



Quarterly Report - Activities

for the quarter ended 31 December 2015

Highlights

- **Drilling at the Aucu Gold Project discovers new high grade gold mineralisation**
- **Multiple + 1 Oz/tonne (>31 g/t) gold intersections were encountered**
- **Drilling Commences at the Merolia Nickel and Gold Project**
- **\$2.434 million raised via a placement and a heavily oversubscribed Share Purchase Plan**

White Cliff Minerals Limited ("White Cliff" or "the Company") is pleased to report its activities report for the December 2015 quarter.

Summary

In Central Asia, drilling at the high grade Aucu Gold project identified multiple new +1 ounce/tonne (>31 g/t) gold intersections at shallow depths along strike from previous drilling. Significant intersections included:

- 8 metres at **55.2 g/t gold** from 76 metres
- 4 metres at **59.9 g/t gold** from 66 metres, including 1 metre at **189 g/t gold**
- 2 metres at **43.5 g/t gold** from 86 metres
- 1 metre at **103.4 g/t gold** from 74 metres; and
- 3 metres at **44.2 g/t gold** from 53 metres, including 1 metre at **82 g/t gold**

The Company has commenced metallurgical test work on all mineralised intervals from the Aucu gold project to establish the percentage of gravity recoverable gold and leachable gold. The test work is being carried out in Australia and will provide critical information for initial project financial modelling. Results are expected during February 2016.

In Western Australia, subsequent to the end of the quarter, drilling commenced in January 2016 to test multiple nickel and gold targets at the McKenna, Cogia and Ironstone prospect within the Merolia project.

During the December quarter the Company raised \$2.434 million via a combination of a placement to professional and sophisticated investors, plus a heavily oversubscribed share purchase plan.

Todd Hibberd
Managing Director
29 January 2016

1 The Aucu Gold Project, Central Asia (89%)¹

Exploration during the December quarter generated exceptional drill results with multiple gold intersections greater than 1 ounce per tonne (31 g/t) gold encountered at shallow depths along strike from previous drilling. Significant intersections included:

- 8 metres at **55.2 g/t gold** from 76 metres
- 4 metres at **59.9 g/t gold** from 66 metres, including 1 metre at **189 g/t gold**
- 2 metres at **43.5 g/t gold** from 86 metres
- 1 metre at **103.4 g/t gold** from 74 metres; and
- 3 metres at **44.2 g/t gold** from 53 metres, including 1 metre at **82 g/t gold**

The Company completed 1,994 metres of RC drilling in the December quarter targeting highly mineralised structures identified from soil sampling and trenching at the Aucu gold deposit. Drilling tested four key structures and encountered substantial gold mineralisation in each structure. (Further information is available in ASX releases dated 17/11/15; 1/12/15; 07/12/15 and 21/12/15).

