

# Global Nickel Investments Ltd

## Virgin territory awaits seduction...

**Uniting one of WA's last unexplored Greenstone belts.** After increasing its land holdings during 2009, Global Nickel Investments ("Global Nickel") now controls almost 80% of the Jutson Rocks greenstone belt in the eastern goldfields of WA.

**Colourful history, but more hype than drill holes under previous owners.** Speculation over Jutson Rocks drove Tasminex Ltd's infamous share price surge from \$3 to \$96 during the nickel boom in 1970. Despite the hype, the area is best characterised by a lack of exploration.

**Local access agreement opens the door for exploration.** Jutson Rocks lies within Aboriginal Reserves, and access issues have hampered exploration over the last three decades. After striking an agreement with local land owners, Global Nickel is ready to commence field work. Results of a Helicopter VTEM survey and augur soil sampling programs are expected early in 2010, from which key drill targets will be identified. Pending additional heritage clearances, shallow RC drilling is planned to follow.

**Surface riches confirmed, but what lies beneath?** Past explorers reported common encounters with gold, base metal, and platinum at surface. Highlights from rock chip sampling include; 20g/t gold, and 8.7% Cu, 0.34% Ni and 0.14g/t pgm (Pt + Pd). Limited historic drilling confirmed the presence of copper-nickel sulphides (2m @1.2% Ni, 4m @1.3%Cu), however the primary source of the mineralisation has escaped prospectors to date. Independent geologists report the copper-nickel sulphides to be of 'great exploration significance', leading Global Nickel to suggest that previous operators have 'barely scratched the surface'.

**Initiating coverage pending exploration results.** In anticipation of Global Nickel's upcoming work program at Jutson Rocks, wise-owl.com is initiating coverage on the company. The project's remote location is likely to challenge the economics of modest discoveries, however with a market capitalisation of just \$3m, Global Nickel's share price is very leveraged to any hint of high grade success.

Last Price  
8-12-2009

**\$0.029**

## Initiating Coverage

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### Management Team

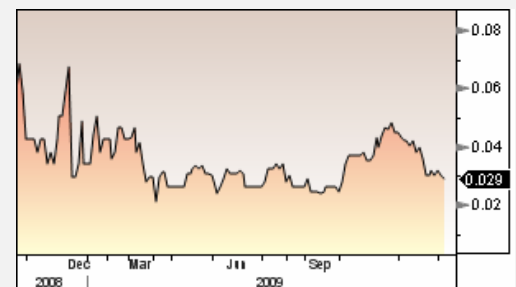
Chairperson	Lia Darby
Managing Director	Benjamin Cooper
Exec Director	Andrew Mortimer

### Major Shareholders

Andrew Mortimer	10.85%
Proto Resources & Inv.	5.45%
SA Capital Funds Mgmt	3.75%
Belloc Pty Ltd	3.52%

### Share Data

Sector	Materials
Last Price	\$0.029
Market Cap	\$2.25m
Fully Diluted M.Cap	\$3.2m
Shares on issue	77.74m
Options on issue	32.5m
Avg. Daily Value Traded	0.378m



GNI Daily Chart  
Source: Bloomberg

## Company Overview

Global Nickel Investments Ltd ("Global Nickel") is a Sydney-based exploration & investment company that manages mineral and mining assets in Australia and New Zealand. The company listed on the ASX in September 2007 with a greenfields exploration portfolio in WA, raising \$3m at 20c per share. During 2008 Global Nickel expanded its portfolio, acquiring the Round Hill Gold Mine and the Longwoods Tops Igneous Complex Platinum project in New Zealand. After assessing several other acquisitions over the last 12 months, the company has resolved to concentrate on Jutson Rocks, expanding its acreage in the area. Jutson Rocks is the primary asset on which Global Nickel listed. Located in the Eastern Goldfields Region of Western Australia, Jutson Rocks is considered to be one of the state's last remaining unexplored greenstone belts.

