. Approve a proposed placement of Shares**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve and grant the directors the authority to allot and issue up to 20,000,000 Shares, in the manner and on the terms and conditions contained in the Explanatory Memorandum."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on this Resolution by any person who may participate in any issue of the Shares pertaining to this Resolution and by a person who might obtain a benefit, except a benefit obtained solely in the capacity of a Shareholder, if the Resolution is passed, and any associate of those persons. However, a person can vote if the vote is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**BY ORDER OF THE BOARD**



Michael Langoulant  
Company Secretary  
Dated: 5 October 2010

**WHITE CLIFF NICKEL LIMITED**  
ACN 126 299 125

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at the Celtic Club 48 Ord Street, Perth, Western Australia at 1.00pm (WST) on Friday, 5 November 2010.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting.

Full details of the business to be considered at this Annual General Meeting are set out below.

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**Annual financial statements and reports**

The Corporations Act requires that the Annual Report (which includes the financial report, Directors' report and auditors' report) be laid before the Annual General Meeting.

Shareholders will be given an opportunity to ask questions and make comments about the Annual Report or the Company generally but there will be no formal resolution submitted to the Meeting in respect of it.

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**1. Resolution 1 - Adoption of Remuneration Report**

The remuneration report of the Company for the financial period ended 30 June 2010 is set out on pages 23 to 26 of the Company's 2010 Annual Report.

Pursuant to section 250R(2) of the Corporations Act, a resolution that the remuneration report be adopted must be put to vote at the Company's Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

A reasonable opportunity will be provided for discussion of the remuneration report at the Meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the remuneration report.

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**2. Resolutions 2 and 3 - Re-election of Directors**

It is a requirement under the Company's constitution that Mr Rodd Boland, who was appointed to fill a casual vacancy on 22 February 2010, retires at the Annual General Meeting. Mr Boland, being eligible for re-election pursuant to the Company's constitution, offers himself for re-election.

Apart from Mr Boland (who abstains from voting given his interest in the Resolution), the remaining Directors recommend to Shareholders that Mr Boland be re-elected.

It is a requirement under the Company's constitution that Mr Michael Langoulant retires by rotation at the Annual General Meeting. Mr Langoulant, being eligible for re-election pursuant to the Company's constitution, offers himself for re-election.

Apart from Mr Langoulant (who abstains from voting given his interest in the Resolution), the remaining Directors recommend to Shareholders that Mr Langoulant be re-elected.

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### **3. Resolution 4 – Ratification of Share issue**

Resolution 4 seeks ratification by Shareholders of the issue of Shares to the vendors of the Kyrgyz Republic Chanach gold-copper project for the purposes of Listing Rule 7.4.

The purpose of seeking Shareholder approval and ratification of the issue of the Shares in Resolution 4 is to effectively reinstate the maximum limit under the Listing Rules on the number of securities that the Company may issue in any 12 month period without Shareholder approval.

Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders and subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in general meeting ratifies that previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1.

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided to Shareholders to enable them to consider and ratify the issue of the Shares in Resolution 4:

- (a) The number of Shares allotted was 572,000 on 16 August 2010 and 572,000 on 27 September 2010.
- (b) These Shares were issued at a deemed issued price of \$0.06 as part consideration to acquire an interest in the Kyrgyz Republic Chanach gold-copper project.
- (c) The Shares rank equally with all existing Shares.
- (d) The allottees, who are not related parties of the Company, were
  - Boonjarding Resources Limited 572,000 Shares;
  - Viktor Zabolotniy 286,000 Shares; and
  - Dmitry Zabolotniy 286,000 Shares.
- (e) No funds were raised from the issue of these Shares.

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

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#### **4. Resolution 5 – Ratification of Option issue**

Resolution 5 seeks ratification by Shareholders of the issue of Options to the consultants responsible for introducing the opportunity to acquire an interest in, and advancing the progress of, the Kyrgyz Republic Chanach gold-copper project for the purposes of Listing Rule 7.4.

The purpose of seeking Shareholder approval and ratification of the issue of the Options in Resolution 5 is to effectively reinstate the maximum limit under the Listing Rules on the number of securities that the Company may issue in any 12 month period without Shareholder approval.

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided to Shareholders to enable them to consider and ratify the issue of the Shares in Resolution 5:

- (a) The number of Options allotted was 3,500,000 Options exercisable at \$0.25 on or before 30 June 2011. These Options were allotted on 7 May 2010.
- (b) These Options were issued for no consideration to reward those consultants that were responsible for the Company having the opportunity to acquire an interest in, and to advance the progress of, the Kyrgyz Republic Chanach gold-copper project.
- (c) The Options rank equally with all existing 30 June 2011 Options that are quoted on ASX under the code WCNO.
- (d) The allottees, who are not related parties of the Company,
  - Danforth International Pty Ltd 2,500,000 Options; and
  - Etruscan Gold Exploration Pty Ltd 1,000,000 Options.
- (e) No funds were raised from this issue.

