

WHITE CLIFF NICKEL LIMITED

ACN 126 299 125

NOTICE OF GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Date of Meeting: Thursday, 31 March 2011

Time of Meeting: 1.00pm (WST)

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

This Notice of 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 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 Thursday, 31 March 2011.

The Explanatory Memorandum which accompanies and forms part of this Notice of 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

RESOLUTIONS

1. Ratification of placement

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 8,134,050 shares to professional investor clients of Bell Potter Limited and Emerald Partners Pty Ltd on 16 February 2011, on the terms and conditions contained in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by clients of Bell Potter Limited and Emerald Partners Pty Ltd who participated in the placement 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.

2. 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 4,865,050 Shares, to professional investor clients of Bell Potter Limited and Emerald Partners Pty Ltd 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 clients of Bell Potter Limited and Emerald Partners Pty Ltd and their associates and any other 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.

3. Grant of Options to Mr Todd Hibberd

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

"That for the purposes of subsection 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 1,500,000 Options (each to subscribe for one fully paid ordinary Share in the capital of the Company at an exercise price \$0.25 exercisable on or before 30 June 2014 to Mr Todd Hibberd, a Director, on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by Mr Todd Hibberd and his associates. However 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.

4. Grant of Options to Mr Michael Langoulant

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

"That for the purposes of subsection 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 1,000,000 Options (each to subscribe for one fully paid ordinary Share in the capital of the Company at an exercise price \$0.25 exercisable on or before 30 June 2014 to Mr Michael Langoulant, a Director, on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by Mr Michael Langoulant and his associates. However 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. Grant of Options to Mr Rodd Boland

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

"That for the purposes of subsection 208(1) of the Corporations Act, Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the grant of up to 750,000 Options (each to subscribe for one fully paid ordinary Share in the capital of the Company at an exercise price \$0.25 exercisable on or before 30 June 2014 to Mr Rodd Boland, a Director, on the terms and conditions set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by Mr Rodd Boland and his associates. However 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: 17 February 2011

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 Tuesday, 29 March 2011. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

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 Celtic Club 48 Ord Street, Perth, Western Australia at 1.00pm (WST) on Thursday, 31 March 2011.

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.

1. Resolution 1 – Ratification of placement

On 11 February 2011 the Company announced that it had arranged a private placement of 13,000,000 Shares at an issue price of \$0.15 to institutional, professional and sophisticated clients of Bell Potter Limited and Emerald Partners Pty Ltd to raise \$1.95 million (before issue costs) in working capital. The Company also advised that this placement would be done in two tranches, the first tranche of 8,134,050 Shares was finalised on 16 February in accordance with Listing Rule 7.1, while the second tranche of 4,865,950 Shares is to be completed following shareholder approval as is being sought via Resolution 2.

Resolution 1 seeks ratification by shareholders of the 16 February 2011 issue of the first tranche of Shares to institutional, professional and sophisticated clients of Bell Potter Limited and Emerald Partners Pty Ltd for the purposes of Listing Rule 7.4.

The purpose of seeking shareholder approval and ratification of the issue of the Shares in Resolution 1 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 1:

- (a) The number of Shares allotted was 8,134,050 on 16 February 2011.
- (b) These Shares were issued at \$0.15 cents to raise funds to accelerate its exploration programs in both Australia and Kyrgyzstan.
- (c) The Shares rank equally with all existing Shares.
- (d) The allottees are not related parties of the Company.
- (e) A total of \$1,220,000 (less issue costs) was raised by the issue of the Shares pursuant to this Resolution.
- (f) The Shares were issued to institutional, professional and sophisticated investor clients of Bell Potter and Emerald Partners Pty Ltd.

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

2. Resolution 2 – Approve a proposed placement

2.1 General

Resolution 2 seeks Shareholder approval for the allotment and issue of the second tranche of the placement as announced on 16 February 2011, being 4,865,950 Shares at an issue price of \$0.15 to institutional, professional and sophisticated investor clients of Bell Potter and Emerald Partners Pty Ltd (**Proposed Placement**).

None of the subscribers pursuant to the Proposed Placement 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 2 will be to allow the Directors to issue the Shares pursuant to the Proposed Placement during the period of 3 months after the date of the General Meeting (or a longer period, if allowed by ASX), without utilising the Company's 15% annual placement capacity.

