



## Quarterly Report - Activities

for the quarter ended 30 September 2014

### Highlights

- **RC Drilling Identifies Major Gold Deposit at the Chanach Project in Central Asia, Results include:**
  - 19 metres at 6.0 g/t gold including 8 metres at 9 g/t from 71 metres and;
  - 9 metres at 5.0 g/t gold from 111 metres
  - 8 metres at 6.7 g/t gold from 56 metres
  - 6 metres at 13.1 g/t gold including 1 metre at 23.1 g/t from 47 metres
- **\$USD 4 Million – 24 month Convertible Note Facility Finalised**
  - initial \$USD 0.5 Million received (notes issued)

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White Cliff Minerals Limited (“**White Cliff**” or “the **Company**”) is pleased to report its quarterly activities report for the September quarter 2014.

### Kyrgyz Chanach Copper-Gold Project

Reverse Circulation (RC) drilling at the Company’s Kyrgyz Chanach project during the September quarter identified a major gold deposit. Multiple shear zones have been identified containing high grade gold mineralisation including:

- 19 metres at 6.0 g/t gold including 8 metres at 9 g/t from 71 metres and;
- 9 metres at 5.0 g/t gold from 111 metres
- 8 metres at 6.7 g/t gold from 56 metres
- 6 metres at 13.1 g/t gold including 1 metre at 23.1 g/t from 47 metres
- 5 metres at 6.2 g/t from 82 metres
- 4 metres at 13.6 g/t gold including 1 metre at 30.1 g/t from 50 metres
- 3 metres at 8.2 g/t gold from 83 metres
- 3 metres at 11.5 g/t from 36 metres
- 4 metres at 23.8 g/t gold from 85 metres
- 2 metres at 22 g/t gold from 102 metres

### Corporate

During the September quarter the Company entered into a \$USD 4 Million – 24 month convertible note facility with Magna Equities LLC (“Magna”), a New York based investment firm. The initial US\$500,000 proceeds under this agreement have been received and will be applied mainly towards advancing the newly discovered major Aucu gold deposit at the Kyrgyz located Chanach copper-gold project.

Todd Hibberd  
Managing Director  
31 October 2014

## 1 The Chanach Copper – Gold Project, Central Asia (88.7%)<sup>1</sup>

During the September quarter the Company carried out a 3000 metres Reverse Circulation (RC) drilling program targeting the high grade gold and copper mineralisation identified in the 2014 trenching program.

The drilling identified widespread **gold mineralisation** in multiple shear zones with grades up to 32 g/t gold.

Drilling results include:

- 19 metres at 6.0 g/t gold including 8 metres at 9 g/t from 71 metres and;
- 9 metres at 5.0 g/t gold from 111 metres
- 8 metres at 6.7 g/t gold from 56 metres
- 6 metres at 13.1 g/t gold including 1 metre at 23.1 g/t from 47 metres
- 5 metres at 6.2 g/t from 82 metres
- 4 metres at 13.6 g/t gold including 1 metre at 30.1 g/t from 50 metres
- 3 metres at 8.2 g/t gold from 83 metres
- 3 metres at 11.5 g/t from 36 metres
- 4 metres at 23.8 g/t gold from 85 metres
- 2 metres at 22 g/t gold from 102 metres

**Gold mineralisation** has been identified in two major structures, the Copper-Gold Zone (CGZ) and the Lower Gold Zone (LGZ) (Figure 1). The **two** mineralised systems are parallel and approximately 100m apart interpreted to strike NNW (310 degrees) dipping steeply to the SSW (85 degrees) occurring in highly altered sandstones and felsic porphyry and consists of quartz veining and associated alteration that is heavily impregnated with sulphides including pyrite and chalcopyrite.

Mineralisation starts at the surface, is high grade and has been identified to at least 100m vertical depth in both systems and is open along strike in both directions.

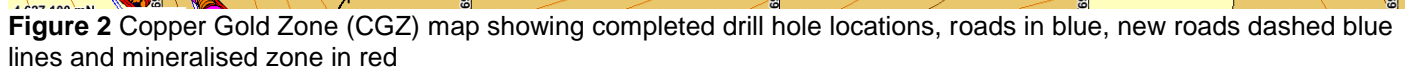
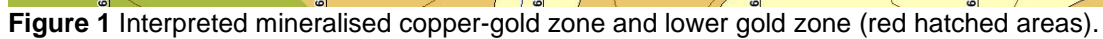
The current drill program has tested the two mineralised systems over a 550 metre distance with assay results pending for several of these holes (Figures 2 & 3). Rock chip sampling along strike on the adjacent hills to the northwest and southeast has identified mineralised quartz veins and shear zone in both directions.

### Ongoing Exploration

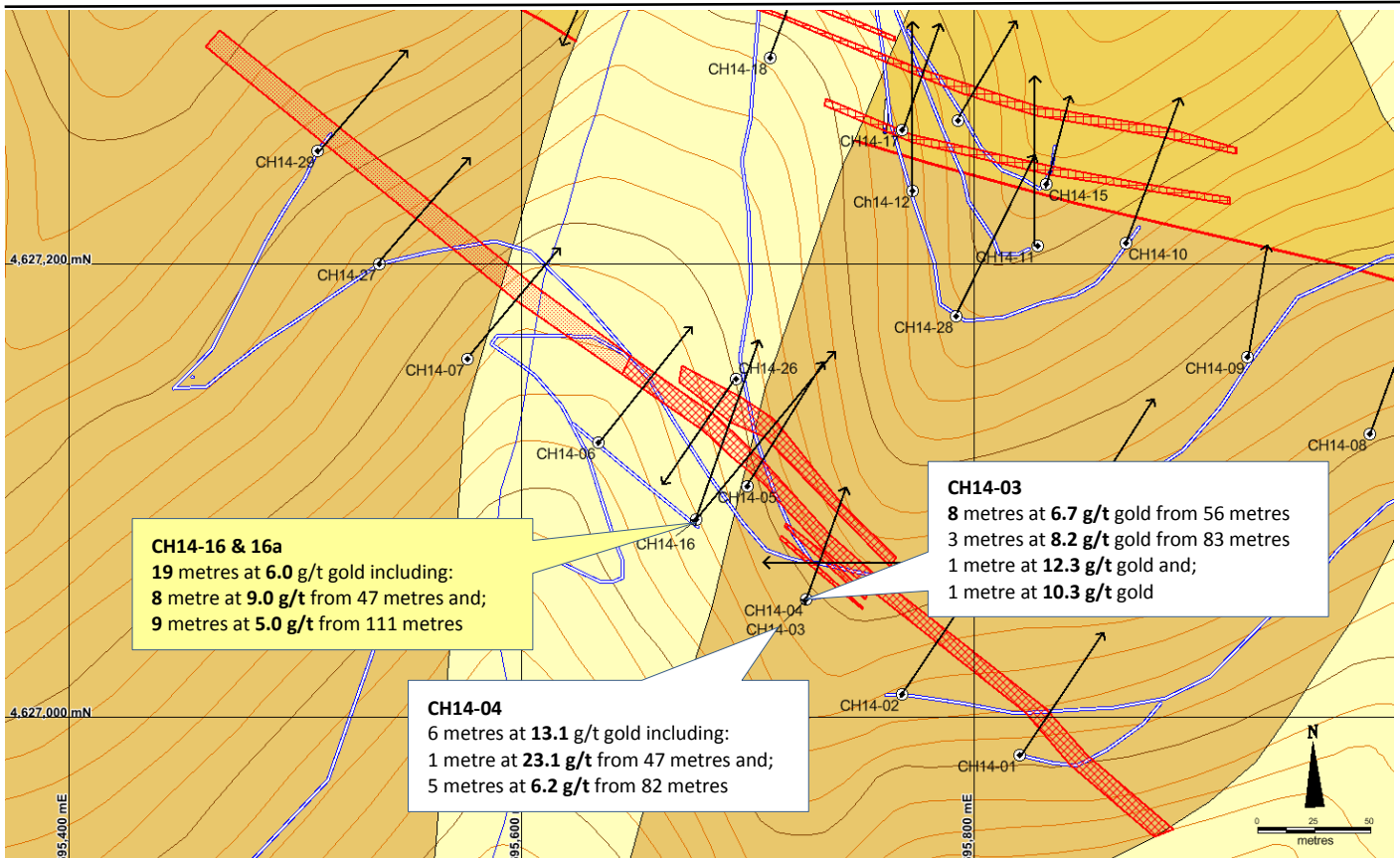
The 3,000 metre reverse circulation drilling program has been completed and the field camp has been demobilised for the winter.

The Company is awaiting the results for twelve holes comprising approximately 1750 samples which are expected over the next six weeks. The Company has arranged for mineralised samples to be transported to Perth for reference analysis and for preliminary metallurgical test work.

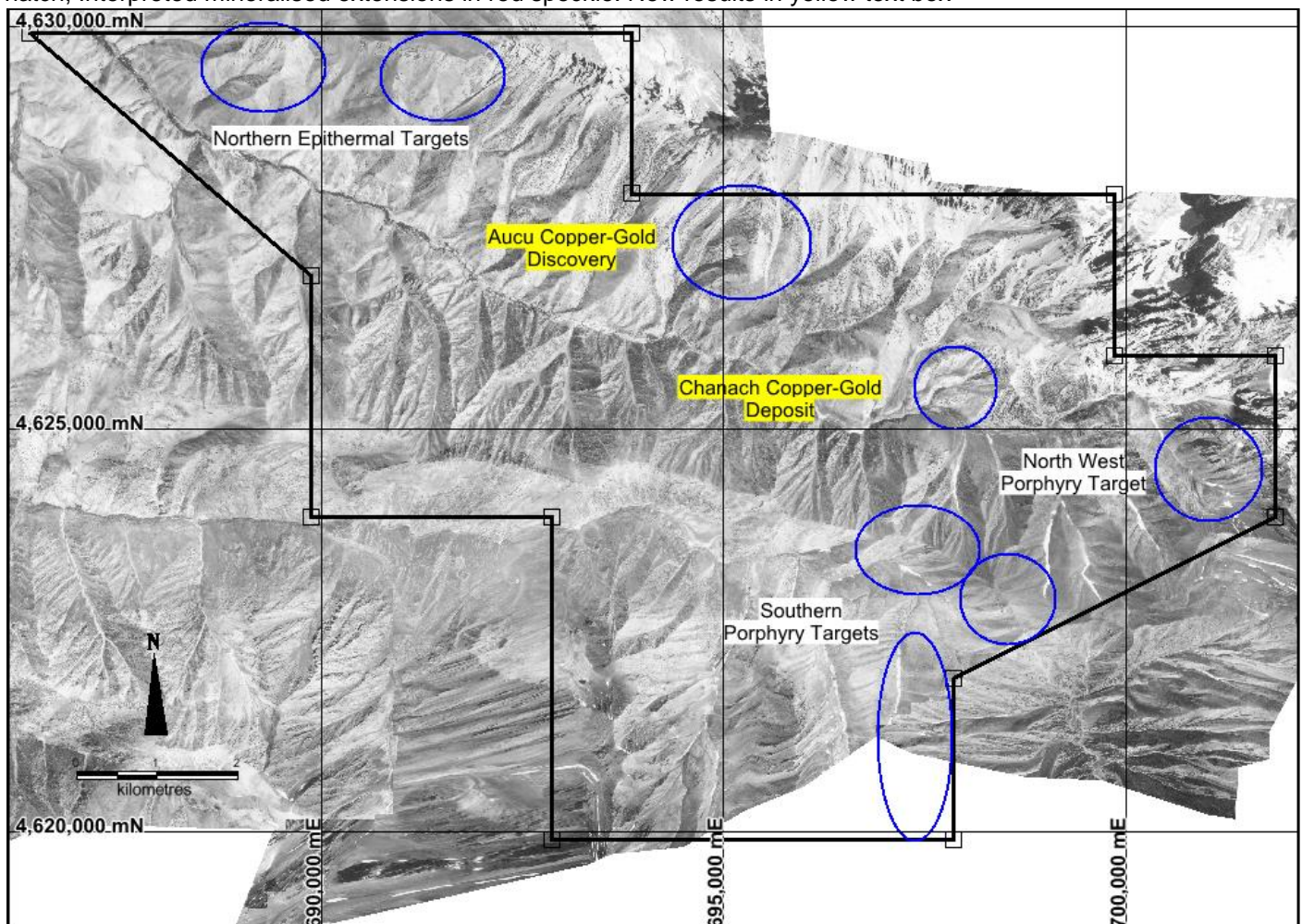
Planning is currently underway for an extensive exploration and drilling program in 2015 with the objective of determining a JORC Compliant Minerals Resource.







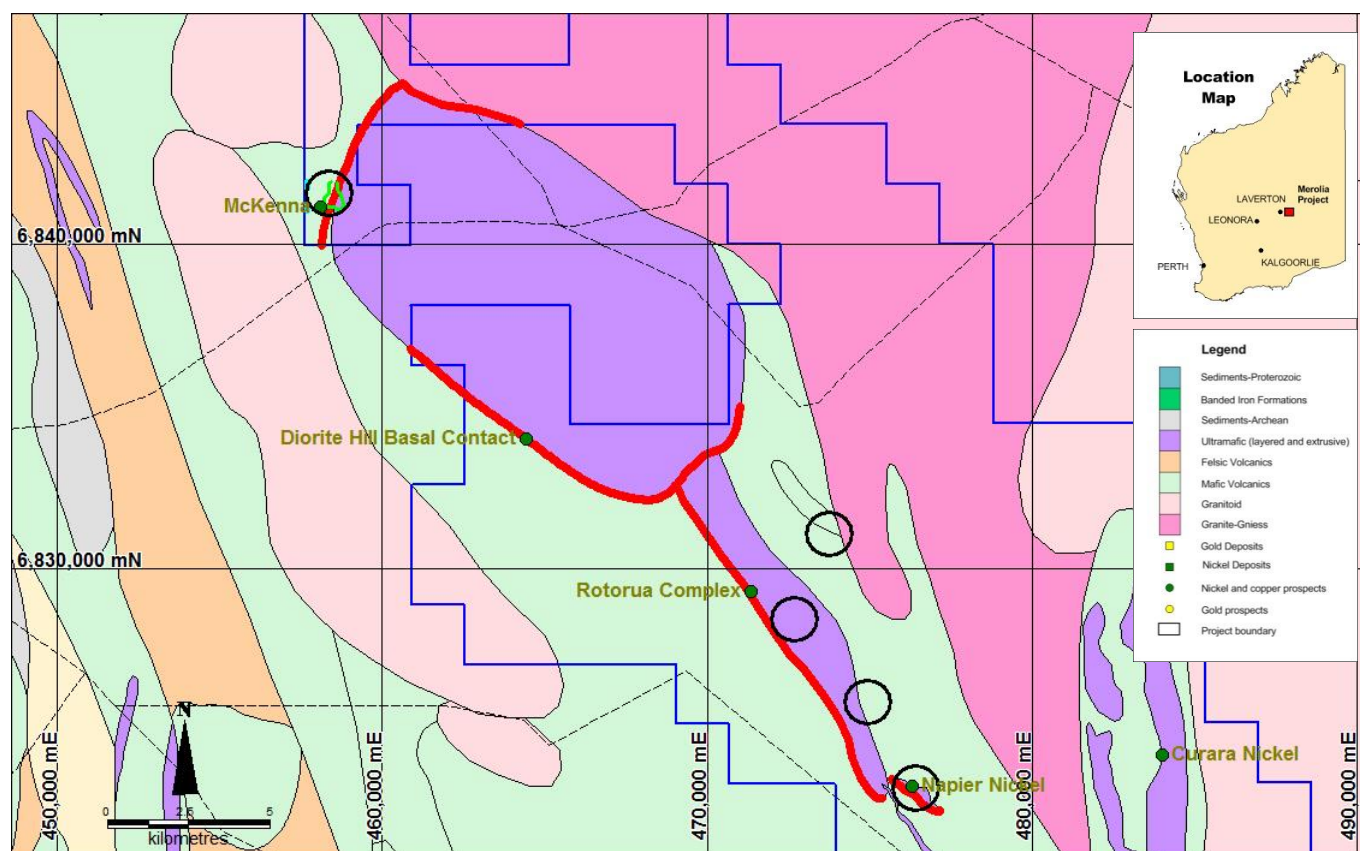
**Figure 3** Lower Gold Zone (LGZ) map showing completed drill-hole locations, roads in blue, mineralised zones in red hatch, Interpreted mineralised extensions in red speckle. New results in yellow text box



**Figure 4** Map showing the location of the Aucu copper-gold discovery 2km to the NNW of the existing Chanach copper-gold deposit.

## 2 Merolia Nickel-Copper and Gold Project (100%)<sup>1</sup>

During the September quarter the Company completed infill and extension soil geochemical surveys that extended and refined the four major and several minor nickel in soil anomalies identified at the McKenna and Rotorua prospects in the Laverton region of Western Australia (Figure 5).



**Figure 5** Merolia location plan showing the ultramafic host rocks and positions of anomalous nickel results identified to date.

### McKenna Nickel Anomalies

Two extensive nickel in soil anomalies have been identified at the McKenna prospect. The McKenna1 nickel anomaly has nickel values up to 1,426ppm nickel and 79ppm copper and is interpreted to occur on the basal contact of the mafic-ultramafic Diorite Hill intrusion and the adjacent ultramafic unit. The anomaly extends 1,000 metres along strike and is about 500 metres wide (Figure 6).

The second McKenna anomaly (McKenna 2) has nickel values up to 1,125ppm and copper values up to 52ppm and occurs on the interpreted basal contact of a Komatiite lava flow. The anomaly extends 1000 metres along strike and is about 250 metres wide.

The exceptionally high concentration of nickel in soils (**up to 0.14% Ni**) over the basal contacts of ultramafic rocks represents two major exploration targets. The Company has planned a detailed electromagnetic survey to test both anomalies. The survey is scheduled to commence in late November.

### Rotorua Nickel Anomalies

The two nickel anomalies identified at the Rotorua prospect have nickel values up to 743ppm nickel and 68ppm copper. The Rotorua North Nickel anomaly extends 1,000 metres along strike and is 350 metres wide. The anomaly occurs within a wedge of ultramafic rocks folded around the nose of a felsic intrusion (Figure 7).

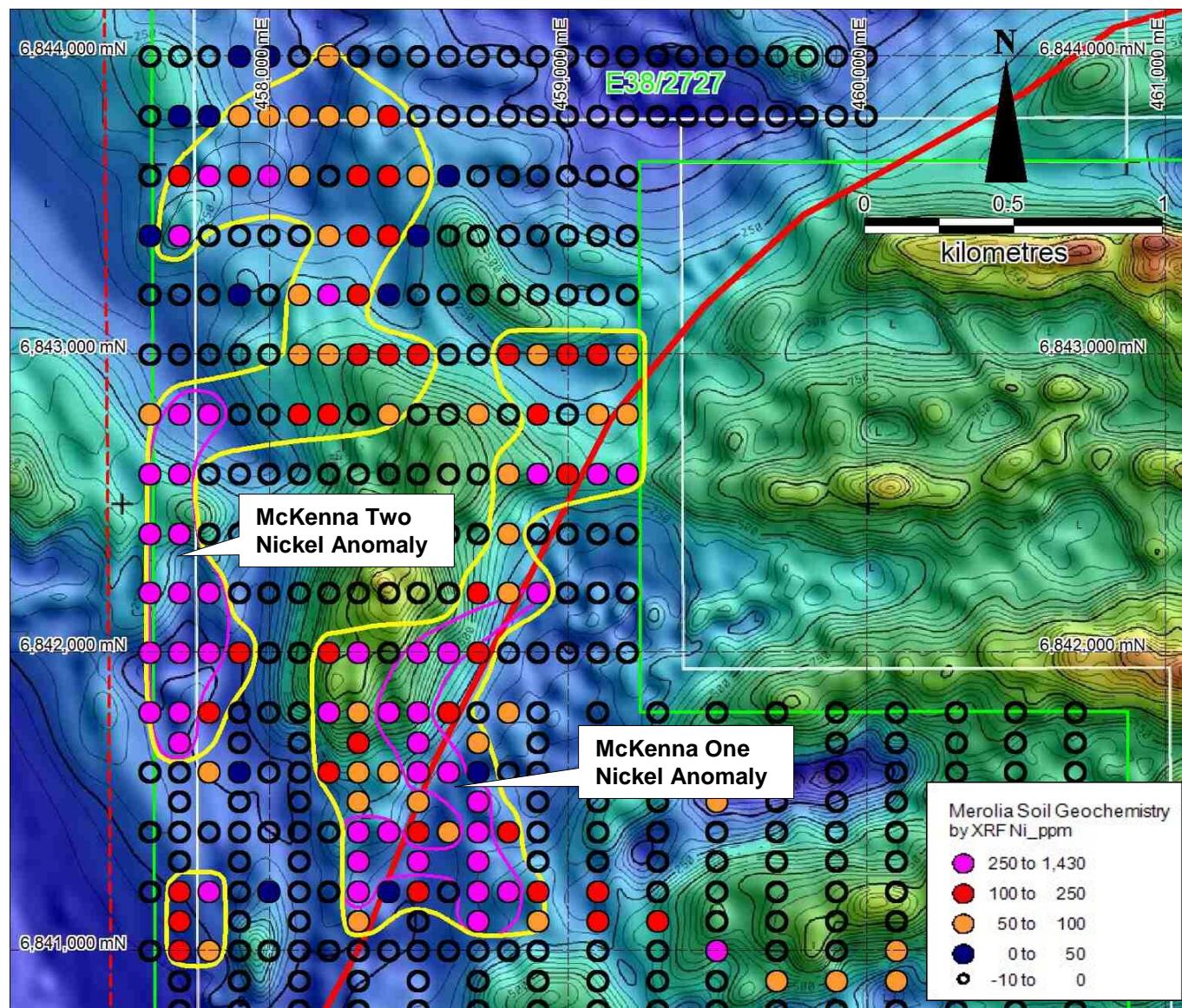
The Rotorua South nickel anomaly extends over 800 metres along strike, is about 270 metres wide and occurs along the interpreted basal contact of a wedge of ultramafic rocks adjacent to a felsic intrusion (Figure 7)

Detailed analysis of the sampling results has also revealed that a large proportion of the ultramafic rocks within the survey area have virtually no geochemical response (Figure 7). Several test pits excavated across this area



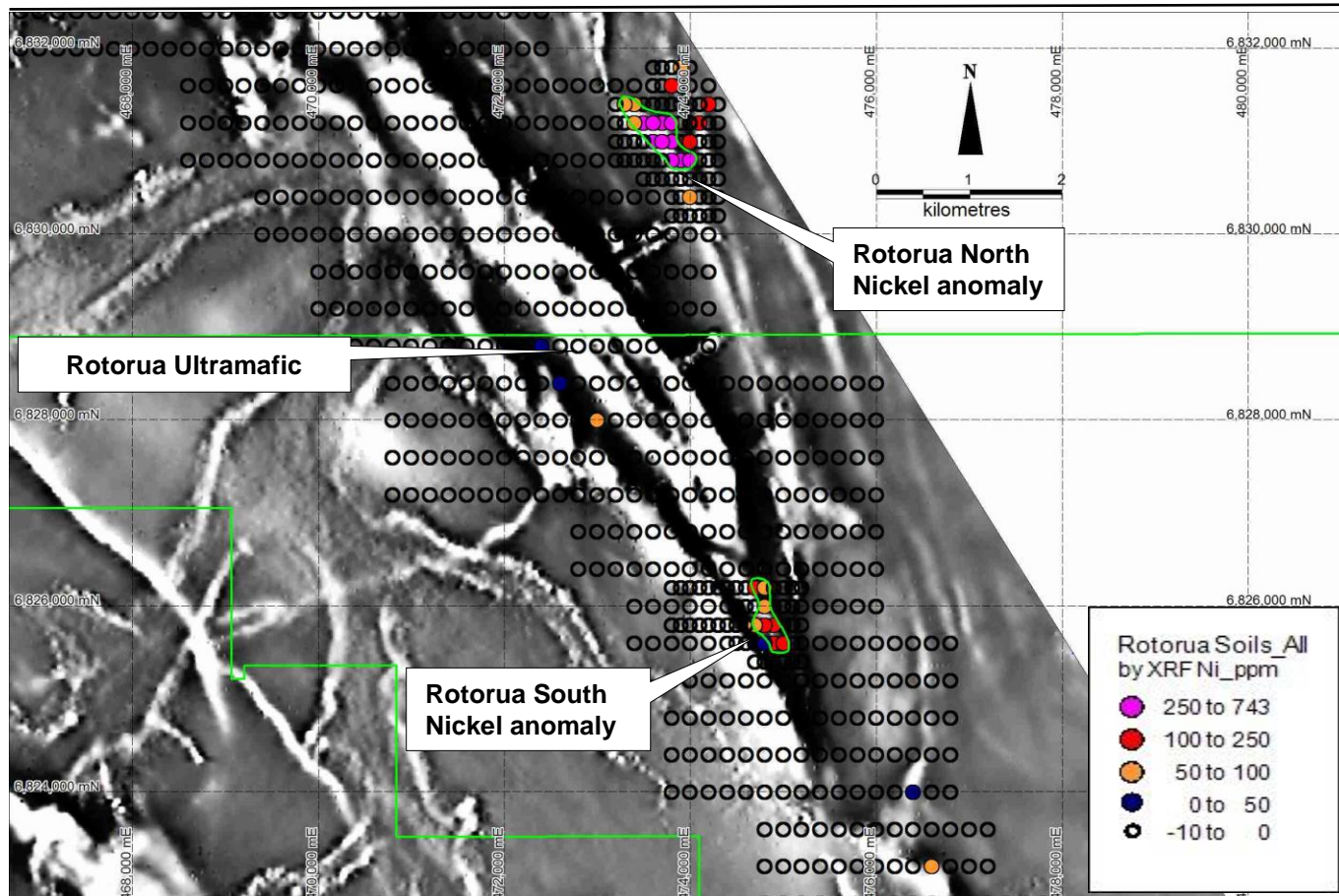
indicate that transported Aeolian sands have filled in a shallow depression and covered a large proportion of the ultramafic stratigraphy. The transported cover has limited the effectiveness of the sampling method.

The Company intends to test this area using low cost reverse air blast (RAB) or vacuum drilling to penetrate the cover early in 2015 once results of the geophysical surveys are available.



**Figure 6** McKenna Nickel-chrome-Copper-Bismuth anomalism over Total Magnetic Intensity (Diorite Hill Layered Ultramafic Complex basal contact in red, pink contour is >250ppm Ni, yellow contour is >50ppm Ni)





**Figure 7** Nickel anomalies (green outline) shown over the first vertical derivative magnetic image.

## Project Background

The Merolia project consists of 771 square kilometres of the Merolia Greenstone belt and contains extensive ultramafic sequences including the Diorite Hill layered ultramafic complex, the Rotorua ultramafic complex, the Coglia ultramafic complex and a 50 kilometre long zone of extrusive ultramafic lava's. The Intrusive complexes are prospective for nickel-copper sulphide accumulations possibly with platinum group elements, and the extrusive ultramafic rocks are prospective for nickel sulphide and nickel-cobalt accumulations. The project also contains extensive basalt sequences that are prospective for gold mineralisation including the Ironstone prospect where historical drilling has identified 24m at 8.6g/t gold.

## 3 Bremer Range Nickel Project (100%)<sup>1</sup>

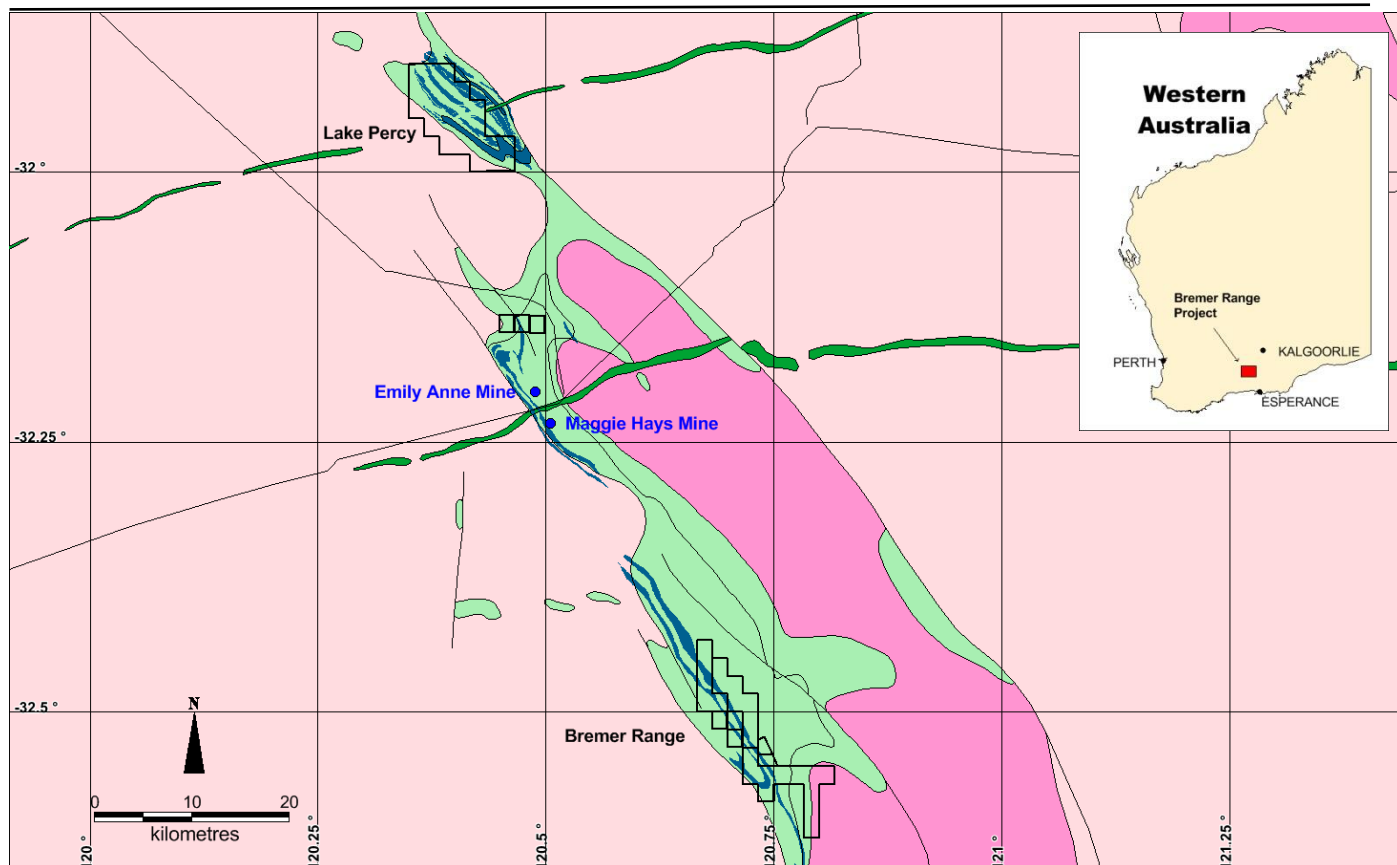
During the September quarter the Company's consultants Newexco undertook a review of all geophysical survey information covered by the Bremer Range project (Figure 8).

The review revealed that two historical surveys covering the basal contact of the ultramafic sequence (the primary position for the deposition of nickel sulphides) were only effective down to 120 metres depth.

The two existing nickel mines (Maggies Hays and Emily Anne - 14Mt at 1.82% nickel) adjacent to the Bremer Range project belt occur at depths greater than 200 metres.

The surveys indicate that approximately 25 kilometres of basal ultramafic contact is effectively un-tested for nickel sulphide deposits below 120 metres depth in the primary nickel sulphide accumulation zone.

The Company is currently planning ground electromagnetic surveys that will test the basal contact for nickel sulphide accumulations down to a depth of 400 metres.



**Figure 8** Bremer Range location map showing tenement holdings, mine locations and the location of the Bremer Range and Lake Percy prospects.

### The Bremer Range Prospect

The Bremer Range prospect contains a 15 kilometre long section of the central ultramafic unit that hosts the Maggie Hays and Emily Anne nickel deposits further north (Figure 9). Extensive historical geochemistry and shallow drilling has identified extensive nickel mineralisation in the regolith profile with several areas' also containing highly anomalous copper and platinum-palladium values. The Company is currently planning ground electromagnetic surveys that will test the basal contact for nickel sulphide accumulations down to 400 metres.

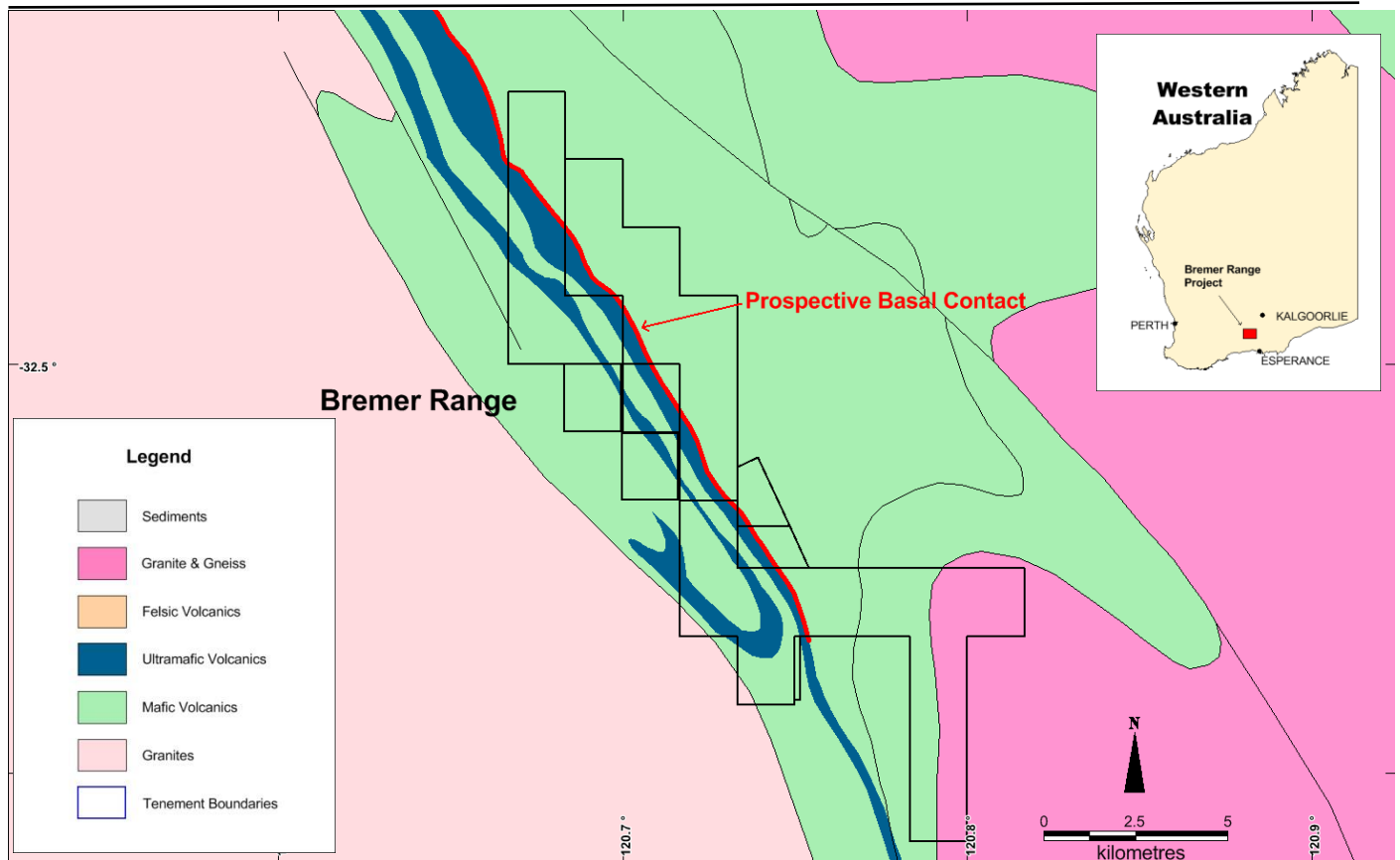
### The Lake Percy Prospect

The Lake Percy prospect is located 30 kilometres north of the Maggie Hays and Emily Anne nickel deposits and consists of the series of folded mafic, sedimentary and ultramafic units (Figure 10). There has been extensive historical exploration for gold and nickel but the majority of the work has been shallow RAB drilling and geochemistry. Recent exploration by the Company has identified several new geochemical anomalies and recent drilling (2013) at the southern limit of this zone identified **32 metres at 0.83% nickel, 226 ppm copper and 176 ppm cobalt from 24 metres (LPRC007)** mainly within the weathered ultramafic regolith profile. Geochemical soil sampling was carried out in January 2014 covering the western limb of the western ultramafic unit. The sampling identified strongly elevated levels of coincident nickel and copper and high Kambalda ratios ( $Ni/Cr \cdot Cu/Zn$ ) immediately north of the recent drilling. The Kambalda ratio identifies areas high in nickel and copper but low in chrome and zinc. These areas can host massive nickel sulphides and warrant further exploration.

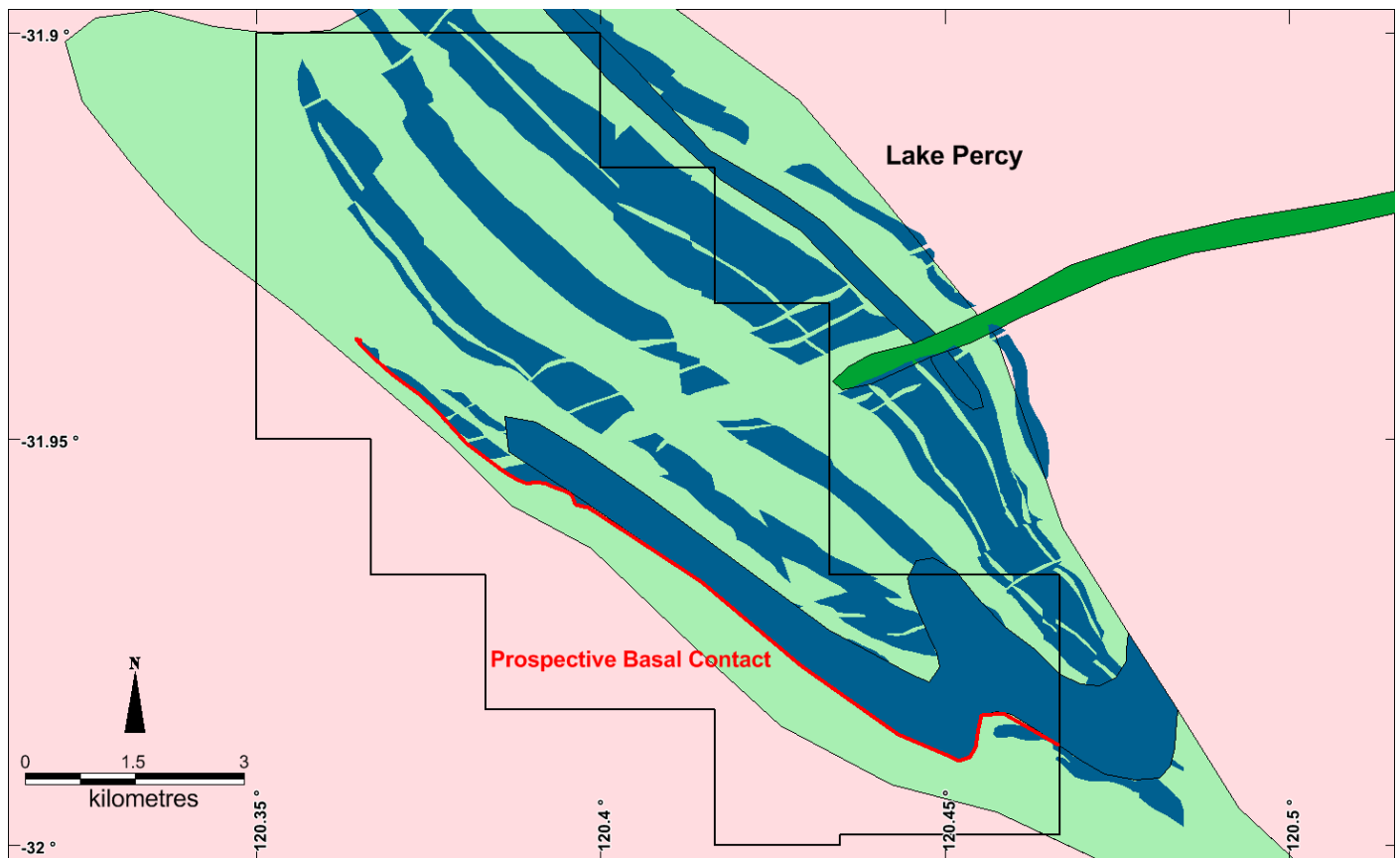
The Company has also identified three zones with highly anomalous nickel and copper values along the basal contact that also require follow up work. In general the western ultramafic unit has had little exploration and the drilling that has been completed has been widely spaced (lines 600m apart) shallow RAB drilling that has not tested the ultramafic unit at depth.

Based on the review of the existing geophysics carried out by Newexco the company is planning ground electromagnetic surveys over the basal contact a Lake Percy that will test the basal contact for nickel sulphide accumulations down to 400 metres.





**Figure 9** Bremer Range Nickel project showing prospective basal contact in red.



**Figure 10** Lake Percy Nickel prospect showing prospective basal contact in red

### Project Background

The Bremer Range Nickel project is located 350km south-east of Perth and 250km north of the southern coastal town of Esperance. The project covers approximately 130 square kilometres in the Lake Johnson Greenstone Belt



and consists of several leases covering the southern (Bremer Range) and northern (Lake Percy) extensions of the mine sequence that hosts two existing nickel sulphide deposits.

## **4 Corporate**

White Cliff Minerals Limited (“White Cliff” or the “Company”) has entered into a \$USD 4 Million dollar 24-month convertible note funding agreement with Magna Equities, LLC (“Magna”), a New York based investment firm, and has received the initial US\$500,000 proceeds under this agreement.

The initial US\$500,000 funds received will be applied mainly towards advancing the Kyrgyz located Chanach copper-gold project where the Company has recently announced high grade gold drill assay results at the Aucu target, (refer to announcements of 29 September and 9 October 2014).

## **5 Other Projects**

The Company is undertaking an extensive review of the Company’s exploration projects and is currently compiling historical data for several prospects. No field exploration was undertaken on the Company’s other projects during the quarter.



## 6 Tenement information

TENEMENT	PROJECT	LOCATION	OWNERSHIP	CHANGE IN QUARTER
AP590	Chanach	Kyrgyzstan	88.7%	
E39/1479	Ghan Well	Laverton	100%	
E38/2484	Merolia	Laverton	100%	
E38/2552	Merolia	Laverton	100%	
E38/2583	Merolia	Laverton	100%	
E38/2690	Merolia	Laverton	100%	
E38/2693	Merolia	Laverton	100%	
E38/2702	Merolia	Laverton	100%	
E38/2727	Merolia	Laverton	100%	
E38/2847	Merolia	Laverton	100%	
E38/2848	Merolia	Laverton	100%	
E38/2849	Merolia	Laverton	100%	
E63/1222	Lake Johnston	Dundas	100%	
E63/1264	Lake Johnston	Dundas	100%	
P39/5262	Laverton	Laverton	100%	
P39/5263	Laverton	Laverton	100%	
E39/1585	Laverton	Laverton	100%	
E39/1586	Laverton	Laverton	100%	
E31/1015	Mt Remarkable	Leonora	100%	
E45/3250	Balfour Downs	Pilbara	0%	100% Surrendered

## About White Cliff Minerals Limited

**White Cliff Minerals Limited** is a Western Australian based exploration company with the following main projects:

**Kyrgyz Chanach Copper-Gold Project (88.7%):** The project is located in the Kyrgyz Republic, 350km west-southwest of the capital city of Bishkek and covers 83 square kilometres. The Kyrgyz Chanach project is located in the western part of the Tien Shan Belt, a highly mineralised zone that extending for over 2500 km, from western Uzbekistan, through Tajikistan, Kyrgyz Republic and southern Kazakhstan to western China. Mineralisation occurs as porphyry and epithermal systems developed within magmatic arcs, and orogenic type gold deposits that are structurally controlled. Major deposits located within 100km of the project contain up to 93 million ounces of gold and 25 million tonnes of copper. Initial work indicates that the project may host porphyry and skarn style gold and copper mineralisation. Drilling during 2010-2013 has identified extensive copper-gold porphyry mineralisation with copper values of up to 2.1%.

**Merolia Nickel Project (100%):** The project consists of 771 square kilometres of the Merolia Greenstone belt and contains extensive ultramafic sequences including the Diorite Hill layered ultramafic complex, the Rotorua ultramafic complex, the Coglia ultramafic complex and a 51 kilometre long zone of extrusive ultramafic lava's. The Intrusive complexes are prospective for nickel-copper sulphide accumulations possibly with platinum group elements, and the extrusive ultramafic rocks are prospective for nickel sulphide and nickel-cobalt accumulations. The project also contains extensive basalt sequences that are prospective for gold mineralisation including the Ironstone prospect where historical drilling has identified 24m at 8.6g/t gold.

**Bremer Range Nickel Project (100%):** The project covers over 127 square kilometres in the Lake Johnson Greenstone Belt, which contains the Emily Ann and Maggie Hayes nickel sulphide deposits. These mines have a total resource of approximately 140,000 tonnes of contained nickel. The project area has excellent prospectivity for both komatiite associated nickel sulphides and amphibolite facies high-grade gold mineralisation.

**Laverton Gold Project (100%):** The project consists of 136 square kilometres of tenement applications in the Laverton Greenstone belt. The core prospects are Kelly Well and Eight Mile Well located 20km southwest of Laverton in the core of the structurally complex Laverton Tectonic zone immediately north of the Granny Smith Gold Mine (3 MOz) and 7 kilometres north of the Wallaby Gold Mine (7MOz).

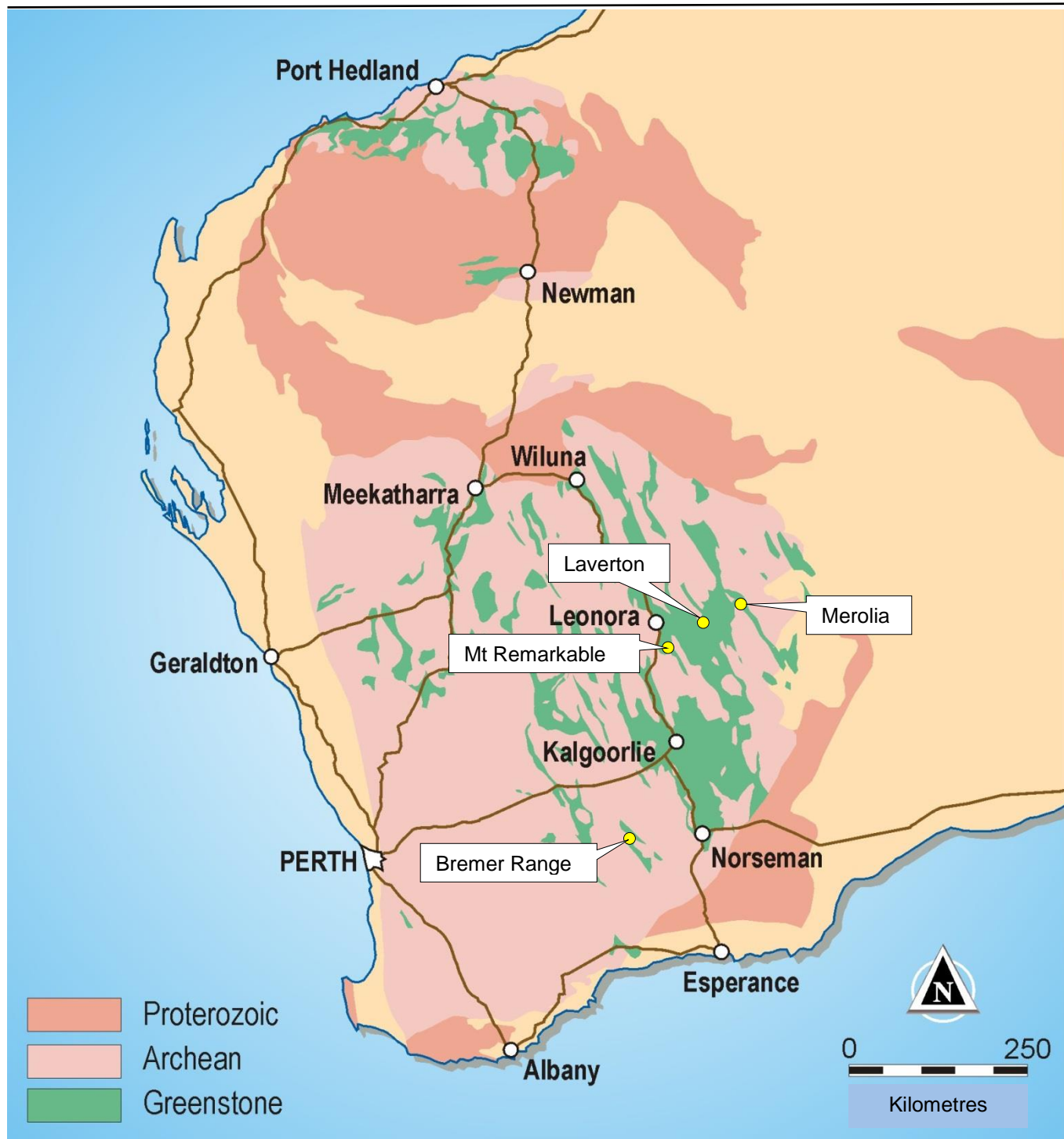
**Mount Remarkable Project (100%):** The project covers 185 square kilometres and is located approximately 170 km N-NE of Kalgoorlie and about 25 km SE of Kookynie in the Northern Goldfields. Included in the project area are the historic gold mining centres of Mt Remarkable and Yerilla which consists of several old workings. Major gold mines in the surrounding area include Sons of Gwalia, Tarmoola, Carosue Dam, Granny Smith, Wallaby and Sunrise Dam. The project includes several areas adjacent to and along strike from existing nickel deposits at Aublis, Yerilla and Boyce Creek. These deposits form Heron Resources' Yerilla Nickel Project which contains 135 Mt @ 0.77% Nickel and 0.05% Cobalt.

### JORC Compliance

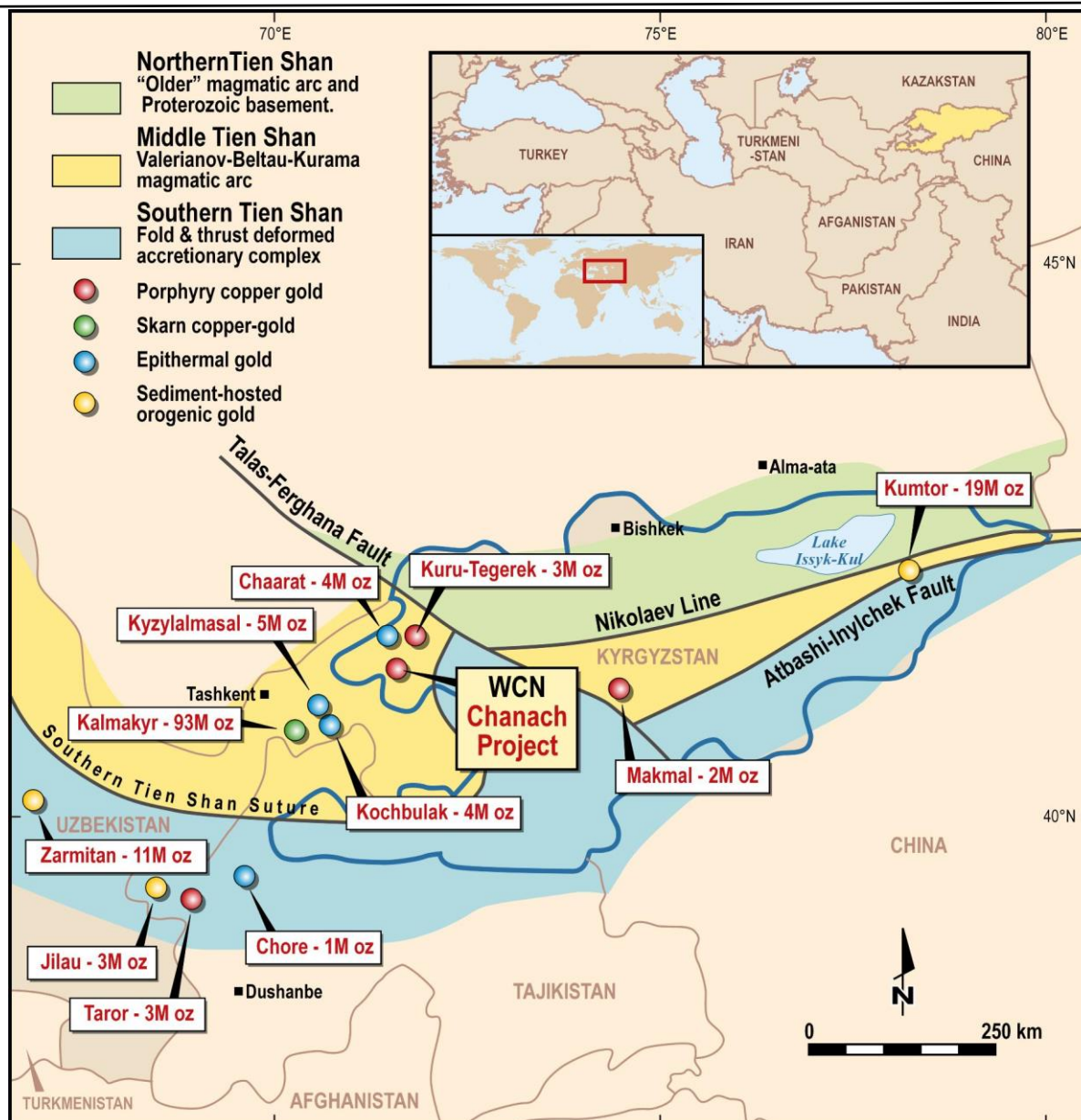
The Information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Todd Hibberd, who is a member of the Australian Institute of Mining and Metallurgy. Mr Hibberd is a full time employee of the Company. Mr Hibberd has sufficient 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 Hibberd consents to the inclusion of this information in the form and context in which it appears in this report.

<sup>1</sup> The information relating to White Cliff Minerals past exploration results at Lake Johnston, Merolia and Chanach and its assessment of exploration completed by past explorers 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.





**Tenement Map - Australia.** A regional geology and location plan of White Cliff Minerals Limited exploration projects in the Yilgarn Craton, Western Australia



**Central Asian Tenement Map** Chanach project location with regional geology with major gold deposits illustrated.



# 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

WHITE CLIFF MINERALS LIMITED

ABN

22 126 299 125

Quarter ended ("current quarter")

30 September 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	5	5
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(455)  (198)	(455)  (198)
1.3	Dividends received	5	5
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other - Government R&D refund	353	353
<b>Net Operating Cash Flows</b>		(290)	(290)
<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		
<b>Net investing cash flows</b>			
1.13	Total operating and investing cash flows (carried forward)	(290)	(290)

+ See chapter 19 for defined terms.

## Appendix 5B

### Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(290)	(290)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - capital raising costs		
	<b>Net financing cash flows</b>		
	<b>Net increase (decrease) in cash held</b>	(290)	(290)
1.20	Cash at beginning of quarter/year to date	1,002	1,002
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	<b>712</b>	<b>712</b>

### 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	64
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

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

### 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	

+ See chapter 19 for defined terms.

3.2 Credit standby arrangements		(291)
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### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	400
4.2 Development	
4.3 Production	
4.4 Administration	100
<b>Total</b>	<b>500</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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	52	2
5.2 Deposits at call	660	1,000
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>712</b>	<b>1,002</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				

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**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)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities</b>	449,049,614	449,049,614		
7.4	Changes during quarter (a) Increases through issues (b) Decreases				
7.5	<b>+Convertible debt securities</b> (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases				
7.7	<b>Options</b> (description and conversion factor)	102,050,017	102,050,017	<i>Exercise price</i> \$0.03	<i>Expiry date</i> 11/3/2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	116,227,300	116,227,300	\$0.06	30/9/2014
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

## 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 /does not\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 31 October 2014

Print name: Brooke White

## 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.

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+ See chapter 19 for defined terms.