



Co-funded Drilling Application for Kelly Successful

- WA Department of Mines and Petroleum Exploration Incentive Scheme application successful to provide co-funding of deep drilling at Redcliffe's Kelly Prospect.
- The deep drilling is designed to expand the knowledge of the large mineralised system.
- Potential to open a further 10km of prospectivity along strike along the eastern margin of the Mertondale Shear Zone.
- Deep drilling to aid comparison to intrusive hosted gold deposits such as Gold Road's emerging Gruyere Prospect.

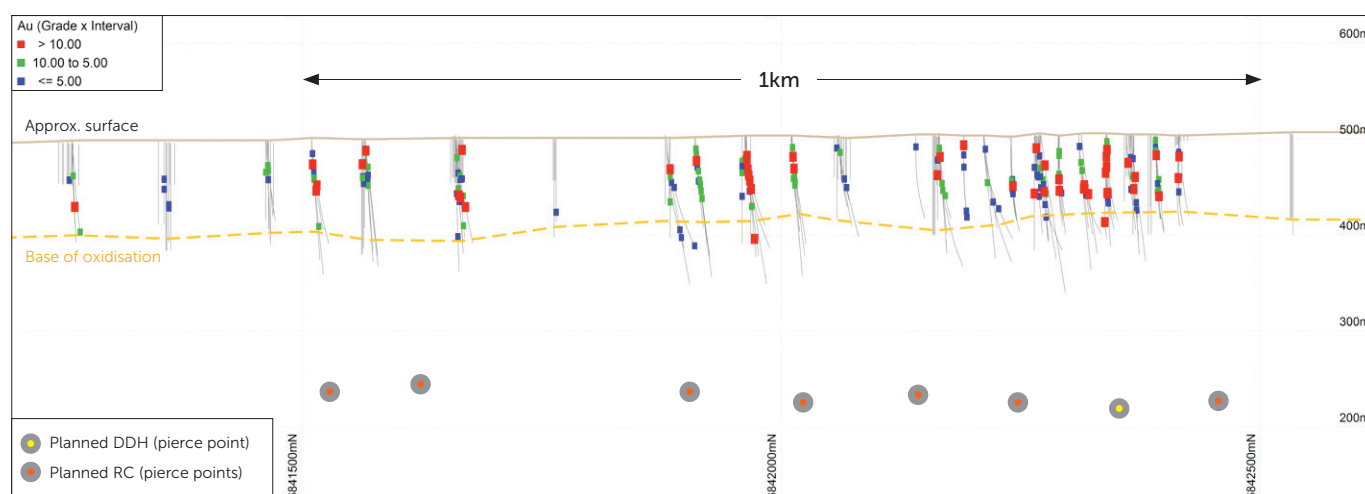
Redcliffe's exploration on the Mertondale Shear Zone (MSZ) north east of Leonora Western Australia has demonstrated the potential for hosting significant gold mineralisation. This is demonstrated by historical production, open pits, and successful exploration that delineated many small to moderate sized gold deposits.

The majority of these deposits are hosted by quartz veining in sedimentary and volcanic packages associated with the Western side of the MSZ and occur at structural dislocations over some 25km of strike.

The Kelly Prospect differs from these styles of deposits in that it:

1. Lies proximal to the Eastern bounding structure of the MSZ;
2. It is a large mineralised system with anomalous gold occurring over at least 1km and is still open in all directions;
3. Host rocks are highly deformed/mylonitised felsic to intermediate intrusives both granophyric and porphyritic; and
4. Higher grade zones have been intersected within the Kelly mineralised zone and although their extent has not been fully defined, they offer considerable scope to increase the resource potential.

Application was made by Redcliffe under the Western Australian Department of Mines and Petroleum Exploration Incentive Scheme to assist in furthering understanding of the Kelly Prospect, a large low grade deposit with



Kelly Prospect Drilling - Longitudinal Section (looking west)

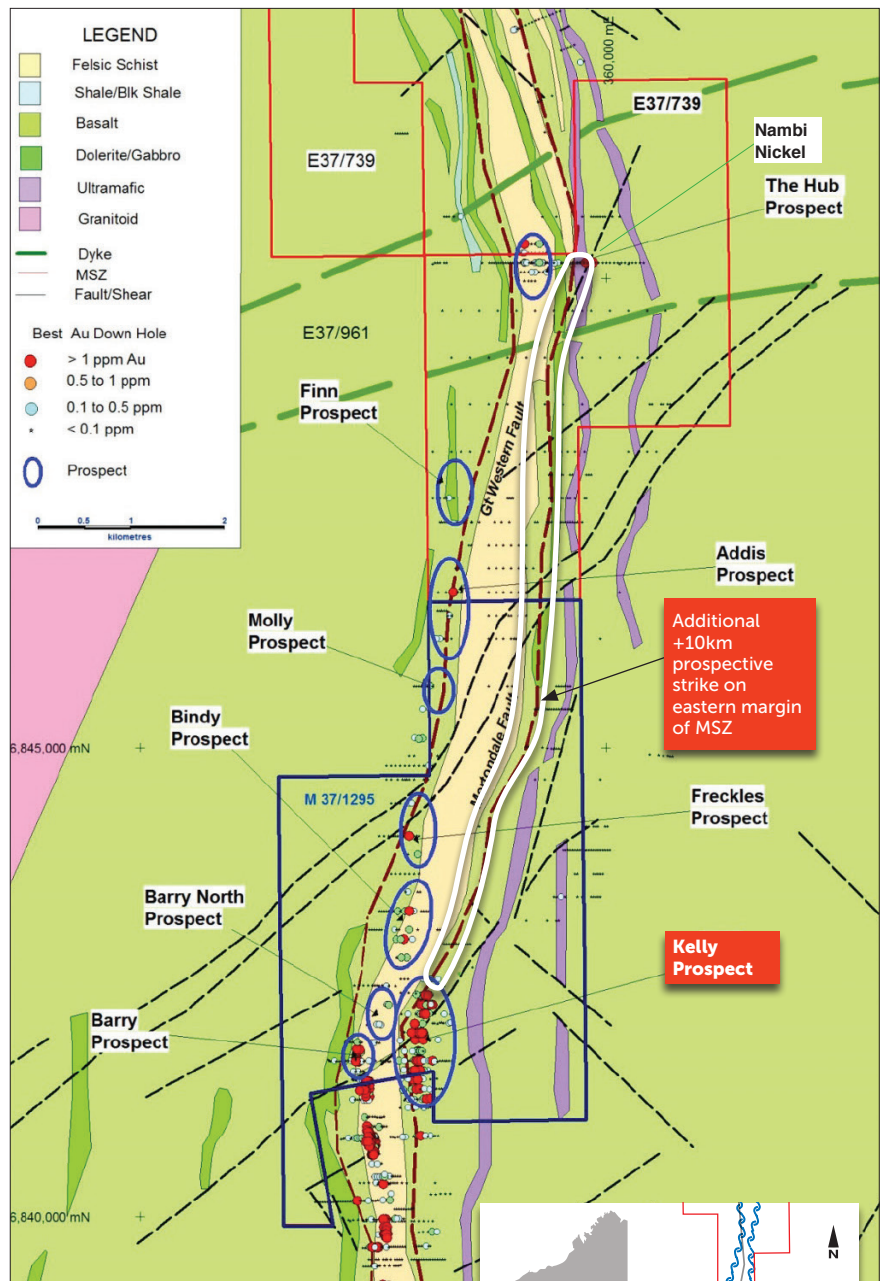
potential for multiple primary sources with high grade potential. Kelly was considered to represent an attractive exploration target.

Successful delineation of a large deposit at Kelly would be of great benefit to the region as it could strongly enhance the economic potential of many existing resources in the district.

The deep drilling programme is considered an important step in expanding the knowledge of the large mineralised system. It will provide information which may enable the Company to consider similarities to intrusive hosted gold deposits such as Granny Smith (Laverton) and Gold Road's emerging Gruyere Prospect in the Yamarna Greenstone Belt.

Further success at Kelly also enhances prospectivity of over 10km strike length on the eastern margin of the MSZ.

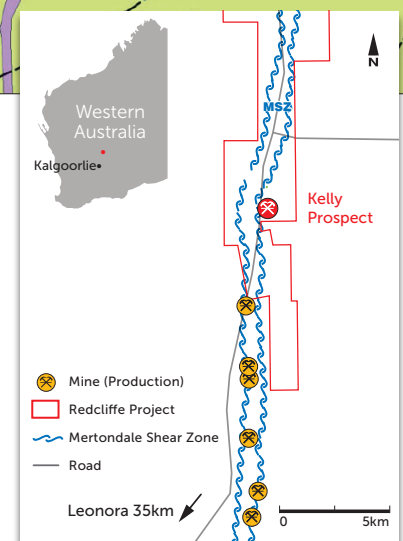
The co-funding, to provide up to \$140,000 toward the drilling, is a timely stimulus that could reinvigorate exploration impetus and the much needed investment in the area. Drilling is proposed later in 2014.



Mertondale Shear Zone Showing Kelly Prospect

[Handwritten signature of Mark Maine]

Mark Maine
Executive Director



Competent Person Statement

The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled and/or reviewed by Mr Rodney Foster, who is a geologist and member of the Australian Institute of Mining and Metallurgy. Mr Foster is Executive Chairman of the company. Mr Foster has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)'. Mr Foster consents to the inclusion of this information in the form and context in which it appears in this report.