

15 May 09

FOR IMMEDIATE RELEASE

GNI signs HOA with Consolidated Iron Sands Limited

Zodiac Capital Limited (NSX:ZOD) and Global Nickel Investments Limited (ASX:GNI) are pleased to advise that Zodiac Capital ("the Company") has entered into a Heads of Agreement with Global Nickel Investments Limited ("GNI") and Consolidated Iron Sands Limited.

GNI will, subject to certain milestone conditions being met including compliance with any regulatory requirements including any required shareholder approvals for GNI, Zodiac Capital and/or CIS, have the option to increase its interest in CIS by 39% and ultimately by a further 51% to a total 100% ownership.

CIS owns key iron sand exploration tenements of approximately 16,300 hectares (163 square kilometres) within the shallow offshore regions of the northern Philippines coastline of Luzon. The northern and north west Luzon regions are historically well known for their iron sands resource as these regions were actively mined in the 1950's 60's and 70's when they were a major source of supply to the then growing steel industry of Japan. Offshore mining was subsequently banned and as this ban has recently been lifted, the extensive iron sands in the region can again be positioned as a significant resource to the China and Asian Pacific markets. "GNI is extraordinarily pleased with this turn of events. GNI is clearly now reaping the benefits of 12 months hard work in repositioning the company and has the potential to become an International Mining House, with substantial earnings per share." said Managing Director, Mr Benjamin Cooper

Under the terms of the Heads of Agreement GNI:

- Immediately earns a 10% interest in CIS.
- Following completion of due diligence to Global Nickel's satisfaction and of its current pro-rata non-renounceable rights issue, GNI will issue 19.9% of the company's share capital as full consideration of a 10% interest in CIS.
- Will provide ongoing funding to CIS.
- Subject to CIS completing the conversion of the exploration permits to large scale mining permits, have the option to acquire, subject to any required shareholder approval, a further 39% interest in CIS.
- Subject to CIS achieving operating profits of \$20 million on an annualized basis and subject to any required shareholder approval acquire the balance 51% interest in CIS.



- Following completion of due diligence and settlement of the initial 10% holding in CIS, the Company has agreed to propose two nominees of CIS to the Board of Directors of Global Nickel Investments Ltd.

The major benefits of this project, as reported today by GNI and the milestone options for increasing GNI's equity and shareholder wealth are as follows:

- Risk is minimized as the Company only needs to consider significant share dilution once the project risk barriers are eliminated through firstly the issue of formal mining permits and secondly CIS achieving operational profits.
- The project represents large scale potential with uniquely minimal infrastructure costs (less than \$10 million).
- Operationally the project is highly scalable from an initial conservative planned production of 2 million tonnes per annum.
- The project has major freight advantages in being located less than 1,200 kilometres from the Asian markets for its iron ore product.
- Operations are planned through low cost dredge mining in shallow waters with ore concentrated on in situ barges.
- Extensive past exploration within the north and northwest Luzon regions support the tenement's potential.

Mr Andrew Mortimer, Executive Director of GNI Operations stated: "We are very pleased with this transaction as it has substantial logistical and technical advantages over other projects in the iron ore industry and will allow us with low CAPEX and close proximity to the Asian markets, to take advantage of the region's growing economic prosperity".

Zodiac Capital will continue to advise the market of any further material developments and at the completion of the Company's due diligence of the project.

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