White Cliff Minerals LTD

Quarterly Report - Activities

for the quarter ended 31 December 2017

Highlights

- **Substantial Cobalt-Nickel mineralisation Identified at Coronation Dam Project**
- **Drilling at the Aucu Gold deposit identifies additional gold mineralisation at depth and along strike from the existing JORC compliant resource**

Summary

Australian Cobalt-Nickel Project (100% owned)

Substantial shallow cobalt-nickel mineralisation has been identified at the Coronation Dam project in the north-eastern goldfields of Western Australia. The mineralisation starts at surface, is high grade, is up to 50 metres thick and extends at least 2 kilometres along strike. The Company is currently conducting 3D modelling and has lodged an application for drilling with the Government of Western Australia.

Kyrgyz Republic Aucu Gold Project (90% owned)

During the December quarter drilling identified substantial additional gold mineralisation at depth and along strike from the existing JORC compliant 302,000 ounce high grade Aucu gold resource. The additional drilling is being incorporated in a new geological and ore-body model in preparation for the calculation of a new JORC compliant gold resource estimate. The Company expects the 3D model and estimate to be completed in the March 2018 quarter prior to planning further work.

Corporate

During the December quarter, the Company received $942,284 from the placement of shortfall shares pursuant to the rights issue conducted in the September quarter. The shares were placed with clients of the underwriter Gleneagle Securities Nominees Pty Ltd.

In conjunction with the rights issue the Company also announced a placement 500,000,000 shares at $0.002 to raise a further $1,000,000 for which shareholder approval was obtained at a general meeting of shareholders on 9 October 2017. Subsequent to the December quarter the Company completed the first tranche of the placement of 80,000,000 shares. The balance of the Placement will be completed in the March quarter pursuant to the Company's 15% capacity under Listing Rule 7.1.

Todd Hibberd
Managing Director
31 January 2018

1 Coronation Dam Cobalt-Nickel Project (WCN 100%)

Subsequent to the quarter White Cliff Minerals Limited announced the identification of substantial cobalt and nickel mineralisation at the Coronation Dam project near Kookynie in Western Australia (refer ASX release 30 January 2018).

The Company acquired Coronation Dam (Figure 1) via an exploration licence application, noting its cobalt and nickel exploration potential. The Company has collated and verified existing mapping, sampling and drilling information from the project, culminating in the discovery of substantial shallow cobalt-nickel mineralisation over a large area. Drill results include:

- 16 metres at 0.42% cobalt and 1% nickel from 20 metres including;
  - 8 metres at 0.51% cobalt and 1.16% nickel and;
  - 4 metres at 0.67% cobalt and 1.29% nickel
- 24 metres at 0.23% cobalt and 0.80% nickel from 20 metres
- 28 metres at 0.13% cobalt and 0.74% nickel from 8 metres
- 32 metres at 0.12% cobalt and 0.92% nickel from 4 metres

Drilling has been undertaken on wide-spaced lines generally with 500 metres to 1000 metres spacing (Figure 2). Cobalt mineralisation occurs on several lines, starts at surface and extends up to a depth of 50 metres. The mineralisation has developed in the regolith profile above an intensely weathered ultramafic unit which was originally a peridotite. The peridotite is approximately 1 kilometre wide and 5.7 kilometres long within the mining tenement which covers 16km^2.

The Company is currently conducting three-dimensional modelling on the mineralisation in preparation for drilling and resource estimation. A drilling application has been lodged and government approval is pending.

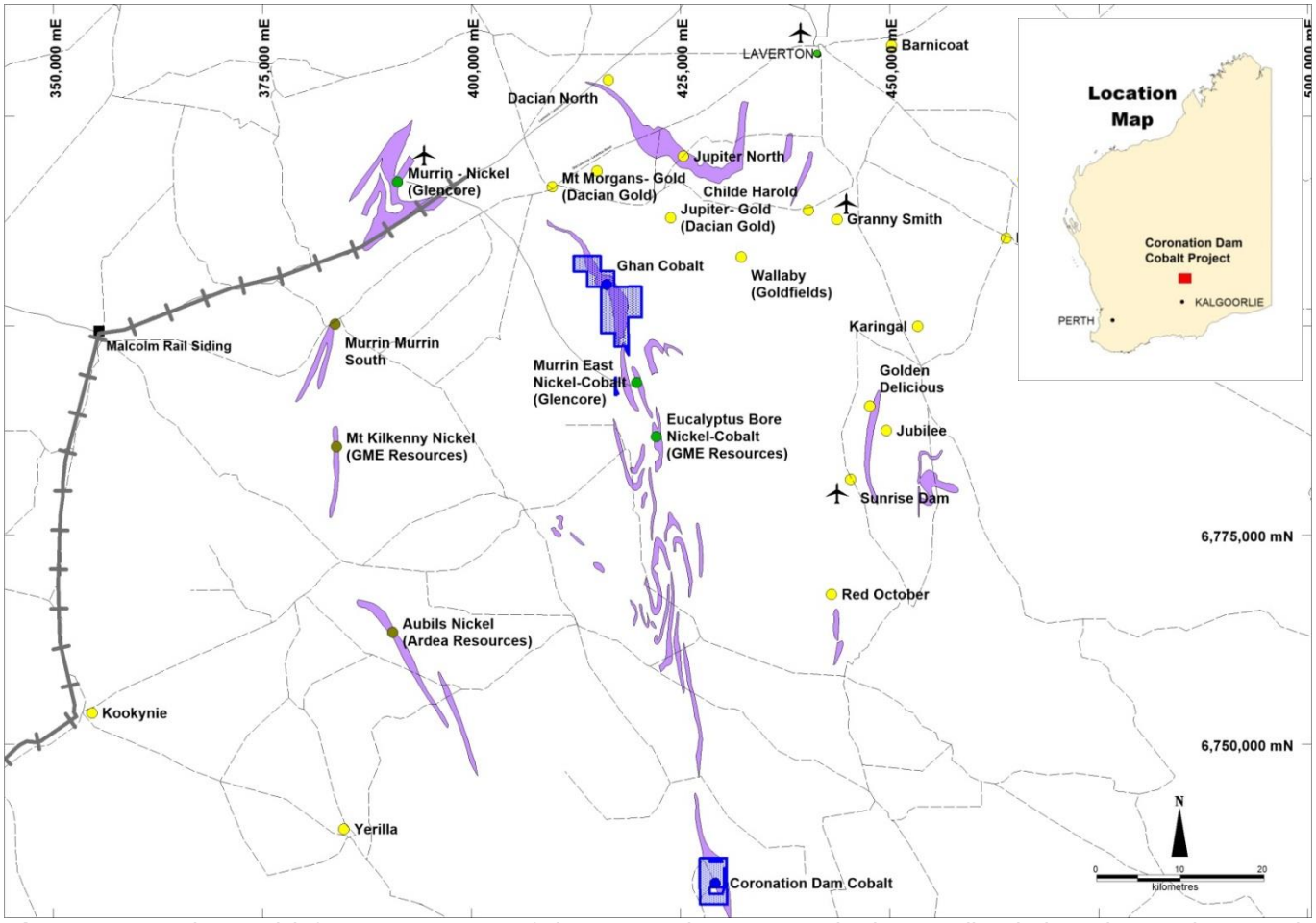


***Figure 1**: Location and infrastructure map of the Coronation Dam and Ghan Well cobalt projects. The area is serviced by rail, roads, towns, airports and Glencore's nickel processing facility at Murrin Murrin*

The Coronation Dam Cobalt Project

The Coronation Dam Cobalt Project is located 90km south of Glencore's Murrin Murrin mining operation and 45km south of GME Resources' proposed Mt Kilkenny nickel-cobalt processing facility in WA's north-eastern goldfields (Figure 1). The project is surrounded by world class mining infrastructure and multiple operating mines. Glencore is currently mining cobalt and nickel from the Murrin East open pit which contained an initial resource of 66 million tonnes at 1.1% nickel and **0.09% Cobalt**.

The Coronation Dam project area covers 16km^2 and contains an outcropping ultramafic unit that is approximately 1 kilometre wide and 5.7 kilometres long within the tenement.

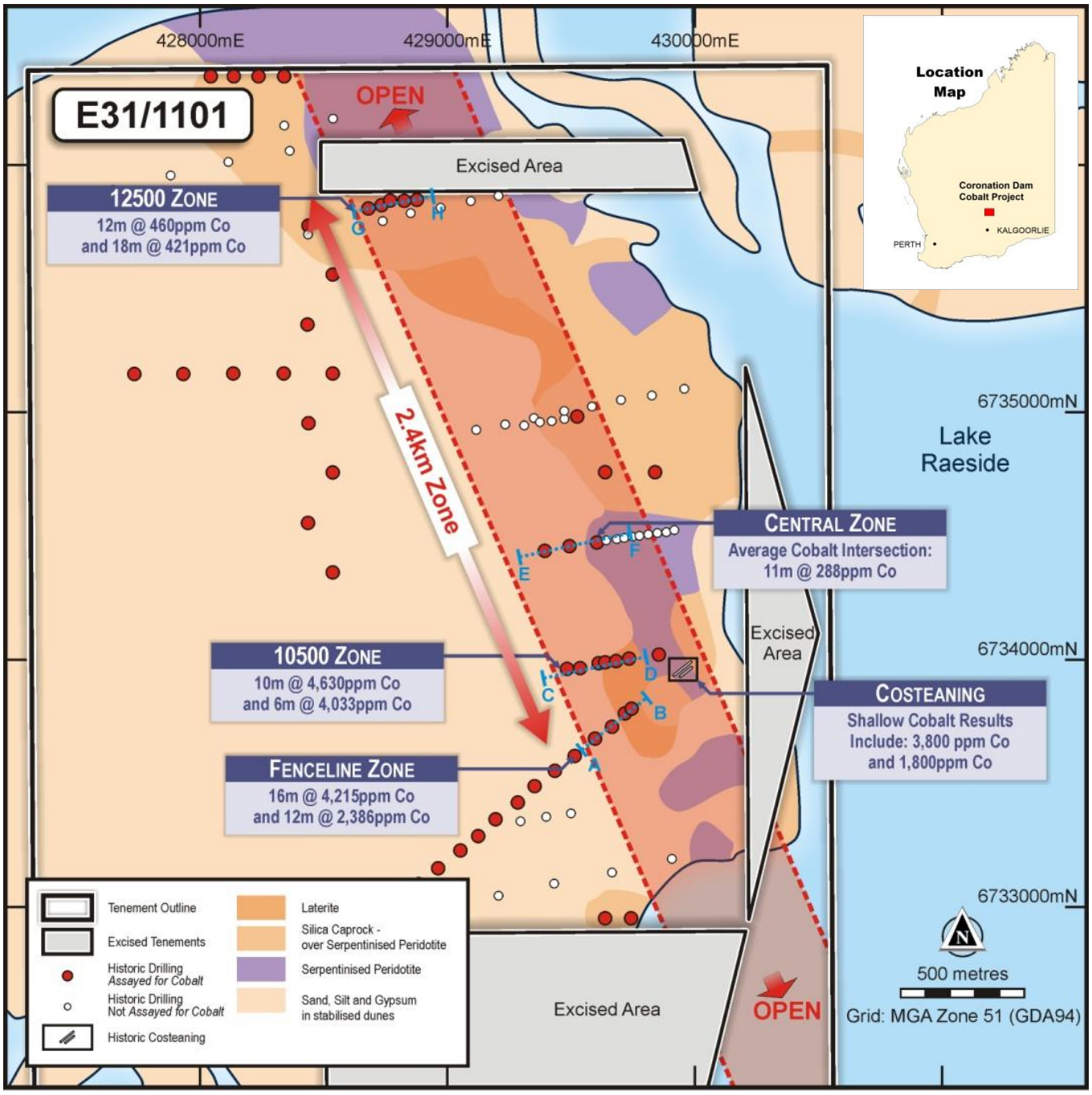


***Figure 2**: Location map of drilling and cobalt mineralisation at Coronation Dam near Kookynie in Western Australia. Yellow and green dots are historical drill hole locations.*

Cobalt-nickel mineralisation occurs as a shallow layer of cobalt-enriched manganiferous oxides that form between the smectite clays and the overlying ferruginous clays. High grade cobalt mineralisation typically occurs between the surface and 50 metres depth and is associated with nickel mineralisation.

Collation of existing costeaning and drilling has resulted in the identification of extensive cobalt and nickel mineralisation covering a strike length of 5 kilometres. The existing drilling consists of 126 drill holes, 60 of which are reverse air blast holes (RAB), and 66 of which are reverse circulation (RC) holes. All reported cobalt results are from RC holes that are considered acceptable for calculating JORC compliant cobalt and nickel resources.

The 60 remaining holes (RAB) were assayed for nickel and copper but not cobalt. The RAB holes contain significant nickel mineralisation including multiple intervals above 1.0% nickel. Due to the association of cobalt with nickel, these areas are a priority for RC drilling to confirm the nickel grades and determine the extent of the cobalt mineralisation.

Existing drilling has only partly tested the mapped ultramafic unit, indicating there is potential to identify significant additional mineralisation.

The proximity of Coronation Dam to the Murrin Murrin nickel refinery is likely to have a strong, positive impact on the possibility of economic development of both the cobalt and nickel mineralisation. While the Company has not yet calculated a mineral resource, it is clear that the potential exists for the project to host one of substantial size.

Costeans Results

In addition to the drilling results, several costeans were excavated and channelled sampled. Multiple instances of higher grade cobalt and nickel mineralisation were identified at surface (Figure 3). No drilling has yet been undertaken at the costean location and this is a priority area for the Company.

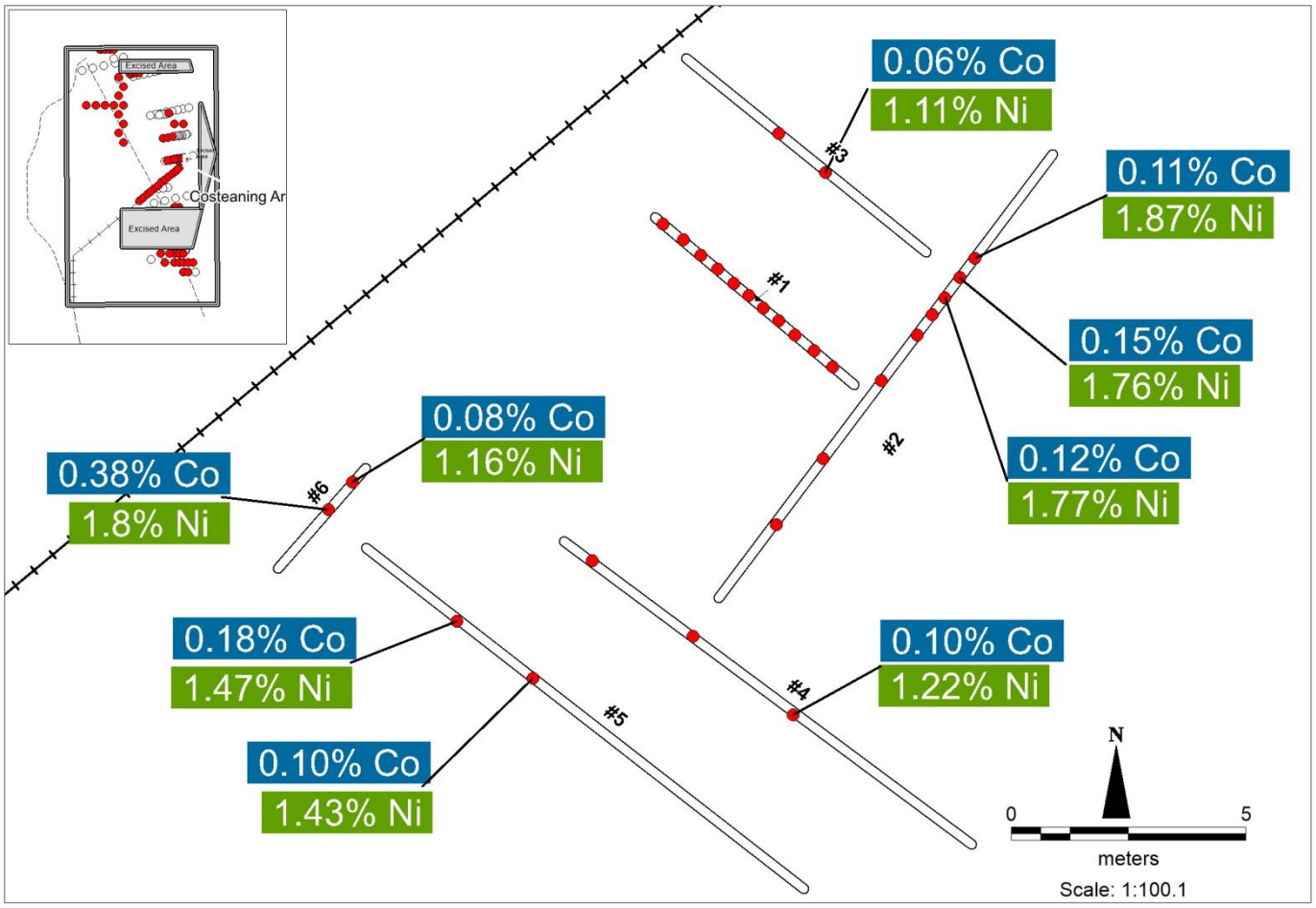


***Figure 3**: Location plan showing costeans with channel sample cobalt and nickel grades.*

2 Aucu Gold Project, Kyrgyz Republic (WCN 90%)

During the quarter, drilling identified substantial additional gold mineralisation at depth and along strike from the existing JORC compliant 302,000 ounce high grade Aucu gold resource (Refer ASX announcements of 21 April 2017, 26 October 2017, 27 November 2017 and 11 December 2017).

The drilling campaign at the Aucu gold deposit consisted of 45 holes for 5,656 metres. Drilling identified substantial additional mineralisation at depth and along strike at the Quartz Zone. Identified mineralisation now extends 400 metres along strike and to 200 metres depth. Mineralisation is still open along strike and at depth.

The quartz zone has several very high grade zones that appear to form shoots plunging in the plane of the shear zone in a north-westerly direction. The exact orientation and extent of the high grade shoots is not yet confirmed but plotting appears to indicate plunges between 20 and 50 degrees.

Additional drilling was also conducted at the Eastern Gold Zone, Lower Gold Zone, Camp Gold Zone and Porphyry Copper Zone where additional gold and copper mineralisation was identified.

The additional drilling is being incorporated in a new geological and orebody model in preparation for the calculation of a new JORC compliant gold resource estimate. The Company expects the 3D model and estimate to be completed in the March 2018 quarter prior to planning further work. Further drilling will be conducted in 2018.

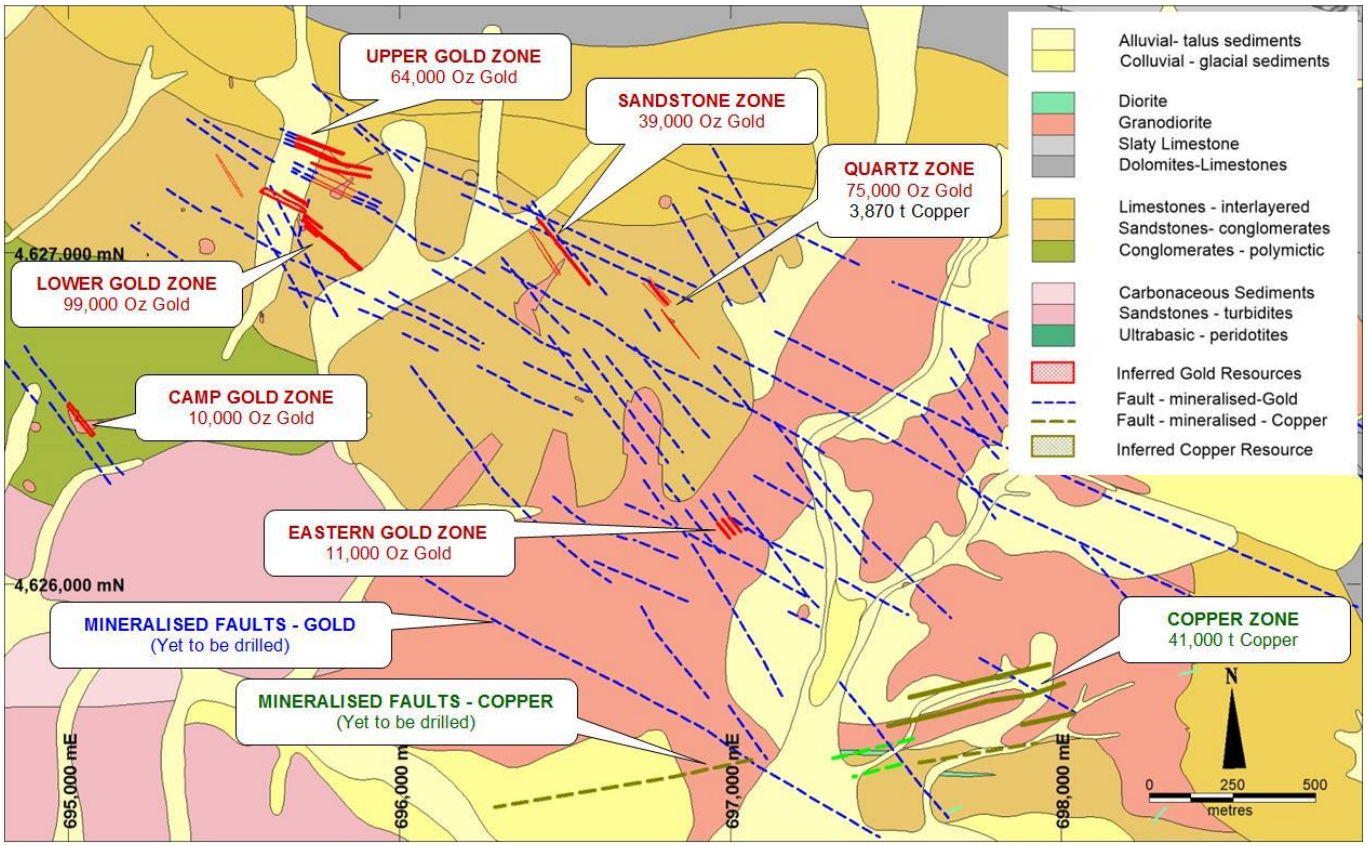


Figure 4: *Aucu geology map showing existing Inferred resource areas and undrilled structures in blue.*

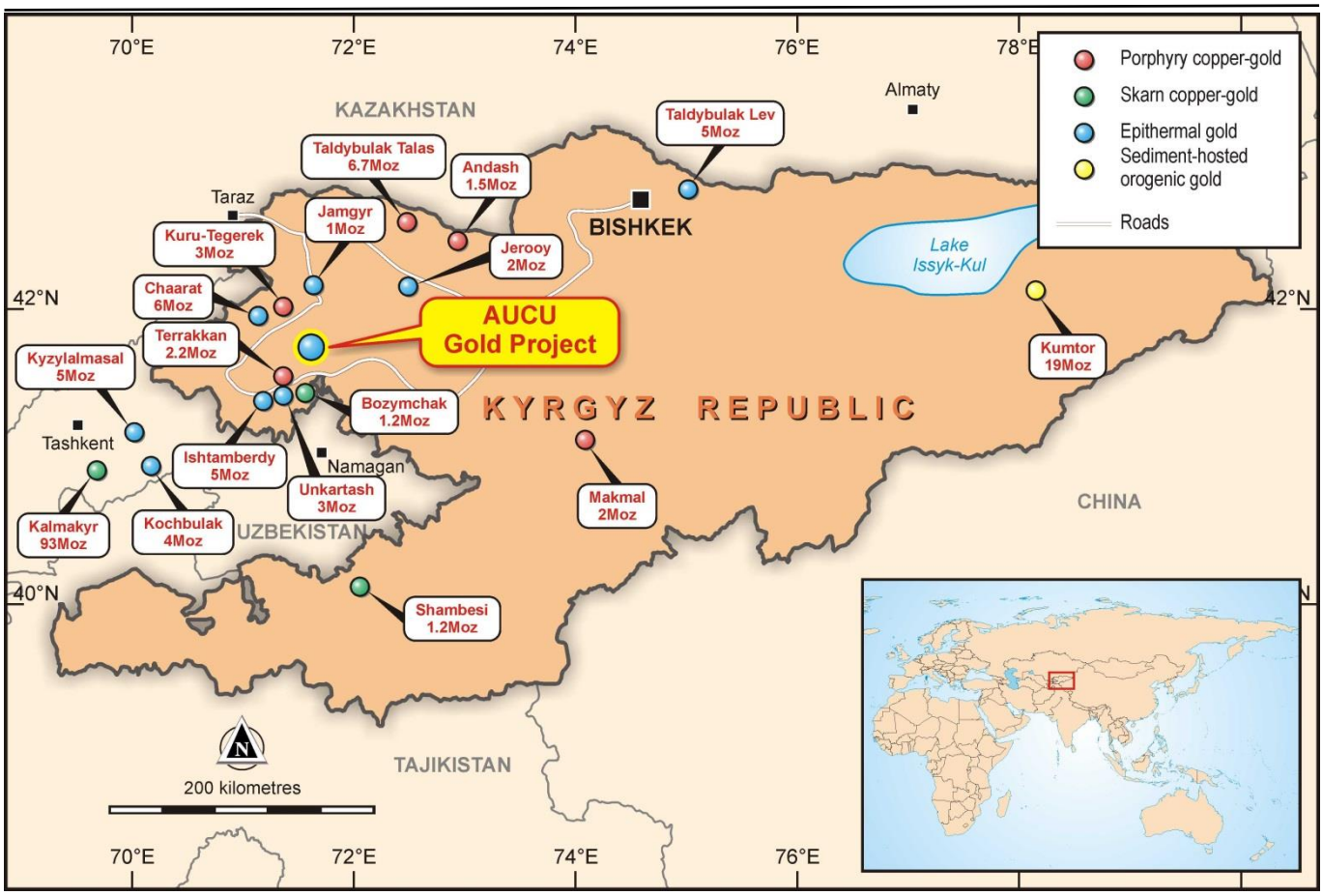


Figure 5: *Location Map: Northwest Kyrgyz Republic, Central Asia*

3 Corporate

During the December quarter, the Company received $942,284 from the placement of shortfall 471,142,002 shares pursuant to the rights issue conducted in the September quarter. The shares were placed with clients of the underwriter Gleneagle Securities Nominees Pty Ltd.

In conjunction with the rights issue the Company also announced a placement 500,000,000 shares at $0.002 to raise a further $1,000,000 for which shareholder approval was obtained at a general meeting of shareholders on 9 October 2017. Subsequent to the December quarter the Company completed the first tranche of the placement of 80,000,000 shares. The balance of the Placement will be completed in the March quarter pursuant to the Company's 15% capacity under Listing Rule 7.1.

The Placement has been made to clients of Gleneagle Securities Nominees Pty Ltd. The funds raised from the Placement will be used to further advance the Company's exploration projects both in the Kyrgyz Republic and Australia.

In accordance with approval obtained at a general meeting of shareholders on 9 October 2017 the Company issued Gleneagle Securities Nominees Pty Ltd, and its nominees 250,000,000 Gleneagle Series A Options and 250,000,000 Gleneagle Series B Options on the terms and conditions as disclosed in the Company's rights issue prospectus dated 4 August 2017; being Gleneagles Securities' fee for underwriting the Company's 2017 rights issue.

4 Tenement information

TENEMENT	PROJECT	LOCATION	OWNERSHIP	CHANGE IN QUARTER
AP590	Chanach	Kyrgyz Republic	90%	-
E38/2484	Merolia	Laverton	100%	-
E38/2552	Merolia	Laverton	100%	-
E38/2690	Merolia	Laverton	100%	-
E38/2693	Merolia	Laverton	100%	-
E38/2847	Merolia	Laverton	100%	-
E38/2848	Merolia	Laverton	100%	-
E38/1833	Merolia	Laverton	100%	-
E63/1222	Lake Percy	Dundas	100%	-
E63/1793	Lake Percy	Dundas	100%	-
E63/1716	Bremer Range	Dundas	100%	-
P63/1988	Bremer Range	Dundas	100%	-
P63/1989	Bremer Range	Dundas	100%	-
E63/1264	Bremer Range	Dundas	100%	-
E39/1479	Ghan Well	Laverton	100%	-
E39/1585	Laverton	Laverton	100%	-
E31/1011	Coronation Dam	Leonora	100%	-
E74/607	Mt Cattlin	Ravensthorpe	100%	-
E74/608	Mt Cattlin	Ravensthorpe	100%	-

About White Cliff Minerals Limited

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

Kyrgyz Aucu Gold Project (90%): The Project contains extensive porphyry related gold and copper mineralisation starting at the surface and extending over several kilometres. Drilling during 2014-6 has defined a **gold deposit** currently containing an inferred resource of **1.8Mt at 5.2 g/t** containing **302,000 ounces of gold** and 608,000 tonnes at 0.64% copper containing 3870 tonnes of copper. Drilling has also defined a significant **copper deposit** at surface consisting of 10Mt at 0.41% copper containing 41,000 tonnes of copper.

Extensive mineralisation occurs around both deposits demonstrating significant expansion potential. The project is located in the Kyrgyz Republic, 350km west-southwest of the capital city of Bishkek and covers 57 square kilometres. The 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

Merolia Gold and 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. Soil sampling in 2016 has identified multiple mineralised gold trends at Burtville East, Comet Well and Ironstone which will be drilled in 2017.

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).

Coronation Dam Cobalt Project (100%): The project consists of one tenement (16km^2) in the Wiluna-Norseman greenstone belt 50km south of the Murrin East nickel-cobalt mining operation. The tenement contains an extensive ultramafic unit that contains zones of cobalt mineralisation associated with nickel mineralisation. The Cobalt grades range for 0.01% to 0.75% cobalt and occur within a zone of manganiferous oxides that form in the regolith profile.

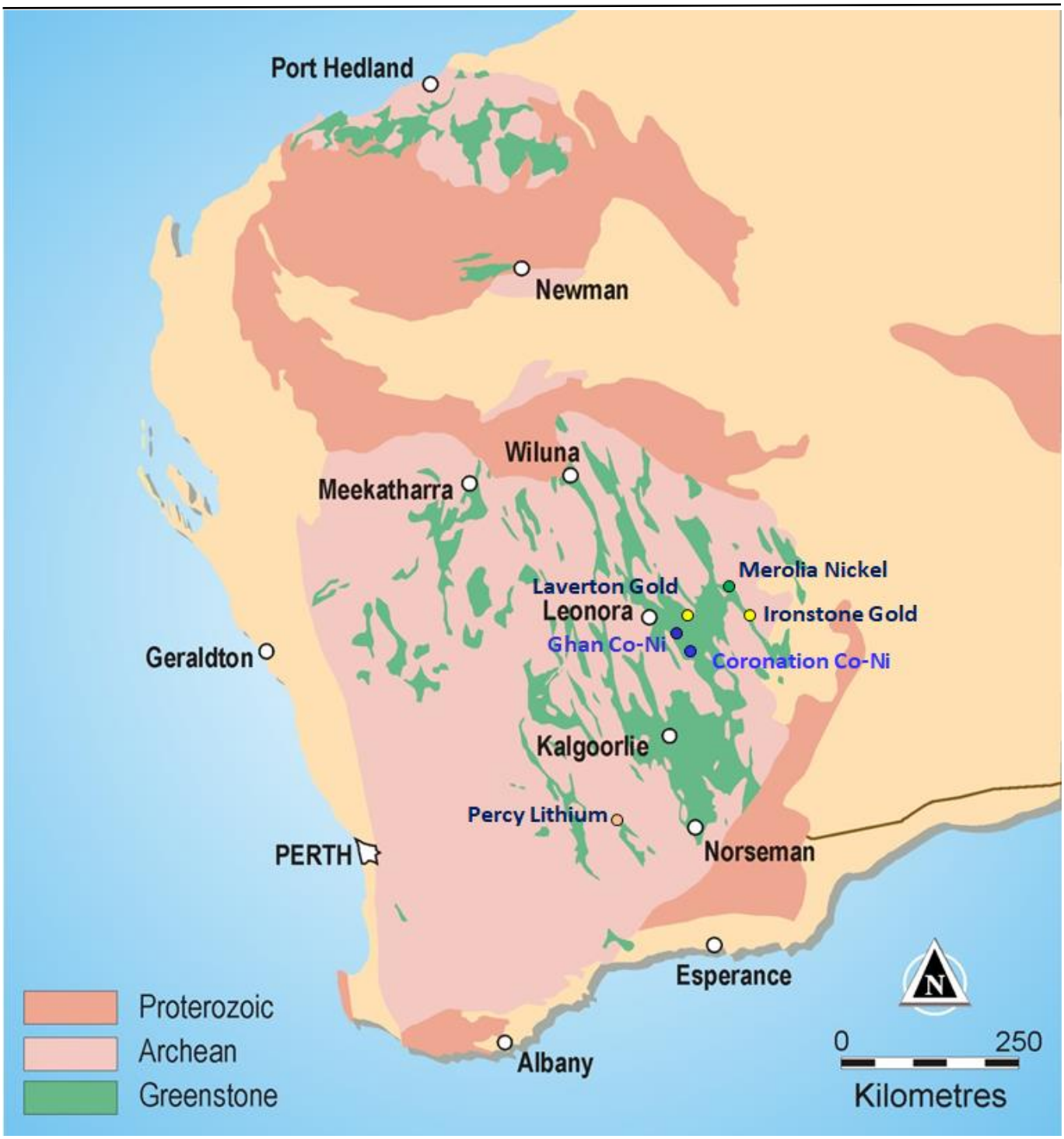
Ghan Well Cobalt Project (100%): The project consists of one tenement (39km^2) in the Wiluna-Norseman greenstone belt 10km north of the Murrin East nickel-cobalt mining operation. The tenement contains an extensive ultramafic unit that contains zones of cobalt mineralisation associated with nickel mineralisation. The Cobalt grades range for 0.01% to 0.75% cobalt and occur within a zone of manganiferous oxides that form in the regolith profile.

Bremer Range Cobalt and 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.

JORC Compliance

The Information in this update that relates to Exploration Results is based on information compiled by Mr Todd Hibberd, who is a member of the Australasian 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 `Australasian Code for Reporting of 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.

[1]The Information in this report that relates to Mineral Resources is based on information compiled by Mr Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Glacken is a full time employee of Optiro Pty Ltd. Mr Glacken 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 `Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Glacken consents to the inclusion of this information in the form and context in which it appears in this report.



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

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

WHITE CLIFF MINERALS LIMITED

ABN	**Quarter ended ("current quarter")**
22 126 299 125	December 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(1,482)	(2,327)
	(b) development		
	(c) production		
	(d) staff costs	(62)	(124)
	(e) administration and corporate costs	(171)	(353)
1.3	Dividends received		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(23)	(34)
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other –option fee		
1.9	**Net cash from / (used in) operating activities**	**(1,738)**	**(2,838)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**0**	**0**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	942	1,881
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(33)	(54)
3.5	Proceeds from borrowings		600
3.6	Repayment of borrowings	(100)	(100)
3.7	Transaction costs related to loans and borrowings	(17)	(17)
3.8	Dividends paid		
3.9	Other – share applications held in trust	74	74
3.10	**Net cash from / (used in) financing activities**	**883**	**2,348**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	872	507
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,738)	(2,838)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	0	0
4.4	Net cash from / (used in) financing activities (item 3.10 above)	883	2,348
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**17**	**17**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	17	117
5.2	Call deposits		755
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter**	**17**	**872**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	107
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	600	600
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Unsecured 12 month loan facility; Aftron Pty Ltd, 15% pa

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	200
9.2	Development	
9.3	Production	
9.4	Staff costs	60
9.5	Administration and corporate costs	140
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**400**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 25 January 2018

Director

Print name: Michael Langoulant

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.