***“Jutson Rocks is one of WA’s last unexplored greenstone belts”***

## Jutson Rocks

E38/1540-1 (70%)  
E38/1850 (earning 90%)  
E38/2351-2 (earning 99%)

### Location

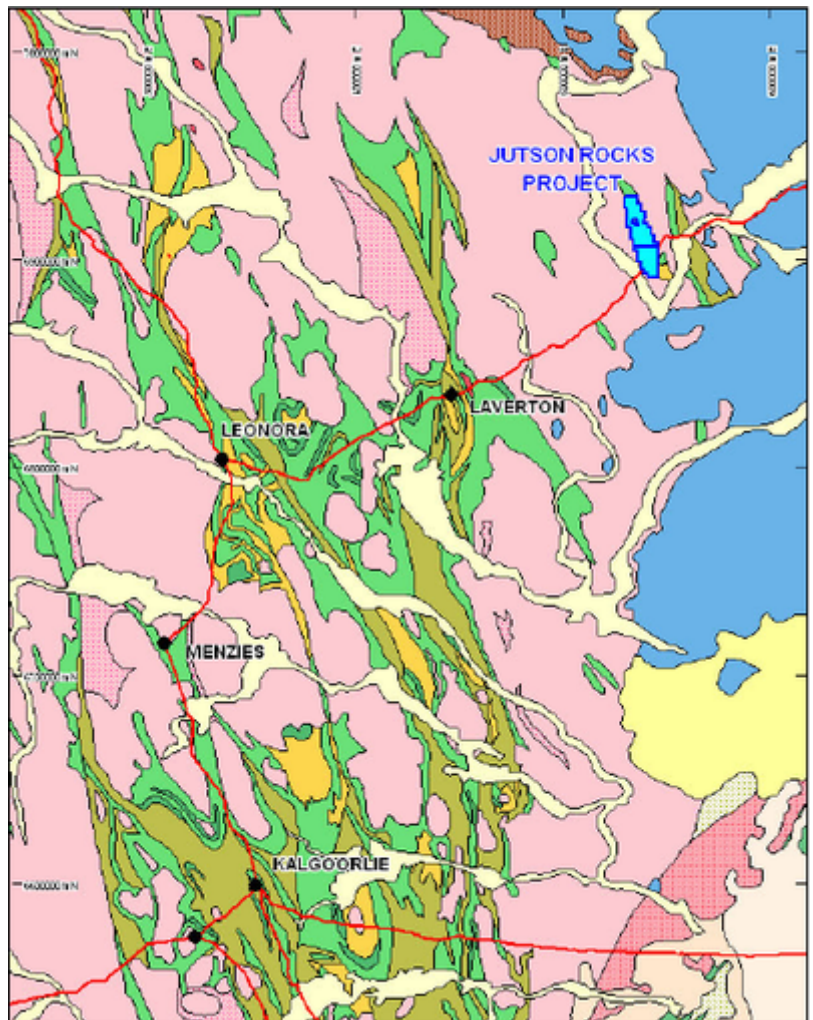
125km northeast of Laverton, the Jutson Rocks project area covers the majority of the Mt Venn Greenstone Belt within the Eastern Goldfields Province of Western Australia. The greenstone belt averages about 9 km in width and extends continuously some 60 km from Mount Warren in the north to Mt Venn and Mount Grant in the south. Global Nickel's land package encompasses almost 80% of the greenstone belt.

All of the ground lies within Aboriginal Reserves. Access to the centre of the project area is by bitumen highway to Laverton and then approximately 130km along the good gravel road to Warburton Mission. Minor tracks to the north and south then service the project area.

### History

Jutson Rocks has a colourful past. The area is best known for fuelling the share price of junior explorer Tasminex Ltd from \$3 to \$96 at the height of the nickel boom in January 1970. Tasminex Directors claims that the project “could be bigger than Poseidon” turned out to be founded on thin air, however their enthusiasm wasn't totally baseless...

Encounters with surface gold, base metal and platinoid mineralisation have been quite common. However with only minimal modern grassroots exploration conducted to date, this potential has never been comprehensively tested.



Regional map showing Jutson Rocks  
Source: Global Nickel

Gold was first officially reported in 1923 when a State Prospecting Party (SPP) discovered several pits at the prospect known as Chapman's Reward. These pits exposed numerous high-grade quartz veins, up to 5m wide. Early selective sampling from pit walls and dump material assayed up to 201g/t Au. Further south near Lang's Rock the SPP sampled a quartz vein with visible gold and chalcopyrite that returned 208g/t Au and a second narrow quartz vein 30m away that assayed 165g/t Au.