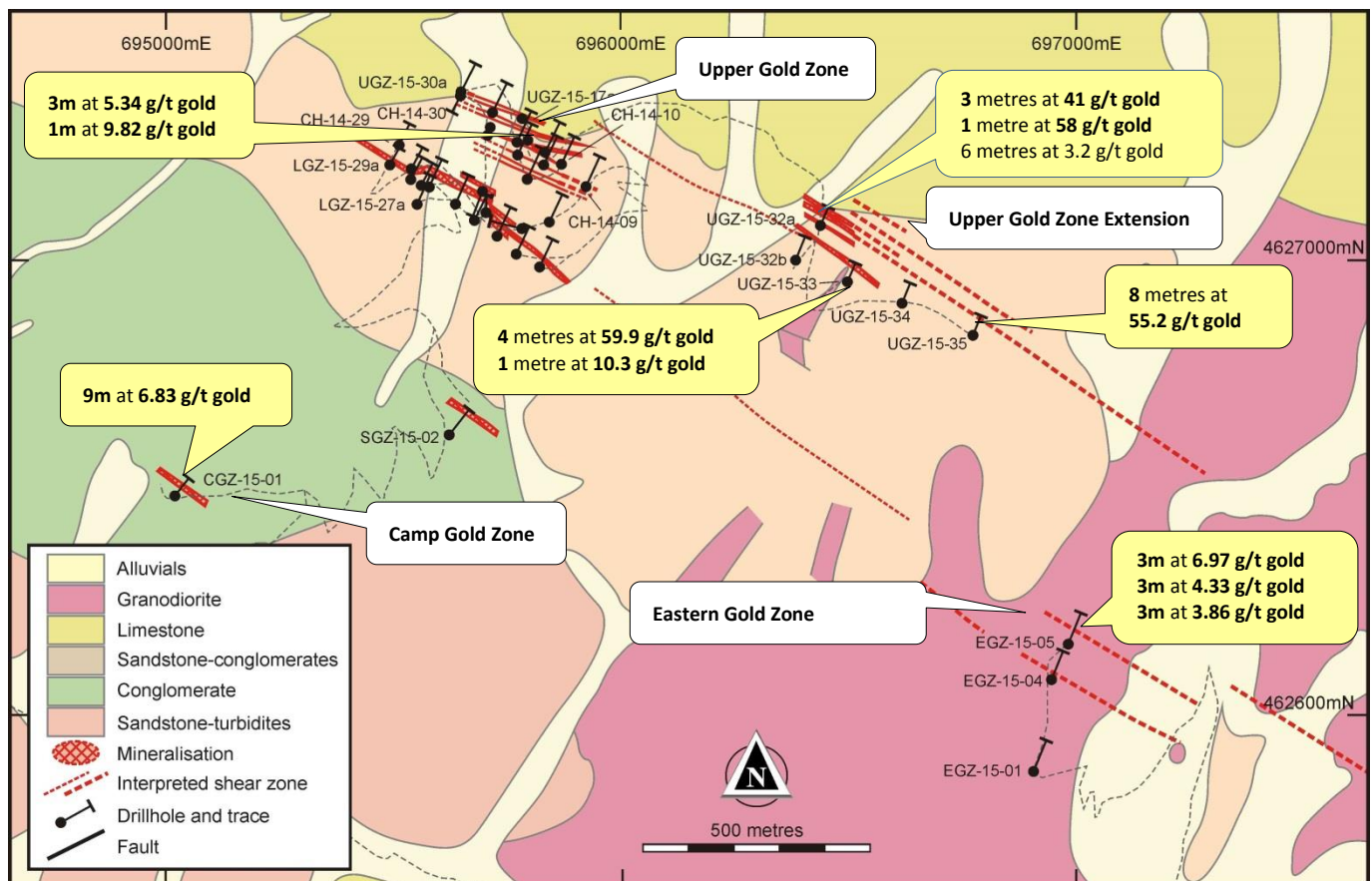


Figure 1 Aucu Gold deposit showing drilling locations. Mineralised zones are depicted by red hatched areas (known) or red lines (Inferred).

Metallurgical Test Work

The Company has commenced preliminary metallurgical test work on all mineralised intervals from the Aucu Gold Project to establish the percentage of gravity recoverable gold and leachable gold. The test work is being carried out in Australia and will provide critical information for initial project financial modelling. Results are expected during February 2016.

License Renewal

Subsequent to the end of the quarter, the Kyrgyz State Agency for Geology and Mineral Resources (SAGMAR) has issued a five year extension to the Chanach exploration license (AP 590) with an expiry date of 31 December 2020.

The Company is now seeking usual statutory approvals for the 2016 exploration program from the relevant state authorities (Geology, Mining, Environment, Forestry and the regional government). A further announcement will occur once these approvals have been received.

Structural Model of Aucu Gold Mineralisation

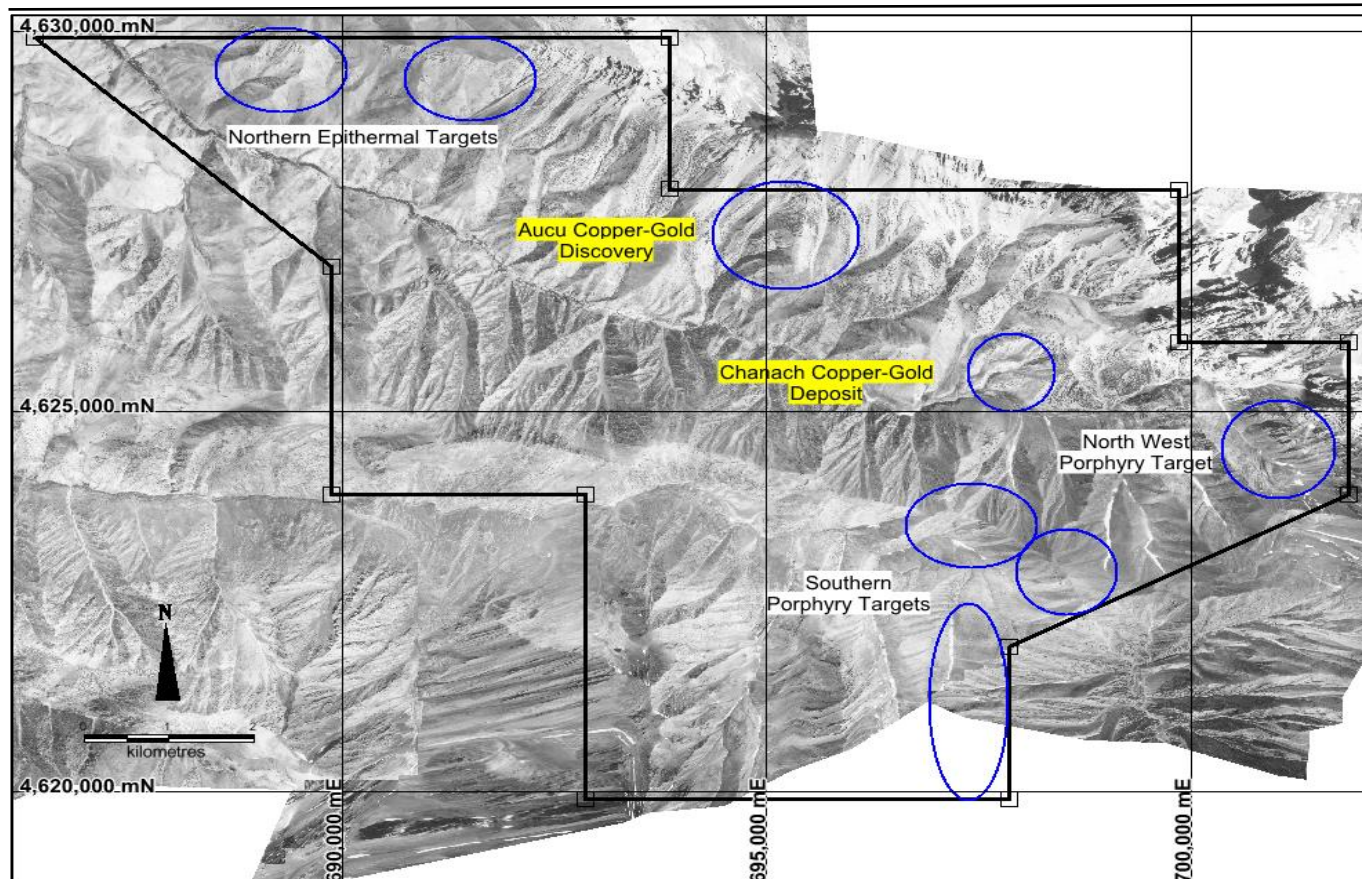
The Company has engaged consultants Southern Geoscience to prepare a detailed structural interpretation of the ground magnetic data collected in 2015. The interpretation will integrate existing mapping, drilling and magnetic data to produce a detailed three dimensional model of the Aucu prospect which will be used to guide drilling locations in 2016. The model is expected to be completed during February.