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

- (a) The maximum number of Shares to be issued is 4,865,950.
- (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 one date.
- (c) The issue price of the Proposed Placement will be \$0.15 per Share.
- (d) The Shares will be issued on a pro-rata basis to those persons that took part in the past placement, the subject of Resolution 1, being institutional, professional and sophisticated investor clients of Bell Potter and Emerald Partners Pty Ltd.
- (e) The allottees will not be related parties of the Company.
- (f) The Shares will rank equally with all existing Shares.
- (g) A total of \$930,000 (less issue costs) will be raised by the issue of the Shares pursuant to this Resolution.
- (h) The Company intends to use the funds raised from the Proposed Placement towards continued exploration on the Company's exploration portfolio in Australia and the Kyrgyz Republic, and for general working capital.

The Directors unanimously recommend Shareholders vote in favour of Resolution 2.

3. Resolution 3, 4 and 5 Issue of Shares and Options to Directors

3.1 Details of proposed issues

The Company proposes to grant Director Options to three directors, Mr Todd Hibberd, Mr Michael Langoulant and Mr Rodd Boland (**Recipient Directors**).

The proposed grant of Director Options to the Recipient Directors is intended to:

- (a) provide an appropriate and adequate incentive for the Directors;
- (b) ensure that the Company may retain the services of the Directors; and
- (c) reinforce the commitment of the Directors to the Company.

The Recipient Directors will only benefit from the grant of Director Options if the Company's share price increases above the exercise price of the Director Options of \$0.25.

The Recipient Directors may receive an immediate benefit from the grant of Director Options if the Company's share price improves between the date of this Notice of Meeting and the date on which the Director Options are granted. If this is the case and the Recipient Directors receive an immediate benefit from the grant of Director Options, the grant of Director Options to the Recipient Directors will still provide an incentive for the Recipient Directors as they will benefit from any further increases in the Company's share price.

Resolutions 3, 4 and 5 seek shareholder approval for the grant of Director Options to the Recipient Directors as follows:

Name of Director	Total number of Director Options to be granted
Mr Todd Hibberd	1,500,000
Mr Michael Langoulant	1,000,000
Mr Rod Boland	750,000

The number of Director Options proposed to be granted to the Recipient Directors reflects the level of commitment provided or to be provided by each Director to the Company, taking into account the responsibilities of each Director and the time commitments required from each Director. The number of Director Options proposed to be granted to the Recipient Directors also reflects the value the Board feels that each Director brings to the enhancement of the Company.

The exercise price of the Director Options offered to the Recipient Directors is \$0.25 which is 54% higher than the weighted average price of the Company's Shares over the last 5 days the Shares traded prior to the date of this Notice of Meeting.

The Director Options to be granted pursuant to Resolution 3, 4 and 5 are in addition to the fee and remuneration packages payable by the Company to the Recipient Directors.

3.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of the provisions; or
- (b) prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, each Recipient Director is a related party and the grant of Director Options to the Recipient Directors constitutes the giving of a financial benefit. Accordingly, Shareholder approval is required.

In accordance with the requirements of Chapter 2E, and in particular with section 219, of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed grant of Director Options to the Recipient Directors:

- (a) the Recipient Directors are each related parties of the Company to who proposed Resolutions 3, 4 and 5 would permit the financial benefit to be given;
- (b) the nature of the financial benefit to be given to Mr Hibberd is the grant of 1,500,000 Director Options;
- (c) the nature of the financial benefit to be given to Mr Langoulant is the issue of 1,000,000 Director Options;
- (d) the nature of the financial benefit to be given to Mr Boland is the issue of 750,000 Director Options;
- (e) the Director Options will be granted for no cash consideration. The terms of the Director Options are described in Appendix A;
- (f) as at the date of this Notice, the capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	62,361,053
Listed Options exercisable at \$0.25 on or before 30 June 2011	35,875,002

If Shareholders approve all resolutions in this Notice and all Shares and Director Options are issued as contemplated by this Notice, the issued capital of the Company would be as follows:

Capital	Number
Ordinary Shares	67,227,003
Listed Options exercisable at \$0.25 on or before 30 June 2011	35,875,002
Director Options exercisable at \$0.25 on or before 30 June 2014	3,250,000

If Shareholders approve the grant of 3,250,000 Director Options to the Recipient Directors and all of those Director Options are exercised, the effect will be to dilute the shareholding of existing members by approximately 3.20%, based on the number of Shares in the Company as at the date of this Notice and assuming all existing Options are exercised.

- (g) as at the date of this Notice, the Recipient Directors hold the following securities in the Company representing 10.42% of the issued capital on a fully diluted basis:

Director	Number of Shares held directly and/or indirectly	Number of Options held directly or indirectly	Fully diluted interest
Mr T Hibberd	3,128,344	2,000,000	5.22%
Mr M Langoulant	3,400,002	1,700,001	5.19%
Mr R Boland	10,000	-	0.01%

If Shareholders approve all Resolutions contained in this Notice, all Shares are issued and all Directors Options are granted as contemplated by this Notice, the Recipient Directors will hold the following securities in the Company, representing 12.68% of the issued capital of the Company on a fully diluted basis:

Director	Number of Shares held directly and/or indirectly	Number of Options held directly or indirectly	Fully diluted interest
Mr T Hibberd	3,128,344	3,500,000	6.23%
Mr M Langoulant	3,400,002	2,700,001	5.74%
Mr R Boland	10,000	750,000	0.71%

- (h) details of the Recipient Directors' remuneration for the financial year end 30 June 2010 are as follows:

Director	Salary and fees (\$)	Super-annuation (\$)	Option based payments (\$)	Total (\$)
Mr T Hibberd	228,206	21,084	6,125	255,415
Mr M Langoulant	194,515	50,000	-	244,515
Mr R Boland	21,961	-	-	21,961

- (i) the market price for the underlying Shares during the term of the Options would normally determine whether or not the Recipient Directors would exercise the Directors Options. If, at the time any of the Directors Options are exercised, the price of the underlying Shares is higher than the exercise price of the Directors Options, there may be a perceived cost to the Company;

- (j) during the last 12 months before the date of lodgement of this Notice with ASIC, the highest trading price of the Shares was \$0.30 on 18 October 2010 and the lowest trading price of the Shares was \$0.052 on 7 July 2010. The market price of the Company's Shares over the last 5 days of trading on ASX up to and including 16 February 2011 has been between a minimum of \$0.15 per Share to a maximum of \$0.19 per Share. On 16 February 2010, the last trading day before this Notice of Meeting was lodged with the ASIC, the Shares closed at a price of \$0.155 per Share.
- (k) the primary purpose of the grant of Directors Options to the Recipient Directors is to provide an incentive and reward to the Directors. Given this purpose, the Board does not consider that there is any opportunity cost or benefit foregone to the Company in granting the Directors Options proposed by Resolutions 3, 4 and 5;
- (l) the grant of Directors Options to the Recipient Directors is a more cost effective incentive for the Company as opposed to the payment of cash compensation;
- (m) Mr Hibberd has a material personal interest in the outcome of Resolution 3; Mr Langoulant has a material personal interest in the outcome of Resolution 4 and Mr Boland has a material personal interest in the outcome of Resolution 5 as recipients of the Directors Options proposed to be granted;
- (n) none of the Recipient Directors wish to make a recommendation to Shareholders about Resolutions 3, 4 and 5 because each has an interest in the outcome of those Resolutions;
- (o) the Company has no directors other than the Recipient Directors;
- (p) a valuation of the Directors Options proposed to be granted to the Recipient Directors is set out below;
- (q) additional information in relation to Resolutions 3, 4 and 5 is set out throughout this Explanatory Memorandum. Shareholders should therefore read the Explanatory Memorandum in its entirety before making a decision on how to vote on Resolutions 3, 4 and 5;
- (r) the Company will incur no liabilities or costs in respect of the proposed issue of the Shares to the Recipient Directors other than:
 - (i) the fees payable to ASX for quotation of any Shares that may be issued upon exercise of the Directors Options; and
 - (ii) a value equal to the market value of the underlying Shares that could be acquired by exercising the Directors Options, as at the day on which the Options are granted, minus the lowest amount that must be paid to exercise the Options to acquire those Shares, will be included as wages for the purposes of *Pay-roll Tax Act 2002 (WA)*, *Payroll Tax Assessment Act 2002 (WA)* and *the Taxation Administration Act 2003 (WA)*. If this value in addition to other wages paid or payable by the Company during a month is in excess of the monthly pay-roll tax threshold, the Company may be required to register for pay-roll tax in the relevant jurisdiction. If this value in addition to other wages that are taxable in the jurisdiction is in excess of the annual pay-roll tax threshold, the Company will have a liability in respect of pay-roll tax in that jurisdiction;
- (s) neither the Board nor the Company is aware of any other information that would be reasonably be required by Shareholders in order to decide whether it is in the best

interests of the Company to pass Resolutions 3, 4 and 5, other than as stated in this Explanatory Memorandum; and

3.3 Valuation of Directors Options

The value of the Directors Options to be granted to the Recipient Directors has been calculated using the *Black-Scholes* pricing model and based on the following assumptions:

- share price on date of issue \$0.16
- share price volatility 100%;
- risk free rate of return 4.95%;
- discount for lack of marketability 33%; and
- dividend yield 0%.

Based on the assumptions outlined above, the *Black-Scholes* pricing model attributes a theoretical value of \$0.062 per Option. This values the Options to be granted to Messrs Hibberd, Langoulant and Boland at \$93,000, \$62,000 and \$46,500 respectively.

3.4 Listing Rule 10.11

Listing Rule 10.11 provides, in essence, that the approval of ordinary shareholders by ordinary resolution is required before the Company can issue equity securities to any of the following persons:

- (a) a related party; or
- (b) a person whose relationship with the company or a related party is, in ASX's opinion, such that approval should be obtained.

Each of the Recipient Directors is a related party of the Company for the purpose of Listing Rule 10.11. Accordingly, in order for the Recipient Directors to be granted Directors Options, the Company must obtain Shareholder approval pursuant to Listing Rule 10.11.

3.5 Listing Rule disclosure requirements

In accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 3, 4 and 5:

- (a) Messrs Hibberd, Langoulant and Boland are Directors;
- (b) the maximum number of Directors Options that may be granted to Mr Hibberd under Resolution 3 is 1,500,000; to Mr Langoulant under Resolution 4 is 1,000,000 and to Mr Boland under Resolution 5 is 750,000;
- (c) the Directors Options will be granted within a month of the date of the meeting;
- (d) the exercise price of the Directors Options will be \$0.25;
- (e) the Directors Options will be granted for no consideration and accordingly, there will be no funds raised pursuant to the grant of the Directors Options. The terms of the Directors Options are set out in Appendix A of this Explanatory Memorandum;
- (f) the expiry date of the Directors Options will be 30 June 2014;
- (g) a voting exclusion statement in respect of each of Resolutions 3,4 and 5 is in the Notice.

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**" mean the directors of the Company from time to time.

"**Directors Options**" means options to acquire a Share in the Company at an exercise price of \$0.25 on or before 30 June 2014.

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

"**Listed 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.

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

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

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

"**Options**" means any option to acquire a Share in the Company.

"**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 Director Options

The terms and conditions of the Director Options are as follows:

- a. Each Director Option entitles the holder to acquire one fully paid ordinary Share in the Company.
- b. The expiry date of the Director Options is 5pm WST on 30 June 2014 (Expiry Date).
- c. The exercise price of the Director Options is \$0.25 per Director Option.
- d. Vesting Conditions – One third of the Director Options will vest 12 months from the date of issue; while the next third will vest 24 months from the date of issue; and the final third will vest 36 months from the date of issue.
- e. The Director Options will lapse within one month of the recipient ceasing to be a director/employee/consultant of the Company.
- f. Each Director Option may be exercised at any time after vesting and prior to the Expiry Date by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of \$0.25 per Director Option exercised.
- g. The Director 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 a Director Option that may be imposed by ASX in circumstances where the Company is listed on ASX.
- h. Director Option holders shall be permitted to participate in new issues of securities on the prior exercise of Director Options in which case the Director 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 Director Option.
- i. Shares issued on the exercise of Director Options will be issued not more than ten (10) Business Days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of a Director 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 a Director 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.
- j. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Director Option holder will be changed to the extent necessary to comply with the relevant Listing Rules.
- k. If there is a bonus issue of Shares to Shareholders, the number of Shares over which the Director Option is exercisable may be increased by the number of Shares which the holder of the Director Option would have received if the Director Option had been exercised before the record date for the bonus issue.
- l. 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 Director Options may be reduced in accordance with Listing Rule 6.22.

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 General Meeting of the Company to be held at Celtic Club 48 Ord Street, West Perth, Western Australia at 1.00pm (WST) on Thursday, 31 March 2011 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:

