



White Cliff Minerals LTD

White Cliff Minerals Limited

ABN 22 126 299 125

Half year report
31 December 2014

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Corporate Information

Directors	Michael Langoulant Todd Hibberd Rodd Boland
Company secretaries	Michael Langoulant Brooke White
Registered office and principal place of business	Level 1, Suite 2, 47 Havelock Street West Perth, Western Australia 6005 Telephone: (08) 9321 2233 Facsimile: (08) 9324 2977 Website: www.wcminerals.com.au
Share registry	Computershare Investor Services Pty Ltd Reserve Bank Building Level 2, 45 St George's Terrace Perth, Western Australia 6000 Telephone: (08) 9323 2000
Auditors	HLB Mann Judd Chartered Accountants Level 4, 130 Stirling Street Perth, Western Australia 6000
Solicitors	Jackson MacDonald 140 St Georges Terrace Perth, Western Australia 6000
ASX code	White Cliff Minerals Limited is listed on the Australian Securities Exchange (Shares: WCN; Options: WCNO)

Directors' Report

Your Directors present their report for the half year ended 31 December 2014.

Directors

The following persons were Directors of White Cliff Minerals Limited ("White Cliff" or the "Company") during the whole of the period and up to the date of this report unless otherwise stated:

Michael Langoulant – *Executive Chairman*

Todd Hibberd – *Managing Director*

Rodd Boland – *Non-executive Director*

Review of Operations

Highlights

- **Drilling Confirms Gold Discovery at the Chanach Project in Central Asia, 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**
- **Geophysical surveys targeting mafic- intrusion related nickel mineralisation underway at key prospects within the Merolia Nickel project**
- **Rights Issue raises \$692,000 post half year end**

Corporate

Subsequent to the half year ending 31 December 2014 the Company has completed a one for four rights issue raising \$691,747 at an issue price of \$0.008.

Cash at the end of the half year ending 31 December 2014 was \$814,369. Due to the ongoing challenging mining and exploration industry market conditions the Company is continuing to target further reductions in all corporate and operating expenses.

Exploration Summary

White Cliff controls extensive tenement packages in Western Australia's Yilgarn Craton and the Pilbara region as well as a major gold-copper project in Central Asia.

Central Asia

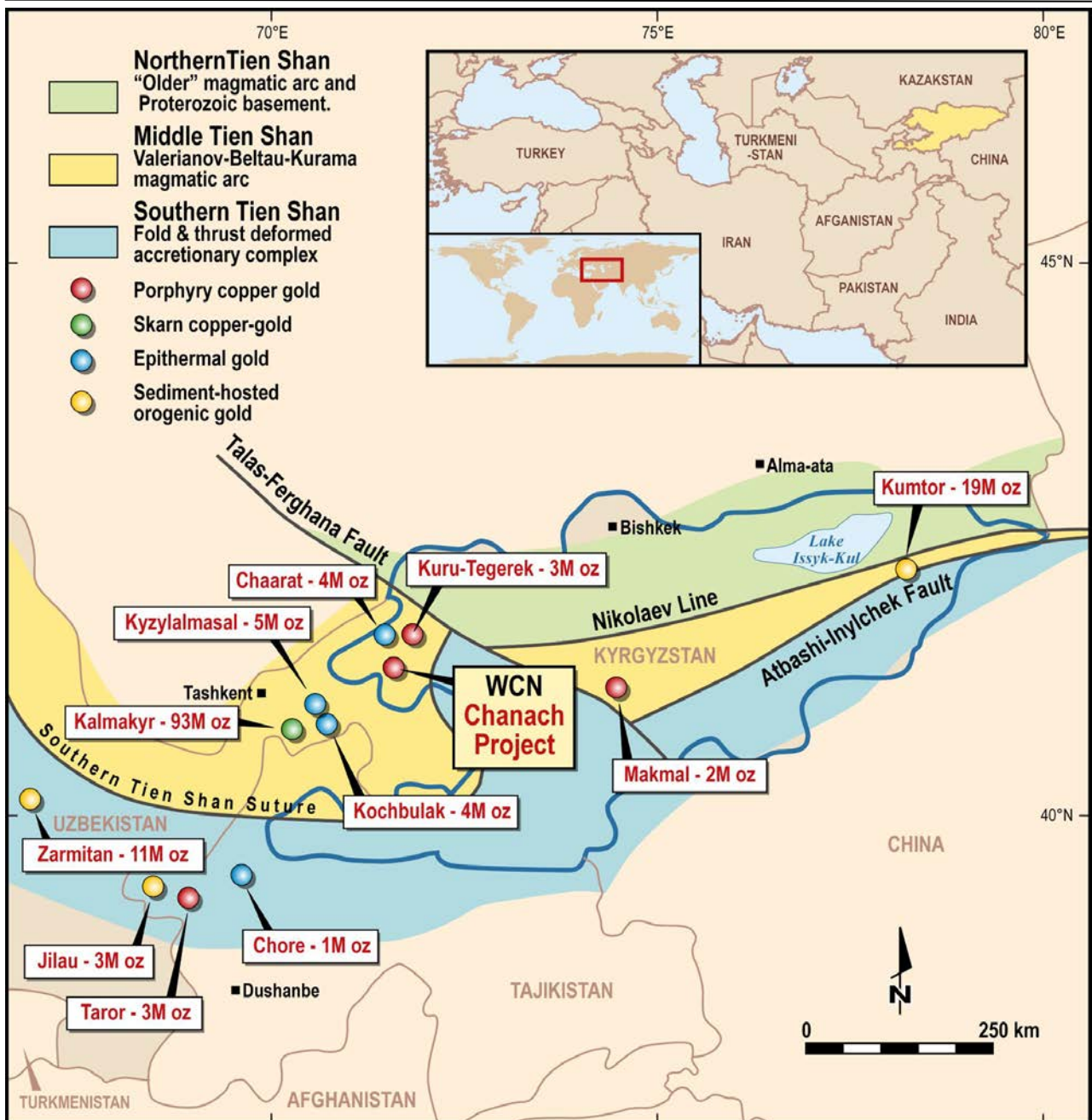
During the half year reverse circulation drilling at the Chanach copper-gold project in Kyrgyz Republic identified a major new gold deposit consisting of several shear zones (Map 1). Results included nineteen metres at 6 g/t gold, six metres at 8.6 g/t gold, six metres at 13.1 g/t gold and multiple other intersections at similar grades. Mineralisation starts at surface is open along strike at either end and at depth below the drilling.

The mineralised zones occur on the outer edge of a +1km² alteration system that displays extensive alteration and quartz veining along faults and shear zones that extend over 7 kilometres. The new discovery has been named Aucu and will be the focus of extensive exploration in 2015.

