



# Quarterly Activities Report

for the Quarter Ending 31 December 2014

## REDCLIFFE GOLD PROJECT KEY POINTS

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- Drilling began in January, co-funded by the WA Department of Minerals & Petroleum (DMP) under their Exploration Incentive Scheme.
- Co-funding up to \$140,000 of drilling costs is available for the drilling which aims to test the large mineralised system of the Kelly gold Prospect.
- Seven RC drill holes are planned to depths of 250-300metres and a Diamond core hole to 320 metres has been completed in January 2015.
- Comparisons of geological information to other intrusive hosted large gold deposits such as Gold Road's multi-million ounce Gruyere Prospect are being investigated.
- Golden Terrace South Deposit economics to be re-evaluated considering current plus A\$1,600 gold price.
- Rationalisation of non-core assets and tenement holdings is underway with the Blue Dam tenements west of Kalgoorlie being surrendered during the quarter.
- Tanzanian initiative is to be reconsidered.

## Redcliffe Gold Project

Focus has returned to the Company's 100% owned Redcliffe Gold Project ("RGP"). The Golden Terrace South Deposit and the Kelly Prospect lie 40 to 45km north-east of Leonora in the Eastern Goldfields of Western Australia. The Project tenements cover a substantial strike length of the Mertondale Shear Zone where the Company hopes to build on previously estimated gold resources that lie within granted mining leases.

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

## Golden Terrace South

The Company is revisiting studies on the potential development of Golden Terrace South where exploitation via an open pit was envisaged. Considering the welcome increase in the gold price to circa A\$1,600 per ounce, this will be fed into the financial metrics to consider the potential change in economics.

## Kelly Prospect

Upon gaining approval from DMP through a Programme of Work, associated site works were undertaken in the form of pad and access clearing and excavation of sumps.

As the Kelly deep drilling programme was unlikely to be completed pre-Christmas the Company, with the acknowledgement of DMP, rescheduled work to begin in mid-January.

The drilling is currently underway. The first hole being a Diamond Drill core hole has been completed and RC drilling is continuing. The drilling is exploring for a high grade feeder to the Kelly mineralised system at depth. This could enhance the economic potential and open up development alternatives for the immediate Region's stranded gold deposits.

The Kelly Prospect is a large mineralised system with gold anomalous drill intercepts occurring over more than one kilometre. It lies proximal to the eastern bounding structure of the Mertondale Shear Zone. Host rocks are felsic to intermediate intrusives that may have similarities to other intrusive hosted gold deposits in the Region such as Granny Smith and Gold Road's emerging Gruyere Deposit in the Yamarna Greenstone Belt.

The rocks at Kelly are highly deformed and mylonitised, displaying intense deformation.

The proposed drilling is to test continuations of higher grade zones and to seek mineralized feeders pathways of the mineralizing fluids in the shear system. It is considered an important step in expanding the knowledge of the large mineralised system. Sampling of core and RC samples is being carried out as drilling progresses and results will be communicated as they are compiled.

## Mbesa Copper Project

Having been unable to finalise the securing of key underlying tenements, Redcliffe is reconsidering participation in this project and strategy of the Tanzanian exploration initiative.

## Corporate

During the December quarter there were several changes in the Board and Management of the Company. Mr Mark Maine resigned from his position on the board as did Mr Simon Griffiths (and therefore his alternate). Mr Bruce McFarlane and Mr Garry Goyne were appointed as non-executive board members.

Fund Raising of \$200,000 for the issuance of 40,000,000 shares at 0.5cps was undertaken to provide funds towards retirement of convertible note debt, running costs, and drilling of the Kelly Prospect.

A Notice of Meeting for 17 February has been called to ratify the placement of 32,000,000 shares under Listing Rule 7.1 and also to consider the placement of 8,000,000 to a related Party (Foster Family Superannuation Fund).

Further approvals are being sought from shareholders for the retirement of debt to directors, former directors and consultants. These debts have been discounted by two thirds and are proposed to be paid by issuing shares in order to conserve cash.



**Rodney Foster**

Executive Chairman

*The information in this report, as it relates to Exploration Results and Resource Estimates, is based on information compiled and/or reviewed by Rodney Foster who is a Member of The Australasian Institute of Mining and Metallurgy. Rodney Foster is the Executive Chairman of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rodney Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

## Appendix 1

### Gold Resource Category Classification

A breakdown of categories of resources is shown in the following table that accompanied ASX release of 20 November 2012 titled **"Gold Resource Increases by 40%"** at the time of announcing the addition of the maiden gold resource at the Kelly Deposit.

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

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

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

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

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

## Appendix 2

### Summary of Mining Tenements and Areas of Interest

Project / Tenement Held	Location	Tenement Number	Economic Entity's Interest at Quarter End	Change in Economic Entity's Interest During Quarter
727 M	Redcliffe Gold Project WA	M37/1285	100%	No Change
Golden Terrace M	Redcliffe Gold Project WA	M37/1276	100%	No Change
Kelly M	Redcliffe Gold Project WA	M37/1295	100%	No Change
Nambi M	Redcliffe Gold Project WA	M37/1286	100%	No Change
Golden Style	Leonora, WA	P37/7942	100%	No Change
Golden Style	Leonora, WA	P37/7943	100%	No Change
Golden Style	Leonora, WA	P37/7944	100%	No Change
Golden Style	Leonora, WA	P37/7945	100%	No Change
Golden Style	Leonora, WA	P37/7946	100%	No Change
Golden Style	Leonora, WA	P37/7947	100%	No Change
Gold Pit	Leonora, WA	P37/7948	100%	No Change
Pig Well West	Leonora, WA	P37/7647	100%	No Change
Blue Dam	Kalgoorlie, WA	P15/5068	0%	Surrendered
Blue Dam	Kalgoorlie, WA	P15/5069	0%	
Blue Dam	Kalgoorlie, WA	P15/5070	0%	
Blue Dam	Kalgoorlie, WA	P15/5071	0%	
Manus	Manus Island, PNG	EL1326	10% Free Carried	No Change
Manus	Manus Island, PNG	EL1473	10% Free Carried	No Change
Tunduru Copper	Tanzania	PL8451/2012	Option to Acquire up to 90%	Under Review
Tunduru Copper	Tanzania	HQ-P27664	Option to Acquire up to 90%	Under Application Under Review
Mbesa	Tanzania	PML 00210SZ, 00129SZ, 001619SZ, 001626SZ, 001623SZ, 000455SZ, 000457SZ, 000456SZ, 003756SZ, 000466SZ, 001626SZ, 001623SZ	Option to Acquire 100%	Under Review

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

REDCLIFFE RESOURCES LIMITED

ABN

63-010-856-014

Quarter ended ("current quarter")

31 December 2014

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	260
1.2	Payments for (a) exploration & evaluation	(23)	(212)
	(b) development	-	-
	(c) production	-	(227)
	(d) administration	(57)	(317)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	2
1.5	Interest and other costs of finance paid	-	(7)
1.6	Income taxes paid	-	-
1.7	Other	-	-
	<b>Net Operating Cash Flows</b>	<b>(80)</b>	<b>(501)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	59
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	<b>Net investing cash flows</b>	<b>-</b>	<b>59</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(80)</b>	<b>(442)</b>

1.13	Total operating and investing cash flows (brought forward)	(80)	(442)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	200	475
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(50)	(150)
1.18	Dividends paid	-	-
1.19	Other – Share Issue Costs	-	(6)
	<b>Net financing cash flows</b>	150	319
	<b>Net increase (decrease) in cash held</b>	70	(123)
1.20	Cash at beginning of quarter/year to date	43	236
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	113	113

### Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	-
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

### Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None this quarter

### Financing facilities available

Add notes as necessary for an understanding of the position.

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

### Estimated cash outflows for next quarter

		\$A'ooo
4.1	Exploration and evaluation	80
4.2	Development	0
4.3	Production	0
4.4	Administration	20
<b>Total</b>		100

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'ooo	Previous quarter \$A'ooo
5.1	Cash on hand and at bank	9	39
5.2	Deposits at call	104	4
5.3	Bank overdraft	0	0
5.4	Other (provide details)	0	0
Total: cash at end of quarter (item 1.22)		113	43

### 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	Blue Dam P15/5068 P15/5069 P15/5070 P15/5071	Prospecting Prospecting Prospecting Prospecting	100% 100% 100% 100%	0% 0% 0% 0%
6.2	Interests in mining tenements acquired or increased				

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)	Nil	Nil		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	<b>+Ordinary securities FP</b>	174,372,100	174,372,100		Fully Paid
	<b>Ordinary securities CTG</b>	400,000	Nil	\$2.50	2.5c
7.4	Changes during quarter (a) Increases through issues (b) Decreases through capital reconstruction	Nil Nil	Nil Nil		Fully Paid
7.5	<b>+Convertible debt securities</b> (description)	15	Nil		\$10,000
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	29,233,338 3,000,000 3,000,000 3,000,000 3,000,000 3,000,000	Nil Nil Nil Nil Nil Nil	<b>Exercise price</b> 2.0c 1.5c 2.0c 3.0c 4.0c 5.0c	<b>Expiry date</b> 31 Mar 2015 31 Dec 2016 31 Dec 2016 31 Dec 2016 31 Dec 2016 31 Dec 2016
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		



7.10	Expired during quarter	Nil	Nil		
7.11	<b>Debentures</b> (totals only)	Nil	Nil		
7.12	<b>Unsecured notes</b> (totals only)	Nil	Nil		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

*Rodney D Foster*

Sign here:

(Chairman)

Date: 30 JANUARY 2015

Print name: Rodney Foster

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.