
GLOBAL NICKEL INVESTMENTS NL

ABN 23 124 140 889

**NOTICE OF GENERAL MEETING AND EXPLANATORY
STATEMENT**

TIME:	10.00am WST
DATE:	20 July 2011
PLACE:	Suite 1A, 661 Newcastle Street LEEDERVILLE, WESTERN AUSTRALIA, 6007

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.

CONTENTS

Notice of General Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	5
Glossary	11
Annexure "A"	12
Annexure "B"	13
Proxy Form	

TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Global Nickel Investments NL which this Notice of Meeting relates to will be held at 10.00am WST on 20 July 2011 at:

<p>Suite 1A, 661 Newcastle Street LEEDERVILLE, WESTERN AUSTRALIA, 6007</p>

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

To vote in person, attend the 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 NL, 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 10.00am WST on 18 July 2011.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of Shareholders of Global Nickel Investments NL will be held at Suite 1A, 661 Newcastle Street, West Leederville, Western Australia 6007 at 10.00am WST on 20 July 2011.

The Explanatory Statement annexed to this Notice of Meeting provides additional information on matters to be considered at the 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 General Meeting are those who are registered Shareholders at 5.00pm WST on 18 July 2011.

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

AGENDA

Resolution 1 - Approval of the Issue of Convertible Securities and Shares to Fortensa Special Opportunities Fund 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:

- (a) allot and issue one convertible security issued at a face value of A\$350,000 convertible into fully paid ordinary shares in the Company to Fortensa Special Opportunities Fund Limited ("Convertible Bonds"); and*
- (b) allot and issue that number of fully paid ordinary shares in the Company (calculated in accordance with the terms of the Convertible Bonds) on conversion of the Convertible Bonds,*

as 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 1 by Fortensa Special Opportunities Fund 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.

NOTICE OF GENERAL MEETING

Resolution 2 – Issue of Options to Mr Carl Swensson

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 500,000 Options to Mr Carl Swensson (and/or his nominee(s)), pursuant to his contract as Non-executive Director at an aggregate value of \$1,050, 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 2 by Mr Carl Swensson 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.

DATED: 1 JUNE 2011

BY ORDER OF THE BOARD

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

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the General Meeting of Global Nickel Investments NL to be held at Suite 1A, 661 Newcastle Street, West Leederville, Western Australia 6007 at 10.00am WST on 20 July 2011.

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).

The Resolutions to be considered relate to the approval of the future issue of securities. To assist Shareholders to assess the effect of the Resolutions, set out below is a table showing the effect of the Resolutions on the Company's capital structure.

Background to Company's Capital Structure

	Fully Paid Shares	Quoted Options	Partly Paid Shares	Convertible Bonds
Currently on issue	212,624,825	215,542,613	114,701,984	-
Resolution 1	35,000,000*	-	-	1
Resolution 2	-	500,000	-	-
Total	247,624,825	216,042,613	114,701,984	1

* based on the maximum number of Shares that may be issued on conversion of the Convertible Bond issued pursuant to Resolution 1

RESOLUTION 1 – APPROVAL OF ISSUE OF CONVERTIBLE SECURITIES AND SHARES TO FORTENSA SPECIAL OPPORTUNITIES FUND LIMITED

1.1 Background

Resolution 1 seeks Shareholder approval for the issue of one convertible security ("Convertible Bond") and the issue of Shares on conversion of the Convertible Bond to Fortensa Special Opportunities Fund Limited ("**Fortensa**").

On 29 March 2011 the Company entered into a Bond Subscription Agreement with Fortensa (a company incorporated in the Cayman Islands) to raise a minimum of A\$4.90 million and up to a maximum of A\$12.25 million in aggregate principal amounts by way of the issue of redeemable zero coupon convertible bonds ("Fortensa **Convertible Bonds**") to Fortensa ("**Agreement**").

The Fortensa Convertible Bonds will be issued in 35 separate successive tranches, the first tranche having an aggregate principal amount of A\$350,000, and the subsequent 34 tranches, each having the same unsecured principal amount of A\$350,000, which may be convertible into Shares of the Issuer. The issue of the Convertible Bond is the first tranche of convertible securities issued by the Company pursuant to the Agreement.

EXPLANATORY STATEMENT

The issue of the Convertible Bond (and the issue of Shares on conversion of the Convertible Bonds) is conditional on the Company obtaining Shareholder approval.

The Agreement states that the conversion price at which the Shares will be issued upon conversion of a Bond will be equal to the lower of:

- a) 120% of the average price of the closing prices quoted by ASX for the Company's Shares for the 30 consecutive trading days ending on the trading day immediately preceding the date of issue of the Bond; and
- b) 90% of the lowest average of the closing prices quoted by ASX for the Company's Shares for any five consecutive trading day period in the 60 consecutive trading days immediately preceding the conversion date.

Irrespective of the conversion price calculation above, the minimum conversion price will be \$0.01.

A summary of the material terms and conditions of the Convertible Bonds is set out in Annexure B to this Explanatory Memorandum.

The ASX Listing Rules set out a number of regulatory requirements which must be satisfied. These are summarised below.

1.2 ASX Listing Rules

Shareholder approval of the grant of the Convertible Bonds and the Shares the subject of Resolution 1 is sought for the purposes of 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 1 to allow Shareholders to assess the proposed issue of Convertible Bonds and Shares (on the conversion of the Convertible Bonds) to Fortensa:

- (a) the maximum number of Convertible Bonds and Shares which may be allotted and issued is:
 - (i) One (1) Convertible Bond; and
 - (ii) 35,000,000 Shares (based on a minimum conversion price of \$0.01);
- (b)
 - (i) The material terms of the Convertible Bonds are set out in Annexure B to this Notice of Meeting;
 - (ii) The Shares are ordinary fully paid Shares which will rank equally with existing Shares on issue;

EXPLANATORY STATEMENT

- (c) the Convertible Bond the subject of Resolution 1 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;
- (d) the Shares are to be granted on conversion of the Convertible Bond at a conversion price calculated in accordance with the Agreement and summarised in Section 1.1 above.
- (e) the allottee in respect of Resolution 1 is Fortensa Special Opportunities Fund Limited which is not a related party of the Company;
- (f) a total of \$350,000 will be raised from the issue of the Convertible Bond; and
- (g) the funds raised from the issue of the Convertible Bond will be used for the commencement of the Mt Cornell drilling program and further working capital for soil sampling and geological mapping;
- (h) the Convertible Bond will be issued to Fortensa no later than three months after the date of the general meeting (or such later date as permitted by ASX) and it is anticipated that the Convertible Bonds will be issued within five (5) Business Days of all conditions precedent to the issue of the Convertible Bonds being satisfied including Shareholder approval and all other necessary approvals being obtained for the issue of the Convertible Bonds; and
- (i) Shares may be issued as and when specified in the Convertible Notes and may be converted at anytime by the holder of the Convertible Bond on and after the date of issue of the Convertible Bond ("**Issue Date**") up to the close of business on the date three (3) years after the Issue Date, subject to the terms and conditions of the Convertible Bond (a summary of material terms of the Convertible Bonds is contained in Annexure B).

Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision as to whether it is in the best interests of the Company to pass Resolution 1.

RESOLUTION 2 - ISSUE OF OPTIONS TO MR CARL SWENSSON

Resolution 2 seeks Shareholder approval for the issue of 500,000 Options on the terms set out below.

2.1 Background to Resolution 2

Resolution 2 seeks Shareholder approval for the issue of 500,000 attaching Options to Mr Carl Swensson (and/or his nominee). The Options are proposed to be issued to Mr Carl Swensson, Non-executive Director of the Company, pursuant to his contract with the Company.

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 Carl Swensson. These are summarised below.

2.2 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.

EXPLANATORY STATEMENT

If Resolution 2 is passed, securities will be issued to Mr Carl Swensson, who is a related party of the Company. Accordingly, approval for the proposed issue of Options to Mr Carl Swensson 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 Carl Swensson 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 Carl Swensson pursuant to Resolution 2 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 2:

- (a) the maximum number of securities to be issued by the Company under Resolution 2 is 500,000 Options;
- (b) the Options will be issued no later than one month after the date of the General Meeting;
- (c) the Options will not be issued for cash consideration but will be issued at a deemed issue price of \$0.0021 per Option to the total value of \$1,050;
- (d) the Options will be issued at an exercise price of \$0.10 and expire on 30 June 2012;

the Options to be issued pursuant to Resolution 2 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 Options as the purpose of the issue is to provide an incentive for future performance in an ongoing director capacity.

2.3 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 500,000 Options to Mr Carl Swensson constitutes a "financial benefit" as defined in the Corporations Act. Further, Mr Carol Swensson is a "related party" of the Company as defined under the Corporations Act. Accordingly, the proposed issue of securities to Mr Carol Swensson pursuant to Resolution 2 will constitute the provision of a financial benefit to a related party of the Company.

EXPLANATORY STATEMENT

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 Carl Swensson on the terms of Resolution 2.

2.4 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 Carl Swensson:

- (a) the related party to whom the financial benefit will be given is Non-executive Director of the Company, Mr Carl Swensson;
- (b) the maximum number of securities (being the nature of the financial benefit to be provided) to be issued is 500,000 Options;
- (c) in resolving to issue the securities to Mr Carl Swensson, subject to obtaining Shareholder approval, the Directors (other than Mr Carl Swensson) considered Mr Carl Swensson's experience and skills and the terms and conditions of the Options;
- (d) none of the Directors other than Mr Carl Swensson have a material personal interest in the subject matter of Resolution 2. Each of the Directors other than Mr Carl Swensson recommends that Shareholders vote in favour of Resolution 2;
- (e) entities associated with Mr Carl Swensson are currently paid \$40,000 per annum (exclusive of GST) for his services as a Non-executive Director of the Company.
- (f) Mr Carl Swensson currently has an interest in 170,000 Shares and nil Options;
- (g) if Shareholders approve the issue of securities to Mr Carl Swensson, the effect will be to dilute the shareholding of existing Shareholders (after the Shares are issued under Resolution 1) by approximately 0.2% and on an undiluted basis (before the Shares are issued under Resolutions 1) by approximately (0.2%). The highest, lowest and last trading prices of Shares on ASX during the last 12 months are set out below:

	Date	Price
High	4 June 2010	\$0.078
Low	14 September 2010	\$0.021
Last	30 May 2011	\$0.032

- (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 Options proposed to be issued to Mr Carl Swensson has been calculated and is set out below; and

EXPLANATORY STATEMENT

- (i) additional information in relation to Resolution 2 is set out throughout this Explanatory Statement. Shareholders should therefore read the Notice of General Meeting and Explanatory Statement in its entirety before making a decision as to how to vote on Resolution 2.

2.5 Valuation of the Shares and Options

The Options are being issued at a deemed issue price of \$0.0021 per Option.

ASIC requires that a dollar value be placed on the Options proposed to be issued to Mr Carl Swensson 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 Carl Swensson pursuant to Resolution 2. The Options have been valued using the Black-Scholes option pricing model based upon the following assumptions:

- (a) volatility factor of 81.78% based on the historical volatility of the Company's Share price;
- (b) a risk free interest rate of 4.75%; and,
- (c) the valuation date for the Options was 30 May 2011 and the trading price of the Shares at that date was \$0.032.

Based on the above, the 500,000 Options proposed to be issued to Mr Carl Swensson pursuant to Resolution 4 have been valued at **\$0.0021** each and have an aggregate value of **\$1,050**.

2.6 Directors' Recommendation

The Directors (other than Mr Carl Swensson) do not have any personal interest in the outcome of Resolution 2. The Directors (other than Mr Carl Swensson) believe that the proposed transaction is beneficial to the Company as it will provide Mr Carl Swensson 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.

The Directors (other than Mr Carl Swensson) believe that the number and terms of the Options to be issued pursuant to Resolution 4 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 2.

Mr Carl Swensson declined to make a recommendation in relation to Resolution 2 due to the fact that he has a material personal interest in its outcome.

GLOSSARY

ASX means ASX Limited (ACN 008 724 791).

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 NL (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.

EST means Eastern Standard Time.

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

General Meeting means the General Meeting of the Company to be held on 20 July 2011.

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

Option means an option to acquire 1 Share.

Resolution means a resolution to be considered at the General Meeting as contained in the Notice of Meeting.

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 Conditions of Options

1. Each Option entitles the holder (“**Optionholder**”) 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 may only participate in new issues of securities to holders of ordinary shares in Global Nickel Investments NL if the Options have been exercised and Shares allotted in respect of the Options before the record date for determining entitlements to the issue. The Company must give to Optionholders at least nine (9) business days notice of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
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 ASX 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 Optionholders will be changed to the extent necessary to comply with the ASX 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”

Terms and Conditions of Convertible Bonds

A summary of the material terms and conditions of the Convertible Bonds is as follows:

9. The Convertible Bonds are issued with a face value of AUD \$10,000 each or in integral multiples of AUD\$10,000.
10. The Convertible Bonds have a three (3) year term and will be redeemed at face value on the date falling three (3) years after the date of issue (“**Maturity Date**”).
11. Bondholders have the right to transfer their Convertible Bonds into Shares at any time prior to the Maturity Date. The Company may not redeem the Convertible Bonds at its option prior to the Maturity Date.
12. The Convertible Bonds are direct, unsubordinated, unconditional and unsecured obligations of the Company, and shall at all times rank pari passu with no priority between themselves.
13. The payment obligations of the Company under the Convertible Bonds shall (other than exceptions provided at law) at all times rank at least pari passu with all present and future liabilities of the Company. The Company will pay default interest upon its failure to make any payment in respect of the Convertible Bonds when it becomes due and payable. Such interest shall accrue daily.
14. The Convertible Bonds do not confer on the Bondholder any rights at a general meeting of shareholders of the Company; to receive dividends or to participate in any issue of securities in the Company other than the conversion of the Bonds.
15. Unless agreed in writing with the Company, the Convertible Bonds may not be assigned to any person other than to affiliates of the Bondholder.
16. The number of shares to be issued on conversion of a Convertible Bond will be determined by reference to the conversion price on the conversion date. The conversion price will be equal to the lower of:
 - a) 120% of the average price of the closing prices quoted by ASX for the Company's Shares for the 30 consecutive trading days ending on the trading day immediately preceding the date of issue of the Bond; and
 - b) 90% of the lowest average of the closing prices quoted by ASX for the Company's Shares for any five consecutive trading day period in the 60 consecutive trading days immediately preceding the conversion date.
17. Upon redemption, the Convertible Bonds will be redeemed for Shares in accordance with the relevant Bond Conversion Formula with a price of no less than AUD\$0.01.
18. Unless agreed in writing with the Company, the minimum amount of Convertible Bonds to be converted shall be AUD\$10,000 (“**Minimum Conversion Rate**”).
19. The Company will apply for official quotation on the ASX of all Shares issued on conversion of a Convertible Bond on the date the Convertible Bond is converted.

ANNEXURE “B”

20. In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Bondholders (including the Minimum Conversion Rate) will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
21. In the Event the Company ceases to be listed and quoted on the ASX, or at any time an Insolvency Event exists, Bondholders shall have the right to require the Company to redeem their Convertible Bond(s) at their face value.