Aucu Gold Project Background

The Aucu Gold Project contains extensive porphyry related gold and copper mineralisation starting at the surface and extending over several kilometres. Drilling during 2014 has defined a major **gold discovery** with an initial inferred resource of 1.15Mt at 4.2 g/t containing 156,000 ounces of gold. Drilling during 2015 has located extensive high grade gold mineralisation along strike from the existing resource. The new mineralisation is open along strike and at depth. Drilling has also defined a significant **copper deposit** at surface consisting of 10Mt at 0.41% copper containing 40,000 tonnes of copper. Extensive mineralisation occurs around both deposits demonstrating significant potential to increase the existing resource. The project is located in the Kyrgyz Republic, 350km west-southwest of the capital city of Bishkek and covers 83 square kilometres. The Aucu gold 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.



Location Map: Northwest Kyrgyz Republic, Central Asia



Project Map: showing Chanach license outline and location of the Aucu gold discovery 2.5 km to the NNW of the original Chanach copper deposit.

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

During the December quarter the Company finalised plans for a drilling campaign to test multiple nickel sulphide and gold targets at the McKenna, Coglia and Ironstone prospects within the Merolia project immediately southeast of Laverton, Western Australia (Figures 2). Drilling commenced in January 2016. Details of the drilling program and specific targets are outlined below.

