



# Quarterly Activities Report

for the Quarter Ending 30 June 2014

## Mbesa Copper Project

- Petrology identifies significant nickel sulphides present in Mbesa copper project samples.
- Similarities to Proterozoic Terranes in Australia hosting new discoveries on nickel & copper.
- Geophysical programmes including EM and ground magnetics being planned.

## Redcliffe Gold project

- Co-Funding Application successful for important depth testing of large Kelly gold mineralised system through WA DMP Exploration Incentive Scheme.
- The deep drilling is designed to expand the knowledge of the large mineralised system and has the potential to open a further 10km of prospectivity of strike length.

## Mbesa Copper Project

Mbesa project petrology has identified nickel sulphide associated with copper in frontier exploration setting in southern Tanzania, potentially similar to Fraser Range, Western Australia where Sirius Resources has made several nickel /copper discoveries.

- Nickel/cobalt sulphide observed in petrological examination.
- SEM (scanning electron microscope) verifies presence of nickel/cobalt sulphides.
- Petrological study suggests precursor rocks were coarse grained mafics, (gabbro or metabasalts) with subsequent metamorphism to granulite facies.
- Exploration Model is considered to be similar to Fraser Range in WA.
- Numerous occurrences of mineralisation have been noted in region that has been subject to minimal exploration.
- Rock chip samples to date have included results of up to 14% Cu (previously reported) and 700ppm nickel.

## MBESA COPPER PROJECT

The Mbesa Project is located within the Tunduru District of southern Tanzania, near the border with Mozambique and approximately 350km from the port of Mtwara. It was identified as an attractive copper project having recent Artisanal copper mining of high grade copper mineralisation in a region with negligible past exploration for metals.

Redcliffe entered into a farm-in agreement over a licence area of approximately 247 sq km which was subsequently extended with an application over a further 107 sq km.

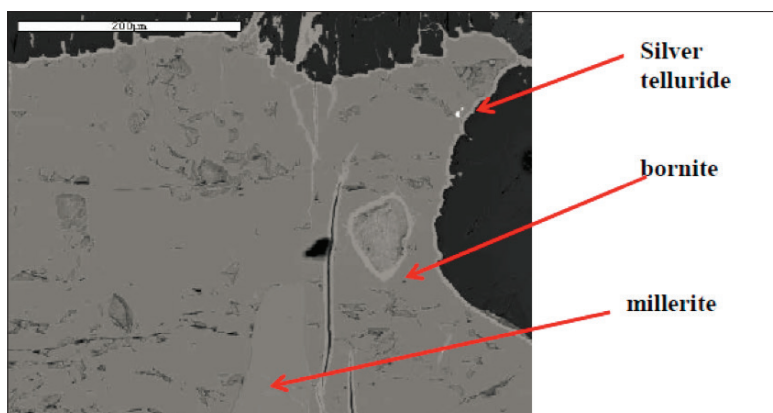
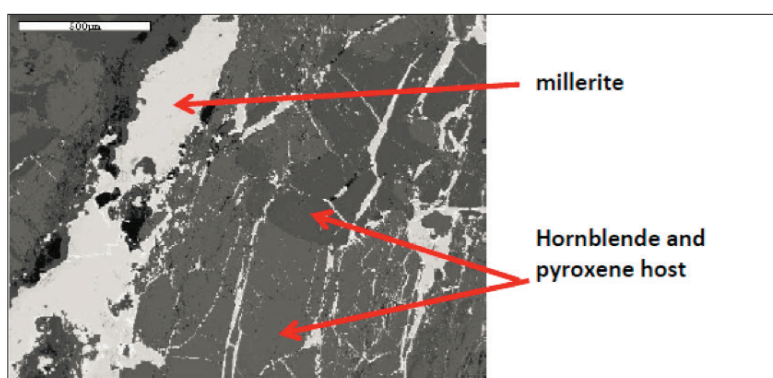
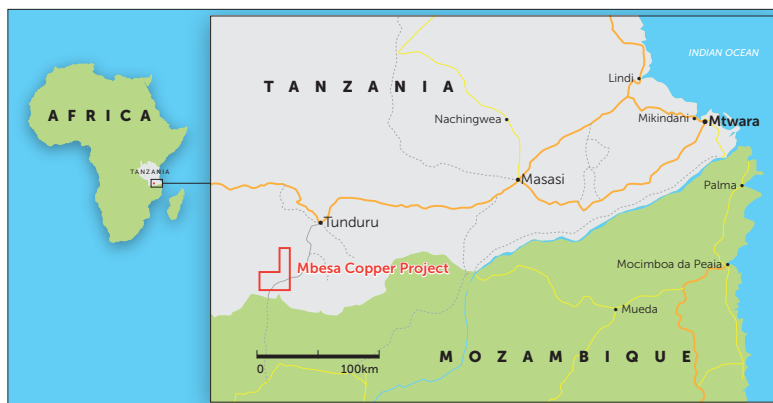
The geology within the Mbesa tenement areas is characterised by plagioclase amphibolites, hornblende biotite gneiss and pegmatite vein intrusions. Only a recent discovery, the Mbesa copper mineralisation and its geological environment have not been formally documented in published literature.

