



## Quarterly Report - Activities

for the quarter ended 30 June 2019

### Highlights

- **White Cliff signs non-binding term sheet to sell Aucu Copper-Gold project in Kyrgyz Republic to Pangea Gold Corporation**
- **Gold Nuggets Recovered at the Merolia Gold Project**

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### Summary

#### *Kyrgyz Republic Aucu Gold Project (90% owned)*

During the June quarter, the Company executed a non-binding conditional offer for the sale of the Company's 90% interest in the Aucu Copper-Gold project in Kyrgyzstan, to Pangea Gold Corporation Limited ("Pangea"), a Hong Kong registered entity, for US\$1.8 million. (ASX release 17 July 2019)

#### *Australian Cobalt-Nickel Projects (100% owned)*

A number of potential sale and JV partners were approached regarding the Company's recently announced Coronation Dam and Ghan Well Ni-Co resources. (ASX release 25 March 2019). At the end of the quarter, results from those discussions were pending.

#### *Merolia Gold Project (100% owned)*

Prospectors recover 8 Oz (251 grams) of gold nuggets located along two mineralised trends 1.2km apart and coincident with strong gold in soil anomalies 2.5 and 2.7 kilometres long respectively. (ASX release 11 June 2019)

#### *Corporate*

During the quarter, the Company announced that Mr Edward Mead was appointed as a non-executive Director and Mr Todd Hibberd resigned. (ASX release 19 Jun 2019)

## 1 Kyrgyz Republic Aucu Gold Project

During the June quarter the Company advised shareholders that it had executed a non-binding conditional offer for the sale of the Company's 90% interest in the Aucu Copper-Gold project in Kyrgyzstan, to Pangea Gold Corporation Limited, a Hong Kong registered entity, for US\$1.8 million. As announced on 11 February 2019, the Company had engaged a global corporate finance advisory firm to assist in evaluating various options to unlock value at Chanach. Over the past six months, the Company has been working closely with its advisors and minority joint-venture partner in Chanach to facilitate the sale process.

The proposed sale of the Company's interest in Chanach is conditional on satisfactory technical and legal due diligence. Furthermore, the completion of the sale may require White Cliff shareholder approval and the waiver of or lapse of the pre-emptive right to acquire the Company's interest in Chanach by its joint-venture partner, BW 3 (Malaysia) Pty Ltd. The key terms of the Conditional Offer are as follows:

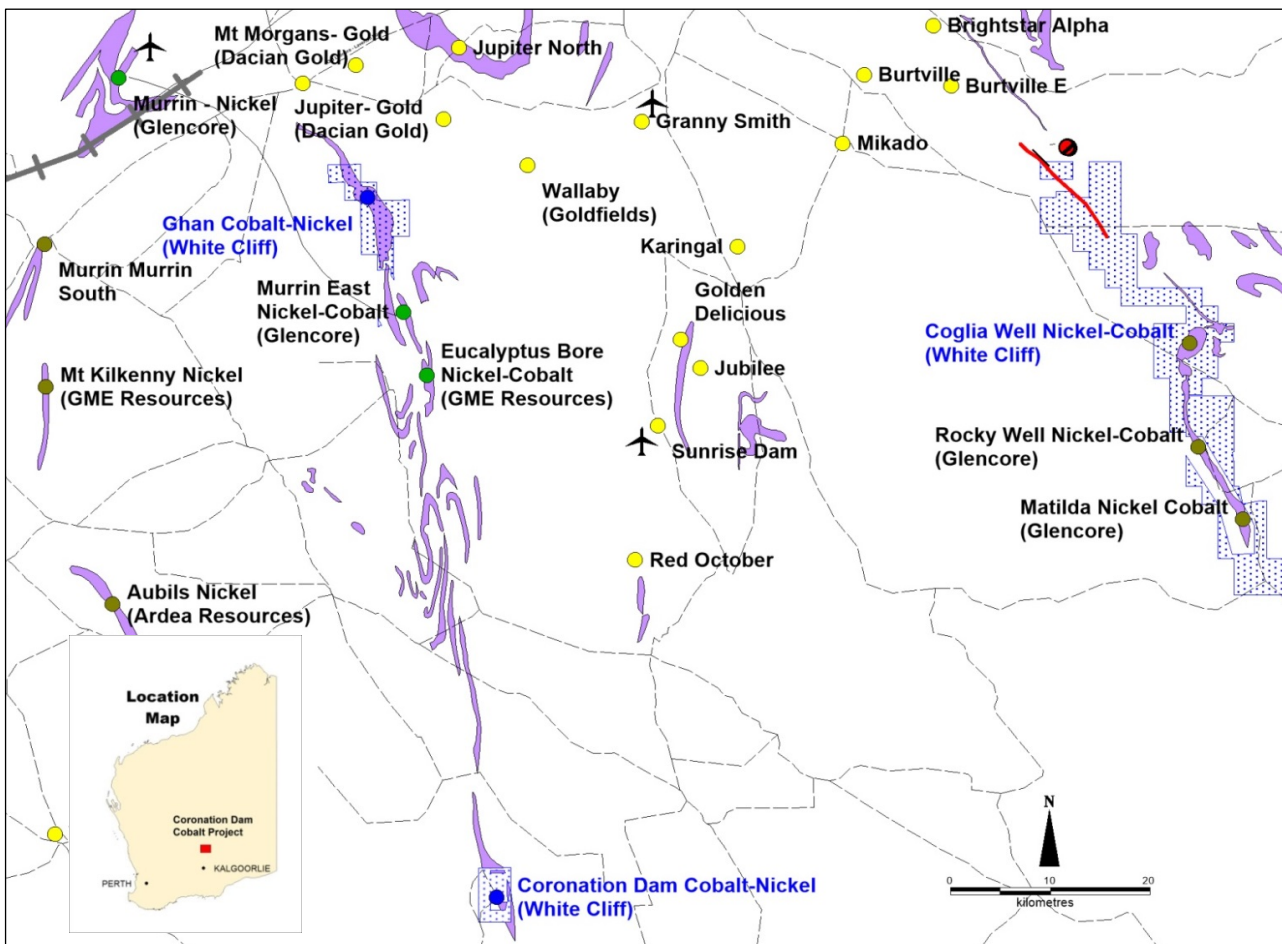
1. In exchange for acquiring White Cliff's 90% interest in the Aucu Project, Pangea will pay to White Cliff a total of US\$1,800,000 in cash over two installments as follows:

- a. US\$1,600,000 in cash upon transaction completion; and
  - b. US\$200,000 in cash upon the renewal of the AuCu exploration license, which expires 22 December 2020;
2. The Conditional Offer is subject to legal and technical due diligence to be completed to Pangea’s satisfaction within 30 days of signing;
  3. Upon completion of satisfactory due diligence, Pangea will submit an unconditional binding offer to White Cliff by 31 August 2019; and
  4. If an unconditional binding offer is executed by both parties, Pangea and White Cliff agree to act in good faith and to use their best endeavours to close the transaction by 30 September 2019.

The Company and its advisors will be working closely with Pangea over the coming months to facilitate the due diligence process.

## 2 Coronation Dam, Ghan Well and Cogleia Well Cobalt and Nickel Projects (WCN 100%)

During the quarter the Company continued discussions with potential sale/joint venture partners for the Cogleia Well, Coronation Dam and Ghan Well nickel-cobalt projects.



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

All three projects are located close to multiple operating mines serviced by substantial existing infrastructure such as roads, telecommunications, power, gas and with access to a skilled workforce. They are all within trucking distance of Glencore’s Murrin Murrin nickel-cobalt processing plant and other proposed processing facilities that could potentially pose an option for monetising resources.

### 3 Ironstone-Merolia Gold Project

During the quarter the Company reported that prospectors had recovered over 8 ounces (251 grams) of gold from the Company’s Merolia Gold Project.

The recovered gold nuggets are associated with two strongly mineralised gold trends previously defined by soil geochemistry conducted by White Cliff. The Comet Well and Comet Central mineralised trend are parallel and approximately 1.2 kilometres apart and are 2.3 and 2.7 kilometres long respectively.



**Figure 2:** Gold nuggets recovered from Comet Well and Comet Central gold trends. Approximately 8 ounces of gold was recovered. WCN does not own the gold and the gold was recovered by prospectors using 40E permits.

The bulk of the nugget gold (200 grams) was recovered for the southern end of the Comet Central gold trend which extends 2.5 kilometres and is defined by gold in soil anomalies previously defined by the Company (ASX release 23 September 2016). Mineralisation occurs along the NW trending sheared contact between a basalt and ultramafic unit. The nuggets are interpreted to have formed in the regolith profile via evaporation from a nearby primary source.

The remainder of the nugget gold (51 grams) was recovered from the Comet Well gold trend which extends 2.7 kilometres in a NW direction and is defined by extensive gold in soil anomalies. Over 40 ounces of gold nuggets have been previously recovered from this area by other prospectors (ASX Release 11 March 2016) and a 25 tonne bulk sample taken in 2017 had an average grade of 6 g/t gold.

### 4 Corporate

During the quarter the Company announced that Mr. Ed Mead was appointed as a non-executive director of the Company (ASX release 19 June 2019).

Ed is a geologist with over 20 years’ experience in gold and base metals exploration, mine development and mine production. Ed has also worked in the oil and gas industry on offshore drilling platforms. Other commodities that he has significant experience with and can be considered to be a competent person in are iron ore, magnetite, coal, manganese, lithium, potash and uranium.

He has a BSc in geology from Canterbury University in New Zealand and is a member of the Australian Institute of Mining and Metallurgy.

The Company advised the market via the same ASX release that Mr. Todd Hibberd had resigned from the Company.

### 5 Tenement information

TENEMENT	PROJECT	LOCATION	OWNERSHIP	CHANGE IN QUARTER
AP590	Chanach	Kyrgyz Republic	90%	-

E38/2484	Ironstone	Laverton	100%	-
E38/2552	Ironstone	Laverton	100%	-
E38/2693	Ironstone	Laverton	100%	Partial Surrender
E38/2877	Ironstone	Laverton	100%	Partial Surrender
E38/2847	Ironstone	Laverton	100%	
E38/1833	Coglia	Laverton	100%	Surrendered
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	Red Flag	Laverton	100%	-
E39/2087	Irwin Hills	Laverton	100%	Surrendered
E31/1101	Coronation Dam	Leonora	100%	-

## About White Cliff Minerals Limited

### Cobalt-Nickel Projects:

**Coronation Dam Cobalt Project (100%):** The project consists of one tenement (16 km<sup>2</sup>) in the Wiluna-Norseman greenstone belt 90 km south of the Murrin Murrin nickel-cobalt HPAL plant. The tenement contains an Inferred Mineral Resource of **5.7 million tonnes at 1.0% nickel and 0.08% cobalt** above a cut-off grade of 0.8% nickel containing 56,700 tonnes of nickel and 4,300 tonnes of cobalt (ASX release 25 March 2019). Mineralisation is open along strike within an extensive ultramafic unit that contains zones of cobalt mineralisation associated with nickel mineralisation.

**Ghan Well Cobalt Project (100%):** The project consists of one tenement (39 km<sup>2</sup>) in the Wiluna-Norseman greenstone belt 25km southeast of the Murrin Murrin nickel-cobalt HPAL plant. The tenement contains an Inferred Mineral Resource of **1.3 million tonnes at 0.9% nickel and 0.07% cobalt** above a cut-off grade of 0.8% nickel, containing 11,700 tonnes of nickel and 900 tonnes of cobalt (ASX release 14 April 2019). Mineralisation is open along strike within an extensive ultramafic unit that contains zones of cobalt mineralisation associated with nickel mineralisation.

**Coglia Well Cobalt Project (100%):** The project consists of two tenements (238 km<sup>2</sup>) in the Merolia greenstone belt 50 km south east of Laverton, Western Australia. The tenements contain extensive ultramafic units that host zones of cobalt mineralisation associated with nickel mineralisation. Recent drilling has identified extensive nickel and cobalt grades including 17 metres at 0.11% cobalt and 1.0% nickel (ASX release 18 June 2018).

**Bremer Range Cobalt Project (100%):** The project covers 127 km<sup>2</sup> in the Lake Johnson Greenstone Belt that is prospective for shallow cobalt-nickel mineralisation. Historical drilling has identified extensive cobalt and nickel mineralisation associated with ultramafic rocks extending over a strike length of 15 kilometres and up to 1,500 metres wide. The tenements are only 130 km from the Ravensthorpe cobalt and nickel processing facility.

**Lake Percy Nickel Project (100%)** The Lake Percy tenements (E63/1222 and E63/1793) contain substantial nickel and cobalt anomalies associated with outcropping ultramafic units.

### Gold Projects:

**Kyrgyz Copper-Gold Project (90%):** The Project contains extensive porphyry related gold and copper mineralisation starting at the surface and extending over several kilometres. Drilling during 2014-8 has defined a gold deposit currently containing an **Inferred Mineral Resource of 2.95 Mt at 5.1 g/t containing 484,000 ounces of gold and 700,000 tonnes at 0.51% copper containing 4,000 tonnes of copper** (ASX announcement 30 May 2018). Drilling has also defined a significant copper deposit at surface consisting of 16.5 Mt at 0.36% copper containing 60,000 tonnes of copper.

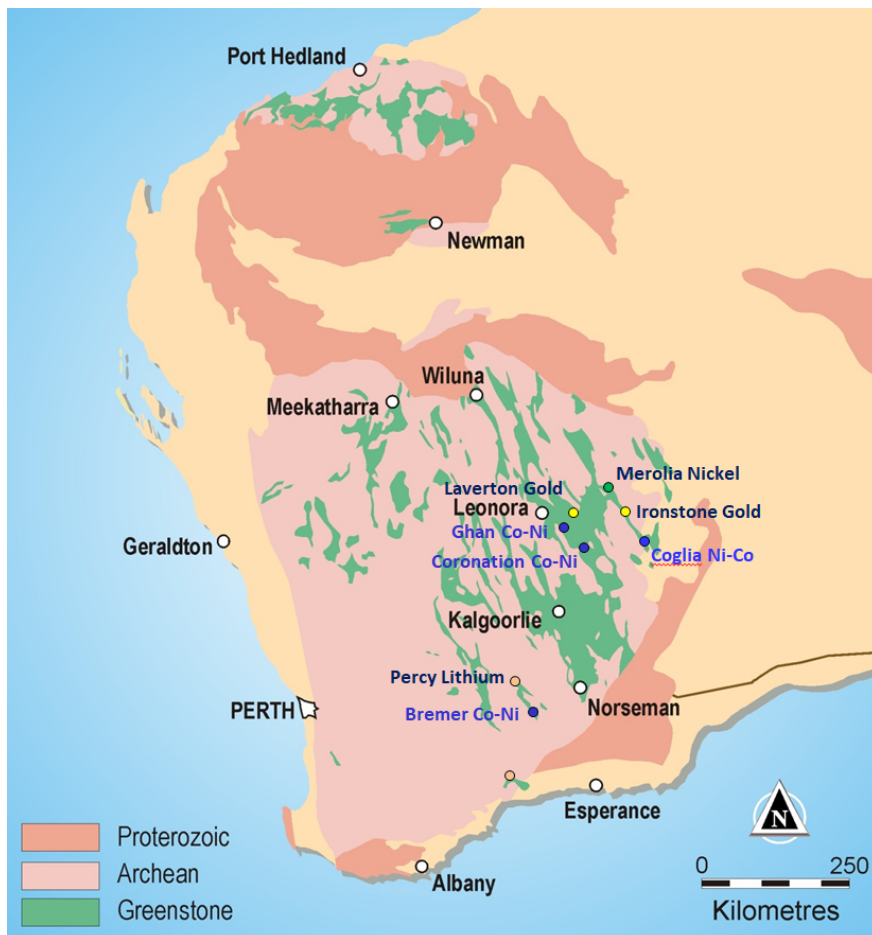
Extensive mineralisation occurs around both deposits demonstrating significant expansion potential. The project is located in the Kyrgyz Republic, 350 km west-southwest of the capital city of Bishkek and covers 57 km<sup>2</sup>. The Chanach



project is located in the western part of the Tien Shan Belt, a highly mineralised zone that extending for over 2,500km, from western Uzbekistan, through Tajikistan, Kyrgyz Republic and southern Kazakhstan to western China.

**Ironstone/Merolia Gold Project (100%):** The project consists of 175 km<sup>2</sup> of the Merolia Greenstone belt consisting of the Ironstone, Comet Well and Burtville prospects. The project contains extensive basalt sequences that are prospective for gold mineralisation, including the Ironstone prospect where historical drilling has identified 24 m at 8.6 g/t gold.

**Laverton Gold Project (100%):** The project consists of one granted tenement (22 km<sup>2</sup>) in the Laverton Greenstone belt. The Red Flag prospect is located 20 km southwest of Laverton in the core of the structurally complex Laverton Tectonic zone immediately north of the Mt Morgan’s Gold Mine (3.5 Moz) and 7 km northwest of the Wallaby Gold Mine (7 Moz).



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

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

**Name of entity**

WHITE CLIFF MINERALS LIMITED

**ABN**

22 126 299 125

**Quarter ended ("current quarter")**

30 June 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	36
1.2 Payments for		
(a) exploration & evaluation	(443)	(1,749)
(b) development	-	-
(c) production	-	-
(d) staff costs	(28)	(245)
(e) administration and corporate costs	(93)	(399)
1.3 Dividends received	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	(35)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other –GST Paid	1	(77)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(562)</b>	<b>(2,468)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
(d) other non-current assets	-	-
<b>2.2 Proceeds from the disposal of:</b>		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	-	-

<b>3. Cash flows from financing activities</b>	-	
3.1 Proceeds from issues of shares		3,094
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	-	(239)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(400)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – Return of Share Oversubscriptions	(65)	(65)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(65)</b>	<b>2,390</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	996	447
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(562)	(2,468)

+ See chapter 19 for defined terms.

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(65)	2,390
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>369</b>	<b>369</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	9	21
5.2	Call deposits	360	975
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>369</b>	<b>996</b>

**6. Payments to directors of the entity and their associates**

6.1 Aggregate amount of payments to these parties included in item 1.2

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

**Current quarter  
\$A'000**

56

Directors fees and wages of approximately \$26,500  
 Directors consulting of approximately \$17,500  
 Company secretarial fees of approximately \$4,340  
 Accounting and bookkeeping fees of approximately \$8,000



**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

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**8. Financing facilities available**

*Add notes as necessary for an understanding of the position*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements		
8.3 Other (please specify)		

8.1 Loan facilities

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.

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**9. Estimated cash outflows for next quarter**

**\$A'000**

9.1 Exploration and evaluation

300

9.2 Development

9.3 Production

9.4 Staff costs

45

9.5 Administration and corporate costs

71

9.6 Other (provide details if material)

**9.7 Total estimated cash outflows**

**416**

## Mining exploration entity and oil and gas exploration entity quarterly report

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: [Lodged electronically without signature] Date: 31 July 2019  
Company Secretary

Print name: Nicholas Ong

### 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.