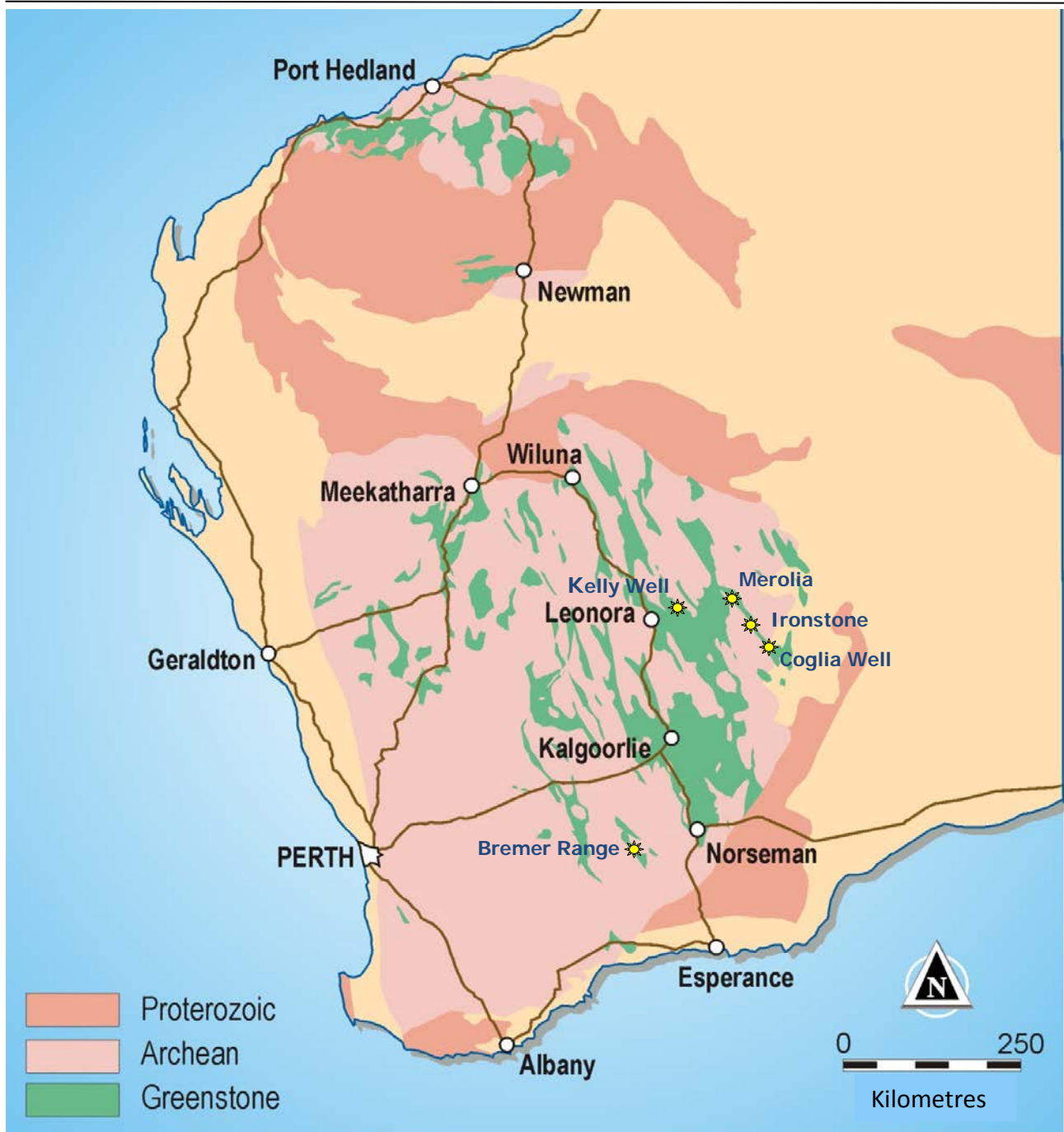
Western Australia

In Western Australia the Company is exploring several projects with the primary focus on the Merolia nickel projects (Map 2).

Multiple phases of soil geochemistry at the Merolia nickel and copper project have identified four major nickel soil anomalies at the McKenna and Rotorua prospects. The Company has recently commenced follow up detailed electromagnetic surveys (EM) at the McKenna and Coglia prospects to detect any basement conductors beneath the soil anomalies that occur along the basal contacts of the mafic intrusions.



Map 1 Chanach project location with regional geology with major gold deposits illustrated.



Map 2 White Cliff Minerals Limited Australian exploration projects

The Chanach Copper – Gold Project, Central Asia (88.7%)

The Chanach gold-copper project is situated in the northwest region of the Kyrgyz Republic in Central Asia and covers 83 km². During the half year the Company continued to receive assay results from the recently completed 3,037 metres reverse circulation (RC) drill program targeting the high grade gold and copper mineralisation identified in the 2014 trenching program. Drilling intersected widespread gold mineralisation in multiple shear zones with grades up to 32 g/t gold.

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
- 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 Upper Gold Zone (UGZ) 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. 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.

The new gold discovery continues to expand the scale of the Chanach project and demonstrates that the project has the potential to host multiple large scale copper-gold resources. The current high copper price and forecast strength in the copper price is very encouraging and the Company believes there is opportunity to extract significant value from the copper mineralisation previously identified at the Chanach copper zone.

Ongoing Exploration

The Company has engaged an independent consultant to calculate a JORC compliant gold resource at the Aucu deposit. Following this, the Company will carry out further drilling to determine if the mineralised system extends along strike to the Chanach copper deposit 2,500 metres to the east.

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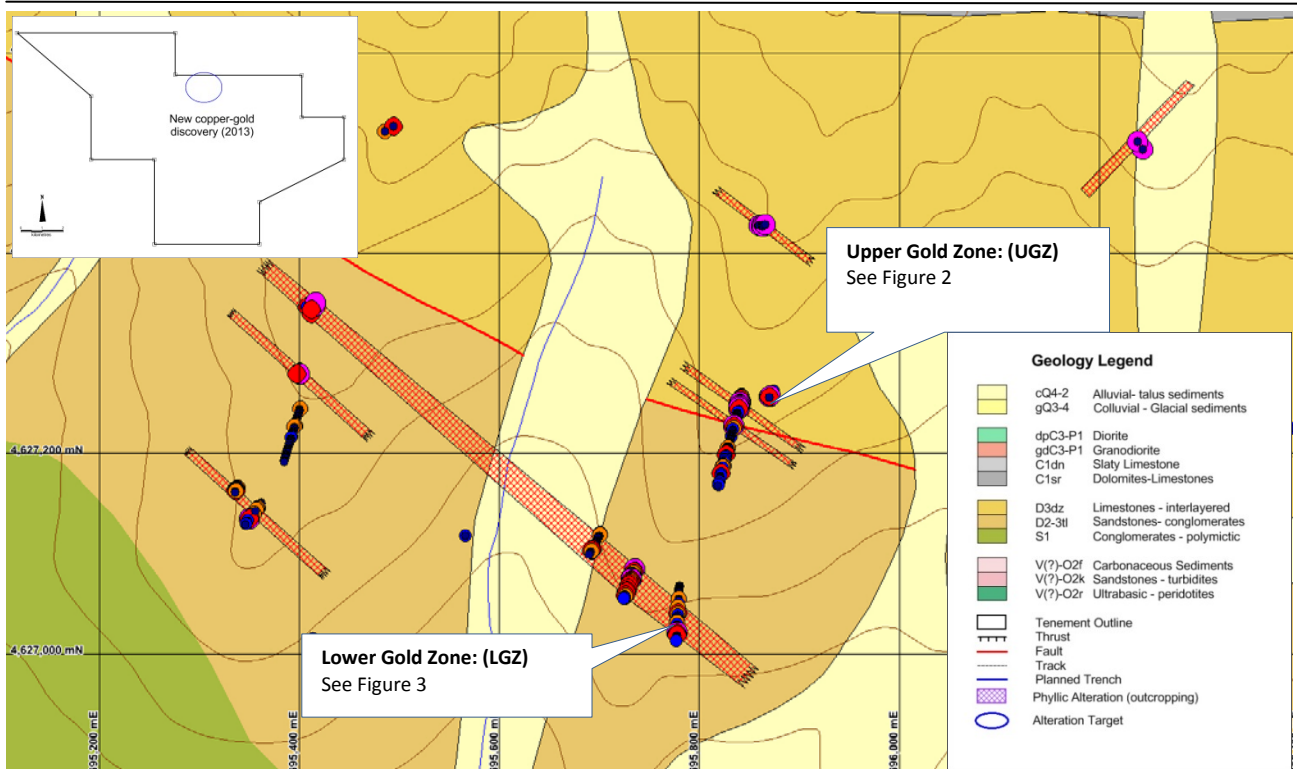


Figure 1 Interpreted mineralised upper gold zone and lower gold zone (red hatched areas) at the Aucu deposit.

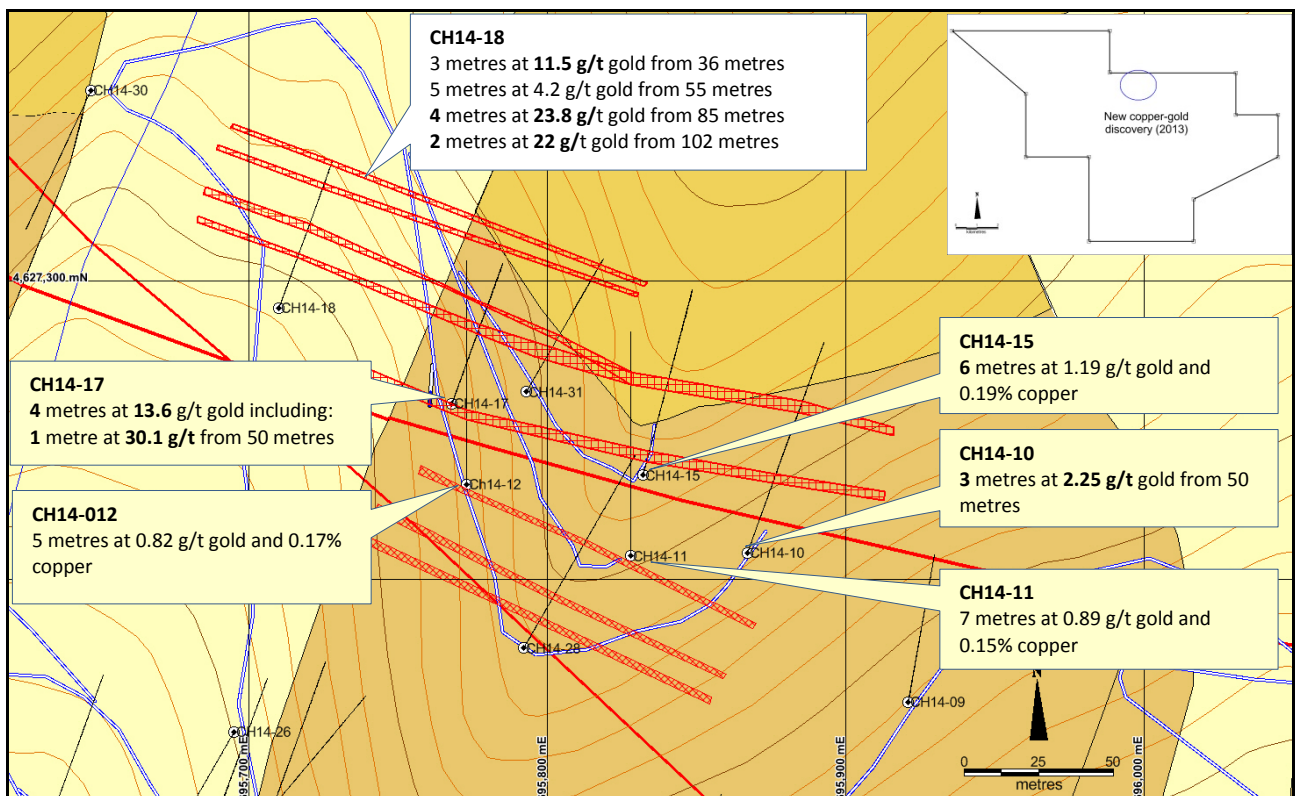


Figure 2 Upper Gold Zone (UGZ) map showing completed drill hole locations, roads in blue, new roads dashed blue lines and mineralised zone in red

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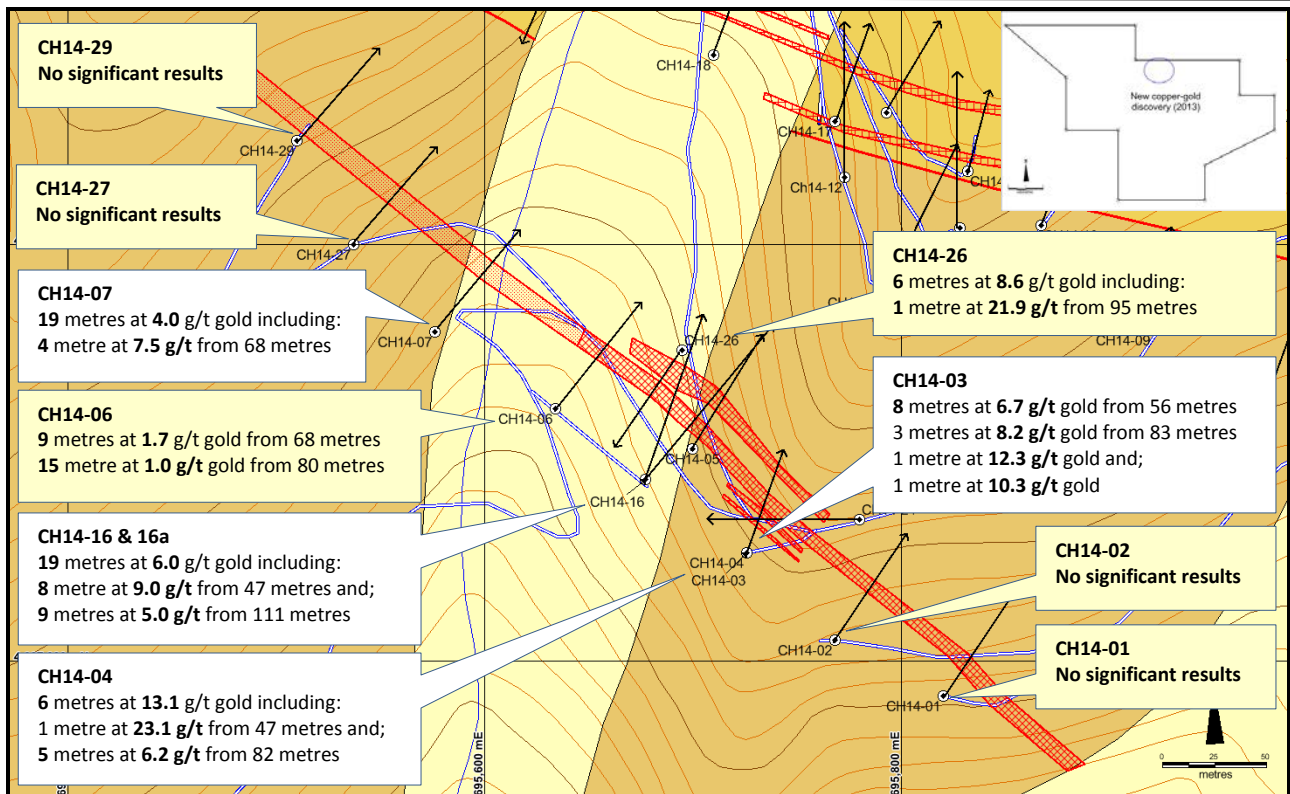


Figure 3 Lower Gold Zone (LGZ) map showing completed drill-hole locations, roads in blue, mineralised zones in red hatch, Interpreted mineralised extensions in red speckle. New results in yellow text box

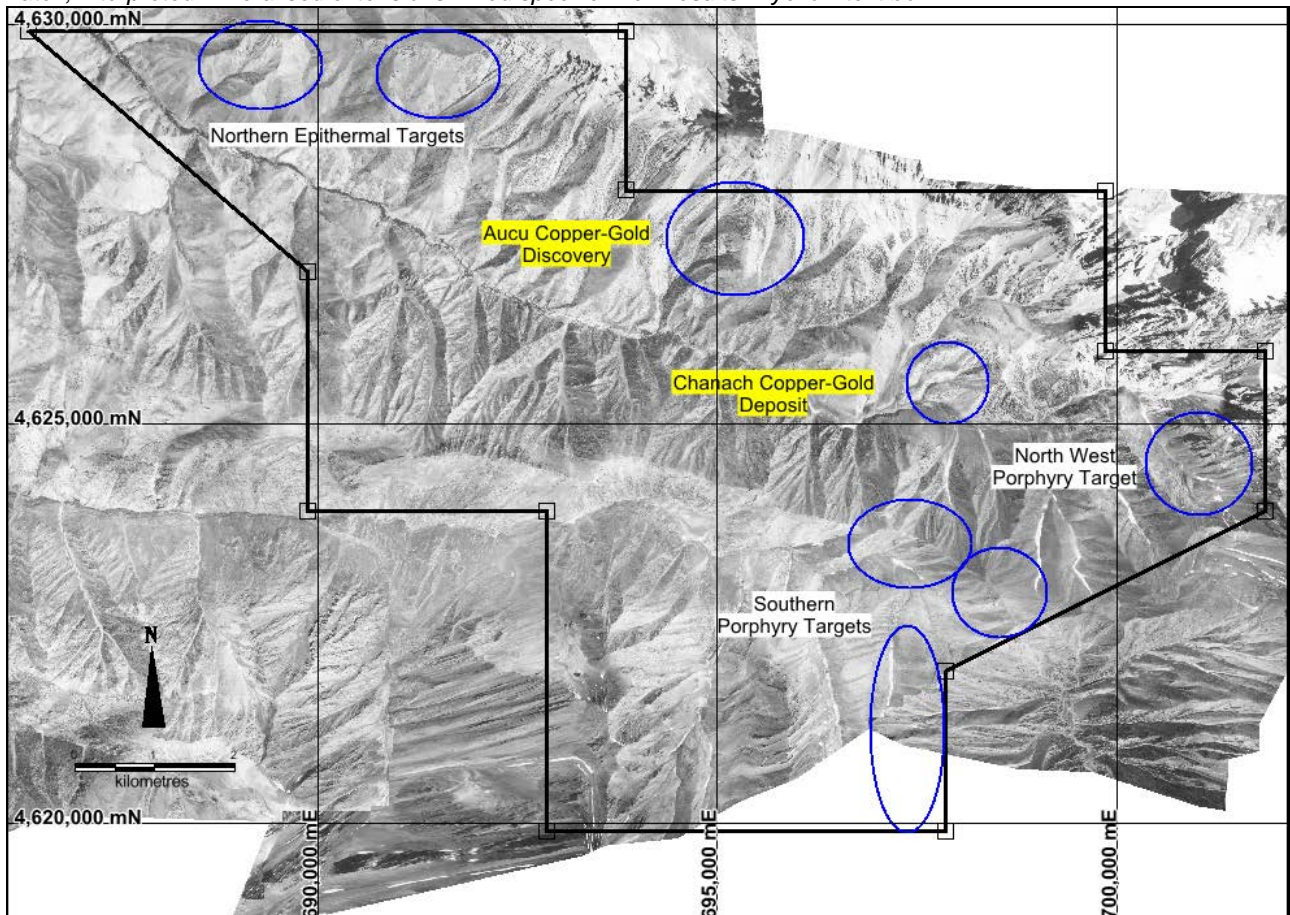


Figure 4 Map showing the location of the Aucu copper-gold discovery 2km to the NNW of the existing Chanach copper-gold deposit.

Merolia Nickel-Copper and Gold Project (100%)

During the half year to December 2014, 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).

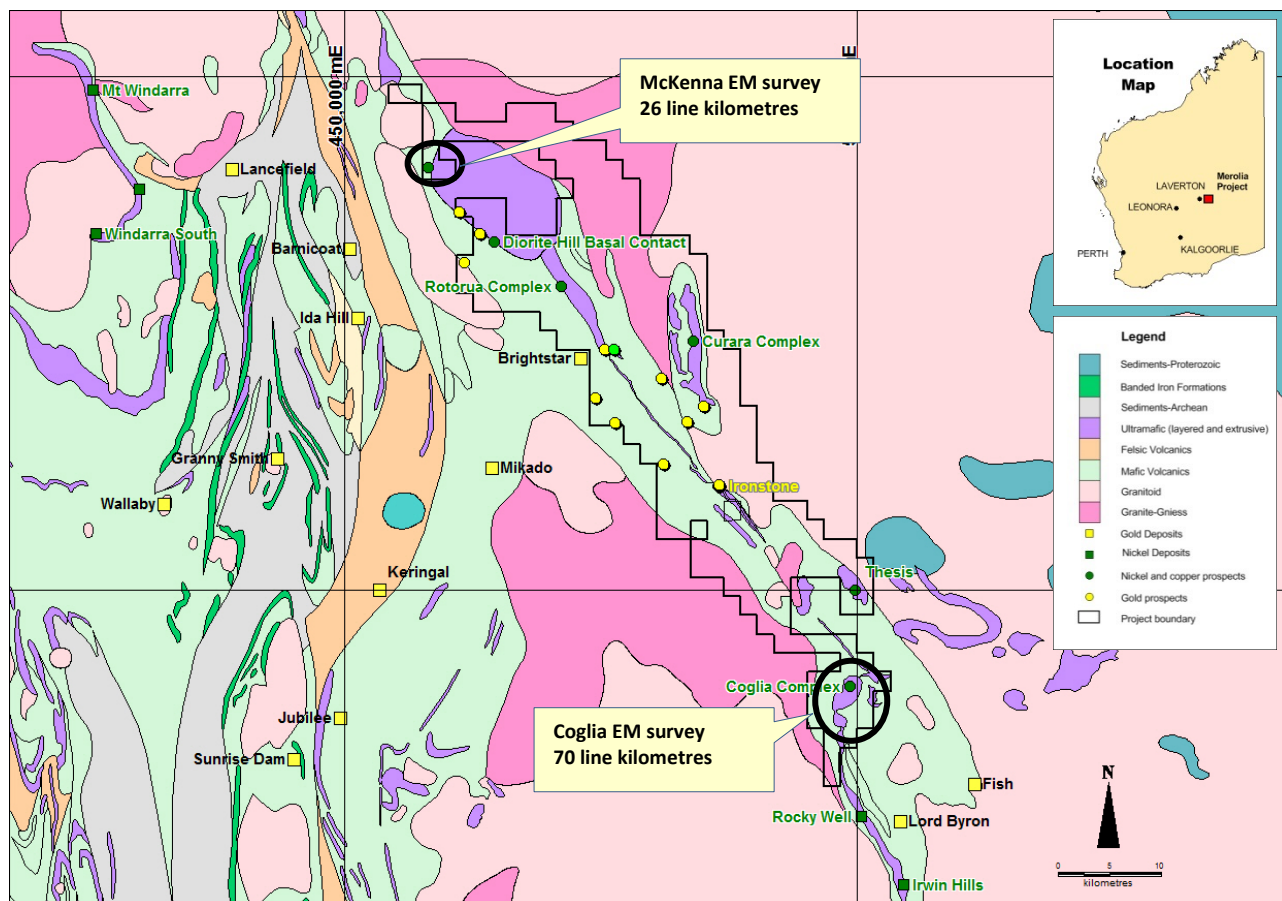


Figure 5 The geological plan of the 771 km² Merolia Project showing magmatic nickel-copper sulphide prospects, lode gold prospects and the locations of the current geophysical surveys.

The McKenna Nickel Prospect

The McKenna geophysical survey is testing two extensive nickel 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).

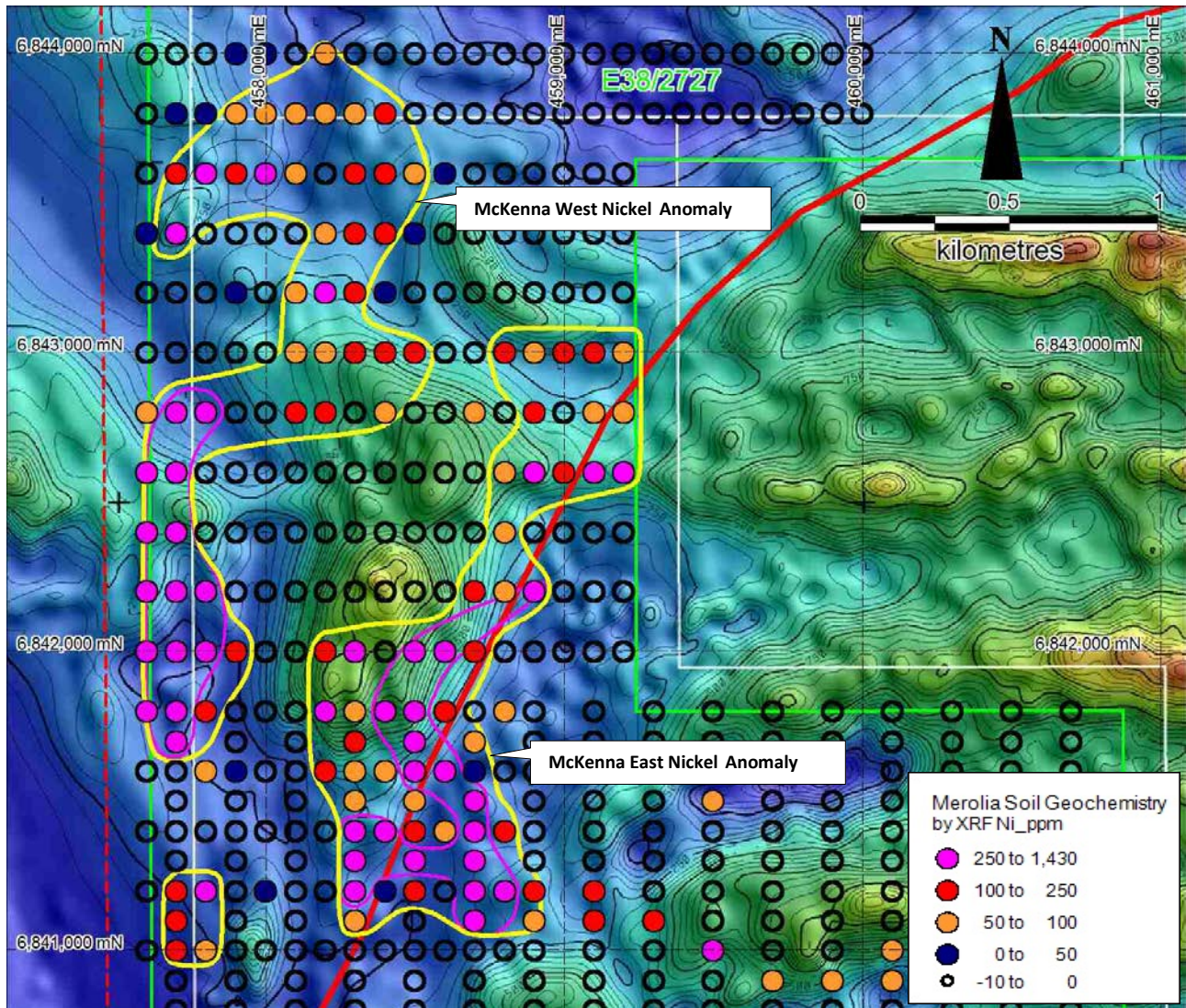


Figure 6 McKenna Nickel-chrome-Copper-Bismuth anomalism over Total Magnetic Intensity (Diorite Hill Layered Ultramafic Complex basal contact in red, pink contour is >250ppm Ni, yellow contour is >50ppm Ni)

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.

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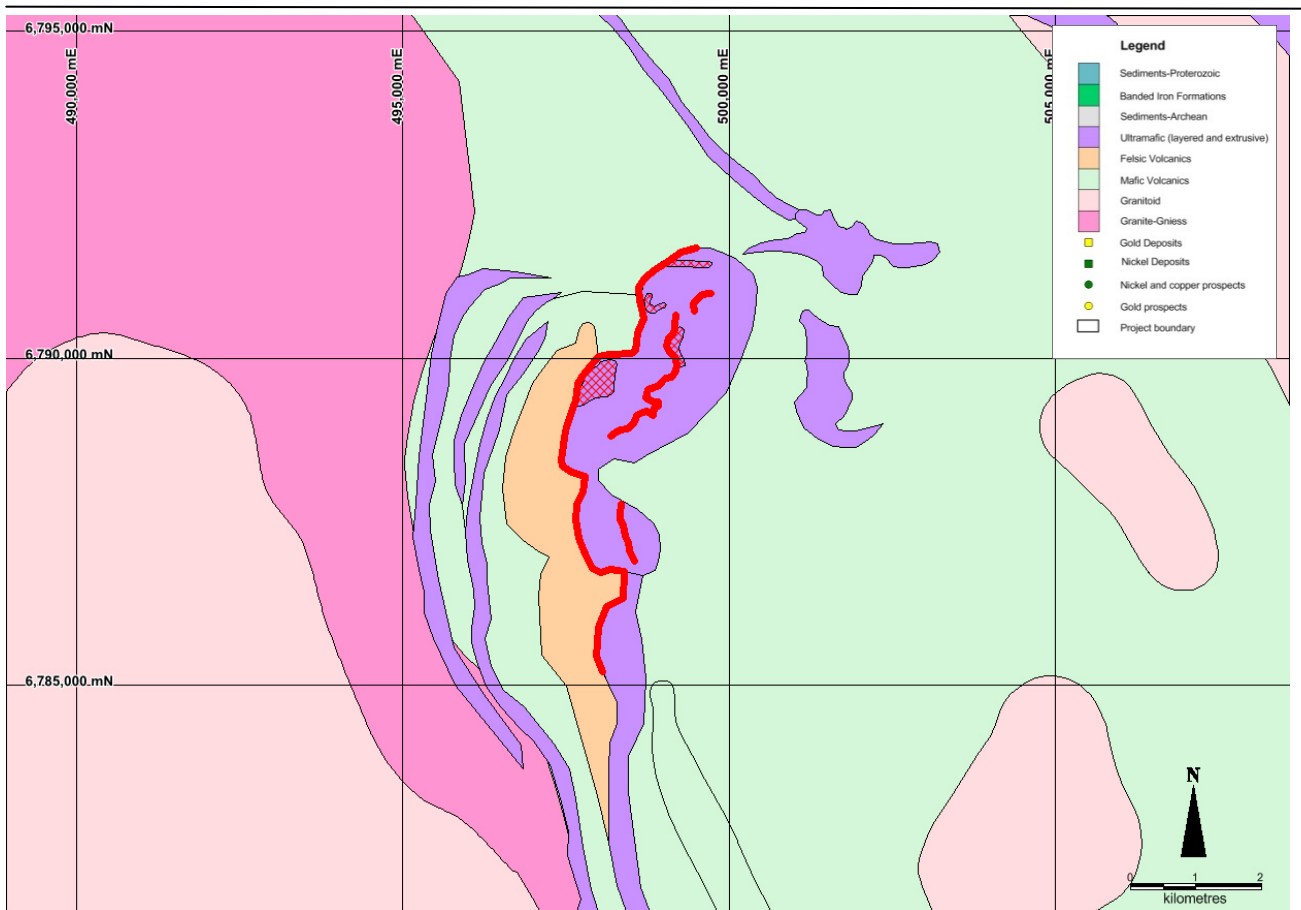


Figure 7 Plan of the Colgia ultramafic complex showing areas anomalous in copper, nickel and platinum group elements (red hatch) and prospective basal contacts (red trace)

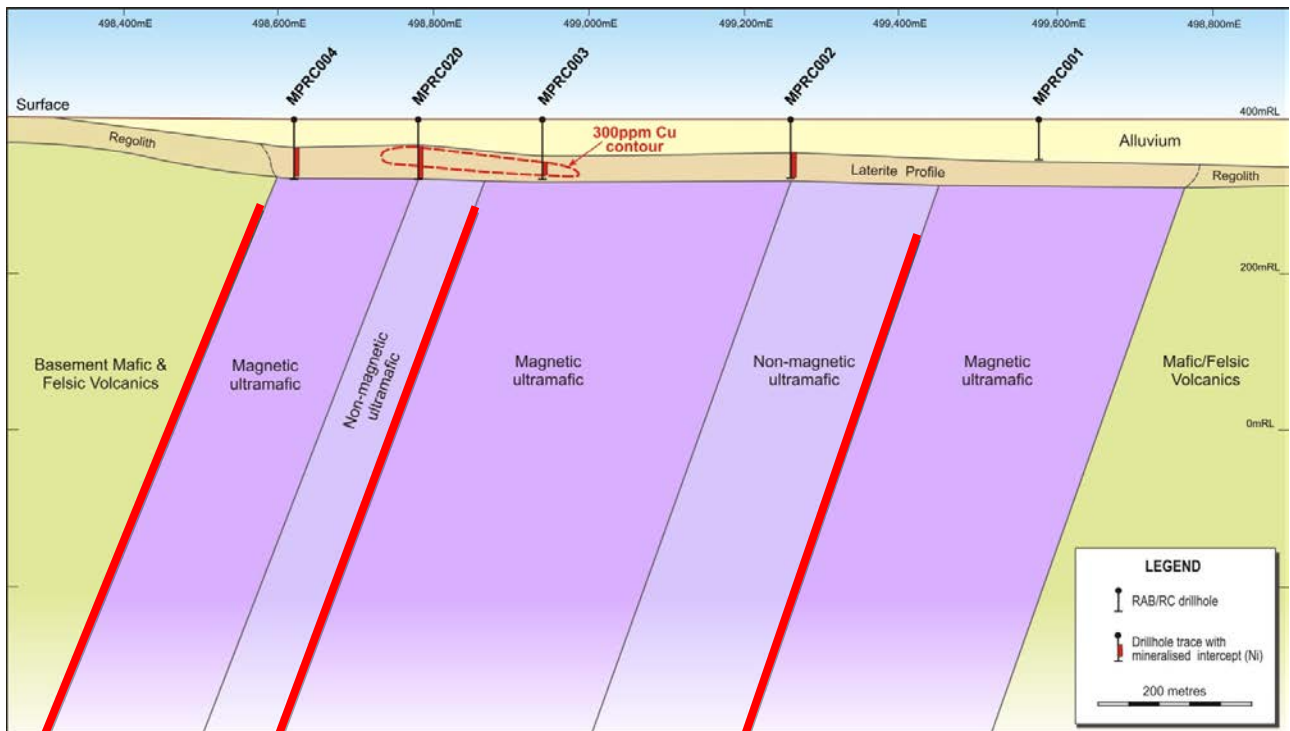


Figure 8 The Colgia ultramafic complex showing overlying nickel laterite and anomalous copper zone. Target zones for nickel-copper sulphide accumulations are shown in red.

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 work was undertaken on the Company's other projects during the half year to December 2014.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15 and forms part of the directors' report for the half year ended 31 December 2014.

This report is signed in accordance with a resolution of directors made pursuant to section 306(3) of the Corporations Act 2001.

M Langoulant
Executive Chairman

A handwritten signature in black ink, appearing to be 'M Langoulant', with a stylized 'A' and 'L'.

Perth
11 March 2015

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.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of White Cliff Minerals Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of White Cliff Minerals Limited and the entities it controlled during the half-year.



Perth, Western Australia
11 March 2015

N G Neill
Partner

White Cliff Minerals Limited
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Condensed Statement of Comprehensive Income
For the half year ended 31 December 2014

	Consolidated	
	31 December	31 December
	2014	2013
	\$	\$
Revenue		
Interest income	5,611	14,693
Government drilling grant	5,439	-
	<u>11,050</u>	<u>14,693</u>
Consulting fees	102,053	84,207
Employee benefits	219,244	162,925
Exploration expenditure	1,100,771	225,096
Project acquisition costs written off	-	199,679
Share based payment expense	-	59,344
Other expenses	189,422	85,277
Foreign exchange losses	45,031	-
	<u>1,656,521</u>	<u>816,528</u>
Loss before income tax expense	(1,645,471)	(801,835)
Income tax expense	-	-
Loss after income tax for the period	(1,645,471)	(801,835)
Other comprehensive income		
Other comprehensive income, net of tax	-	-
Total comprehensive income/(loss) for the period	(1,645,471)	(801,835)
	<u>Cents</u>	<u>Cents</u>
Basic loss per share (cents per share)	(0.4)	(0.4)

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

**Condensed Statement of Financial Position
As at 31 December 2014**

		Consolidated	
		31 December	30 June 2014
	Note	2014	
		\$	\$
Current assets			
Cash and cash equivalents		814,369	1,002,094
Trade and other receivables		22,752	396,498
Other assets		28,758	28,758
Total current assets		865,879	1,427,350
Non-current assets			
Exploration project acquisition costs	2	1,393,350	1,393,350
Total non-current assets		1,393,350	1,393,350
Total assets		2,259,229	2,820,700
Current liabilities			
Trade and other payables		170,760	219,390
Convertible borrowings		514,985	-
Total current liabilities		685,745	219,390
Total liabilities		685,745	219,390
Net assets		1,573,484	2,601,310
Equity			
Issued capital	3	16,900,139	16,822,494
Shares to be issued		540,000	-
Reserves		882,399	882,399
Accumulated losses		(16,749,054)	(15,103,583)
Total equity		1,573,484	2,601,310

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

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Condensed Statement of Changes in Equity
For the half year ended 31 December 2014

	Consolidated				
	Issued capital \$	Shares to be issued \$	Accumulated losses \$	Reserves \$	Total equity \$
Opening balance as at 30 June 2013	14,464,160	-	(13,477,516)	874,899	1,861,543
Loss for the period	-	-	(801,835)	-	(801,835)
Other comprehensive income	-	-	-	-	-
Total comprehensive result for period	-	-	(801,835)	-	(801,835)
Shares issued during the half year (net of issue costs)	-	-	-	-	-
Share-based compensation	-	-	-	59,344	59,344
Balance at 31 December 2013	14,464,160	-	(14,279,351)	934,243	1,119,052
Opening balance as at 30 June 2014	16,822,494	-	(15,103,583)	882,399	2,601,310
Loss for the period	-	-	(1,645,471)	-	(1,645,471)
Other comprehensive income	-	-	-	-	-
Total comprehensive result for period	-	-	(1,645,471)	-	(1,645,471)
Shares issued during the half year (net of issue costs)	77,645	-	-	-	77,645
Share applications received but not issued	-	540,000	-	-	540,000
Share-based compensation	-	-	-	-	-
Balance at 31 December 2014	16,900,139	540,000	(16,749,054)	882,399	1,573,484

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows
For the half year ended 31 December 2014

	Consolidated 31 December 2014 Inflows/(Outflows) \$	31 December 2013 Inflows/(Outflows) \$
Cash flows from operating activities		
Receipts from customers	358,400	-
Payments to suppliers and employees	(366,933)	(274,126)
Interest received	5,611	14,693
Net cash (outflow) from operating activities	(2,922)	(259,433)
Cash flows from investing activities		
Payments for exploration and evaluation	(1,272,402)	(335,236)
Purchase of exploration projects	-	(40,000)
Net cash (outflow) from investing activities	(1,272,402)	(375,236)
Cash flows from financing activities		
Borrowings	514,985	-
Proceeds from the issue of securities	93,200	-
Capital raising costs	(15,556)	-
Share applications received	540,000	-
Net cash inflow from financing activities	1,132,629	-
Net decrease in cash held	(142,695)	(634,669)
Cash at the beginning of the reporting period	1,002,094	1,190,649
Foreign exchange gains/(losses)	(45,031)	-
Cash at the end of the reporting period	814,369	555,980

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the condensed financial statements
For the half year ended 31 December 2014

Note 1: Basis of preparation of interim report

Statement of compliance

This general purpose financial report for the interim half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Act 2001* and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 '*Interim Financial Reporting*'.

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read with the annual report for the year ended 30 June 2014 and any public announcements made by White Cliff Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Basis of preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the interim report, the half year has been treated as a discrete reporting period.

Going Concern

The Company and its controlled entities as at 31 December (the "Group") did not generate sufficient cash flows from their activities to finance its activities. Thus the continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Group being successful in completing a capital raising and/or asset sale/joint venture agreement in the next 12 months. The directors have mitigated this risk by reducing the Group's corporate overheads and postponing expenditure on the Group's projects where possible.

As a result of these matters, there is a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. However, the directors believe that the Group will be successful in either raising capital or conducting a sale and/or joint venture agreement and, accordingly, have prepared the financial report on a going concern basis.

Significant accounting judgments and key estimates

The preparation of half-year financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Note 1: Basis of preparation of interim report (cont)

In preparing this half year report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group when compiling its annual 30 June 2014 financial statements.

Adoption of new and revised accounting standards

In the half-year ended 31 December 2014 the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2014.

It has been determined by the Directors that there is no impact, material or otherwise, of the new Standards and Interpretations on the Group's business and therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2014. As a result of this the Directors have determined that there is no impact, material or otherwise, of the new and revised standards and interpretations on the Group's business and, therefore, no change is necessary to the Group's accounting policies.

Note 2: Exploration acquisition costs

	Consolidated	
	Six months ended	Twelve months ended
	31 December	30 June
	2014	2014
	\$	\$
Opening balance	1,393,350	814,612
Project acquisition costs	-	828,417
Project acquisition costs written off	-	(249,679)
	<hr/>	<hr/>
Acquisition costs in respect of areas of interest in the exploration phase	1,393,350	1,393,350

The recoverability of deferred project acquisition expenditure is dependent upon the successful development and commercial exploitation, or alternately the sale of areas of interest.

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Note 3: Issued capital

	Consolidated	
	Six months ended	Twelve months ended
	31 December	30 June
	2014	2014
	\$	\$
Issued and fully paid	16,900,139	16,822,494
<i>Movements in ordinary shares on issue</i>		
Opening balance	16,822,494	14,464,160
13 October 2014 – Convertible note fees & note conversion	51,778	-
12 November 2014 - Convertible note conversion	28,750	-
12 December 2014 - Convertible note conversion	30,250	-
24 March 2014 –Placement	-	167,490
8 May 2014 –Placement	-	1,032,210
8 May 2014 – Share Purchase Plan	-	502,200
8 May 2014 – Project acquisition	-	738,417
Share issue costs	(33,133)	(81,983)
Closing balance	16,900,139	16,822,494
	Shares	Shares
Opening balance	449,049,614	186,107,947
13 October 2014 – Convertible note fees & note conversion	5,829,269	-
12 November 2014 - Convertible note conversion	3,593,750	-
12 December 2014 - Convertible note conversion	3,781,250	-
24 March 2014 –Placement	-	18,610,000
8 May 2014 –Placement	-	114,690,000
8 May 2014 – Share Purchase Plan	-	55,800,000
8 May 2014 – Project acquisition	-	73,841,667
Closing balance	462,253,883	449,049,614

Shares to be issued

The Company conducted a 1:4 rights issue at an issue price of \$0.008 per share. This rights issue closed on 13 February 2015, however prior to period end the Company had received applications and application funds for 67,500,000 shares being \$540,000. These shares were issued on 27 February 2015.

Note 4: Options

(a) Share options

	Number of options	
	31 December 2014	30 June 2014
Options exercisable at \$0.03 on or before 11 March 2017 (i)	102,050,017	102,050,017
Options exercisable at \$0.06 on or before 30 September 2014 (ii)	-	116,227,300
	102,050,017	218,277,317

(b) Movements in share options

	Six months ended 31 December 2014	Twelve months ended 30 June 2014
(i) Options exercisable at \$0.06 on or before 30 September 2014:		
Beginning of the financial period	116,227,300	116,227,300
Options expired during period	(116,227,300)	-
	-	116,227,300

Note 5: Segment information

The following table presents the segment revenue and loss information provided to the Board for the period ended 31 December 2014 and 31 December 2013.

	Australia \$	Kyrgyz Republic \$	Consolidated \$
31 December 2013			
Segment revenue	14,693	-	14,693
Segment result	(635,048)	(166,787)	(801,835)
Segment assets	729,247	500,000	1,229,247
Segment liabilities	110,195	-	110,195
31 December 2014			
Segment revenue	11,050	-	11,050
Segment result	(667,005)	(978,466)	(1,645,471)
Segment assets	970,812	1,288,417	2,259,229
Segment liabilities	674,610	11,136	685,746

Note 6: Contingent liabilities

There have been no changes in contingent liabilities since the last annual reporting period.

Note 7: Subsequent events

There are no matters or circumstances that have arisen since 31 December 2014 that may significantly affect operations, results or state of affairs of the Group in future financial years except for:

- the Company completed its 1:4 rights issue at an issue price of \$0.008 per share by issuing 82,468,474 shares raising \$691,747 in working capital (before issue costs); and
- a further US\$50,000 of convertible notes have been converted into shares at an issue price of \$0.008 per share by issuing 7,867,590 shares.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 16 to 24 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory and professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance as represented by the results of its operations, changes in equity and its cash flows for the half-year ended 31 December 2014; and
- (b) there are reasonable grounds to believe that White Cliff Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors made pursuant to S305 (5) of the *Corporations Act 2001*.



M Langoulant
Executive Chairman

Perth
11 March 2015

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of White Cliff Minerals Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of White Cliff Minerals Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of White Cliff Minerals Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 to the financial report which indicates that the continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they due are dependent upon the Group being successful in completing a capital raising and/or asset sale/joint venture agreement in the next 12 months. The directors have mitigated the risk by reducing the Group's corporate overheads and postponing expenditure on the Group's projects where possible.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.



HLB Mann Judd
Chartered Accountants



N G Neill
Partner

Perth, Western Australia
11 March 2015