Work by Redcliffe has included a field programme where many copper occurrences were visited and samples were collected for analysis and examination. Redcliffe engaged consultants specialised in petrological and scanning electron microscope (SEM) to undertake test work on several specimens to assist in identifying the nature of the occurrences and build understanding of geological and mineralisation models.

The Company's perspective of the region has, as a consequence, significantly altered following findings from this recent work.

The precursor lithologies were found to most likely be coarse grained mafics, (gabbro basalts), as a result the mineralisation model appears to be similar to Proterozoic terrains that have had mineralisation associated with the emplacement of the mafics. (eg Sirius Resources/Fraser Albany Terrain).

The copper mineralisation observed under the microscope was interpreted to occur as blebby sulphide replacements with



Scanning Electron Microscopy



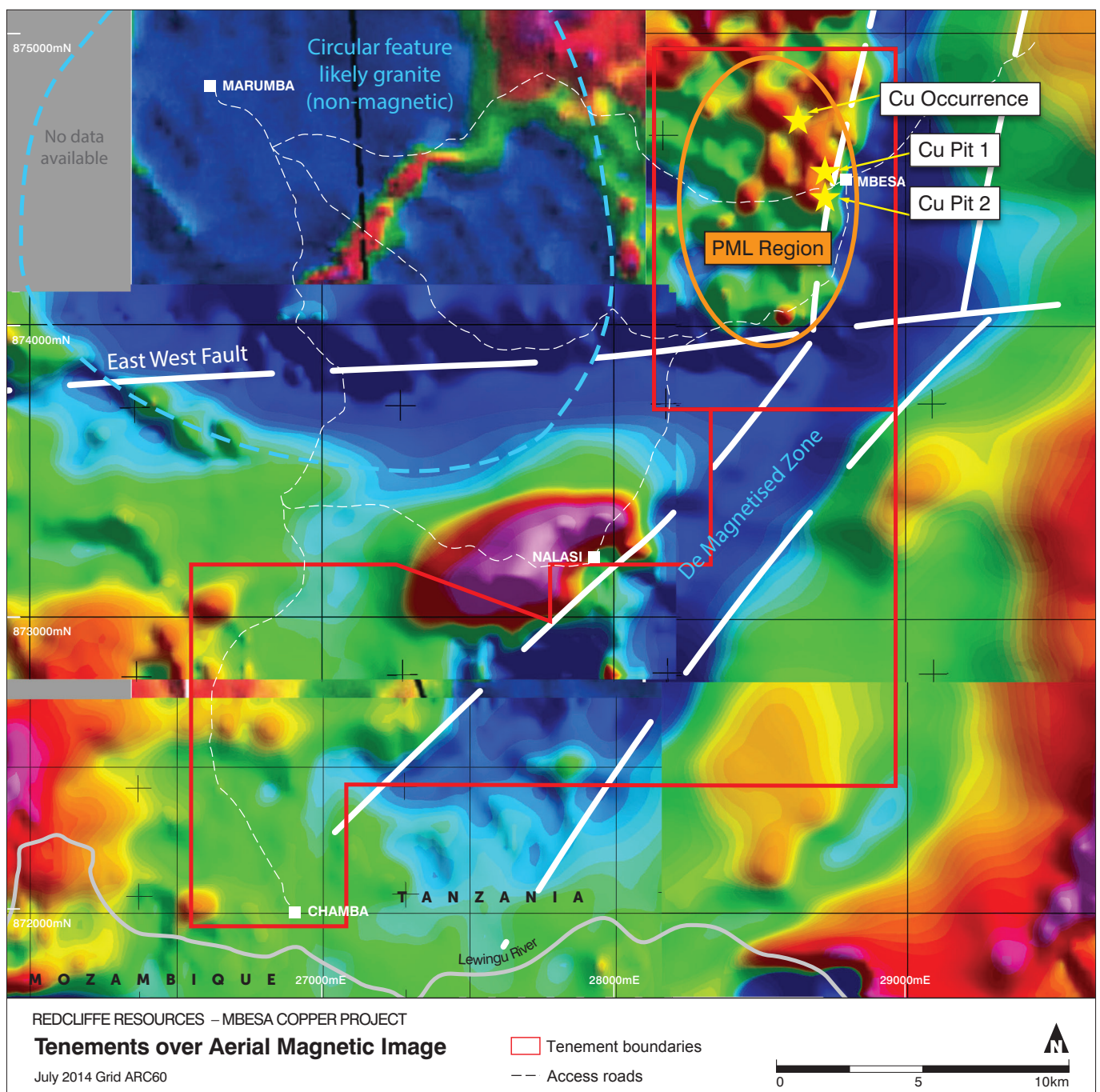
Mbesa Pit 2, sample locality

remobilised or secondary mineralisation occurring along fractures. Higher grade copper mineralisation is evident as chalcopyrite and bornite. Significantly, millerite is present in the metamorphic rocks. This nickel mineralisation in the form of millerite (a nickel-cobalt sulphide) appears to be post metamorphic and possibly the result of alteration of primary pentlandite. Silver telluride is also noted, the significance of which is yet to be determined.

Consultants have also been engaged to conduct reprocessing of acquired geophysical data including magnetics and radiometrics to compliment the Landsat and regional terrain images.

### Mineralisation in Rock Chip Samples

Further analytical work on duplicate samples of previous sampling was carried out using ALS Laboratories. Nickel values of up to 700ppm were received supporting the observation of nickel sulphide in association with the copper. Silver and Copper values were supportive of earlier results from SGS laboratory in Mwanza, Tz.





## Future Exploration

The findings outlined above have enabled Redcliffe to develop a model that will guide the Company's next stages of exploration. The directors consider that, given the geological setting derived from the recent programme, the Mbesa Project has the capacity to provide a significant discovery.

Following securing selected artisanal PML licenses over a core PML area Redcliffe is planning for initial Geophysical ground surveys including EM and detailed magnetics over the Mbesa areas to target test drilling subject to the availability of funding.

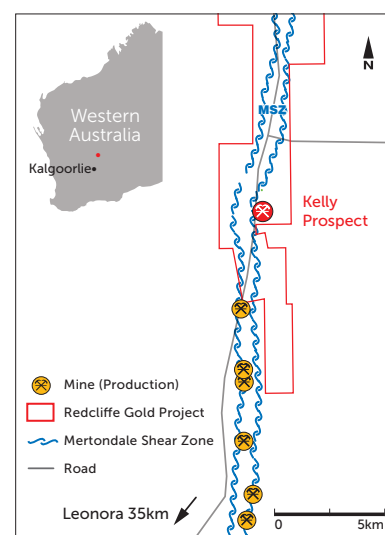
As information and understanding increases, aerial geophysical programmes will be considered to regional coverage.

To fund exploration activities the Company will need to raise additional capital and/or dispose current assets. Discussions are being undertaken with the Company's advisers and major shareholders to develop a funding strategy to accommodate the exploration objectives.

## REDCLIFFE GOLD PROJECT

The Company's 100% owned Redcliffe Gold Project ("RGP") is located 40-70km north-east of Leonora and around 230km north of Kalgoorlie in Western Australia. The Project tenements cover a substantial strike length of the Mertondale Shear Zone where the Company hopes to build on previously estimated gold resources that consist of a number of deposits.

Work during the quarter included statutory reporting, office studies and submission of a proposal to DMP for Exploration Incentive Scheme joint funding participation in further exploration at the Kelly prospect. Success at delineating a high grade feeder core to the Kelly mineralised system could help economic potential and lead to development alternatives for the Region's Mertondale Shear Zone hosted gold deposits.



## Co Funding Application

- WA Department of Mines and Petroleum Exploration Incentive Scheme application successful to provide co-funding up to \$140,000 for deep drilling at Redcliffe's Kelly Prospect east of Leonora, WA.
- The deep drilling is designed to expand the knowledge of the large mineralised system seeking high grade gold feeder structure at its core.
- Potential to open a further 10km of prospectivity of strike along the eastern side of the Mertondale Shear Zone.
- Deep drilling to aid comparison to intrusive hosted gold deposits such as Gold Road's emerging Gruyere Prospect.

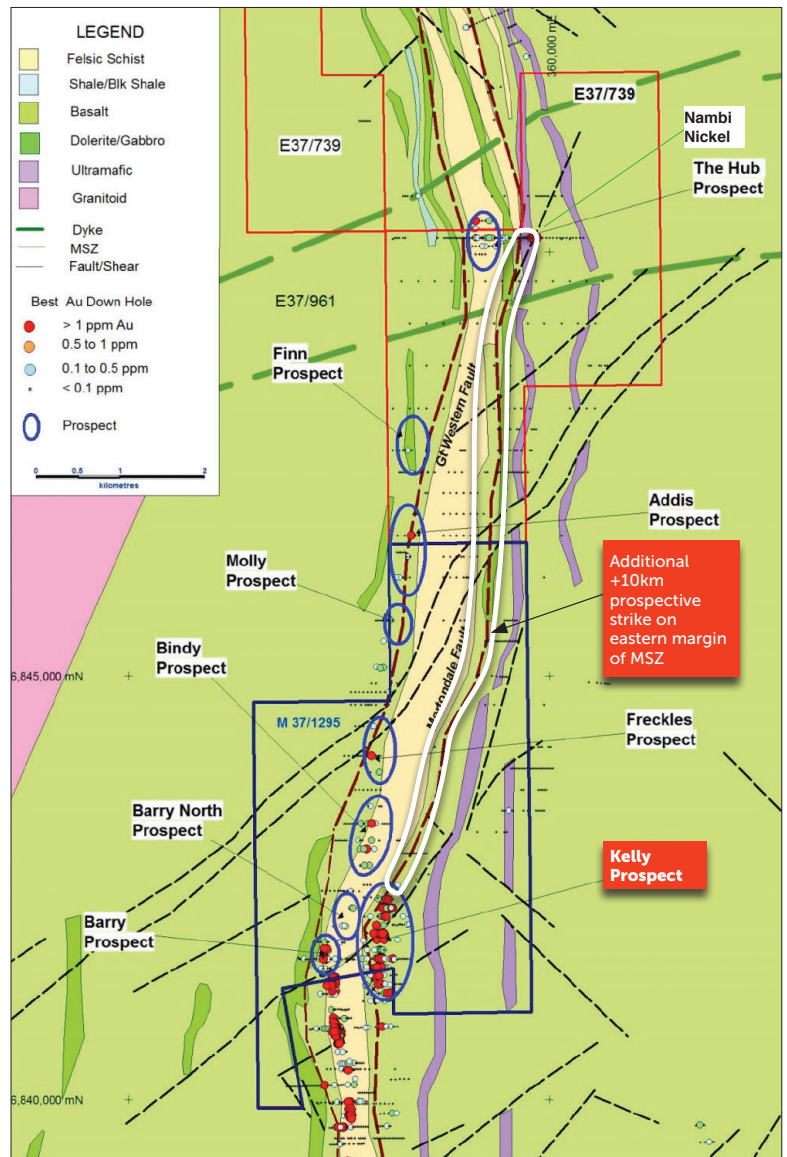
Redcliffe's exploration on the Mertondale Shear Zone ("MSZ") north east of Leonora Western Australia has demonstrated the potential for hosting significant gold mineralisation. This is demonstrated by historical production, open pits, and successful exploration that delineated many small to moderate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

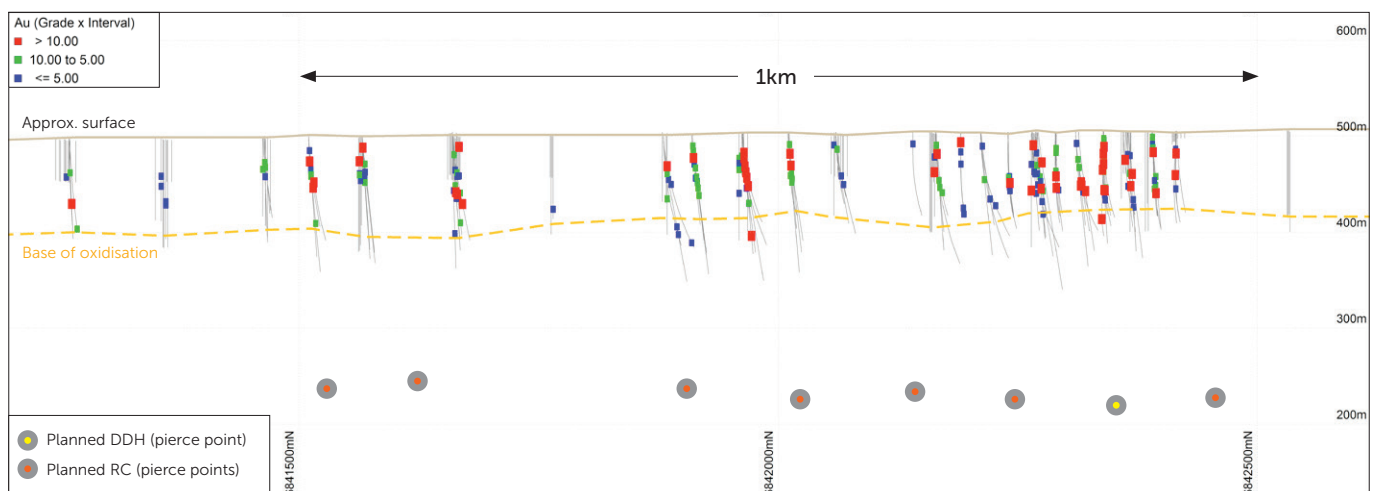
## The Kelly Prospect differs from these styles of deposits in that it:

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 1,000m and is still open;
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 capacity.

Application was made by Redcliffe under the Western Australian Department of Mines and Petroleum Exploration Incentive Scheme to assist in further understanding of the Kelly Prospect, a large low grade gold deposit that has high grade potential from multiple primary sources. Kelly is considered to represent an attractive exploration target and successful delineation of a major 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.



Mertonvale Shear Zone Showing Kelly Prospect  
(Note location on eastern bounding structure and open 10km of strike).



Kelly Prospect Drilling - Longitudinal Section (looking west)

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.

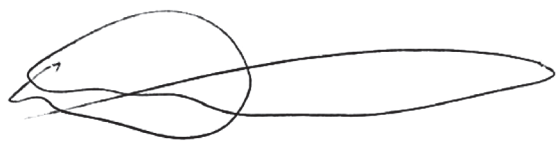
The co-funding, to provide up to \$140,000 toward the drilling, is a timely stimulus that could reinvigorate exploration impetus and the much needed investment in the area. Drilling is proposed later in 2014.

## **MANUS ISLAND COPPER GOLD PROJECT** (PNG – NEWCREST 64.8% REDCLIFFE 10%)

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Newcrest PNG Exploration Limited (Newcrest), a subsidiary of Newcrest Mining Limited, as manager of the Manus Island Project Joint Venture completed approximately \$12 million of project expenditure. Redcliffe has a 10% free carried interest to decision to mine. Newcrest has notified of their decision to withdraw from the Manus Island joint venture in Papua New Guinea, with effect from 16th July 2014.

Redcliffe Resources Ltd holds a 10% free carried interest in the Project. Alternatives will be considered and discussed with other parties involved in the tenement.



**Mark Maine**

Executive Director

*The information in this report, as it relates to Exploration Results and Resource Estimates, is based on information compiled and/or reviewed by Rodney Foster who is a Member of The Australasian Institute of Mining and Metallurgy. Rodney Foster is the Executive Chairman of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rodney Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Appendix 1

### Summary of Mining Tenements and Areas of Interest

Project / Tenement Held	Location	Tenement Number	Economic Entity's Interest at Quarter End	Change in Economic Entity's Interest During Quarter
Redcliffe South	Redcliffe Gold Project WA	E37/0739	100%	No Change
727 M	Redcliffe Gold Project WA	M37/1285	100%	No Change
Golden Terrace M	Redcliffe Gold Project WA	M37/1276	100%	No Change
Kelly M	Redcliffe Gold Project WA	M37/1295	100%	No Change
Nambi	Redcliffe Gold Project WA	E37/0697	100%	No Change
Nambi M	Redcliffe Gold Project WA	M37/1286	100%	No Change
Golden Style	Leonora, WA	P37/7942	100%	No Change
Golden Style	Leonora, WA	P37/7943	100%	No Change
Golden Style	Leonora, WA	P37/7944	100%	No Change
Golden Style	Leonora, WA	P37/7945	100%	No Change
Golden Style	Leonora, WA	P37/7946	100%	No Change
Golden Style	Leonora, WA	P37/7947	100%	No Change
Gold Pit	Leonora, WA	P37/7948	100%	No Change
Pig Well West	Leonora, WA	P37/7647	100%	No Change
Blue Dam	Kalgoorlie, WA	P15/5068	100%	No Change
Blue Dam	Kalgoorlie, WA	P15/5069	100%	No Change
Blue Dam	Kalgoorlie, WA	P15/5070	100%	No Change
Blue Dam	Kalgoorlie, WA	P15/5071	100%	No Change
Manus*	Manus Island, PNG	EL1326	10% Free Carried Newcrest Operator	No Change
Manus*	Manus Island, PNG	EL1473	10% Free Carried Newcrest Operator	No Change
Tunduru Copper	Tanzania	PL8451/2012	Option to Acquire up to 90%	No Change
Tunduru Copper	Tanzania	HQ-P27664	Option to Acquire up to 90%	Under Application No Change
Mbesa	Tanzania	PML 00210SZ, 00129SZ, 001619SZ, 001626SZ, 001623SZ, 000455SZ, 000457SZ, 000456SZ, 003756SZ, 000466SZ, 001626SZ, 001623SZ	Option to Acquire 100%	No Change

\*Newcrest withdrawal 16 July, parties retained interests under consideration.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

REDCLIFFE RESOURCES LIMITED

ABN

63-010-856-014

Quarter ended ("current quarter")

30 June 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	260
1.2	Payments for (a) exploration & evaluation	(65)	(141)
	(b) development	-	-
	(c) production	-	(227)
	(d) administration	(46)	(246)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	2
1.5	Interest and other costs of finance paid	-	(7)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net Operating Cash Flows</b>	<b>(110)</b>	<b>(359)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(110)</b>	<b>(359)</b>



1.13	Total operating and investing cash flows (brought forward)	(110)	(359)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	275
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(100)
1.18	Dividends paid	-	-
1.19	Other – Share Issue Costs	-	(6)
	<b>Net financing cash flows</b>	0	169
	<b>Net increase (decrease) in cash held</b>	(110)	(190)
1.20	Cash at beginning of quarter/year to date	156	236
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	46	46

### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	18
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Consulting Fees	\$16
	Rent	<u>\$ 2</u>
		\$18

### Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None this quarter

## Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'ooo	Amount used \$A'ooo
3.1 Loan facilities	0	0
3.2 Credit standby arrangements	0	0

## Estimated cash outflows for next quarter

	\$A'ooo
4.1 Exploration and evaluation	100
4.2 Development	0
4.3 Production	0
4.4 Administration	40
<b>Total</b>	<b>140</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1 Cash on hand and at bank	3	5
5.2 Deposits at call	43	151
5.3 Bank overdraft	0	0
5.4 Other (provide details)	0	0
<b>Total: cash at end of quarter (item 1.22)</b>	<b>46</b>	<b>156</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				

## 6.2 Interests in mining tenements acquired or increased

PML00210SZ	Option to acquire	0%	0%
PML00129SZ			
PML01619SZ			
PML01626SZ			
PML01623SZ			
PML00455SZ			
PML00457SZ			
PML00456SZ			
PML03756SZ			
PML00466SZ			
PML01626SZ			
PML01623SZ			

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)	Nil	Nil		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities FP</b>	142,372,100	142,372,100		Fully Paid
	<b>Ordinary securities CTG</b>	400,000	Nil	\$2.50	2.5c
7.4	Changes during quarter (a) Increases through issues (b) Decreases through capital reconstruction	Nil Nil	Nil Nil		Fully Paid
7.5	<b>+Convertible debt securities</b> (description)	15	Nil		\$10,000
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

7.7	<b>Options</b> (description and conversion factor)			<b>Exercise price</b>	<b>Expiry date</b>
		29,233,338	Nil	2.0c	31 Mar 2015
		3,000,000	Nil	1.5c	31 Dec 2016
		3,000,000	Nil	2.0c	31 Dec 2016
		3,000,000	Nil	3.0c	31 Dec 2016
		3,000,000	Nil	4.0c	31 Dec 2016
		3,000,000	Nil	5.0c	31 Dec 2016
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	<b>Debentures</b> (totals only)	Nil	Nil		
7.12	<b>Unsecured notes</b> (totals only)	Nil	Nil		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Executive Director)

Date: 31 JULY 2014

Print name: Mark Maine

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.



- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.