Chapman's Reward is currently excluded from the tenement package, however more recent sampling programs in the surrounding project area have confirmed that rich surface mineralisation continues along the belt. Rock Chipping by Elmina NL (later Quadrant Resources Ltd) during the 1990's returned 20.5g/t Au, 1.31g/t Pt, 3090ppm Cr & 0.769% Pb at Mt Warren and 0.10g/t Pt & 17,700ppm Cr and 0.10g/t Pt & 4490ppm Cr at Mt Cummings. Helix Resources Ltd ("Helix Resources") farmed into the project in 2002 and discovered samples with highly anomalous results up to 8.7% Cu, 0.34% Ni and 0.14g/t pgm (Pt + Pd).

Unfortunately the source of this surface mineralisation has escaped prospectors for the last three decades. Tasminex followed up its over-exuberant claims with a round of 'wild cat' drilling. Results confirmed the presence of nickel, but failed to meet the excessive hype which Directors had generated. The best drill hole struck intersections totalling 30 metres of disseminated sulphides assaying 0.25 to 0.5 per cent nickel and about 1 per cent copper.

Over the next few decades, apart from the limited sampling described above, Jutson Rocks lay dormant as part of a Native Reserve. Access issues were finally overcome by Helix Resources in 2005, which paved way for the area's first drilling campaign in 30 years. Results once again confirmed the presence of nickel and copper, with the best intercept returning 2 metres grading 1.2% nickel (including 1m@1.8%Ni) from a 4 metre wide zone of mineralisation grading 1.3% copper from 33 metres depth.

These initial results didn't prompt further investigation. Helix Resources was targeting PGM's, readings of which were weak. As the company's attention was subsequently diverted to a gold discovery elsewhere in its portfolio, the leases have attracted little attention ever since.

### **Current Status**

Independent geological reviews suggest the presence of nickel-copper sulphides in past drilling campaigns is of "great exploration significance". While the sub surface mineralisation itself encountered to date has not been economic, drilling has been very limited across the project area and has 'barely scratched the surface' according to Global Nickel.

Recognising Jutson Rocks as one of the last unexplored greenstone belts in WA, Global Nickel has since emerged as the dominant land holder in the region. The company has expanded its land package during 2009, which now encompasses almost 80% of the greenstone belt.

Therefore, for the first time, the entire area is open to modern exploration techniques under the guide of a single operator. Global Nickel has also overcome access issues which hampered explorers for decades. A final agreement has been completed with the Cosmo Newberry Aboriginal Corporation, which provides for staged payments

***"Surface gold, base metal, and PGM mineralisation quite evident"***

***"Sub surface nickel-copper sulphide mineralisation is of great exploration significance"***

***"Access agreement in place"***

to support local communities in return for access. Each phase of exploration work requires Heritage Clearance to prevent damage to culturally significant areas. Global Nickel has just received Heritage Clearance to commence initial field work, although additional approvals will be required for subsequent drilling programs.

### **Exploration Plan**

Most of the Jutson Rocks greenstone belt is buried by transported cover (sand) with some parts completely buried. This and a paucity of historic exploration data creates the need for new detailed geophysical data to be used both as an aid in interpreting the geology and also to locate exploration targets for drilling.

Now that heritage clearances have been received, VTEM airborne helicopter mapping and soil sampling programs are set to commence over the coming weeks. Global Nickel expects to make a results announcement early in 2010, identifying key targets for a subsequent RC drilling program, possibly later in the year. Drilling will require additional heritage clearances.

***“VTEM and soil sampling underway to identify drilling targets”***

### **Financial Performance**

Global Nickel recently completed a one for three non-renounceable pro rata offer to existing shareholders, resulting in the issue of 25.9m new shares at 2.5c. Each new share came with a free attaching 10c June 2012 option. The company's cash balance now sits at \$700,000 following the raising. Proceeds will be used to fund planned exploration at the Jutson Rocks project, however further capital raisings are likely to be required within the next 6 months.

