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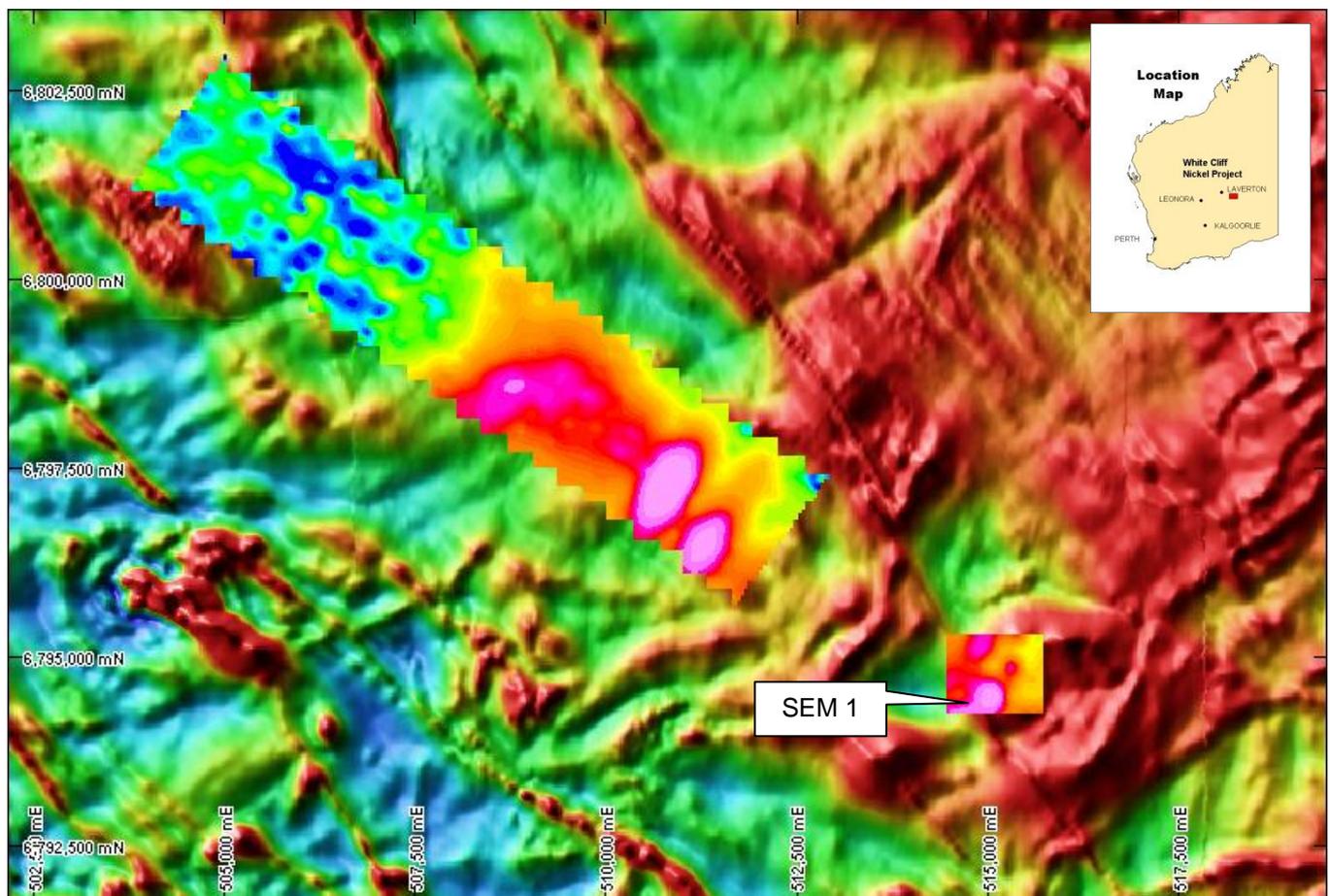
ASX Code: WCN

## VMS Anomaly Drilling Commences at White Cliff Project

### Highlights

- Diamond drilling re-commences on massive sulphide base metals target
- Trace element analysis identifies base metal anomalism (Copper, Lead, Zinc, Silver)
- Initial drilling identifies large hydrothermal system with proximal silica-carbonate-pyrite-pyrrhotite alteration adjacent to massive sulphides

A second diamond drill hole has commenced on a gold and base metals massive sulphide target at the White Cliff Nickel project. During the June quarter the initial 384 metre diamond hole into the SEM1 target (Figure 1) intersected extensive komatiitic basalts with pervasive hydrothermal silica-carbonate-pyrite-pyrrhotite alteration. A zone of massive pyrite and pyrrhotite was intersected at 349-356 metres that contained traces of the base metals copper, lead, zinc and silver. Further trace element and whole rock geochemistry identified potential for the system to be prospective at depth.



