



4 May 2010

ASX Code: WCN

## Gold-Copper Project Acquisition - Kyrgyz Republic

### Highlights

- White Cliff Nickel Limited has entered into an agreement to acquire a 40% interest a highly prospective Chanach gold-copper project in the Kyrgyz Republic via expenditure of USD 1.75 million dollars.
- The Chanach gold-copper project covers 93 square kilometres in the core of the Tien Shan gold province, the most extensive and highly mineralised gold province in the world.
- Preliminary rock chip samples contain up to 20 g/t gold and 5 % copper.
- Adjacent to several gold-copper deposits containing 3 million to 93 million ounces of gold.
- Field work to commence in June 2010 with trenching, surface sampling and mapping.

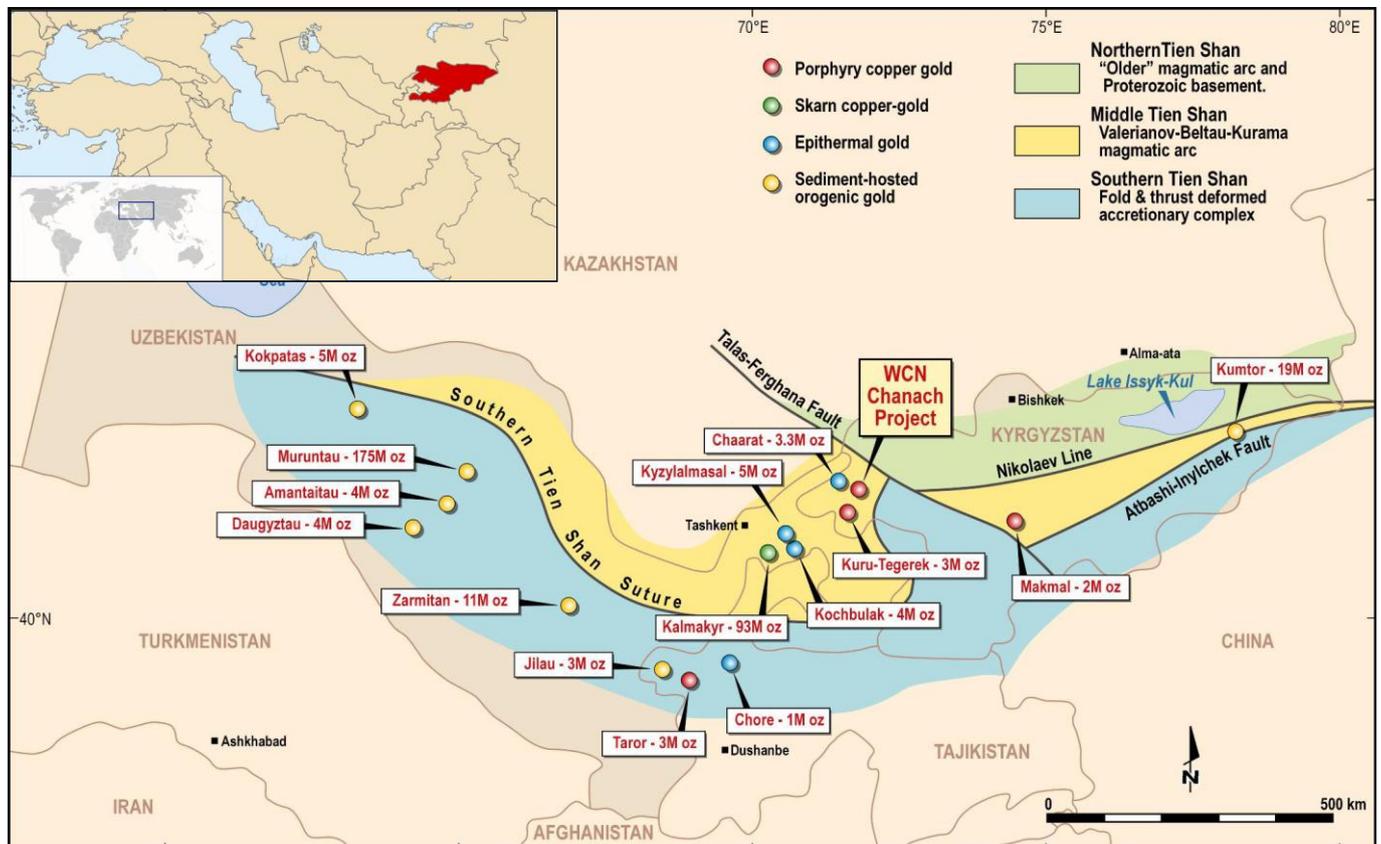


Figure 1 Location of the Chanach Gold-Copper Project

## **Project Acquisition Details**

White Cliff Nickel Limited announces that in conjunction with its joint venture partner, T2 Gold Pty Ltd, it has entered into an acquisition option agreement to acquire a controlling 80% interest in Chanach LLC. Chanach LLC which owns the exploration licenses over the highly prospective Chanach gold-copper project in western Kyrgyz Republic. The Chanach gold-copper project will be owned, funded and jointly managed on an equal 50:50 basis by White Cliff and T2 Gold (the JV Partners).

Under the acquisition agreement the JV Partners have paid a USD40,000 option fee and have agreed to fund the 2010 calendar year exploration program which is expected to cost approximately USD250,000 in total. At the completion of this field season program of trenching, mapping and soil sampling the JV partners have the option to move to 80% ownership by

- Paying the vendors USD125,000 cash plus USD125,000 in scrip;
- Sole funding the next USD3,000,000 in project expenditure; and
- Paying bonus consideration, in shares and/or cash, of USD500,000 upon verification of a 1 million ounce JORC measured gold equivalent resource plus a second bonus payment of USD500,000, in shares and/or cash, upon verification the second million ounces of JORC measured gold equivalent resource.

Under industry standard exploration joint venture dilution clauses the JV Partners have the opportunity to move to a combined 90% interest in the project.

## **Project Location**

The Chanach gold-copper project covers 93 square kilometres and is located in western Kyrgyz Republic 350km west-southwest of the capital city of Bishkek (Fig. 1). The project area is accessed by road from Bishkek, via Osh in the summer months for a distance of some 490km, whilst the access in winter (November-April) is by a longer route, about a 750km trip via Tash Kumyr.

## **Regional Geology and Mineralisation**

The Chanach gold-copper 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.

Regional geology consists of extensive sequences of metamorphosed sedimentary and volcanic rock intruded by large Carboniferous diorite to granodiorite batholiths and younger Permian granitoid dykes and sheets associated with mineralisation. 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 (Figure 2 & Table 1).