### **Risks**

#### **Corporate**

Global Nickel does not generate any revenues and therefore relies on external capital to fund its exploration activities. If for any reason the company cannot raise new funds for further development at Jutson Rocks, its share price is likely to suffer.

#### **Exploration**

Any discovery at Jutson Rocks needs to be large enough to overcome the project's remote location in central WA. The project is accessible by road, but any development would require processing facilities to be installed or be of high enough grade to warrant trucking to third party plants. The nearest gold processing facilities are 125km away at Laverton.

#### **Native Title**

Jutson Rocks is located within the Cosmo Newbery Aboriginal reserve, which means exploration is subject to approval by local land owners. Access permissions have been a significant issue for previous explorers. Global Nickel has overcome the hurdle, negotiating an access agreement with the Cosmo Newbery Aboriginal Corporation in March 2009. This agreement allows the planned helicopter VTEM geophysical survey to commence and infill soil sampling programs to also be undertaken on exploration licences E38/1540 and E38/1541. Any future drilling and development programs will require additional clearances and there is a risk that consent will not be granted.

## The Bulls & The Bears



### The Bulls Say

- After assessing numerous acquisitions during 2009, management are focussing on the company's single biggest opportunity, increasing its land position around Jutson Rocks.
- Jutson Rocks is one of the last remaining unexplored greenstone belts in WA, of which Global Nickel now controls around 80%.
- Limited historic exploration confirms the presence of nickel and copper mineralisation, which independent geologists describe as being of "great exploration significance".
- Access issues which plagued previous prospectors have been overcome and the whole area is now open to modern exploration techniques.
- Drilling planned for 2010 could be a key share price driver.
- With a market cap of just \$3m, a sniff of success could yield a large share price re rating.



### The Bears Say

- Jutson Rocks is unexplored because of its isolation, and any discovery will need to be big in order to justify potentially high transport costs involved with any future development.
- Exploration is at the mercy of the traditional land owners, and despite current agreements, past access issues could arise once again.
- With only \$700,000 cash, the company is only funded through to mid 2010.

## ***Management Team***

### **Lia Darby**

#### **Non Executive Chairperson**

Ms Darby has worked in international commercial litigation in shipping and international commodities trading and more recently in independent assessment of projects and companies in the mining sector. Her experience recently has specialised in the listing of mining securities, particularly on the Australian Stock Exchange. Ms Darby is also an executive director of Proto Resources & Investments Limited.

### **Benjamin Cooper**

#### **Managing Director**

Mr Cooper was appointed as the Managing Director of Global Nickel Investments on October 2008. Mr Cooper has extensive experience in the finance and mining industry over the past 10 years as a licensed investment manager and company director. Mr Cooper is the Executive Chairman of CMG Iron Ltd, Chairman of Esperanza Resources Pty Ltd and Principal of Corporate Advisory firm Cooper Capital and Investments Pty Ltd.

### **Andrew Mortimer**

#### **Executive Director**

Mr Mortimer has worked in the mining industry in the areas of project acquisition, corporate and technical management, capital raising and corporate advice. He is the Chairman of Proto Resources & Investments Limited, an exploration company that floated on the ASX in November 2006.

Mr Mortimer is also Chairman of Superstructure International Pty Ltd, an industry consultancy firm, and Chief Corporate Officer for the Mallee Gold Corporation. Mr Mortimer has experience in creating, structuring and preserving the necessary strategic alliances to build solid mining businesses with the potential for sustained growth.

## ***Analysts***

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## ***Wise-owl.com recommendation system***

Care has been taken to define the level of risk to return associated with a particular company. Our recommendation ranking system is as follows:

### **Spec Buy**

We forecast strong earnings growth or value creation that may achieve a return well above that of the broader market. These companies also carry a higher than normal level of risk.

### **Buy**

Companies with 'Buy' recommendations have been cash flow positive for some time and have a moderate to low risk profile. We expect these to outperform the broader market.

### **Hold**

A sound well managed company that may achieve market performance or less, perhaps due to an overvalued share price, broader sector issues, or internal challenges.

### **Sell**

Risk is high and upside low or very difficult to determine. We expect a strong underperformance relative to the market and see better opportunities elsewhere.

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