
GLOBAL NICKEL INVESTMENTS LIMITED

ABN 23 124 140 889

**NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY
STATEMENT**

TIME: 1.30pm WST

DATE: Thursday 27 November 2008

PLACE: City West Function Centre
45 Plaistowe Mews
City West Centre
WEST PERTH, WESTERN AUSTRALIA, 6005

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9388 8041.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Global Nickel Investments Limited which this Notice of Meeting relates to will be held at 1.30pm WST on Thursday, 27 November 2008 at:

<p>City West Function Centre 45 Plaistowe Mews City West Centre WEST PERTH, WESTERN AUSTRALIA, 6005</p>
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YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) send the proxy form by post to Global Nickel Investments Limited, PO Box 1905, Subiaco WA 6904; or
- (b) send the proxy form by facsimile to the Company on facsimile number (08) 9388 8042,

so that it is received not later than 1.30pm WST on Tuesday, 25 November 2008.

Proxy forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the first Annual General Meeting of Shareholders of Global Nickel Investments Limited will be held at City West Function Centre, 45 Plaistowe Mews, City West Centre, West Perth Western Australia 6005 at 1.30pm WST on Thursday, 27 November 2008.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at the close of business on 25 November 2008.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

Reports and Accounts

To receive the financial report of the Company for the year ended 30 June 2008, together with the Directors' report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report (Non-binding)

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

“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report.”

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Ms Lia Darby

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

“That, Ms Lia Darby, being a Director, retires in accordance with clause 11.3 of the Constitution and, being eligible for re-election, is hereby re-elected as a Director.”

Resolution 3 - Approval to the Future Placement of Shares

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

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, this meeting approves and authorises the Directors to issue and allot up to 12,000,000 Shares at a price that is at least 80% of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the date on which the issue is made and 12,000,000 attaching options, and otherwise on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (a) Prior to making a decision with respect to Resolution 3, members should refer to Section 3 of the Explanatory Statement which accompanies this Notice of Meeting.
- (b) In accordance with ASX Listing Rule 7.3.8, the Company will disregard any votes cast on Resolution 3 by any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if Resolution 3 is passed and any person associated with those persons. However, the Company need not disregard a vote if it is cast by a person 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.

Resolution 4 – Participation of Directors in Future Placement

To consider and, if thought fit, to pass the following as an **ordinary resolution**:

“That, subject to passing of Resolution 3, approval be given for the purposes of Listing Rule 10.11 and for all other purposes for the issue to each of the Directors, being Andrew Mortimer, Lia Darby, Steve Leithead or their respective nominees, of up to 1.5 million shares and an equivalent amount of attaching Options, and in aggregate, a maximum of 4.5 million of the Fully Paid Shares and an equivalent amount of attaching Options that may be issued under resolution 3 and otherwise on the terms and conditions set out in the attached Explanatory Memorandum.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 4 by Mr Andrew Mortimer, Ms Lia Darby, Mr Steven Leithead and any of their associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Resolution 5 - Approval of Placement of Shares to Mr Andrew Mortimer

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

“That, for the purposes of ASX Listing Rule 10.11, Chapter 2E and Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue a Placement of 625,000 Shares at a price of \$0.08 per Share and 625,000 attaching Options to Mr Andrew Mortimer (and/or his nominee(s)), for the purposes, on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting.”

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 5 by Mr Andrew Mortimer and any of his associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

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Resolution 6 - Approval of Placement of Shares to Ms Lia Darby

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

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E and Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue a Placement of 625,000 Shares at a price of \$0.08 per Share and 625,000 attaching Options to Ms Lia Darby (and/or her nominee(s)), for the purposes, on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by Ms Lia Darby and any of her associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Resolution 7 - Approval of Grant of Shares to Graynic Metals Limited

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue 300,000 Shares to Graynic Metals Limited (and/or nominee(s)), for the purposes, on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: For the purposes of ASX Listing Rule 7.1, the Company will disregard any votes cast on Resolution 7 by Graynic Metals Limited and any associates.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Resolution 8: Ratification of Share Issue to Mr Williamson

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 125,000 Shares at a price of \$0.08 per Share to Mr Damien Williamson, on the date and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

NOTICE OF ANNUAL GENERAL MEETING

Voting Exclusion: The Company will disregard any votes cast on Resolution 8 by Mr Damien Williamson and any associate of such allottee. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Resolution 9: Ratification of Share Issue to Mr Cain

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 125,000 Shares at a price of \$0.08 per Share to Mr Matthew Cain, on the date and on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: The Company will disregard any votes cast on Resolution 9 by Mr Matthew Cain and any associate of such allottee. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

Resolution 10: Issue of Shares and Options to Mr Andrew Mortimer in Lieu of Cash Directors Fees

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

"That, for the purposes of ASX Listing Rule 10.11, Chapter 2E and Section 208 of the Corporations Act and for all other purposes, approval is given for the Company to allot and issue 2,500,000 Shares at a price of \$0.08 per Share and 2,500,000 attaching Options to Mr Andrew Mortimer (and/or his nominee(s)), in lieu of cash remuneration otherwise payable under his contract as Managing Director for the provision of management services over two years to the value of \$200,000, on the terms and conditions and in the manner described in the Explanatory Memorandum accompanying this Notice of Meeting."

Voting Exclusion: For the purposes of ASX Listing Rule 10.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 10 by Mr Andrew Mortimer and any of his associates. However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) 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.

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Resolution 11: Change of Company Name

"That pursuant to Section 157(1) of the Corporations Act and for all other purposes, the name of the Company be changed to "Global Mining Group Limited".

Resolution 12: Appointment of Auditor

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 327B of the Corporations Act and for all other purposes, RLF Bentleys Audit & Corporate Pty Ltd, trading as Bentleys, having been nominated and having consented in writing to act as auditor of the Company, be appointed as auditor of the Company."

DATED: 13 OCTOBER 2008

BY ORDER OF THE BOARD



**KENT HUNTER
COMPANY SECRETARY
GLOBAL NICKEL INVESTMENTS LIMITED**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of Global Nickel Investments Limited to be held at City West Function Centre, 45 Plaistowe Mews, City West Centre, West Perth Western Australia 6005 at 1.30pm WST on Thursday, 27 November 2008.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting (of which this Explanatory Statement forms a part).

RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- (a) board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, secretaries and senior managers of the Company;
- (b) discussion of the relationship between such policy and the Company's performance; and
- (c) the prescribed details in relation to the remuneration of each Director and certain executives.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

RESOLUTION 2 – RE-ELECTION OF MS LIA DARBY

In accordance with Listing Rule 14.4 and Clause 11.3 of the Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office by rotation and are eligible for re-election. The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

Ms Lia Darby retires by rotation at this meeting and, being eligible, offers herself for re-election.

Details regarding Ms Darby are set out in the 2008 Annual Report.

The Directors recommend the re-election of Ms Lia Darby.

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RESOLUTION 3: APPROVAL TO THE FUTURE PLACEMENT OF UP TO 12,000,000 SHARES AND 12,000,000 OPTIONS

Resolution 3 seeks Shareholder ratification of the issue of 12,000,000 Shares and 12,000,000 attaching Options on the terms set out below.

3.1 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that (subject to certain exceptions, none of which is relevant here) prior approval of Shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the Company during the previous 12 months, exceed 15% of the number of shares on issue at the commencement of that 12 month period.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3 to allow Shareholders to assess the proposed facility for the future issue of up to 12,000,000 Shares and 12,000,000 attaching Options:

- (a) the maximum number of securities to be issued pursuant to the Future Placement is 12,000,000 Shares and attaching 12,000,000 Options;
- (b) the Shares the subject of Resolution 3 will be issued and allotted no later than three (3) months after the date of this Meeting or such later date as approved by ASX;
- (c) the issue price of the Shares proposed to be allotted and issued will be determined by the Board but will be at a price which is at least 80% of the average market price for Shares calculated over the 5 days on which sales in Shares were recorded before the date on which the offer is made;
- (d) the allottees in respect of Resolution 3 are not, as yet, identifiable, but will be subscribers to be identified by the Company and any brokers appointed by the Company to manage the issue. The allottees will not be related parties of the Company unless as approved by Shareholders pursuant to Resolution 4;
- (e) the Shares to be issued will rank pari-passu on allotment and issue with the existing Shares of the Company;
- (f) the Options to be issued pursuant to Resolution 3 are to be issued under the terms set out in Annexure A of the Explanatory Memorandum;
- (g) the Shares and Options to be issued will be allotted progressively as allottees are identified, however no Shares will be issued or allotted after the date which is three (3) months after the date of the Meeting.
- (h) the Company intends to use the funds raised by the issue of Shares the subject of Resolution 3, for continued exploration of its portfolio of exploration assets and for analysis of acquisition opportunities, both domestically and overseas. Any surplus funds will be used for general working capital purposes, review and analysis of new projects and for the funding of the Company's other existing activities.

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RESOLUTION 4: PARTICIPATION OF DIRECTORS IN FUTURE PLACEMENT

4.1 Background to Resolution 4

Under this resolution, it is proposed to grant to Mr Andrew Mortimer, Ms Lia Darby and Mr Steve Leithead, being Directors of the Company, or their respective nominees, the entitlement to participate in the Future Placement subject to the passing of Resolution 3.

4.2 ASX Listing Rule 10.11

In accordance with the Listing Rules, shareholder approval is required for the issue of equity securities to a Related Party of the Company. Messrs Mortimer and Leithead and Ms Darby are Directors of the Company and are therefore Related Parties of the Company. Consequently, in accordance with the Listing Rule 10.11, shareholder approval is required for the issue of equity securities to a related party of the Company.

For the purpose of obtaining the approval of shareholders under Listing Rule 10.11 shareholders are advised that:

- (a) the maximum number of Fully Paid Shares and attaching Options which may be issued to Related Parties is a total of 4,500,000 Shares and 4,500,000 attaching Options and that each of the Directors may be issued a maximum of 1,500,000 Fully Paid Shares and 1,500,000 attaching Options;
- (b) the Company may not necessarily issue the full complement of Fully Paid Shares and Options and may issue a lesser number;
- (c) the Fully Paid Shares will be issued at a price which will not be less than 80% of the average market price for Shares calculated over the 5 days on which sales in Shares were recorded before the date on which the offer is made;
- (d) the Fully Paid Shares will be allotted and issued no later than one month after the date of this General Meeting (or such later date to the extent permitted by any ASX waiver of the Listing Rules);
- (e) application will be made for Official Quotation on ASX of the Fully Paid Shares to be issued pursuant to resolution 3. Official Quotation of those Fully Paid Shares cannot be guaranteed;
- (f) the Fully Paid Shares allotted and issued will rank equally with the existing Fully Paid Shares on issue;
- (g) if approval is given to this resolution for the purposes of Listing Rule 10.11, approval for the issue under this resolution is not required under Listing Rule 7.1. (subject to Resolution 3 being passed, approval will have been obtained for the purposes of Listing Rule 7.1 for the issue for the Fully Paid Shares);
- (h) as previously detailed, any funds raised as a consequence of this resolution will be applied towards the continued exploration of the various tenements, analysis of acquisition opportunities and otherwise for working capital requirements of the Company.

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- (i) the Directors do not make a recommendation in respect to this resolution as this relates to them.

4.3 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

The proposed issue of up to 1,500,000 Shares and 1,500,000 attaching Options to each of Messrs Mortimer and Leithead and Ms Darby constitutes a “financial benefit” as defined the Corporations Act. Further, Messrs Mortimer and Leithead and Ms Darby are a “related party” of the Company as defined under the Corporations Act. Accordingly, the proposed issue of securities to Messrs Mortimer and Leithead and Ms Darby pursuant to Resolution 4 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the securities to Messrs Mortimer and Leithead and Ms Darby on the terms of Resolution 5.

RESOLUTION 5: APPROVAL OF PLACEMENT OF SHARES TO MR MORTIMER

Resolution 5 seeks Shareholder approval for the issue of 625,000 Shares and 625,000 attaching Options to Mr Andrew Mortimer on the terms set out below.

5.1 Background to Resolution 5

Resolution 5 seeks Shareholder approval for the issue of 625,000 Shares and 625,000 attaching Options to Mr Andrew Mortimer (and/or Nominee). The securities are proposed to be issued to Mr Mortimer to allow him to participate in a placement under the same terms and conditions of the August 2008 Placement offered by the Company in order to provide additional working capital for the Company. The Shares and Options are to be issued on the same terms as the August 2008 Placement, being \$0.08 per Share with a one-for-one attaching Option under the terms as set out in Annexure A of the Explanatory Memorandum.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Mr Mortimer. These are summarised below.

5.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the company.

If Resolution 5 is passed, securities will be issued to Mr Mortimer, who is a related party of the Company. Accordingly, approval for the proposed issue of Shares to Mr Mortimer is required pursuant to ASX Listing Rule 10.11.

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Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the securities to Mr Mortimer as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities to Mr Mortimer will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the maximum number of securities to be issued by the Company under this Resolution is 625,000 Shares and 625,000 attaching Options.
- (b) the Shares and Options will be issued no later than one month after the date of the Meeting or such later date to the extent permitted by any ASX waiver;
- (c) the issue price of the Shares proposed to be allotted and issued will be \$0.08;
- (d) the Shares are ordinary fully paid Shares which will rank equally with existing Shares on issue;
- (e) the Options to be issued pursuant to Resolution 5 are to be issued under the terms set out in Annexure A of the Explanatory Memorandum;
- (f) the Company will raise \$50,000 from the issues of the Shares the subject of Resolution 5. The Company intends to use the funds raised primarily for continued exploration of its portfolio of exploration assets, particularly the Forrestania and Jutson Rocks tenements and for analysis of acquisition opportunities, both domestically and overseas. Any surplus funds will be used for general working capital purposes, review and analysis of new projects and for the funding of the Company's other existing activities.

5.3 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

The proposed issue of 625,000 Shares and 625,000 attaching Options to Mr Mortimer constitutes a "financial benefit" as defined the Corporations Act. Further, Mr Mortimer is a "related party" of the Company as defined under the Corporations Act. Accordingly, the proposed issue of securities to Mr Mortimer pursuant to Resolution 5 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the securities to Mr Mortimer on the terms of Resolution 5.

5.4 Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Mortimer:

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- (a) the related party to whom the financial benefit will be given is the Managing Director of the Company, Mr Andrew Mortimer;
- (b) (b) the maximum number of securities (being the nature of the financial benefit to be provided) to be issued is 625,000 Shares and 625,000 attaching Options;
- (c) in resolving to issue the securities to Mr Mortimer, subject to obtaining shareholder approval, the Directors (other than Mr Mortimer) considered Mr Mortimer's experience and skills, the market price of the Shares and the terms and conditions and value of the Options;
- (d) none of the Directors other than Mr Mortimer has a material personal interest in the subject matter of Resolution 5. Each of the Directors other than Mr Mortimer recommends that Shareholders vote in favour of Resolution 5;
- (e) entities associated with Mr Mortimer are currently paid \$150,000 per annum (exclusive of GST) for his services as the Managing Director of the Company;
- (f) Mr Mortimer currently has an interest in 2,800,000 Shares and 2,050,000 Options;
- (g) if Shareholders approve the issue of securities to Mr Mortimer, the effect will be to dilute the shareholding of existing Shareholders (after the Shares are issued under Resolutions 3, 5, 6, 7, and 10) by approximately 0.726% on an undiluted basis and based on the number of Shares on issue as at 13 October 2008. The highest, lowest and last trading prices of Shares on ASX during the last 12 months are set out below:

	Date	Price
High	1 Nov 07	\$0.340
Low	4 Sept 08	\$0.070
Last	7 Oct 08	\$0.075

- (h) Additional information in relation to Resolutions 5 is set out throughout this Explanatory Memorandum. Shareholders should therefore read the Notice and Explanatory Memorandum in its entirety before making a decision as to how to vote on Resolution 5.

5.5 Valuation of the Options

ASIC requires that a dollar value be placed on the Options proposed to be issued to Mr Andrew Mortimer for inclusion in this Explanatory Statement. ASIC has indicated that the Black-Scholes option pricing model is acceptable.

The Company has calculated a valuation of the Options proposed to be issued to Mr Mortimer pursuant to Resolution 5. The Options have been valued using the Black-Scholes option pricing model based upon the following assumptions:

- (a) volatility factor of 68.07% based on the historical volatility of the Company's Share price;
- (b) a risk free interest rate of 5.65%; and,

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(c) the valuation date for the Options was 7 October 2008 and the trading price of the Shares at that date was \$0.075.

Based on the above, the 625,000 10c Options (expiry 31 August 2012) proposed to be issued to Mr Andrew Mortimer pursuant to Resolution 5 have been valued at \$0.037 each and an aggregate value of \$22,903.78.

5.6 Directors' Recommendations

The Directors (other than Mr Mortimer) do not have any personal interest in the outcome of Resolution 5. The Directors (other than Mr Mortimer) believe that the proposed transaction is beneficial to the Company as it will provide additional working capital to the Company's operations.

The Directors consider participation in the past placement as appropriate means of providing Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth and to maximise returns to Shareholders.

The Directors (other than Mr Mortimer) believe that the number and terms of the Shares to be issued pursuant to Resolution 5 are commercial for the Company in light of the potential benefits, dilution effect and potential costs described in section 5.4 above, and recommend Shareholders vote in favour of Resolution 5.

Mr Mortimer declined to make a recommendation in relation to Resolution 5 due to the fact that he has a material personal interest in its outcome.

RESOLUTION 6: APPROVAL OF PLACEMENT OF SHARES TO MS DARBY

Resolution 6 seeks Shareholder approval for the issue of 625,000 Shares and 625,000 attaching Options to Ms Lia Darby on the terms set out below.

6.1 Background to Resolution 6

Resolution 6 seeks Shareholder approval for the issue of 625,000 Shares and 625,000 attaching Options to Ms Lia Darby (and/or Nominee). The securities are proposed to be issued to Ms Darby to allow her to participate in a placement under the same terms and conditions of the August 2008 Placement offered by the Company in order to provide additional working capital for the Company. The Shares and Options are to be issued on the same terms as the August 2008 Placement, being \$0.08 per Share with a one-for-one attaching Option under the terms in Annexure A of the Explanatory Memorandum.

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Ms Darby. These are summarised below.

6.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the company.

If Resolution 6 is passed, securities will be issued to Ms Darby, who is a related party of the Company. Accordingly, approval for the proposed issue of Shares to Ms Darby is required pursuant to ASX Listing Rule 10.11.

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Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the securities to Ms Darby as approval is being obtained under ASX Listing Rule 10.11. Shareholders should note that the issue of securities to Ms Darby will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the maximum number of securities to be issued by the Company under this Resolution is 625,000 Shares and 625,000 attaching Options.
- (b) the Shares and Options will be issued no later than one month after the date of the Meeting or such later date to the extent permitted by any ASX waiver;
- (c) the issue price of the Shares proposed to be allotted and issued will be \$0.08;
- (d) the Shares are ordinary fully paid Shares which will rank equally with existing Shares on issue;
- (e) the Options to be issued pursuant to Resolution 6 are issued under the terms set out in Annexure A of the Explanatory Memorandum;
- (f) the Company will raise \$50,000 from the issues of the Shares the subject of Resolution 5. The Company intends to use the funds raised primarily for continued exploration of its portfolio of exploration assets, particularly the Forrestania and Jutson Rocks tenements and for analysis of acquisition opportunities, both domestically and overseas. Any surplus funds will be used for general working capital purposes, review and analysis of new projects and for the funding of the Company's other existing activities.

6.3 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

The proposed issue of 625,000 Shares and 625,000 attaching Options to Ms Darby constitutes a "financial benefit" as defined the Corporations Act. Further, Ms Darby is a "related party" of the Company as defined under the Corporations Act. Accordingly, the proposed issue of securities to Ms Darby pursuant to Resolution 6 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the securities to Ms Darby on the terms of Resolution 6.

EXPLANATORY STATEMENT

6.4 Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Ms Darby:

- (a) the related party to whom the financial benefit will be given is the Chairperson and Executive Director of the Company, Ms Lia Darby;
- (b) the maximum number of securities (being the nature of the financial benefit to be provided) to be issued is 625,000 Shares and 625,000 attaching Options;
- (c) in resolving to issue the securities to Ms Darby, subject to obtaining shareholder approval, the Directors (other than Ms Darby) considered Ms Darby's experience and skills, the market price of the Shares and the terms and conditions and value of the Options;
- (d) none of the Directors other than Ms Darby has a material personal interest in the subject matter of Resolution 6. Each of the Directors other than Ms Darby recommends that Shareholders vote in favour of Resolution 6; entities associated with Ms Darby are currently paid \$50,000 per annum (exclusive of GST) for her services as a Director of the Company;
- (e) Ms Darby currently has an interest in 752,000 Shares and 250,000 Options;
- (f) if Shareholders approve the issue of securities to Ms Darby, the effect will be to dilute the shareholding of existing Shareholders (after the Shares are issued under Resolutions 3, 5, 6, 7, and 10) by approximately 0.726% on an undiluted basis and based on the number of Shares on issue as at 13 October 2008. The highest, lowest and last trading prices of Shares on ASX during the last 12 months are set out below:

	Date	Price
High	1 Nov 07	\$0.340
Low	4 Sept 08	\$0.070
Last	7 Oct 08	\$0.075

- (h) Additional information in relation to Resolutions 6 is set out throughout this Explanatory Memorandum. Shareholders should therefore read the Notice and Explanatory Memorandum in its entirety before making a decision as to how to vote on Resolution 6.

6.5 Valuation of the Options

ASIC requires that a dollar value be placed on the Options proposed to be issued to Ms Lia Darby for inclusion in this Explanatory Statement. ASIC has indicated that the Black-Scholes option pricing model is acceptable.

The Company has calculated a valuation of the Options proposed to be issued to Ms Darby pursuant to Resolution 6. The Options have been valued using the Black-Scholes option pricing model based upon the following assumptions:

EXPLANATORY STATEMENT

- (a) volatility factor of 68.07% based on the historical volatility of the Company's Share price;
- (b) a risk free interest rate of 5.65%; and,
- (c) the valuation date for the Options was 7 October 2008 and the trading price of the Shares at that date was \$0.075.

Based on the above, the 625,000 10c Options (expiry 31 August 2012) proposed to be issued to Ms Lia Darby pursuant to Resolution 6 have been valued at \$0.037 each and an aggregate value of \$22,903.78.

6.6 Directors' Recommendations

The Directors (other than Ms Darby) do not have any personal interest in the outcome of Resolution 6. The Directors (other than Ms Darby) believe that the proposed transaction is beneficial to the Company as it will provide additional working capital to the Company's operations.

The Directors consider participation in the past placement as appropriate means of providing Directors with an opportunity to participate in the Company's future growth and give them an incentive to contribute to that growth and to maximise returns to Shareholders.

The Directors (other than Ms Darby) believe that the number and terms of the Shares to be issued pursuant to Resolution 6 are commercial for the Company in light of the potential benefits, dilution effect and potential costs described in section 6.4 above, and recommend Shareholders vote in favour of Resolution 6.

Ms Darby declined to make a recommendation in relation to Resolution 6 due to the fact that he has a material personal interest in its outcome.

RESOLUTION 7: APPROVAL OF ISSUE OF SHARES TO GRAYNIC METALS LIMITED

Resolution 7 seeks Shareholder approval for the issue of 300,000 Shares to Graynic Metals Limited on the terms set out below.

7.1 Background to Resolution 7

Under the Company's agreement with Graynic Metals Limited the Company will issue 300,000 Shares as consideration for a 90% interest of the Mt Cornell Project in Western Australia on the grant of that tenement E(A)38/1850.

Resolution 7 seeks Shareholder approval for the issue of securities to Graynic Metals Limited (and/ or its nominee(s)), in consideration for the interest in E(A)38/1850.

7.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not issue during a 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the total ordinary shares on issue at the commencement of that 12 month period.

EXPLANATORY STATEMENT

The proposed issue of 300,000 Shares to Graynic Metals Limited (and/or its nominee(s)) as consideration for the acquisition of the Mt Cornell Project is to be approved to allow the number of securities issued not to be included in the calculation under ASX Listing Rule 7.1. This will allow the Company to have the flexibility to issue equity securities in the future up to the 15% threshold without the requirement to obtain Shareholder approval.

The following information in connection with Resolution 7 is provided to Shareholders in accordance with Listing Rule 7.3:

- (a) the maximum number of securities to be issued to Graynic Metals Limited (and/ or nominee(s)) is 300,000 Shares;
- (b) the Shares will be issued for no cash consideration. The Shares will be issued in consideration for a 90% interest of the Mt Cornell Project;
- (c) the Shares to be issued pursuant to Resolution 7 are ordinary fully paid shares and will rank equally with the Company's existing issued Shares;
- (d) the allottees will not be related parties of the Company;
- (e) the ASX requires that the Shares be issued and allotted no later than 3 months after the date of the Meeting or such later date to the extent permitted by any ASX waiver;
- (f) no funds will be raised from the issue of the Shares as they are proposed to be issued as consideration for a 90% interest of the Mt Cornell Project.

7.3 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 7. The Board believes that the proposed Resolution is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 7 as it will add to the value of the Company's tenement package.

RESOLUTION 8: RATIFICATION OF SHARE ISSUE TO MR WILLIAMSON

Resolution 8 seeks Shareholder ratification of the issue of 125,000 Shares on the terms set out below.

8.1 Background to Resolution 8

On 24 July 2008 the Company issued 125,000 ordinary shares to Mr Damien Williamson in a placement to sophisticated and professional investors (as those terms are defined in the Corporations Act). The Shares were issued at an issue price of \$0.08 each.

The Company was not required to obtain Shareholder approval of the Share issue to Mr Williamson.

8.2 ASX Listing Rule 7.4

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities. Approval is sought under Resolution 8 to allow the Company to ratify the issue and allotment of the 125,000 Shares to Mr Williamson pursuant to ASX Listing Rule 7.4. The reason for an approval under ASX Listing Rule 7.4 is to reinstate the Company's capacity to issue up to 15% of its issued Shares without the approval of its Shareholders in any 12 month period.

EXPLANATORY STATEMENT

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue the subject of Resolution 8 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 125,000 Shares;
- (b) the Shares were issued and allotted on 24 July 2008;
- (c) the Shares were allotted for cash consideration of \$0.08 per Share;
- (d) the issued Shares are fully paid ordinary Shares and rank equally with the existing Shares on issue;
- (e) the allottee of the Shares was Mr Williamson. The allottee is not a related party of the Company; and
- (f) the Shares were issued for the purpose of providing the Company with funds to be used for working capital and to fund the Company's ongoing exploration activities.

8.3 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 8. The Board believes that the ratification of the Share issue the subject of Resolution 8 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 8 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

RESOLUTION 9: RATIFICATION OF SHARE ISSUE TO MR CAIN

Resolution 9 seeks Shareholder ratification of the issue of 125,000 Shares on the terms set out below.

9.1 Background to Resolution 9

On 24 July 2008 the Company issued 125,000 ordinary shares to Mr Matthew Cain in a placement to sophisticated and professional investors (as those terms are defined in the Corporations Act). The Shares were issued at an issue price of \$0.08 each.

The Company was not required to obtain Shareholder approval of the Share issue to Mr Cain.

9.2 ASX Listing Rule 7.4

Under Chapter 7 of the ASX Listing Rules, there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities. Approval is sought under Resolution 9 to allow the Company to ratify the issue and allotment of the 125,000 Shares to Mr Cain pursuant to ASX Listing Rule 7.4. The reason for an approval under ASX Listing Rule 7.4 is to reinstate the Company's capacity to issue up to 15% of its issued Shares without the approval of its Shareholders in any 12 month period.

EXPLANATORY STATEMENT

The following information is provided to Shareholders for the purposes of obtaining Shareholder approval of the share issue the subject of Resolution 9 in accordance with ASX Listing Rule 7.5:

- (a) the number of securities allotted by the Company was 125,000 Shares;
- (b) the Shares were issued and allotted on 24 July 2008;
- (c) the Shares were allotted for cash consideration of \$0.08 per Share;
- (d) the issued Shares are fully paid ordinary Shares and rank equally with the existing Shares on issue;
- (e) the allottee of the Shares was Mr Cain. The allottee is not a related party of the Company; and
- (f) the Shares were issued for the purpose of providing the Company with funds to be used for working capital and to fund the Company's ongoing exploration activities.

9.3 Directors' Recommendation

None of the Directors has a material personal interest in the subject matter of Resolution 9. The Board believes that the ratification of the Share issue the subject of Resolution 9 is beneficial for the Company. The Board recommends Shareholders vote in favour of Resolution 9 as it provides the Company with the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without shareholder approval.

RESOLUTION 10: ISSUE OF SHARES AND OPTIONS TO MR ANDREW MORTIMER IN LIEU OF CASH DIRECTORS FEES

Resolution 10 seeks Shareholder approval for the issue of 2,500,000 Shares and 2,500,000 Options in lieu of cash remuneration on the terms set out below.

10.1 Background to Resolution 10

Resolution 10 seeks Shareholder approval for the issue of 2,500,000 Shares and 2,500,000 attaching Options to Mr Andrew Mortimer (and/or his nominee). The Shares and Options are proposed to be issued to Mr Andrew Mortimer, Managing Director of the Company, as a substitute for cash remuneration that would be otherwise payable under his contract with the Company. Mr Andrew Mortimer has voluntarily agreed, subject to shareholder approval, to take this portion of his Directors Fees over two years in equity at a price equal to that used in the August 2008 Placement offered by the Company which was \$0.08 per Share with a one-for-one attaching 10c Option (expiry 31 August 2012).

The ASX Listing Rules and the Corporations Act set out a number of regulatory requirements which must be satisfied in connection with the proposed issue of securities to Mr Andrew Mortimer. These are summarised below.

EXPLANATORY STATEMENT

10.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities (including an option) to a related party of the company.

If Resolution 10 is passed, securities will be issued to Andrew Mortimer, who is a related party of the Company. Accordingly, approval for the proposed issue of Shares and Options to Mr Andrew Mortimer is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the securities to Mr Andrew Mortimer as approval is being obtained under ASX Listing Rule 10.11. ASX Listing Rule 7.1 provides that without the approval of holders of ordinary securities, a company must not issue during a 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the total ordinary shares on issue at the commencement of that 12 month period. Shareholders should note that the Options proposed to be issued to Mr Andrew Mortimer pursuant to Resolution 10 will not be included in the Company's 15% calculation for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a Notice of Meeting proposing an approval of an issue of securities under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 10:

- (a) the maximum number of securities to be issued by the Company under Resolution 10 is 2,500,000 Shares and 2,500,000 attaching 10c Options (expiry 31 August 2012);
- (b) the Shares and Options will be issued no later than one month after the date of the Annual General Meeting;
- (c) the Shares and Options will not be issued for cash consideration but are valued at \$0.08 per Share with a one-for-one attaching 10c Option (expiry 31 August 2012) being the same terms as the Company's August 2008 Placement;
- (d) the Options to be issued pursuant to Resolution 10 are issued under the terms set out in Annexure A of the Explanatory Memorandum; and
- (e) no funds will be raised from the issue of the Shares and Options as the purpose of the issue is to substitute for cash remuneration that would otherwise be payable in return for Mr Andrew Mortimer's dedicated and ongoing services to the Company including adopting a leadership role in the conduct of the Company, managing the Company and its employees in the discharge of their activities, ensuring that the Board is kept properly informed of the financial position and performance of the Company, the assessment of the Company's financial position and performance and the detection and resolution of material adverse developments. The value of these services subject of the above Resolution is \$100,000 per year over two years, which as set out above would otherwise be payable in cash.

10.3 Section 208 of the Corporations Act

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions set out in sections 210 to 216 of the Corporations Act apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

The proposed issue of 2,500,000 Shares and 2,500,000 attaching Options to Mr Andrew Mortimer constitutes a “financial benefit” as defined in the Corporations Act. Further, Mr Andrew Mortimer is a “related party” of the Company as defined under the Corporations Act. Accordingly, the proposed issue of securities to Mr Andrew Mortimer pursuant to Resolution 10 will constitute the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of a financial benefit to a related party may not apply in the current circumstances. The Directors have determined to seek Shareholder approval under Section 208 of the Corporations Act to permit the issue of the securities to Mr Andrew Mortimer on the terms of Resolution 10.

10.4 Sections 217 to 227 of the Corporations Act

Pursuant to Sections 217 to 227 of the Corporations Act, the Company provides the following information to Shareholders in respect of the proposed financial benefit to be given to Mr Andrew Mortimer:

- (a) the related party to whom the financial benefit will be given is the Managing Director of the Company, Mr Andrew Mortimer;
- (b) the maximum number of securities (being the nature of the financial benefit to be provided) to be issued is 2,500,000 Shares and 2,500,000 attaching Options;
- (c) in resolving to issue the securities to Mr Andrew Mortimer, subject to obtaining Shareholder approval, the Directors (other than Mr Andrew Mortimer) considered Mr Andrew Mortimer’s experience and skills, the market price of the Shares and the terms and conditions of the Shares and attaching 10c Options;
- (d) none of the Directors other than Mr Andrew Mortimer has a material personal interest in the subject matter of Resolution 10. Each of the Directors other than Mr Andrew Mortimer recommends that Shareholders vote in favour of Resolution 10;
- (e) entities associated with Mr Mortimer are currently paid \$150,000 per annum (exclusive of GST) for his services as the Managing Director of the Company;
- (f) Mr Mortimer currently has an interest in 2,800,000 Shares and 2,050,000 Options;
- (g) if Shareholders approve the issue of securities to Mr Mortimer, the effect will be to dilute the shareholding of existing Shareholders (after the Shares are issued under Resolutions 3, 5, 6, 7, and 10) by approximately 0.726% on an undiluted basis and based on the number of Shares on issue as at 13 October 2008. The highest, lowest and last trading prices of Shares on ASX during the last 12 months are set out below:

EXPLANATORY STATEMENT

	Date	Price
High	1 Nov 07	\$0.342
Low	4 Sept 08	\$0.070
Last	7 Oct 08	\$0.075

- (h) ASIC requires explanatory information regarding the value of the financial benefit proposed to be granted to be provided to Shareholders. The value of the Director Options proposed to be issued to Mr Andrew Mortimer has been calculated using the Black-Scholes option pricing model and is set out below; and,
- (i) additional information in relation to Resolution 10 is set out throughout this Explanatory Statement. Shareholders should therefore read the Notice of Annual General Meeting and Explanatory Statement in its entirety before making a decision as to how to vote on Resolution 10.

10.5 Valuation of the Options

ASIC requires that a dollar value be placed on the Options proposed to be issued to Mr Andrew Mortimer for inclusion in this Explanatory Statement. ASIC has indicated that the Black-Scholes option pricing model is acceptable.

The Company has calculated a valuation of the Options proposed to be issued to Mr Andrew Mortimer pursuant to Resolution 10. The Options have been valued using the Black-Scholes option pricing model based upon the following assumptions:

- (a) volatility factor of 68.07% based on the historical volatility of the Company's Share price;
- (b) a risk free interest rate of 5.65%; and,
- (c) the valuation date for the Options was 7 October 2008 and the trading price of the Shares at that date was \$0.075.

Based on the above, the 2,500,000 10c Options (expiry 31 August 2012) proposed to be issued to Mr Andrew Mortimer pursuant to Resolution 10 have been valued at \$0.037 each and an aggregate value of \$92,500.

10.6 Directors' Recommendation

The Directors (other than Mr Andrew Mortimer) do not have any personal interest in the outcome of Resolution 10. The Directors (other than Mr Andrew Mortimer) believe that the proposed transaction is beneficial to the Company as it will provide Mr Andrew Mortimer with an opportunity to participate in the Company's future growth and give him an incentive to contribute to that growth and to maximise returns to Shareholders. Importantly, it will conserve cash assets in difficult financial markets.

EXPLANATORY STATEMENT

The Directors (other than Mr Andrew Mortimer) believe that the number and terms of the Options to be issued pursuant to Resolution 10 are commercial for the Company in light of the potential benefits, dilution effect and potential costs described above, and recommend Shareholders vote in favour of Resolution 10.

Mr Andrew Mortimer declined to make a recommendation in relation to Resolution 10 due to the fact that he has a material personal interest in its outcome.

If Resolutions 3, 5, 6, 7 and 10 are approved and the Placement Shares are issued, the Company will have the following securities on issue:

Ordinary Shares

53,160,001 issued ordinary shares.

Options

Number of Options	Exercise price	Expiry date
27,640,001	20 cents	31 August 2009
250,000	25 cents	12 February 2011
14,500,000	10 cents	30 June 2012

RESOLUTION 11: CHANGE OF COMPANY NAME

Resolution 11 seeks Shareholder approval from Shareholders for a change in the Company name from Global Nickel Investments 'Global Mining Group Limited'.

11.1 Background to Resolution 11

Resolution 11 is a special resolution and therefore requires 75% of the votes cast on the Resolution to be cast in favour before the Resolution can be passed.

The Directors believe that this new name more accurately reflects the operations of the Company. This is due to the poly-metallic coverage of the Company that includes important opportunities in copper, zinc, gold and platinum group elements. The Company also has several pre-production assets that are in the bulk sampling stage and that will be soon into trial mining. In particular, the Burdur Copper-Gold-Chrome Project and the Round Hill alluvial operation are close to production. The new name will appropriately reflect the Company's global footprint, commodity mix and development stage.

The Board unanimously recommends that Shareholders vote in favour of Resolution 11.

EXPLANATORY STATEMENT

RESOLUTION 12: CHANGE OF AUDITOR

The Directors consider it prudent to change the Company's auditors from RLF Bentleys Pty Ltd to RLF Bentleys Audit & Corporate Pty Ltd, trading as Bentleys, as the audit firm has changed corporate structures.

The Company has received, a nomination from a shareholder nominating RLF Bentleys Audit & Corporate Pty Ltd as the company's auditors.

The Board of the Company unanimously recommends that shareholders vote to change auditors.

GLOSSARY

2008 Annual Report means the Company's annual report including the reports of the Directors and auditor and the financial statements of the Company for the year ended 30 June 2008, which can be downloaded from the Company's website at www.globalnickel.com.au

ASX means ASX Limited (ACN 008 724 791).

Annual General Meeting means the Annual General Meeting of the Company to be held on Thursday 27 November 2008.

ASX Listing Rules or **Listing Rules** means the Listing Rules of the ASX and any other rules of the ASX which are applicable while the entity is admitted to the Official List of the ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Board means the board of Directors.

Company or **Global Nickel** means Global Nickel Investments Limited (ABN 23 124 140 889).

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Future Placement means the issue of up to 12,000,000 Shares and 12,000,000 attaching Options on the terms and conditions set out in Resolution 3 of the Notice and this Explanatory Statement.

Notice means the Notice of Meeting attached to this Explanatory Statement.

Option means an option to acquire 1 Share.

August 2008 Placement means the issue of up to 12,000,000 Shares at \$0.08 and 12,000,000 attaching Options as approved at the Annual General Meeting of Shareholders held 8 August 2008.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2008 Annual Report.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time.

ANNEXURE "A"

Terms and Condition of Options

1. Each Option entitles the holder to acquire one fully paid ordinary share in the Company.
2. The Options may be exercised at any time until 30 June 2012. 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 ten cents (10c) per Option exercised. The Options will lapse at 5.00pm WST on 30 June 2012.
3. 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 30 June 2012. 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.
4. Optionholders shall be permitted to participate in new issues of securities on the prior exercise of options in which case the Optionholders 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.
5. 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.
6. 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 Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
7. If there is a bonus issue 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.
8. In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities in the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

ANNEXURE “B”

Auditor Nomination

13 October 2008

The Directors
Global Nickel Investments Limited
Suite 1906, Level 19
109 Pitt Street
SYDNEY NSW 2000

Dear Sirs

CHANGE OF AUDITOR

For the purposes of Section 328B(1) of the Corporations Act 2001, I Elizabeth Hanrahan being a member of Global Nickel Investments Limited hereby nominate RLF Bentleys Audit & Corporate Pty Ltd, trading as Bentleys, as auditor of the Company at the Annual General Meeting to be held on 27 November 2008.

Yours faithfully



Elizabeth Hanrahan

PROXY FORM

**APPOINTMENT OF PROXY
GLOBAL NICKEL INVESTMENTS LIMITED
ABN 23 124 140 889**

I/We

being a shareholder of Global Nickel Investments Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting or the Chair's nominee, as my/our proxy to act generally for me/us and to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at City West Function Centre, 45 Plaistowe Mews, City West Centre, West Perth, Western Australia at 1.30pm WST on Thursday, 27 November 2008 and at any adjournment thereof.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box below. By marking this box, you acknowledge that the Chair may exercise your proxy even if he/she has an interest in the outcome of the Resolutions and that votes cast by the Chair of the meeting for those Resolutions other than as proxy holder will be disregarded because of that interest. Proxies appointing the Chair which do not specify the way in which the proxy is to vote on a particular Resolution will be recorded as voting in favour of the Resolution. If you do not mark this box, and you have not directed your proxy how to vote, the Chair 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.

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of Ms Lia Darby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval to the Future Placement of Shares and Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Participation of Directors in Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Placement Approval of Shares & Options to Mr Mortimer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Placement Approval of Shares and Options to Ms Darby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of Issue of Shares to Graynic Metals Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Ratification of Share Issue to Mr Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Ratification of Share Issue to Mr Cain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Issue of Shares & Options to Mr Mortimer in Lieu of Cash	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 Change of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

GLOBAL NICKEL INVESTMENTS LIMITED
ABN 23 124 140 889
Instructions for Completing "Appointment of Proxy" Form

1. A Shareholder entitled to attend and vote at a meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. Where more than one proxy is to be appointed or voting intentions cannot be adequately expressed using this form an additional form of proxy is available from the Company or you may copy this form.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For a company to rely on the assumptions set out in Section 129(5) and (7) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual Shareholders from attending the meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
7. To vote by proxy, please complete and sign the proxy form enclosed and either:
 - (a) send the proxy form by post to Global Nickel Investments Limited, PO Box 1905, Subiaco, Western Australia 6904; or
 - (b) send the proxy form by facsimile to the Company on facsimile number (08) 9388 8042,

so that it is received not later than 1.30pm WST on Tuesday, 25 November 2008.

Proxy forms received later than this time will be invalid.