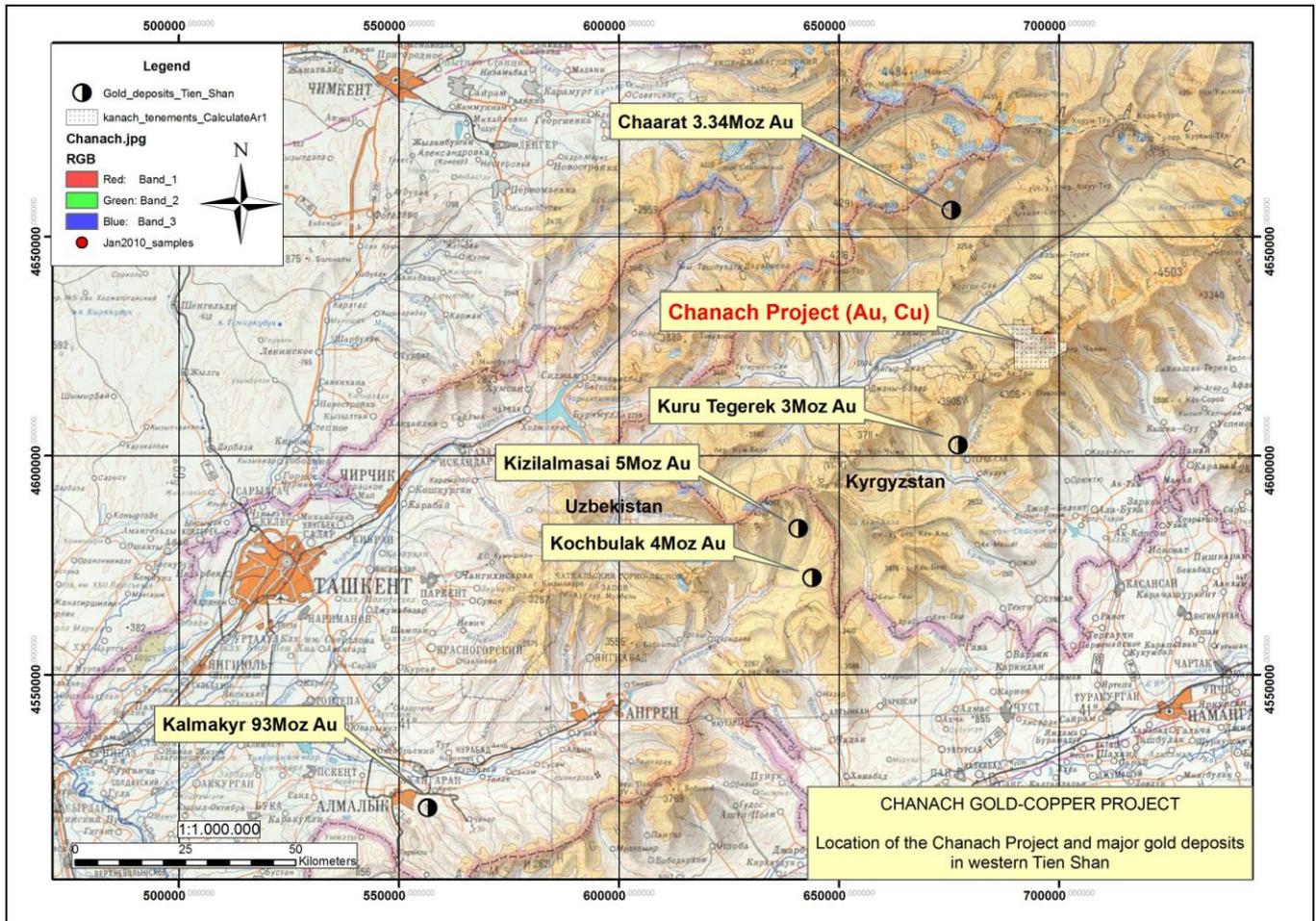


Figure 2 Project location and tenement plan showing local multi million ounce gold and copper-gold deposits

Table 1 Major local gold deposits

Deposit	Type	Gold (MOZ)	Copper (Mt)
Almalyk	Porphyry	93	25
Kochbulak	Epithermal	4.0	
Kyzylalmasai	Epithermal	5.0	
Chaarat	Porphyry	3.3	
Kuru Tegerek	Porphyry	3.0	1

## Local Geology and Mineralisation

Local geology is dominated by carboniferous marine sediments intruded by diorites and granodiorite porphyries; with younger Devonian to Cambrian basaltic and andesitic volcanic rocks. Younger Permian granodiorite to monzonite dikes, intrude through the older rocks and are closely associated with mineralised NE-trending structures.

Initial work indicates that the project may host porphyry and skarn style gold and copper mineralisation. Sampling during 2007-2008 has identified several areas containing gold values of up to 20 g/t and copper values of up to 5%. Mineralization appears to be structurally controlled, and is hosted in monzonite dikes that have probably intruded pre-existing NE-striking structures. At least three of these structures have been observed and all displayed at least secondary copper mineralization such as malachite.

Brecciated limestone along the margins of monzonite dikes contain carbonate and chalcopyrite infill demonstrating that mineralization is not exclusively restricted to the monzonite dikes. This indicated that the overlying Carboniferous and Devonian-Cambrian sedimentary sequences may be prospective for epithermal and/or Carlin-style gold deposits.

The identification of outcropping primary copper mineralization in the form of chalcopyrite is particularly encouraging with samples containing visible mineralization occurring in skarn-altered limestone and greywacke reported in the northern portion of the Chanach lease.

**Table 2. Selected 2008 rock chip samples**

<b>Sample ID</b>	<b>Au (g/t)</b>	<b>Cu (%)</b>	<b>Ag (g/t)</b>
L02830	20.50	-	-
M4678	8.13	0.75	5.40
L02805	7.30	-	-
M0504/1	5.70	0.01	2.20
L02943	5.66	-	-
M4662	5.21	5.00	10.20
M4664	3.90	0.24	2.30
M4678/1	1.68	1.06	1.10
M3617	0.02	4.82	1.50
M3639/1	0.01	1.45	-
M3637	0.01	5.00	4.30
M3628	0.01	2.14	1.60

### **Planned Exploration**

The Company is awaiting sampling results from late 2009 which will be reported as soon as the results become available. Further exploration is planned to commence in June 2010 and includes geochemical sampling on a grid basis over the entire porphyry intrusion, mapping, and 500-600 metres of trenching and rock chip sampling.

The Company has been advised of past exploration field work having been conducted on the Chanach gold-copper project in the 1980's. Some past exploration reports have been sourced. These are currently being translated. All past exploration data found will be reviewed to assist the coming field season activities.

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## About White Cliff Nickel Limited

**White Cliff Nickel Limited** is a Western Australian based nickel explorer which listed on ASX on 14 December 2007 having raised \$6 million.

**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.

**Mount Remarkable Project:** The project covers 266 square kilometres and is 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 gold 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. The project includes several areas adjacent to and along strike from existing nickel deposits at Aublis, Yerilla and Boyce Creek. These deposits form Heron Resources Yerilla Nickel Project which contains 135 Mt @ 0.77% Nickel and 0.05% Cobalt.

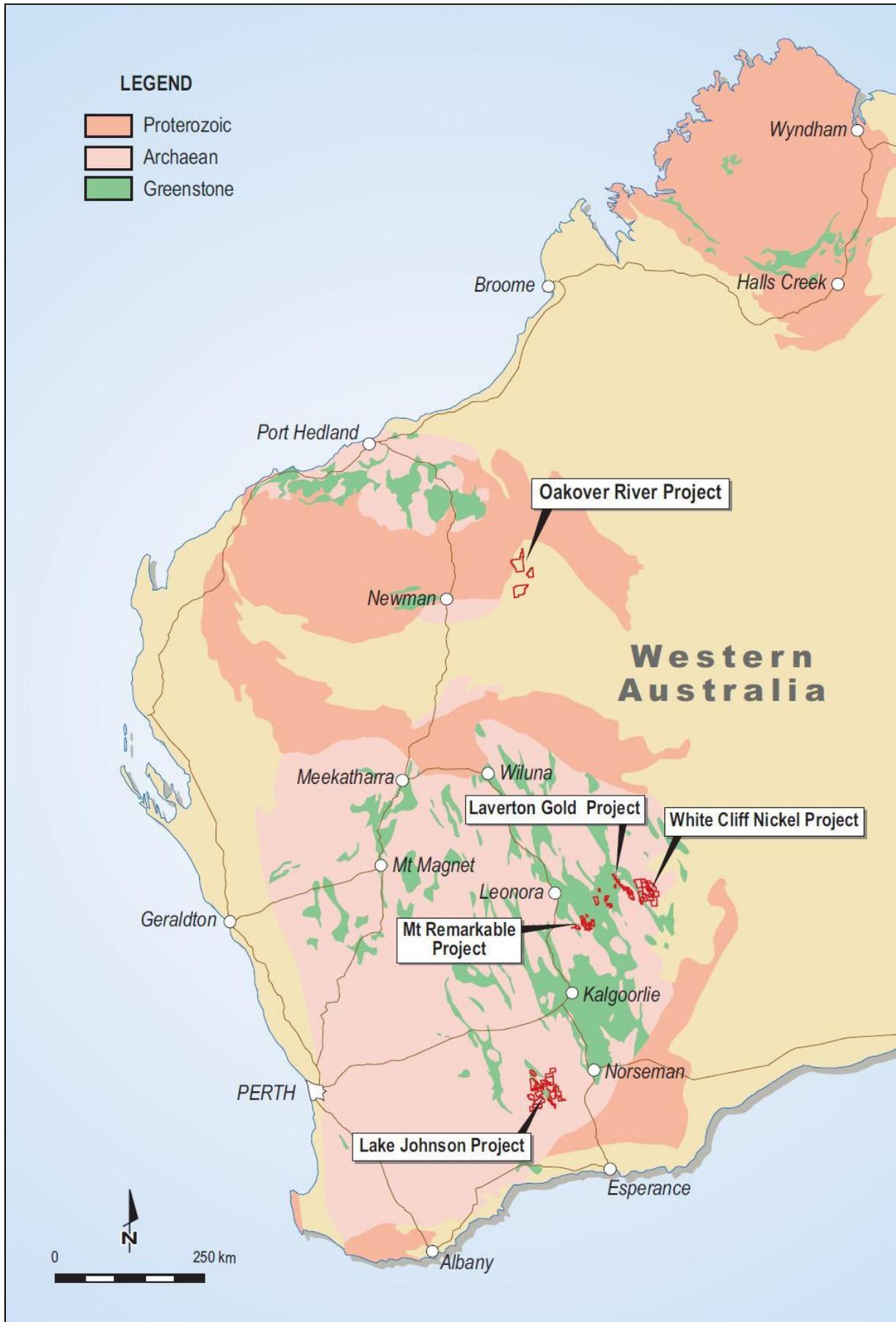
**Chanach Gold Copper Project:** The project consists of 93 square kilometres and is located in the Kyrgyz Republic 350km west-southwest of the capital city of Bishkek. The Chanach project is located in the western part of the Tien Shan Belt, a highly mineralised zone that extending for over 2500 km, 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. Initial work indicates that the project may host porphyry and skarn style gold and copper mineralisation. Sampling during 2007-2009 has identified several areas containing gold values of up to 20 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. The project has been joint ventured with a Korean consortium, comprising Daewoo Intl and the 100% government owned Korea Resources Corporation. The Korean consortium can earn up to 50% of the project by the expenditure of up to \$5 million over the next 3 years.

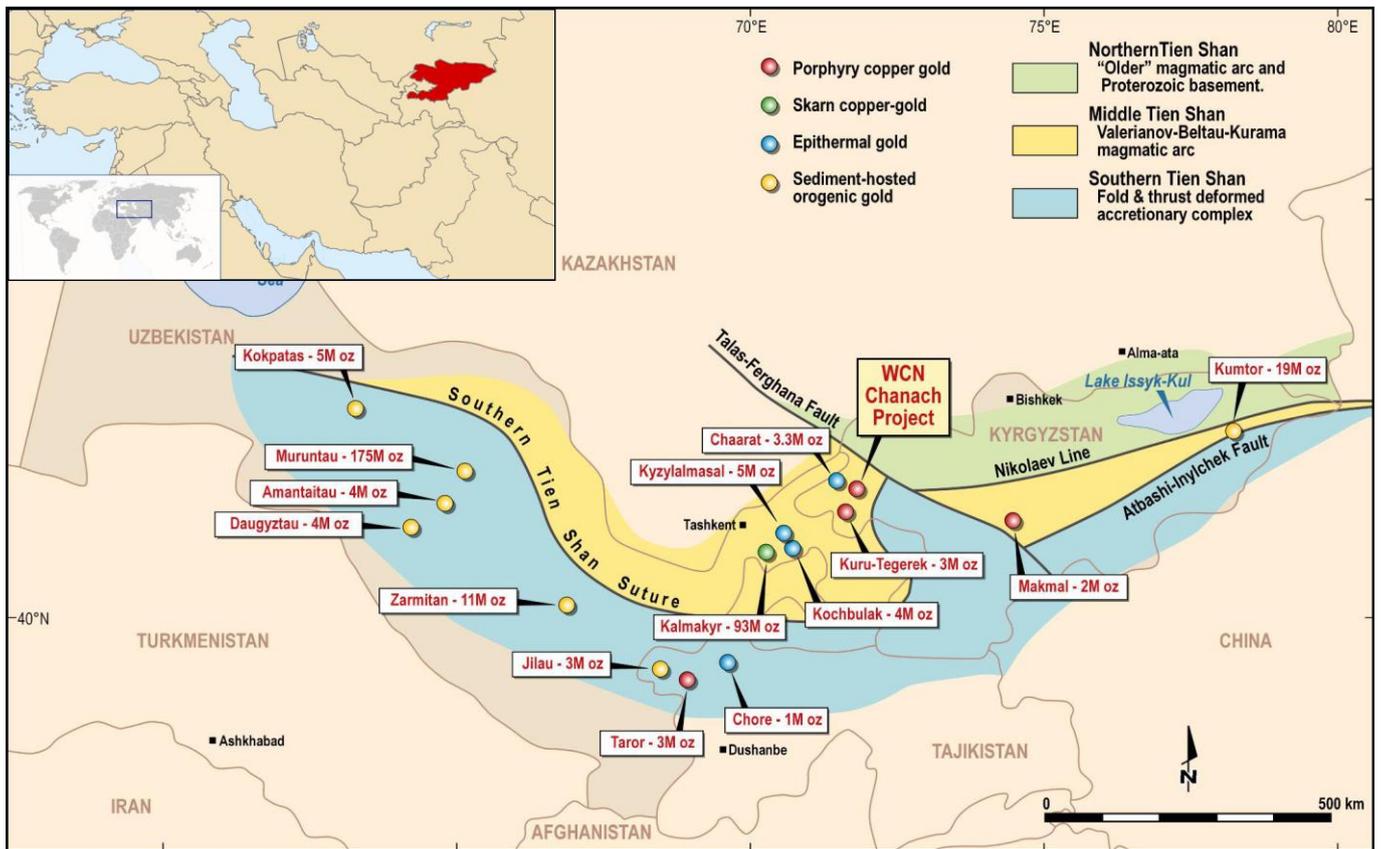
**Lake Johnston Project:** The project covers over 1400 square kilometres in the Lake Johnson Greenstone Belt, which contains the Emily Ann and Maggie Hayes nickel sulphide deposits. These mines have a total resource of approximately 140,000 tonnes of contained nickel. The project area was previously held by Norilsk and has excellent prospectivity for both komatiite associated nickel sulphides and amphibolite facies high-grade gold mineralisation.

**Oakover River Iron-Manganese Project:** The project covers 970 square kilometres and is located approximately 140 km east of the town of Newman, Western Australia. The Northern lease contains the same sedimentary sequences area that host Hancock Mining's Balfour Manganese Mine 30 kilometres West and is considered to have potential iron and manganese mineralisation. Previous exploration data of the area is currently being evaluated and a field visit is planned later this year to further assess the project potential and to formulate an exploration program.

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.



**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**