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

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#### **5. Resolution 6 - Approval of a proposed placement**

##### **5.1 General**

Resolution 6 seeks Shareholder approval for the allotment and issue of up to 20,000,000 Shares at an issue price of not less than 80% of the market price for Shares calculated over the last five days on which sales in Shares are recorded before the day on which the issue is made (**Share Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders and subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The effect of Resolution 6 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the date of the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## **5.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to, and in accordance with Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 20,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be not less than 80% of the average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made;
- (d) the Directors will determine to whom the Shares will be issued but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and

the Company intends to use the funds raised from the Share Placement towards continued exploration on the Company's exploration portfolio, and in particular the Kyrgyz Republic gold-copper project, and for general working capital.

The Directors unanimously recommend Shareholders vote in favour of Resolution 6.

## **GLOSSARY OF TERMS**

In this Explanatory Memorandum the following expressions have the following meanings:

"**Annual Report**" means the Company's annual report including the financial report, Directors' report and auditors' report for the year ended 30 June 2010.

"**Board**" means the Board of Directors of the Company.

"**Company**" or "**White Cliff**" means White Cliff Nickel Limited ACN 126 299 125.

"**Constitution**" means the Company's constitution from time to time.

"**Corporations Act**" means the Corporations Act 2001 (Cth).

"**Directors**" means the directors of the Company from time to time.

"**Explanatory Memorandum**" means the explanatory memorandum that accompanies and forms part of this Notice.

"**Listing Rule**" means a Listing Rule of ASX Limited.

"**Meeting**" or "**Annual General Meeting**" means the annual general meeting of Shareholders of the Company convened by this Notice.

"**Notice**" or "**Notice of Annual General Meeting**" means the notice of annual general meeting which accompanies this Explanatory Memorandum.

"**Options**" means options to acquire a Share in the Company at an exercise price of \$0.25 on or before 30 June 2011 and traded on ASX under the code WCNO.

"**Remuneration Report**" means the remuneration report appearing in the Annual Report.

"**Resolution**" means a resolution referred to in the Notice.

"**Share**" means an ordinary share in the Company.

"**Shareholder**" means a shareholder of the Company.

"**WST**" means western standard time in Western Australia.



## **Appendix A - Terms and Conditions of Options**

The terms and conditions of the Options are as follows:

- a. Each Option entitles the holder to acquire one fully paid ordinary Share in the Company.
- b. The Options may be exercisable at any time prior to 5pm WST on 30 June 2011 (Expiry Date).
- c. The exercise price of the Options is \$0.25 per Option.
- d. Each Option may be exercised by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of \$0.25 per Option exercised.
- e. The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until the Expiry Date. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is listed on ASX.
- f. Option holders shall be permitted to participate in new issues of securities on the prior exercise of Options in which case the Option holders shall be afforded the period of at least nine (9) Business Days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
- g. Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary Shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for Quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
- h. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the relevant Listing Rules.
- i. If there is a bonus issue of Shares to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- j. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities of the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

## **PROXY AND VOTING ENTITLEMENT INSTRUCTIONS**

### **PROXY INSTRUCTIONS**

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the Company's office, **Suite 2, 5 Ord Street, West Perth WA 6005, +61 8 9324 2977**, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company.

In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

### **VOTING ENTITLEMENT**

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at close of business on Wednesday, 3 November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### **QUESTIONS FROM SHAREHOLDERS**

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

Mr Wayne Clark, as the auditor responsible for preparing the auditor's report for the year ended 30 June 2010 (or his representative) will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have by mail to **Suite 2, 5 Ord Street, West Perth WA 6005**, or by fax to **+61 8 9324 2977** so that it is received by no later than close of business on Friday, 29 October 2010.

As required under section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing by Friday, 29 October 2010, being questions which the auditor considers relevant to the content of the auditor's report or the conduct of the audit of the financial report for the year ended 30 June 2010. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

**WHITE CLIFF NICKEL LIMITED**  
**ACN 126 299 125**

**PROXY FORM**

White Cliff Nickel Limited, Suite 2, 5 Ord Street, West Perth WA 6005,

Facsimile +61 8 9324 2977

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/(s) of White Cliff Nickel Limited ("**Company**") and entitled to

\_\_\_\_\_ Shares in the Company

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her/it \_\_\_\_\_

of \_\_\_\_\_

or failing him/her/it the Chairman as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Celtic Club 48 Ord Street, West Perth, Western Australia at 1.00pm (WST) on Friday, 5 November 2010 and at any adjournment thereof in respect of \_\_\_\_\_ of my/our Shares or, failing any number being specified, **ALL** of my/our Shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [ ]%.  
(An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his/her/its discretion.

In relation to undirected proxies, the Chairman intends to vote in favour of all of the Resolutions.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of a Resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

I/we direct my/our proxy to vote as indicated overleaf:

