White Cliff Minerals LTD

Quarterly Report - Activities

for the quarter ended 31 December 2014

Highlights

- **High grade gold results from 2014 RC Drilling at newly discovered Aucu Gold Deposit at the Chanach Project,**
- **Aucu gold deposit drill results include:**
  - **6 metres at 8.6 g/t including 1 metre at 21.9 g/t from 95 metres**
  - **19 metres at 4.0 g/t gold including 4 metres at 7.5 g/t from 68 metres**
  - **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**
- **One for four partially underwritten rights issue to raise $917,000 commences**

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

Kyrgyz Chanach Copper-Gold Project

Results received from Reverse Circulation (RC) drilling at the Company's Chanach project continued to expand the size of the newly discovered Aucu gold deposit. Two major structures containing extensive gold mineralisation within multiple shear zones have been identified.

Mineralisation starts at surface and is open along strike and at depth. Results include:

- 19 metres at 4.0 g/t gold including 4 metres at 7.5 g/t from 68 metres and;
- 5 metres at 2.5 g/t gold from 68 metres
- 6 metres at 8.6 g/t gold including 1 metres at 21.9 g/t from 95 metres
- 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
- 2 metres at 12.6 g/t gold from 78 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
- 8 metres at 6.7 g/t gold from 56 metres
- 3 metres at 8.2 g/t gold from 83 metres

Corporate

During the December quarter the Company commenced a partially underwritten one for four rights issue to raise approximately $916,000. The issue is underwritten to a value of $600,000.

Also during the quarter the Company received US$500,000 via a convertible note issue.

1 Chanach Copper – Gold Project, Kyrgyz Republic (88.7%)[1]

During the December quarter the Company continued to receive assay results from the recently completed 3,037 metres Reverse Circulation (RC) drilling program targeting the high grade gold and copper mineralisation identified at the Aucu prospect in the 2014 trenching program.

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

Drilling results received in the quarter include:

- 19 metres at 4.0 g/t gold including 4 metres at 7.5 g/t from 68 metres and;
- 5 metres at 2.5 g/t gold from 68 metres
- 6 metres at 8.6 g/t gold including 1 metres at 21.9 g/t from 95 metres
- 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 recent drill program tested the two mineralised systems over 550 metres. 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 the final two holes comprising approximately 250 samples which are expected shortly.

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 is 2015 with the objective of determining a JORC Compliant Minerals Resource.

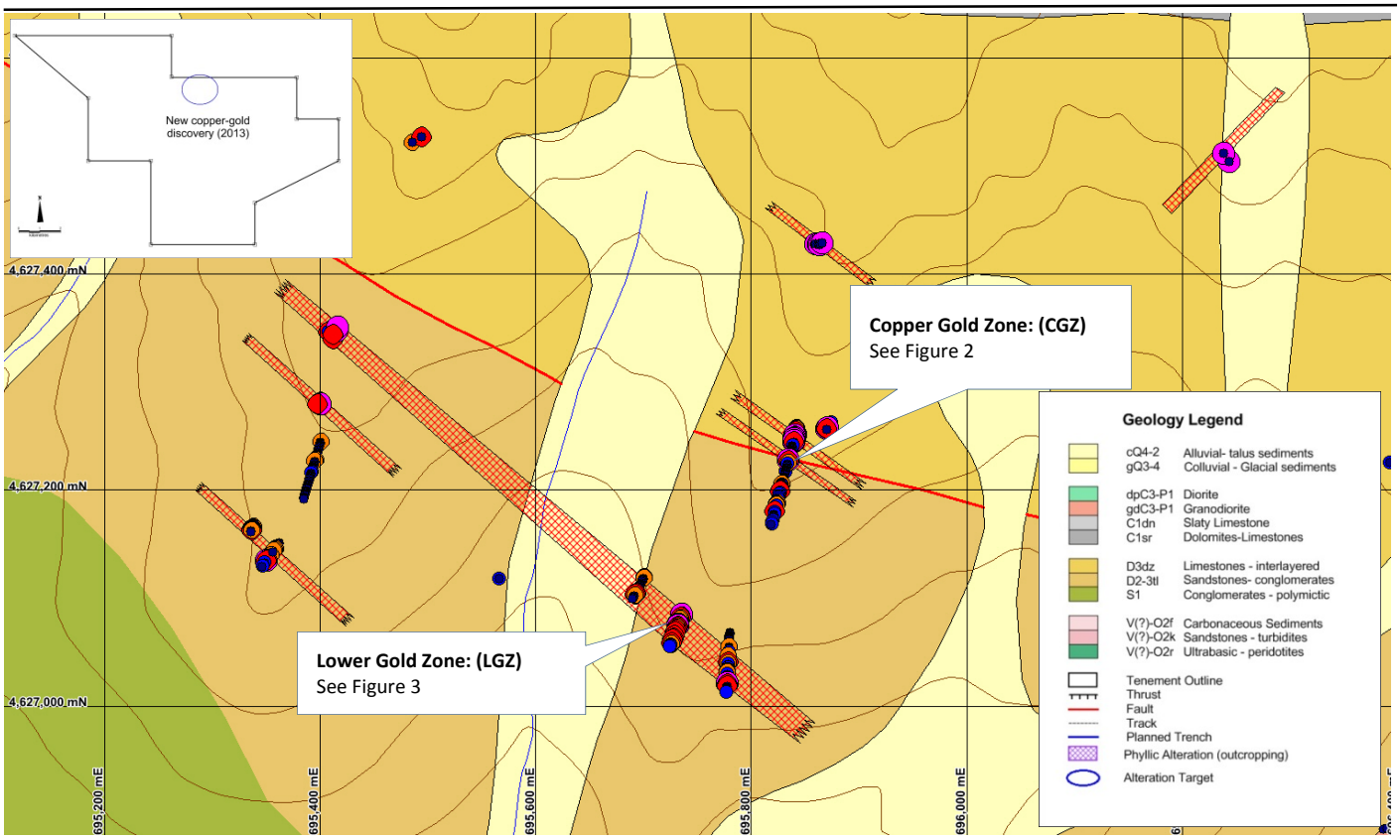

Figure 1 Interpreted mineralised copper-gold zone and lower gold zone (red hatched areas).

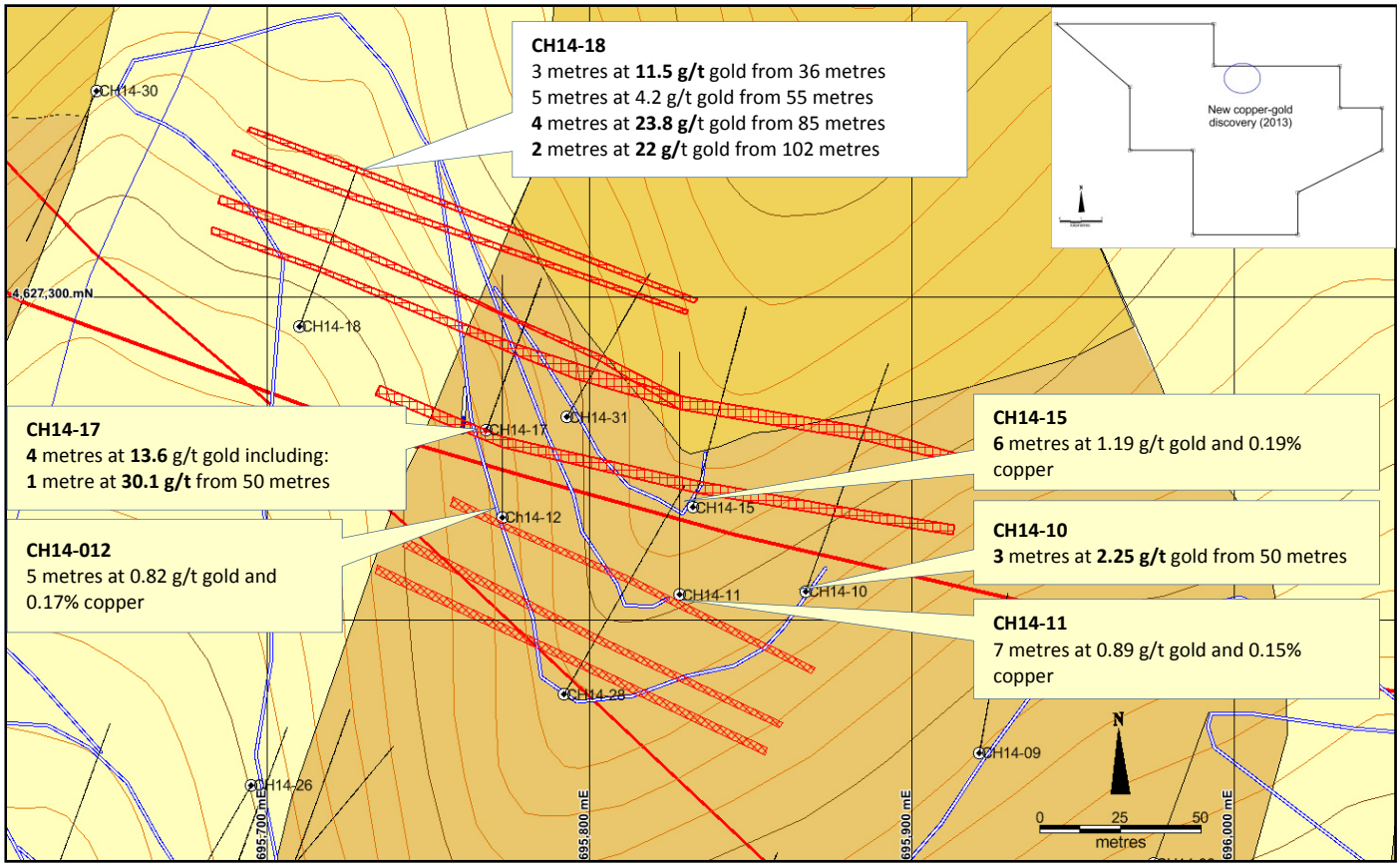

Figure 2 Copper Gold Zone (CGZ) map showing completed drill hole locations, roads in blue, new roads dashed blue lines and mineralised zone in red

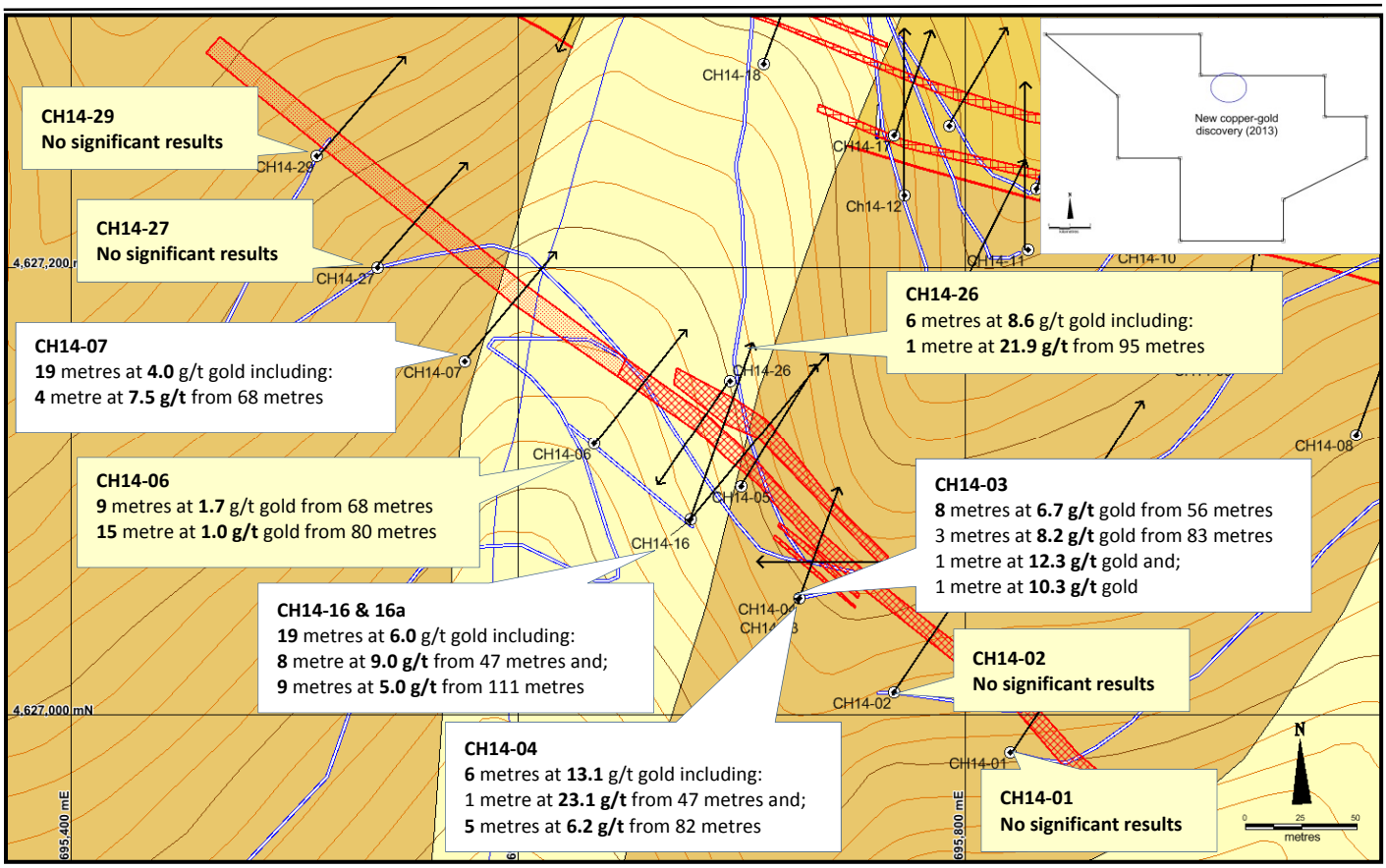

Figure 3 Lower Gold Zone (LGZ) map showing completed drill-hole locations, roads in blue, mineralised zones in red hatch, Interpreted mineralised extensions in red speckle. New results in yellow text box

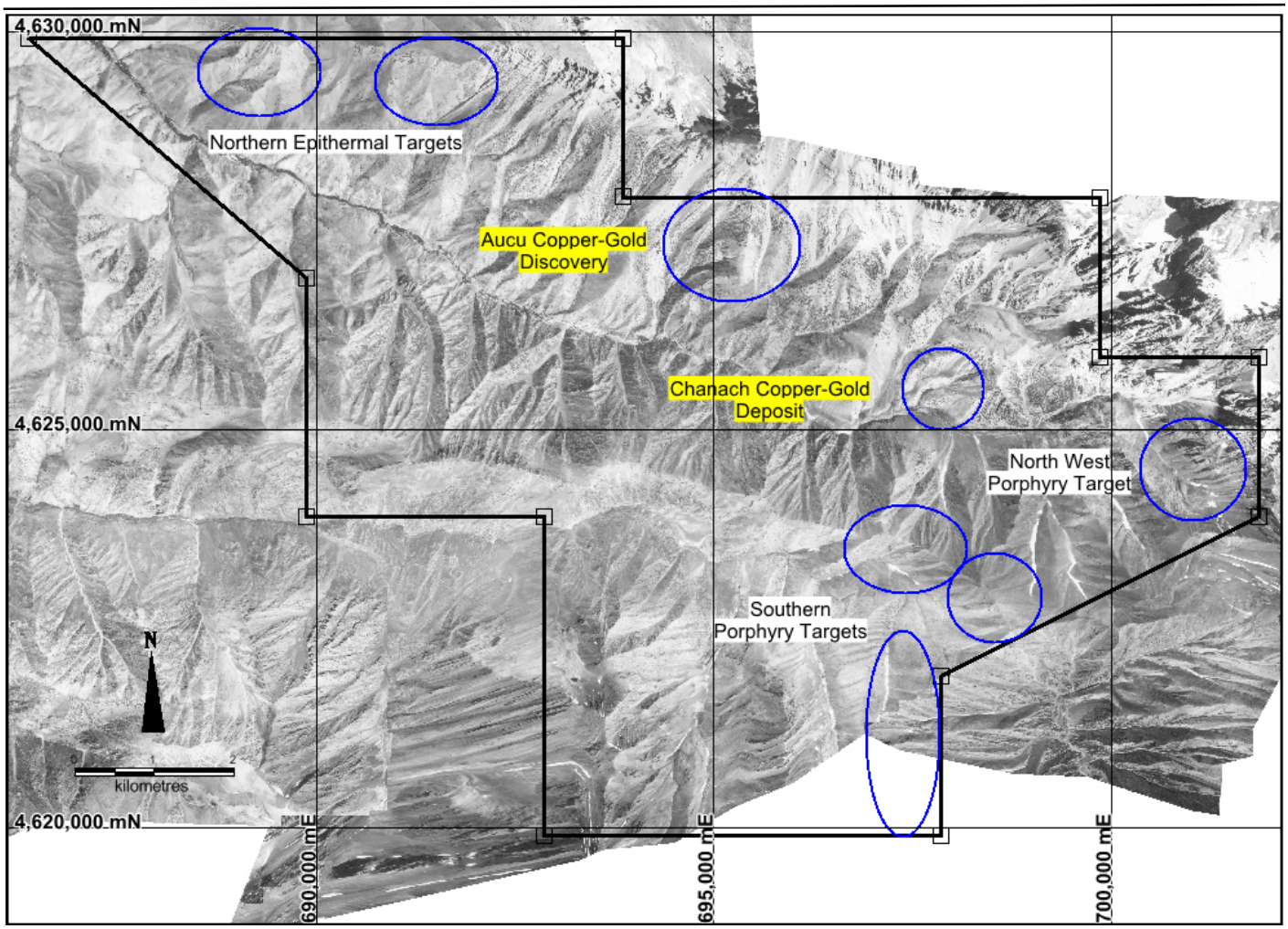

Figure 4 Map showing the location of the Aucu copper-gold discovery 2km to the NNW of the existing Chanach copper-gold deposit.

2 Merolia Nickel-Copper and Gold Project (100%)[1]

During the December quarter the Company commenced geophysical electromagnetic surveys at the McKenna and Coglia prospects to follow up soil geochemical surveys that identified several nickel in soil anomalies at the McKenna and Coglia prospects in the Laverton region of Western Australia (Figure 5).

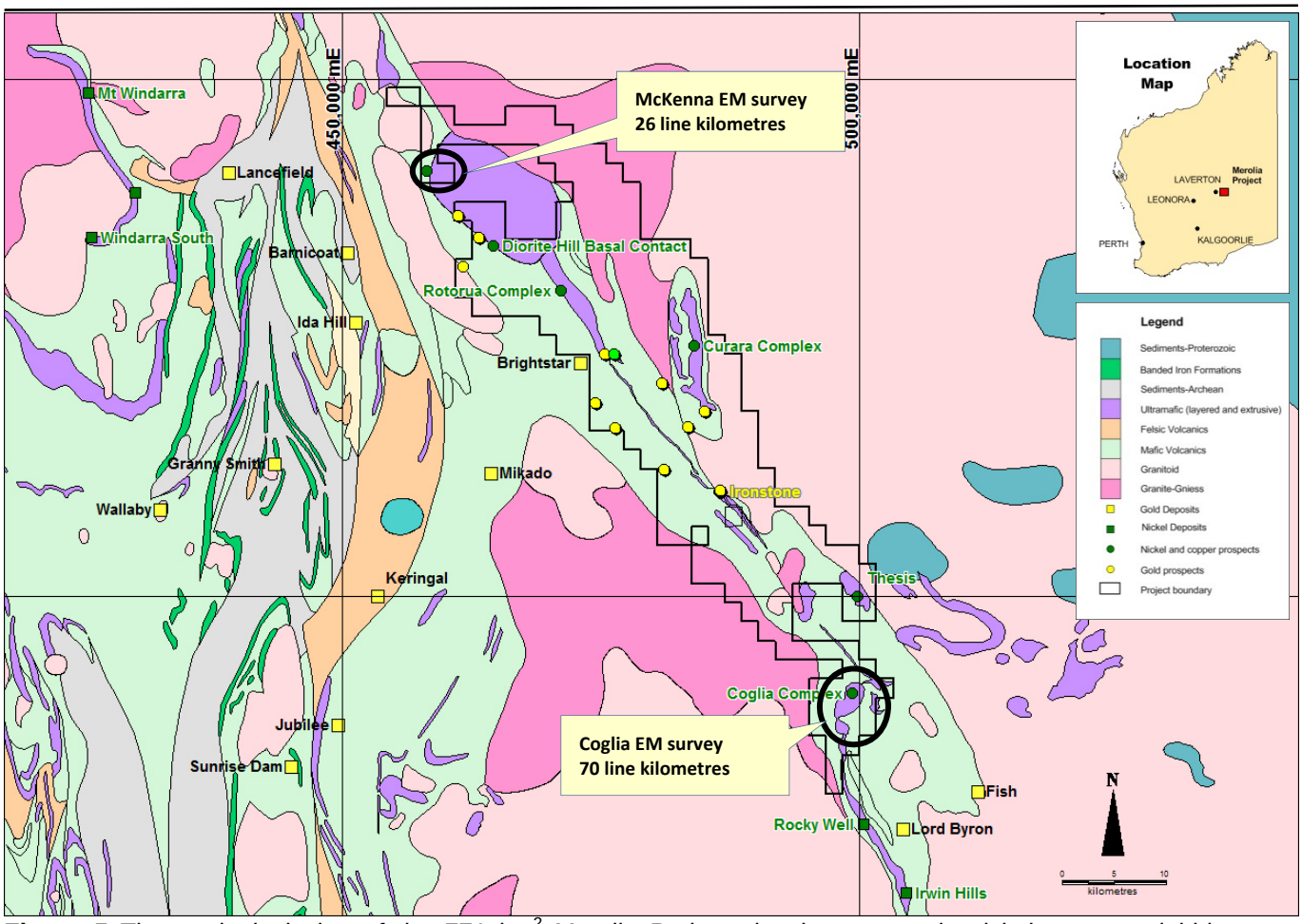

Figure 5 The geological plan of the 771 km^2 Merolia Project showing magmatic nickel-copper sulphide prospects lode gold prospects and the locations of the current geophysical surveys.

The McKenna Nickel Prospect

The McKenna geophysical survey is testing two extensive nickel in soil anomalies with nickel values up to 1,426ppm nickel and 79ppm copper that are 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 Coglia Ultramafic Complex

The Coglia geophysical survey is testing 7km by 2km area and consisting of a sequence komatiitic lava flows dipping steeply to the west. The base of the flows consists of heavier crystals of cumulate textured olivine that have settled to the bottom due to their weight. This is the ideal location for the accumulation of nickel and copper sulphides that also settle to the bottom of lava flows due to their weight (gravity settling).

Historical drilling has identified extensive nickel mineralisation within the overlying laterite and saprolite profiles. Several discrete areas within the saprolite profile are highly anomalous in nickel, copper and platinum (Figure 7).

White Cliff is targeting nickel and copper sulphide accumulations along the basal contact of individual lava flow channels. Due to the width of the komatiitic sequence and the large number of lava channels several target horizons have been identified (Figure 8).

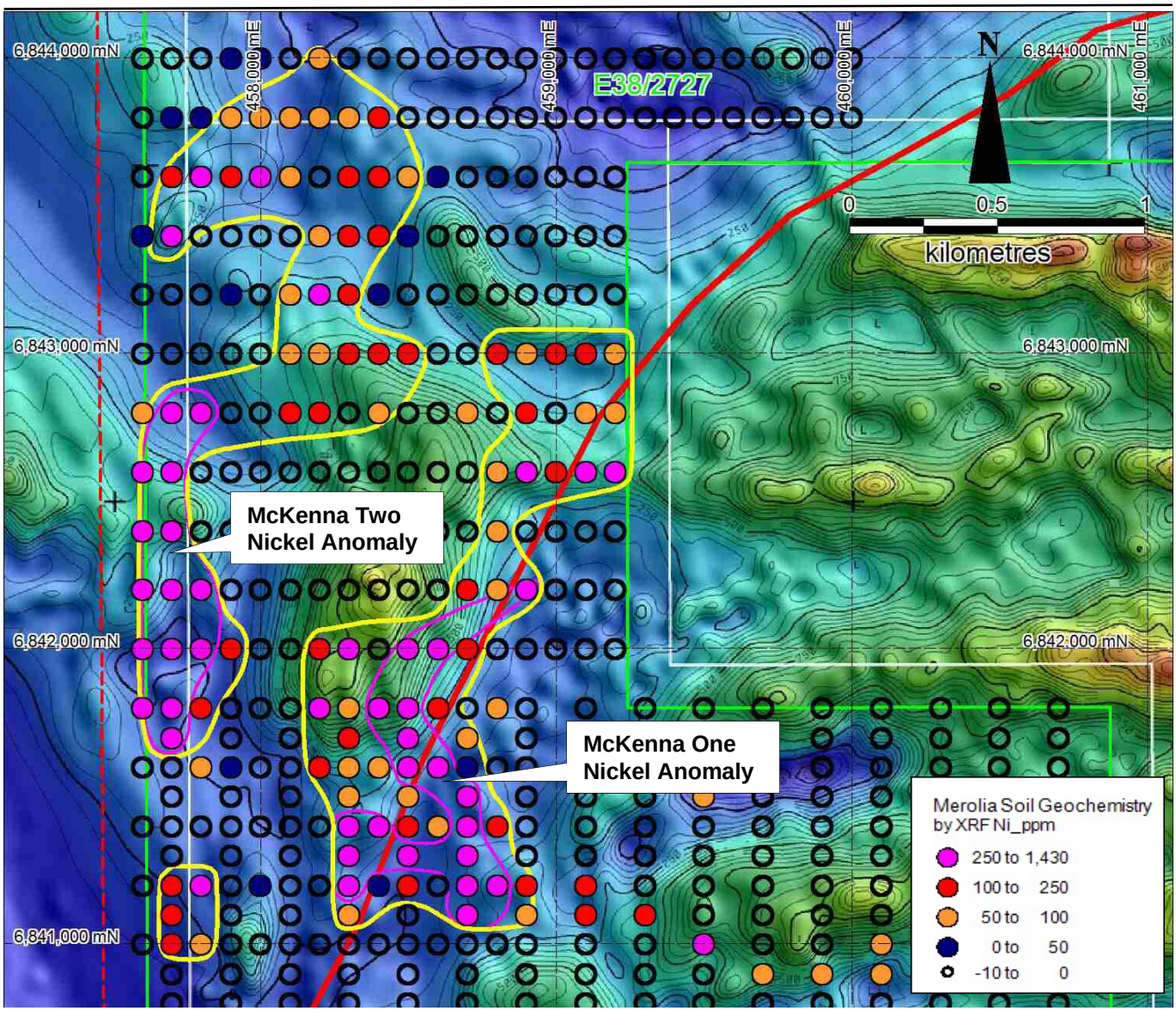

Figure 6 McKenna Nickel-chrome-Copper-Bismuth anomalism over Total Magnetic Intensity (Diorite Hill Layered Ultramafic Complex basal contact in red, pink contour is >250ppm Ni, yellow contour is >50ppm Ni)

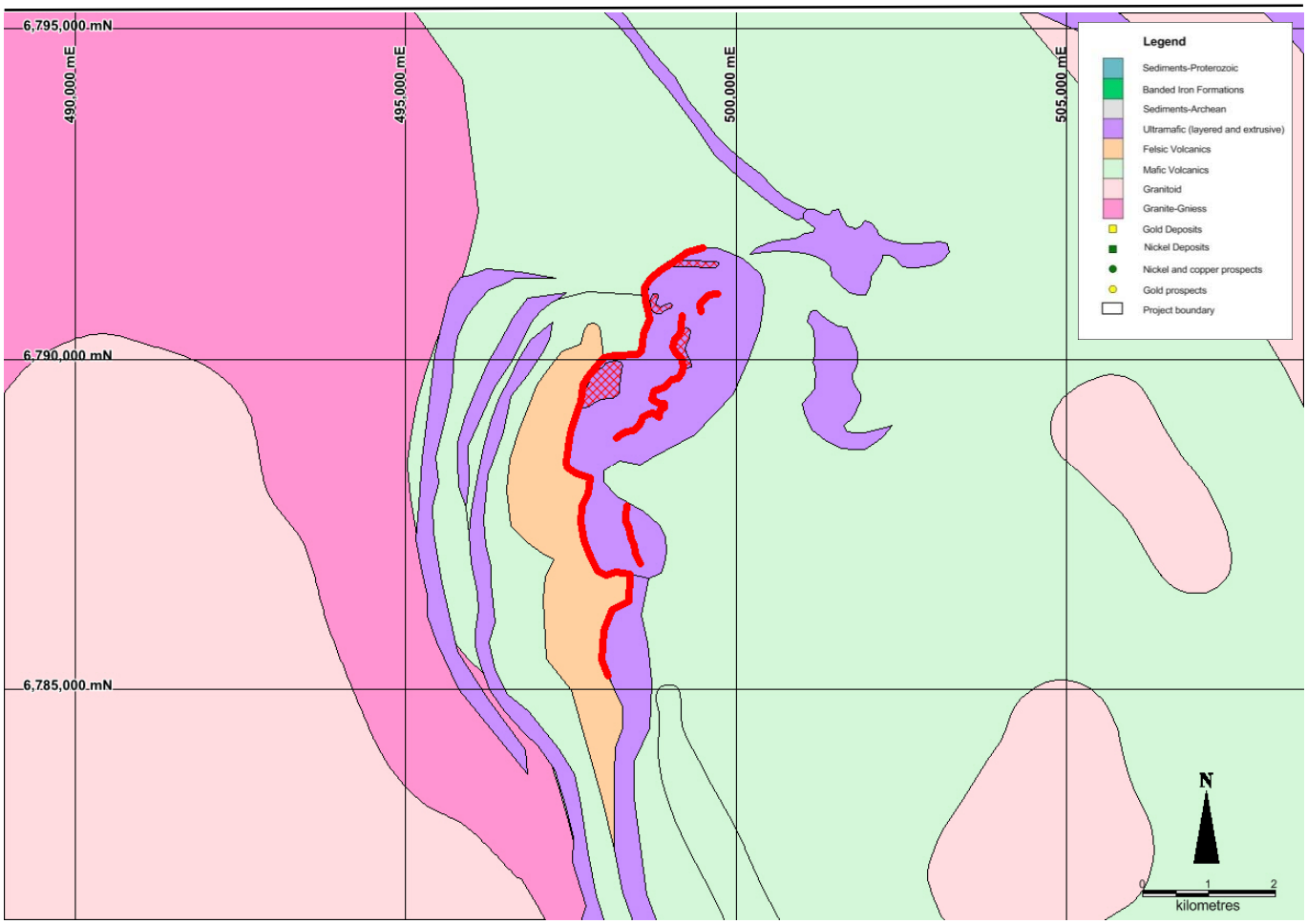

Figure 7 Plan of the Colgia ultramafic complex showing areas anomalous in copper, nickel and platinum group elements (red hatch) and prospective basal contacts (red trace)

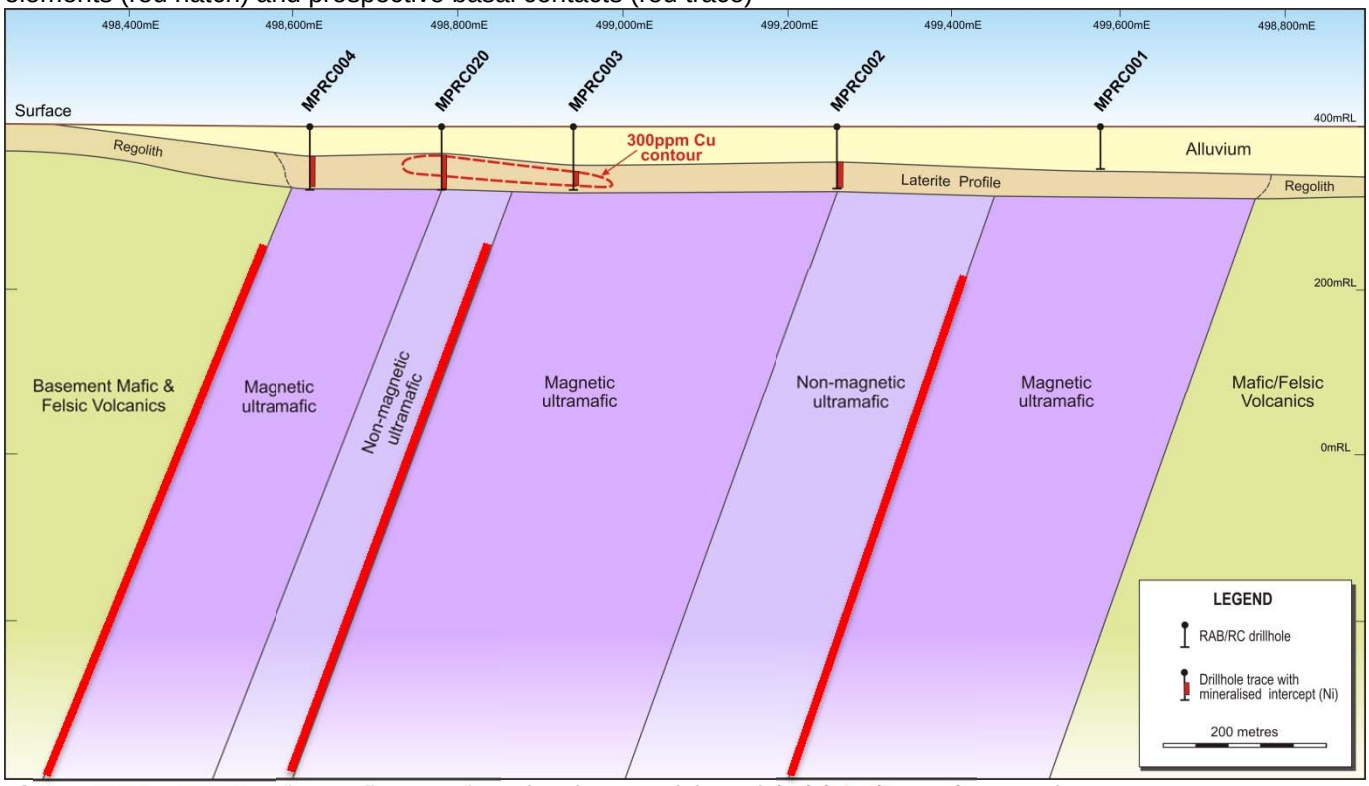

Figure 8 The Coglia ultramafic complex showing overlying nickel laterite and anomalous copper zone. Target zones for nickel-copper sulphide accumulations are shown in red.

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

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 Corporate

During the December quarter the Company commenced a non-renounceable pro rata offer of one New Share (1) for every four (4) Shares held by Shareholders registered at 5.00pm WST on 19 December 2014 at an issue price of $0.008 per New Share to raise up to approximately $917,000.

The rights offer is partially underwritten to a value of $600,000 The Offer opened on 23 December 2014 and will close at 5.00pm WST on 6 February 2015. Valid Applications must be received by the Closing Date.

Also during the quarter the Company secured a US$4 million convertible note package from the Magna Equities group. An initial US$500,000 has been drawn from this facility. The balance of the facility can be drawn over the next 2 years at the Company's discretion. There are no costs to the Company if no further funds are drawn from this facility.

As at quarter end US$80,000 in convertible notes had been converted into WCN shares reducing the outstanding convertible note balance to US$420,000. During the quarter the Company issued Magna with 13,204,268 WCN shares to satisfy the conversions of US$80,000 of notes into WCN shares plus all fees associated with this facility.

4 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.

Todd Hibberd
Managing Director

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5 Tenement information

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

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.

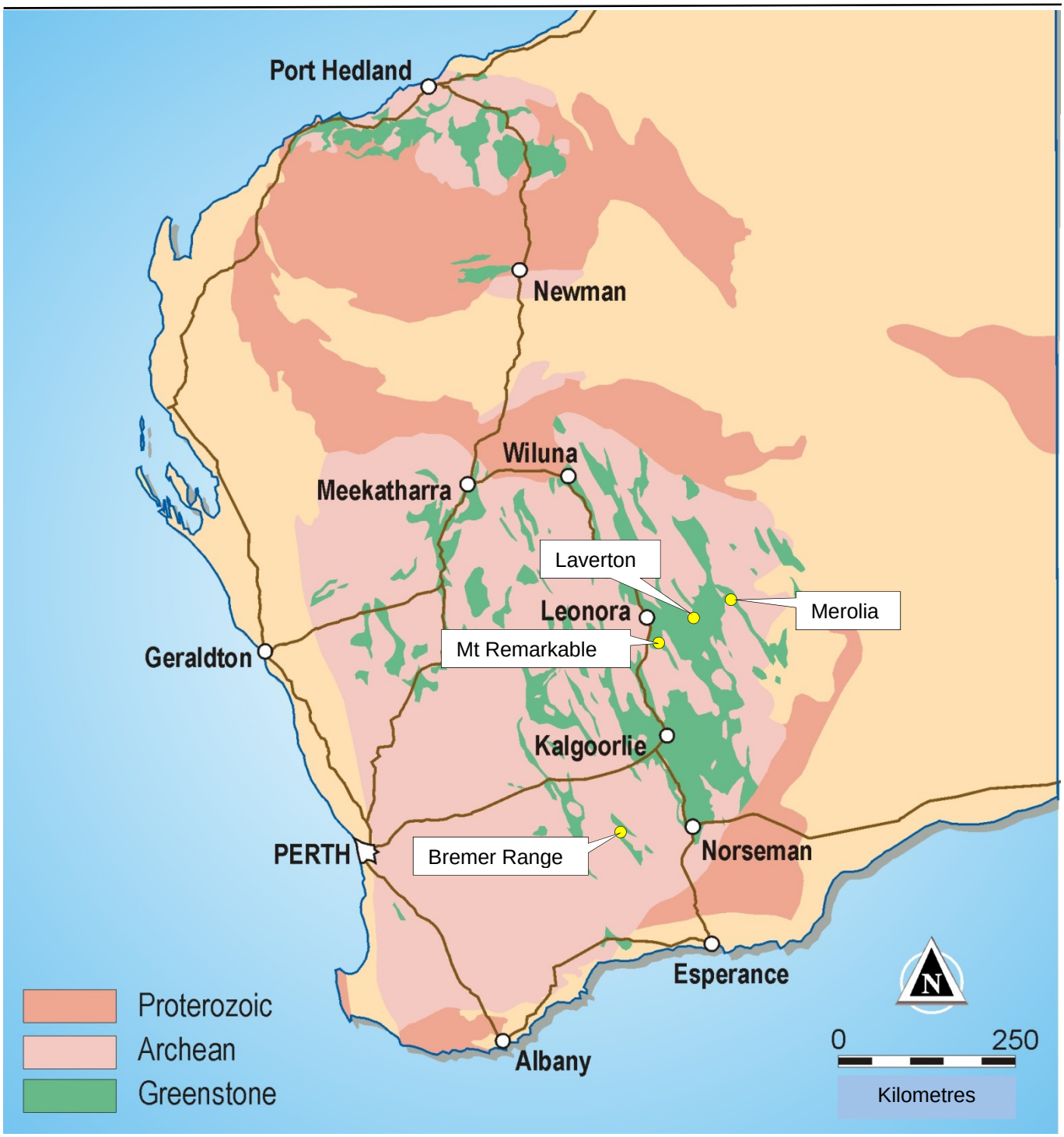
Laverton Gold Project (100%): The project consists of 136 square kilometres of tenement applications in the Laverton Greenstone belt. The core prospects are Kelly Well and Eight Mile Well located 20km southwest of Laverton in the core of the structurally complex Laverton Tectonic zone immediately north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

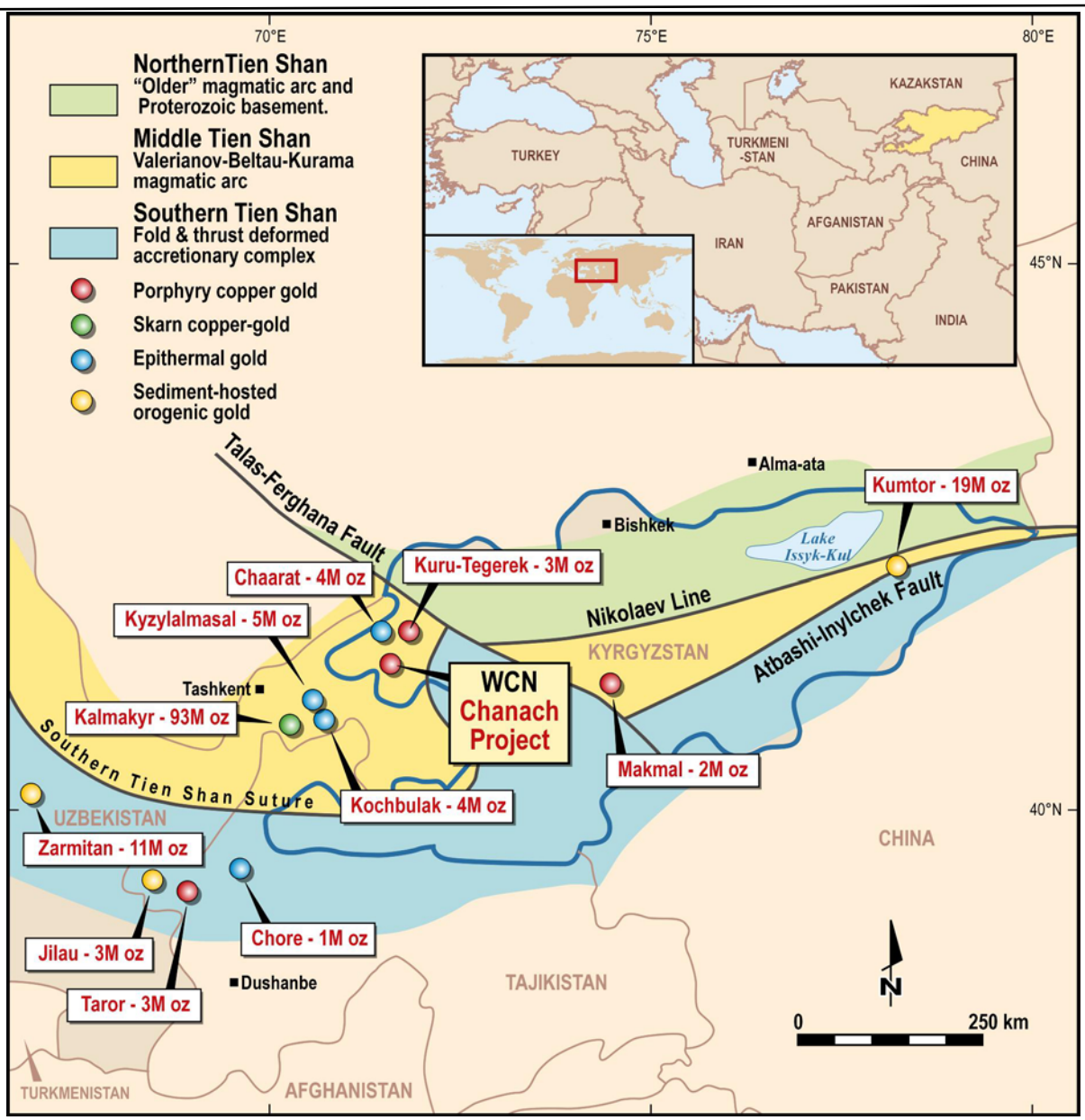
JORC Compliance

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.

[1] 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.

Rule 5.3

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	Quarter ended ("current quarter")
22 126 299 125	31 December 2014

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors		5
1.2	Payments for (a) exploration & evaluation	(801)	(1,256)
	(b) development		
	(c) production		
	(d) administration	(185)	(383)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	6
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other - Government R&D refund		353
	Net Operating Cash Flows	(985)	(1,275)
	Cash flows related to investing activities		
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		
	Net investing cash flows		
1.13	Total operating and investing cash flows (carried forward)	(985)	(1,275)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(985)	(1,275)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	93	93
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	562	562
1.17	Repayment of borrowings	(93)	(93)
1.18	Dividends paid		
1.19	Other - capital raising costs	(16)	(16)
	- Share applications received	540	540
	Net financing cash flows	1,086	1,086
	Net increase (decrease) in cash held	101	(189)
1.20	Cash at beginning of quarter/year to date	712	1,002
1.21	Exchange rate adjustments to item 1.20	1	1
1.22	**Cash at end of quarter**	**814**	**814**

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	115
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 $US'000	Amount used $US'000
3.1	Loan facilities		
3.2	Credit standby arrangements	4,000	500

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	200
4.2	Development	
4.3	Production	
4.4	Administration	100
	Total	**300**

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	41	52
5.2	Deposits at call	773	660
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of quarter (item 1.22)	814	712

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.

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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	462,535,133	462,535,133		
7.4	Changes during quarter (a) Increases through issues (b) Decreases	13,204,269	13,2204,269	$0.008-$0.01	100%
7.5	**+Convertible debt securities** (*description)*	420,000	-	$US1 each	100%
7.6	Changes during quarter (a) Increases through issues (b) Decreases through conversions	500,000 (80,000)	- -	$US1 each $US1 each	
7.7	**Options** *(description and conversion factor)*	102,050,017	102,050,017	*Exercise price* $0.03	*Expiry date* 11/3/2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(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:  Date: 27 January 2015

Company Secretary

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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