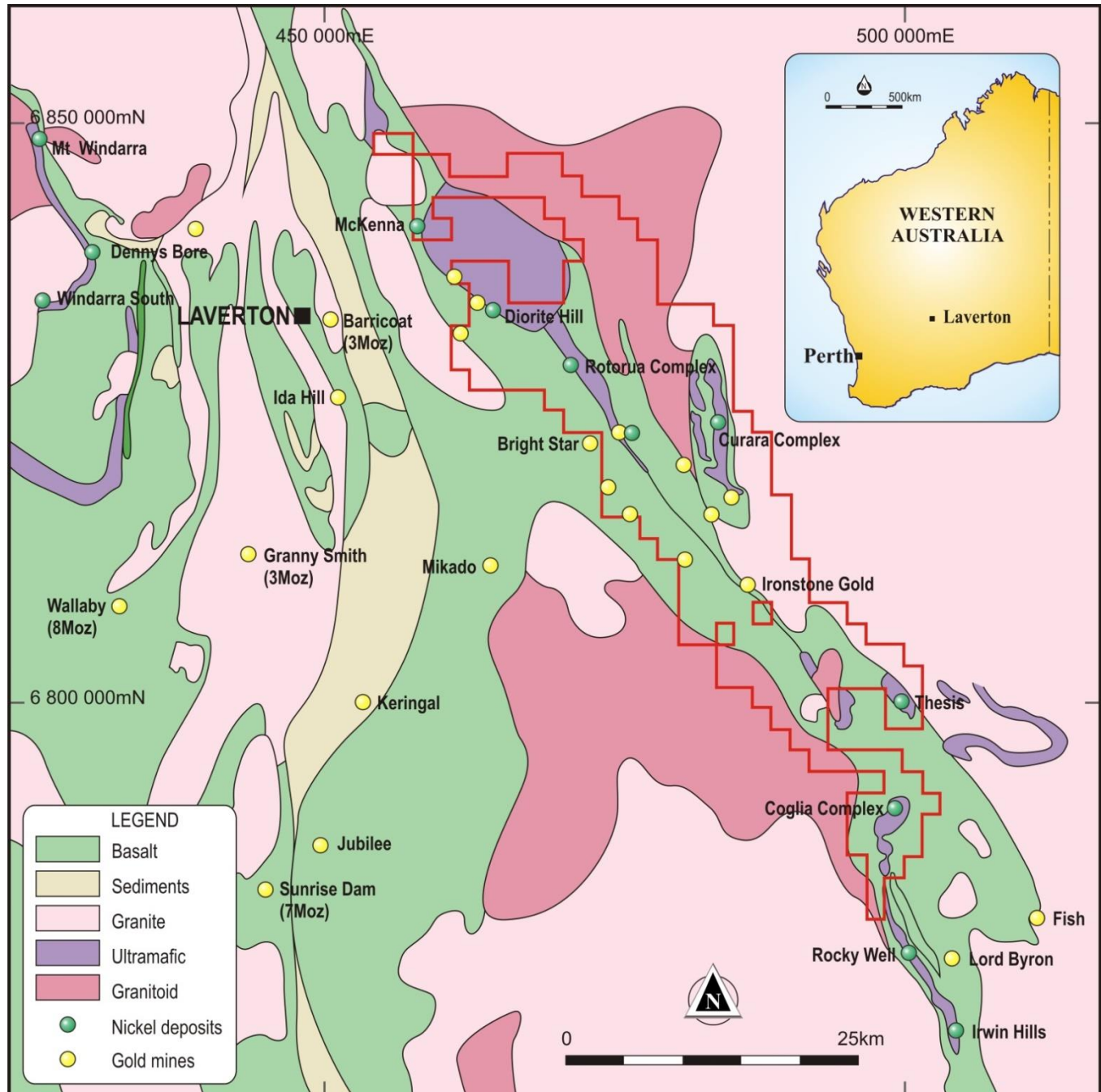


Figure 2 Map of the tenements at the Merolia Project near Laverton WA, with target areas highlighted.

McKenna Nickel Sulphide Prospect (100%)

Approximately 800 metres of RC drilling will be conducted targeting three compelling massive nickel sulphide targets that have been identified by consultants Newexco based on a moving-loop electromagnetic (MLEM) survey completed at the McKenna and Coglia nickel prospects East of Laverton, Western Australia (Figure 3).

The position of the McKenna bedrock conductors and geological setting is strikingly similar to the setting at the Nova-Bollinger nickel-copper deposit. The conductors occur on the boundary (basal contact) of the Diorite Hill layered mafic intrusions adjacent to an ultramafic (komatiite) unit and within the interpreted feeder conduit.

The margins of a layered mafic intrusion and the feeder conduit are considered highly favourable positions for the concentration of massive nickel sulphides. The conductors are also associated with the margins of highly magnetic units and are coincident with very strong nickel-copper soil anomalies where the conductor is projected to surface (Figure 3).

The cost of the McKenna drilling will be partially offset by a \$150,000 grant from the Western Australian government to drill several nickel sulphide targets at the Company's Merolia project. The grant is part of the Royalties for Regions Exploration Incentive Scheme (EIS) administered by the Department of Mines and Petroleum (DMP). The DMP will fund 50% of the total direct drilling costs up to a maximum of \$150,000.

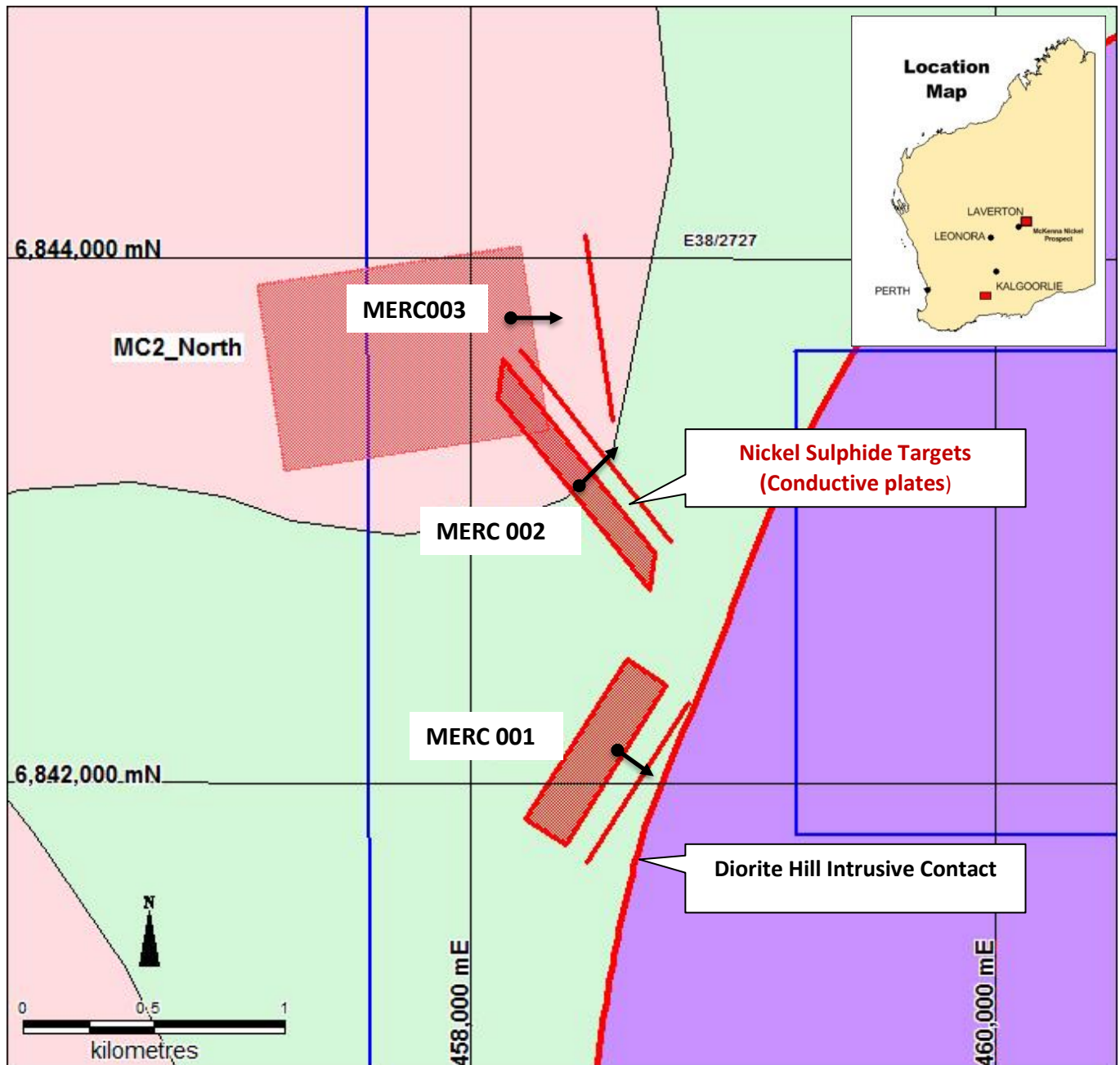


Figure 3 EM conductors identified at the McKenna prospect adjacent to basal contact of layered mafic intrusion (purple) and proposed drilling

Coglia Nickel Sulphide Prospect (100%)

A geophysical survey conducted in January 2015, identified two conductors which geophysical consultants Newexco identified as having anomalous time decay constants of 40-100 milliseconds and mid-range conductivities of 500 -1110 Siemens.

The conductive plates occur either on the contact of the main mafic-ultramafic intrusion or within the feeder conduit immediately adjacent to the intrusion. The top of the conductors occur at depths of 125 to 250 metres below

surface and the conductors (CC01N-CC01S) occur under quaternary sediments masking any significant surface geochemical expression.

Approximately 500 metres of RC drilling will be conducted to test conductor CC01N and the LUU target.

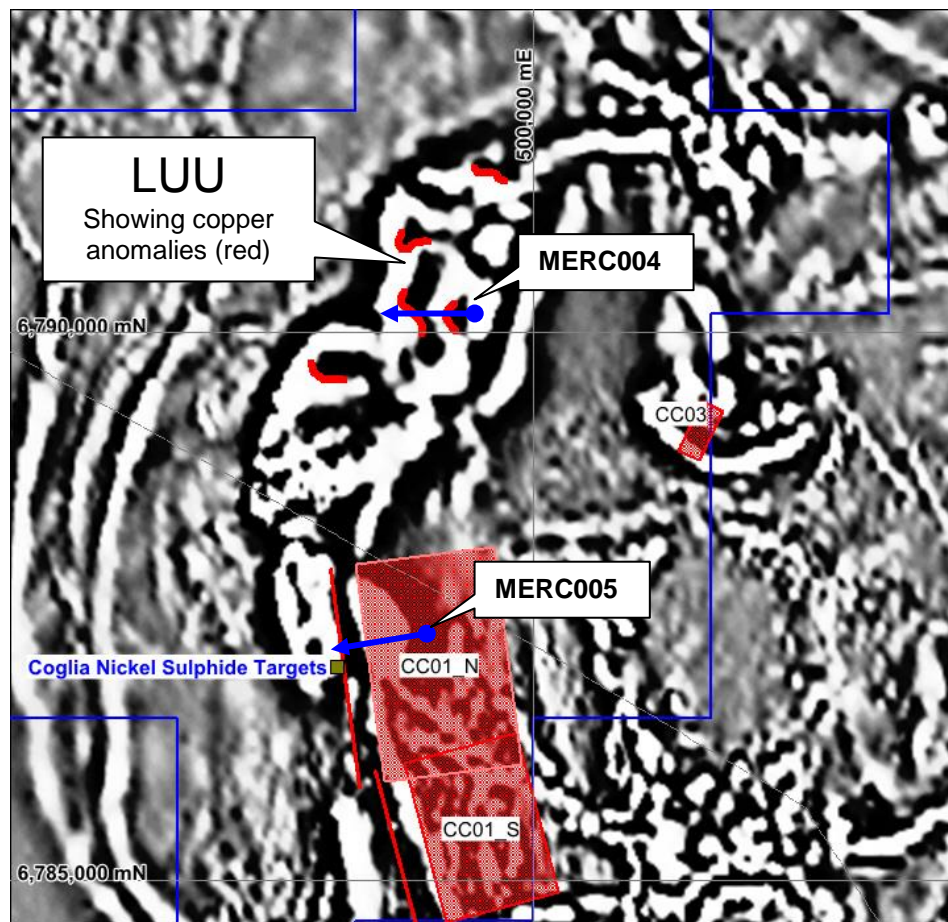


Figure 4 Conductor CC01N (red) on interpreted geology with proposed drilling

The LUU target occurs as a strong nickel-copper-platinum-palladium geochemical anomaly within the Caglia intrusion. Historical drilling encountered 20 metres at 0.84% nickel and 400ppm Copper. In particular the copper anomaly is discrete and occurs immediately above a contact within the ultramafic unit with holes either side being devoid of copper.

Ironstone Gold Prospect (100%)

The Ironstone Gold prospect contains sparsely defined mineralised shear zones where historical drilling encountered 8 metres at 24 g/t gold consisting of sheared basalts and quartz veining. Adjacent holes also encountered significant mineralisation including 4 metres at 5 g/t and 4m at 2 g/t gold.

The Company has compiled all historical exploration information and developed a 3D model of the mineralised system at the Ironstone prospect. The new exploration model indicates that the mineralisation is plunging to the south-east and trending parallel with the regional shear zone and may represent a series of tensional quartz veins.

Approximately 1,000 metres of drilling will target the historical high grade gold mineralisation encountered within fractured basalt unit adjacent to a regional shear zone.

Drilling (IRRC001) will also test a discrete but intense conductor immediately north-west of the known mineralisation. The conductor was defined using a Sub Audio Magnetic geophysical survey and may represent sulphidic quartz vein system postulated to be the source of the high grade mineralisation identified by the drilling. The conductor is wholly with the basalt sequence and occurs as a weak silica-potassium-zinc alteration anomaly at surface. The conductor has never been drilled.

The third target occurs 800 metres south-east of the main mineralised zone where a historical RAB hole intersected 1 metre at 5 g/t gold at the bottom of hole. One RC hole will be drilled below this target which may represent the top of a plunging mineralised zone.

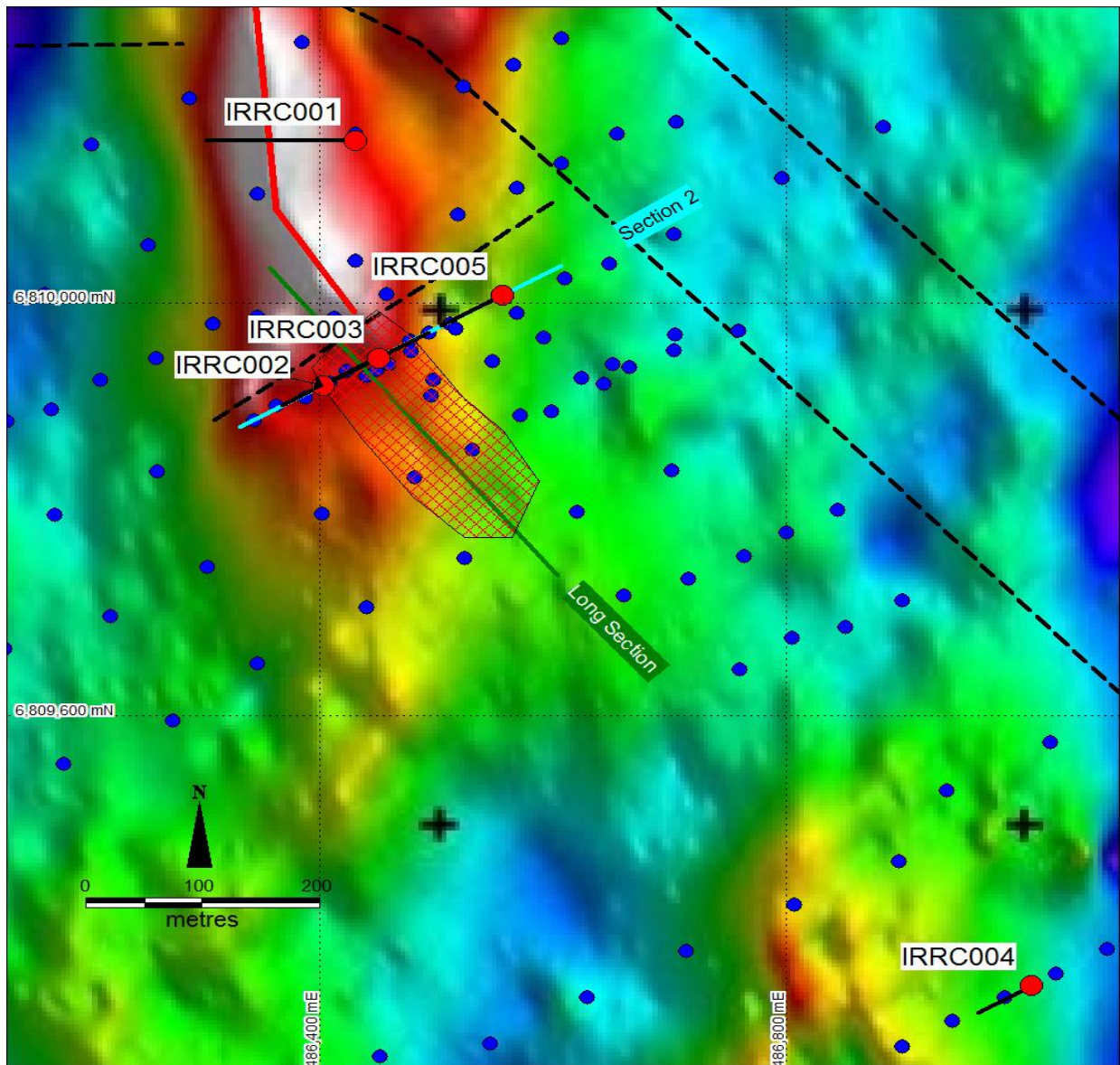


Figure 5: Proposed RC holes with drill direction over the TFMMR image

Table 1 Planned Merolia RC Drill hole details

Hole ID	Northing	Easting	Azimuth	Dip	Depth	Description of Target
MERC001	458650	6842110	90	-60	250	McKenna: Conductive plate on intrusion contact
MERC002	458300	6843200	90	-60	250	McKenna: Conductive plate on basal contact
MERC003	458120	6843600	90	-70	300	McKenna: Conductive plate on contact of granitoid/ultramafic
MERC004	498875	6790800	270	-60	250	Coglia: Ni-Cu-Pt-Pd regolith geochemical anomaly
MERC005	498600	6787300	270	-60	250	Coglia: Conductive plate on basal contact
IRRC001	486580	6810330	270	-60	250	Ironstone: Test conductive TFMMR anomaly at depth
IRRC002	486530	6810130	62	-60	220	Ironstone: Scissor hole through main gold lode
IRRC003	486590	6810105	242	-60	200	Ironstone: Western extent of main gold lode
IRRC004	487150	6809500	242	-60	90	Ironstone: Testing underneath 1m at 5.7g/t gold 800m from main lode
IRRC005	486700	6810160	242	-60	150	Ironstone: Eastern extent of main lode



Merolia 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 quarter the Company completed a placement to professional and sophisticated investors raising \$1.2 million through the placement of 200 million new Shares at \$0.006 per share. Participants in the placement also received one free unquoted option exercisable at \$0.02 on or before 31 December 2017 for every two shares subscribed ("**Placement**").

Also in the quarter the Company completed a share purchase plan (**SPP**) on the same terms as the Placement to raise an additional \$1,234,000. The SPP was heavily supported by White Cliff shareholders, but in accordance with the relevant *Corporations Act 2001* rules, the Company was unable to accept a significant number of SPP applications from shareholders.

4 Other Projects

The Company completed soil sampling programs at the Ironstone Gold, the Red Flag Gold and the Bremer Range Nickel projects. Samples from these programs are currently awaiting analysis and will be reported as they become available.

5 Tenement information

TENEMENT	PROJECT	LOCATION	OWNERSHIP	CHANGE IN QUARTER
AP590	Chanach	Kyrgyz Republic	89%	-
E38/2484	Merolia	Laverton	100%	-
E38/2552	Merolia	Laverton	100%	-
E38/2583	Merolia	Laverton	100%	-
E38/2690	Merolia	Laverton	100%	-
E38/2693	Merolia	Laverton	100%	-
E38/2702	Merolia	Laverton	100%	-
E38/2727	Merolia	Laverton	100%	-
E38/2847	Merolia	Laverton	100%	-
E38/2848	Merolia	Laverton	100%	-
E38/2849	Merolia	Laverton	100%	-
E63/1222	Bremer Range	Dundas	100%	-
E63/1264	Bremer Range	Dundas	100%	-
E63/1716	Bremer Range	Dundas	100%	-
P63/1988	Bremer Range	Dundas	100%	-
P63/1989	Bremer Range	Dundas	100%	-
E39/1479	Ghan Well	Laverton	100%	-
P39/5262	Laverton	Laverton	100%	-
P39/5263	Laverton	Laverton	100%	-
E39/1585	Laverton	Laverton	100%	-
E39/1586	Laverton	Laverton	100%	-
E31/1015	Mt Remarkable	Leonora	100%	-

About White Cliff Minerals Limited

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

Kyrgyz Aucu Gold Project (89%): The Project contains extensive porphyry related gold and copper mineralisation starting at the surface and extending over several kilometres. Drilling during 2014 has defined a major **gold discovery** with an initial inferred resource of 1.15Mt at 4.2 g/t containing 156,000 ounces of gold. Additional drilling in 2015 identified extensions of known high grade gold mineralisation with intersections as high as 8 metres at 55 g/t gold. In addition drilling has also defined a significant **copper deposit** at surface consisting of 10Mt at 0.41% copper containing 40,000 tonnes of copper. Extensive mineralisation occurs around both deposits demonstrating significant potential to increase the existing resources.

The project is located in the Kyrgyz Republic, 350km west-southwest of the capital city of Bishkek and covers 83 square kilometres. The Chanach project is located in the western part of the Tien Shan Belt, a highly mineralised zone that extends for over 2,500 km, from western Uzbekistan, through Tajikistan, Kyrgyz Republic and southern Kazakhstan into western China.

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 Cogia 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.

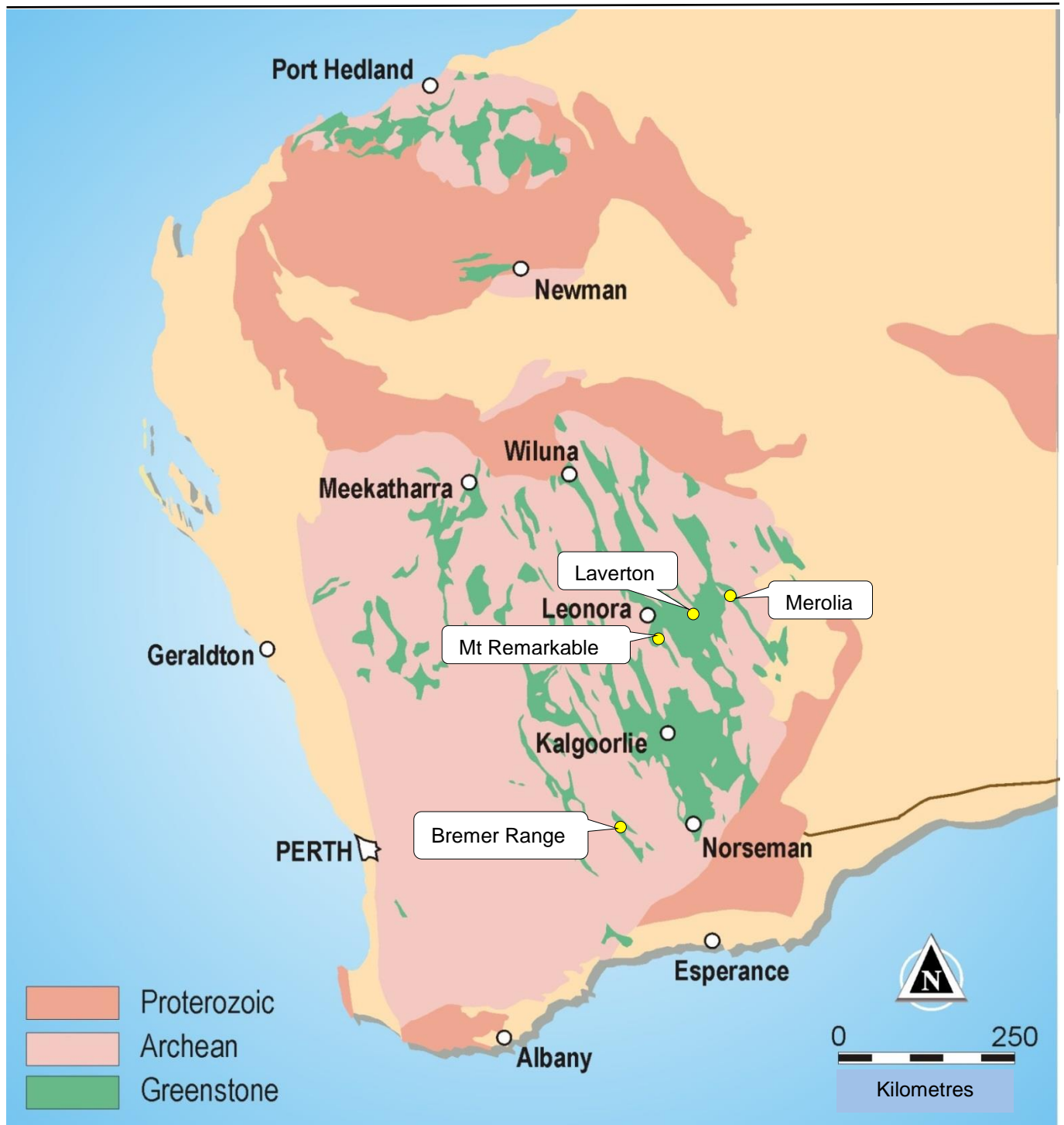
Laverton Gold Project (100%): The project consists of 136 square kilometres of tenement applications in the Laverton Greenstone belt. The core prospects are Kelly Well and Eight Mile Well located 20km southwest of Laverton in the core of the structurally complex Laverton Tectonic zone immediately north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

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

22 126 299 125

Quarter ended ("current quarter")

31 December 2015

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		
1.2	Payments for (a) exploration & evaluation	(898)	(1,345)
	(b) development		
	(c) production		
	(d) administration	(390)	(554)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	1
1.5	Interest and other costs of finance paid	(14)	(30)
1.6	Income taxes paid		
1.7	Other - Government R&D refund	172	172
Net Operating Cash Flows		(1,129)	(1,756)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(149)	(149)
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		(149)	(149)
1.13	Total operating and investing cash flows (carried forward)	(1,278)	(1,905)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,278)	(1,905)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,772	3,057
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		130
1.17	Repayment of borrowings	(436)	(611)
1.18	Dividends paid		
1.19	Other - capital raising costs	(247)	(247)
	Net financing cash flows	2,089	2,331
	Net increase (decrease) in cash held	811	426
1.20	Cash at beginning of quarter/year to date	44	456
1.21	Exchange rate adjustments to item 1.20	(27)	(54)
1.22	Cash at end of quarter	828	828

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	194
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

December quarter administration expenses were higher than normal due to the payment of a backlog of aged/deferred creditors. Director's payments in the quarter include back-payment of previously deferred wages and fees.

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

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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 \$000	Amount used \$000
3.1	Loan facilities	AUD40
3.2	Credit standby arrangements	

+ 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	7	44
5.2 Deposits at call	821	
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	828	44

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.

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,087,511,057	1,087,511,057		
7.4 Changes during quarter (a) Increases through issues (b) Decreases	435,511,391	435,511,391	\$0.006-0.007	100%
7.5 +Convertible debt securities <i>(description)</i>	-	-	\$US1 each	100%
7.6 Changes during quarter (a) Increases (b) Decreases	(165,000)	-	\$US1 each	
7.7 Options <i>(description and conversion factor)</i>	102,050,017 202,850,000 30,000,000	102,050,017 - -	<i>Exercise price</i> \$0.03 \$0.02 \$0.012	<i>Expiry date</i> 11/3/2017 31/12/17 1/12/18
7.8 Issued during quarter	202,850,000 30,000,000	- -	\$0.02 \$0.012	31/12/17 1/12/18
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ 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:



Company Secretary

Date: 29 January 2016

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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+ See chapter 19 for defined terms.