**Figure 1** Image of the extents of the geophysical survey overlaid on high resolution magnetics. The SEM 1 conductor occurs in the bottom right corner of the image.

The Joint Venture partners have commenced drilling one additional 600m diamond hole to test the core of the conductor two hundred metres down dip from the initial massive sulphide intersection. The hole should intersect the conductor at about 470 metres and drilling should take approximately three weeks.

The identification of an extensive alteration system changes the conceptual exploration model for this project resulting in several new areas becoming prospective that require further work.

## **White Cliff Nickel Project Background (WCN 85% reducing to 50%)**

The White Cliff Nickel Project is located some 70 km southeast of Laverton and 140 km southeast of Windara, Western Australia.

The Project is a Joint Venture between White Cliff Nickel and a Korean Consortium consisting of Daewoo International Corporation Limited and Korea Resources (a subsidiary of the Korean Government). The Korean Consortium can earn a maximum of 50% of the project via expenditure of \$5 Million dollars. Currently the Consortium has expended \$1.5 Million and provided a further \$2.0 Million in funding which once expended will increase their interest to 35%.

This region hosts the Murrin Murrin and Mt Windara nickel mines, along with the Sunrise Dam, Granny Smith and Bright Star gold mines. The White Cliff project covers almost 1,400 km<sup>2</sup> in area of the Merolia Greenstone belt. Drilling of aeromagnetic anomalies by previous explorers in the 1980's identified elevated values of nickel, copper, chrome, cobalt and platinum group metals. Follow up reconnaissance drilling by White Cliff Nickel conducted in March 2008 confirmed the presence of nickel mineralisation of significant thickness with 24m @ 0.54% nickel and 24m @ 0.43% nickel. In addition a number of drill holes that intersected mafic rock contained palladium mineralisation with grades up to 0.35g/t Pd.

Based on the success of the initial reconnaissance drilling further drilling was carried out in April 2009 that identified an area of mineralisation with nickel grades up to 2.14% within a zone of 20 metres at 1% nickel and 0.05% cobalt. The majority of high grade results occur within the oxide zone with elevated nickel, copper and platinum group elements occurring in the transitional and fresh zones. Mineralisation extended over 250 metres along a mineralised zone interpreted to trend northwest-southeast based on gossan outcrop. The high grade results coincided with a coincident magnetic and electromagnetic (MLTEM) near surface anomaly sitting over a deeper MLTEM anomaly.

A review of the drilling results suggested that the surface mineralisation may be the surface expression of a larger nickel rich ultramafic komatiite unit occurring at depth represented by a large moderate moving loop electromagnetic anomaly. Further drilling in September 2009 encountered significant widths of nickel rich komatiite with the best intercept of 4 metres at 0.73% nickel and 0.02% cobalt within 32 metres of 0.33% nickel. The same hole also contained an additional 188 metres at 0.21% nickel. Of the six holes drilled five encountered significant mineralised intervals with the best overall intersection of 148 metres at 0.24% nickel.

Based on the above results the Joint venture partners have focussed exploration on the White Cliff ultramafic unit (WUU) which extends over twenty kilometres along strike from the White Cliff Gossan area. Only approximately 5% of this ultramafic unit has previously been tested. A major geophysical survey utilising the highly sensitive SAMSON detectors commenced in December 2010 and identified an exceptionally strong conductor interpreted to represent a confined bedrock sulphidic or graphitic source. Initial drilling of the target identified massive sulphide mineralisation containing trace silver, copper, lead and zinc possibly representing the margin of a volcanic massive sulphide base metals deposit.

The Joint venture partners are currently drilling a second diamond hole 200 metres down dip of the initial massive sulphide intersection targeting the core of the anomaly.

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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.

**Chanach Copper-Gold Project:** The project consists of 83 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 drilling has identified wide zones of copper mineralisation with average grades of 0.4% to 0.5% copper.

**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.

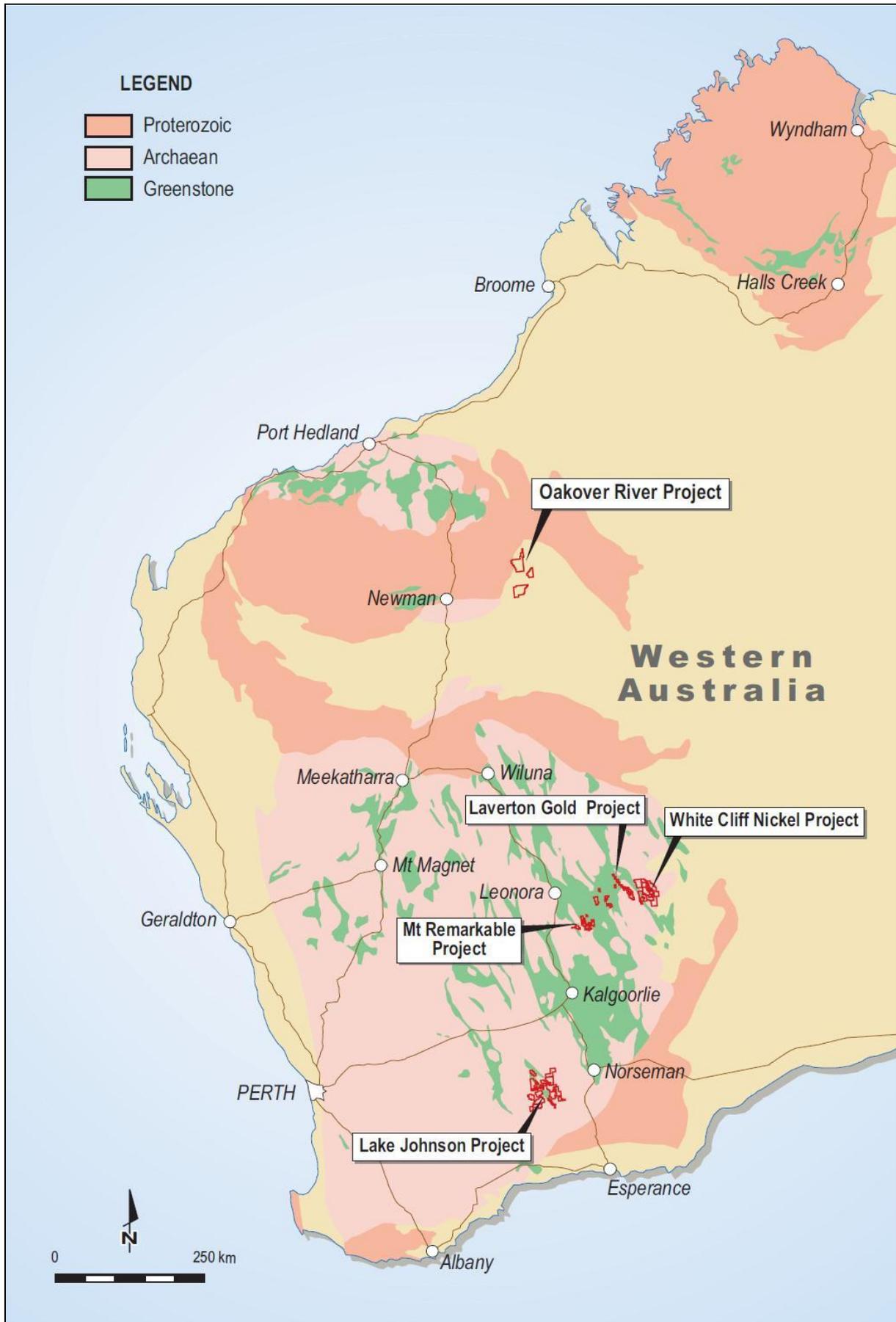
**Lake Johnston Project:** The project covers over 1400 square kilometres in the Lake Johnson Greenstone Belt, which contains the Emily Ann and Maggie Hayes nickel sulphide deposits. These mines have a total resource of approximately 140,000 tonnes of contained nickel. The project area was previously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

**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 (3MOz) 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.

**Ghan Well Project:** The project covers an area of 83km<sup>2</sup> located approximately 40km South-West of Laverton. The project is centred on a 6km long nickeliferous ultramafic unit. Minara Resources is currently mining from the Murrin Murrin East Pit along strike from the Company's recent drilling. The cumulate textures observed in the ultramafic unit suggest the unit is prospective for Nickel sulphide mineralisation at depth.

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