



# Quarterly Activities Report

for the Quarter Ending 30 September 2014

## REDCLIFFE GOLD PROJECT KEY POINTS

- The Company was successful in obtaining a Co-Funding Drilling Grant through Department of Mines and Petroleum (DMP) WA Exploration Incentive Scheme. This is set to stimulate further important drilling of the Kelly gold mineralised system.
- The deep drilling is designed to expand the knowledge of the large mineralised system and has the potential to substantially expand the resource that is open at depth and along strike.
- Seven RC drill holes are planned to depths of 300 metres and a Diamond core hole is proposed to 350 metres.
- The programme is also expected to provide geological information to aid comparison to other intrusive hosted gold deposits such as Gold Road's emerging Gruyere Prospect.

## Redcliffe Gold Project

The Company's 100% owned Redcliffe Gold Project ("RGP") lies from 40km to 70km north-east of Leonora in the Eastern Goldfields of 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 lie within granted mining leases.

Estimated resources over eight deposits delineated to date amounts to 278,000 ounces of which 969,000 tonnes @ 2.70g/t (84,100 ounces) is indicated, the remainder inferred. (See appended information in this report for further detail).

Activities during the quarter have included programme budgeting and planning along with lodgment of a Programme of Work notice with DMP in preparation for the Kelly deep drilling programme. The drilling is to be co-funded by DMP under their Exploration Incentive Scheme where funding contributions are made for exploration initiatives that could demonstrate potential to have a positive economic impact in regions of Western Australia. Co-funding up to \$140,000 of drilling costs is available.

Success at delineating a high grade feeder core to the Kelly mineralised system at depth could help economic potential and lead to development alternatives for the Company's Mertondale Shear Zone hosted gold deposits.

The Kelly Prospect has several varying features to other MSZ deposits along the MSZ. It lies proximal to the Eastern bounding structure of the Zone rather than most others to date being on the west side. It is a much larger mineralised system with gold anomalous drill intercepts occurring over more than one kilometre and remains open. Host rocks are felsic to intermediate intrusives that are highly deformed and mylonitised.

The proposed drilling is to test continuations of higher grade zones and to seek mineralized feeder pathways of the mineralizing fluids in the shear system. It is considered an important step in expanding the knowledge of the large mineralised system. It will provide information which may enable the Company to compare similarities to other intrusive hosted gold deposits in the region such as Granny Smith and Gold Road's emerging Gruyere Deposit in the Yamarna Greenstone Belt.

The Company is buoyed by the co-funding and the potential it may unlock and looks forward to reinvigorating exploration with drilling to begin in the coming weeks.

## Mbesa Copper Project

The Mbesa Project is located within the Tunduru District of southern Tanzania. Recent Artisanal copper mining of high grade mineralisation suggested the area has potential for further occurrences in a region where minimal past exploration has occurred.

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

In addition to acquisition of remote sensing images, work by Redcliffe has included field reconnaissance of several copper occurrences, sampling, assaying, petrological studies and examination under Scanning Electron Microscope (SEM).

These studies showed that precursor lithologies were most likely coarse grained mafics, including gabbros. The mineralisation model may be analogous to similar to Proterozoic terrains that have had mineralisation associated with the emplacement of the mafics. (e.g. Sirius Resources/Fraser Albany Terrain).

Copper mineralisation as observed under microscope occurs as blebby sulphide replacements with remobilised mineralisation occurring along fractures. Copper minerals include chalcopyrite and bornite. Nickel mineralisation in the form of millerite (a nickel-cobalt sulphide) was observed, possibly the result of alteration of primary pentlandite.

The Company is considering alternatives available in the current funding situation.



**Rodney Foster**

Executive Chairman

*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

### Gold Resource Category Classification

The estimated gold resource of 278,000 ounces is the most up to date gold resource estimate on the 100% owned Redcliffe Gold Project near Leonora in Western Australia. A breakdown of categories of resources is shown in the following table that accompanied ASX release of 20 November 2012 titled "Gold Resource Increases by 40%" at the time of announcing the addition of the maiden gold resource at the Kelly Deposit.

This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

**Redcliffe Gold Project Resource Table** (at 0.5g/t Au lower cut off)

Deposit	Indicated			Inferred			Total		
	Tonnes	g/t	ounces	Tonnes	g/t	ounces	Tonnes	g/t	ounces
GTS	707,000	2.46	56,100	684,000	1.56	34,400	1,391,000	2.02	90,500
Nambi	262,000	3.30	28,000	298,000	2.50	24,000	560,000	2.88	52,000
Redcliffe				560,000	1.70	31,000	560,000	1.70	31,000
West Lode				373,000	1.20	15,000	373,000	1.20	15,000
Mesa				95,000	1.50	5,000	95,000	1.50	5,000
GT North				64,000	1.53	3,200	64,000	1.50	3,200
Golden Spear				26,000	1.60	1,000	26,000	1.60	1,000
Kelly				2,412,000	1.04	80,400	2,412,000	1.04	80,400
<b>TOTAL</b>	<b>969,000</b>	<b>2.70</b>	<b>84,100</b>	<b>4,512,000</b>	<b>1.33</b>	<b>194,000</b>	<b>5,480,000</b>	<b>1.57</b>	<b>278,100</b>

Note: 1. Resource tonnes and ounces have been subjected to rounding of component elements.

2. Resource Estimations for Kelly, BMGS (2012); GTS and GTN, BMGS (2011). All other deposits – Coffey Mining (2008)

## Appendix 2

### 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	0%	Surrendered
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	0%	Surrendered
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%	Under review
Blue Dam	Kalgoorlie, WA	P15/5069	100%	
Blue Dam	Kalgoorlie, WA	P15/5070	100%	
Blue Dam	Kalgoorlie, WA	P15/5071	100%	
Manus	Manus Island, PNG	EL1326	10% Free Carried	No Change
Manus	Manus Island, PNG	EL1473	10% Free Carried	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

# 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 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (9 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	260
1.2	Payments for (a) exploration & evaluation	(48)	(189)
	(b) development	-	-
	(c) production	-	(227)
	(d) administration	(14)	(260)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	2
1.5	Interest and other costs of finance paid	-	(7)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	<b>Net Operating Cash Flows</b>	<b>(62)</b>	<b>(421)</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	59	59
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
		<b>59</b>	<b>59</b>
<b>Net investing cash flows</b>			
1.13	Total operating and investing cash flows (carried forward)	<b>(3)</b>	<b>(362)</b>

1.13	Total operating and investing cash flows (brought forward)	(3)	(362)
	<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>	(3)	(193)
1.20	Cash at beginning of quarter/year to date	46	236
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	43	43

**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'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**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'000	Amount used \$A'000
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3.1	Loan facilities	0	0
3.2	Credit standby arrangements	0	0

### Estimated cash outflows for next quarter

Estimated cash outflows for next quarter		\$A'ooo
4.1	Exploration and evaluation	0
4.2	Development	0
4.3	Production	0
4.4	Administration	20
Total		20

### 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.

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	39	3
5.2	Deposits at call	4	43
5.3	Bank overdraft	0	0
5.4	Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)		43	46

### 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			

## 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)	29,233,338 3,000,000 3,000,000 3,000,000 3,000,000 3,000,000	Nil Nil Nil Nil Nil Nil	<b>Exercise price</b> 2.0c 1.5c 2.0c 3.0c 4.0c 5.0c	<b>Expiry date</b> 31 Mar 2015 31 Dec 2016 31 Dec 2016 31 Dec 2016 31 Dec 2016 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.

*Rodney D Foster*

Sign here:

(Chairman)

Date: 31OCTOBER 2014

Print name: Rodney Foster

## 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.