



White Cliff Minerals LTD

White Cliff Minerals Limited

ABN 22 126 299 125

Half year report
31 December 2015

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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 11, 172 St George's Terrace Perth, Western Australia 6000 Telephone: (08) 9323 2000 |
| Auditors | HLB Mann Judd Level 4, 130 Stirling Street Perth, Western Australia 6000 |
| Solicitors | Jackson MacDonald Level 25, 140 St Georges Terrace Perth, Western Australia 6000 |
| ASX code | White Cliff Minerals Limited is listed on the Australian Securities Exchange (Shares: WCN; Options: WCNOA) |

Directors' Report

Your Directors present their report for the half year ended 31 December 2015.

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

- Aucu Gold deposit drilling campaign identifies exception gold intersections
 - Key results include:
 - 8 metres at 55.2 g/t gold
 - 4 metres at 60 g/t gold
 - 6 metres at 38.4 g/t gold
 - Two new major mineralised structures identified by drilling.
 - Drilling extends mineralisation along strike from the already established Inferred JORC calculated gold resource of 1.15Mt at 4.2 g/t gold for 156,000 ounces of contained Gold
 - Substantial growth potential confirmed with the resource remaining open along strike and at depth for both deposits
 - Project Tenure extended to December 2020
 - Preliminary metallurgy reveals excellent total average gold recovery of 99% and average gravity recoverable gold of 88.6%
 - 2016 Drilling expected to significantly increase contained gold resource at Aucu

Exploration Summary

Central Asia

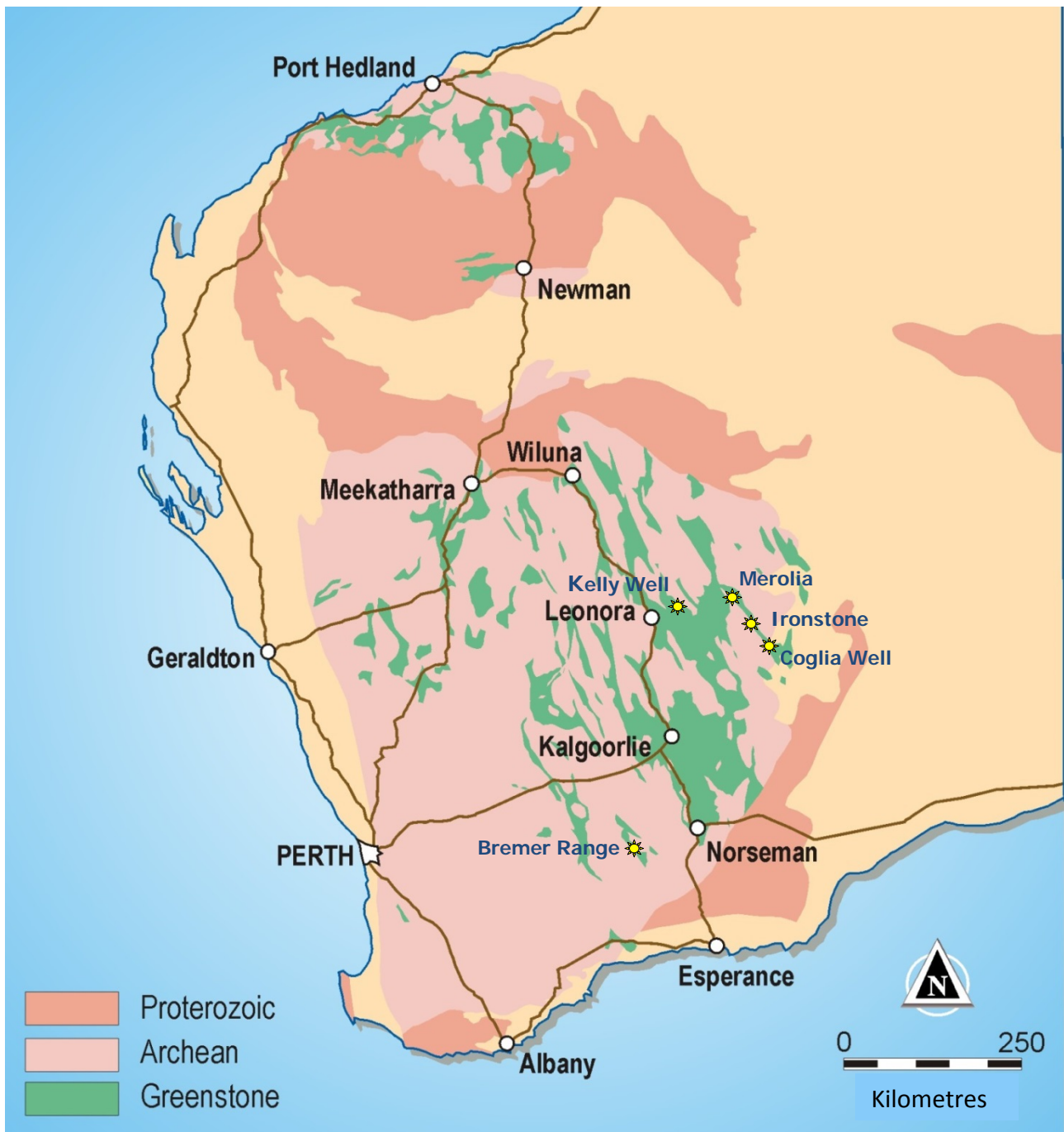
During the half year 1,994 metres of reverse circulation drilling was conducted at the Aucu high grade gold deposit in the Kyrgyz Republic (Map 2). Drilling was focused on extending the existing JORC compliant gold resource of 1.15 Million tonnes at 4.2 g/t containing 156,000 ounces of gold. The drilling program identified extensive new high grade mineralisation including: 8 metres at 55 g/t gold, 6 metres at 38.4 g/t gold, 4 metres at 60 g/t gold and multiple other intersections at similar grades. The additional gold mineralisation extends the upper gold zone an additional 600 metres to the east.

Drilling in 2016 will focus on significantly increasing the mineral resource at the Aucu gold deposit by drilling out the new zone.

Western Australia

In Western Australia the Company is exploring several projects with the primary focus on the Merolia nickel project (Map 1).

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. Detailed electromagnetic surveys (EM) at the McKenna and Cogia prospects detected five basement conductors beneath the soil anomalies that occur along the basal contacts of mafic-ultramafic intrusions. The Company has received a government drilling grant of up to \$150,000 to test the conductors at the McKenna Prospect for nickel sulphide mineralisation. Statutory government approvals have been granted to drill all five conductors and drilling commenced in January 2016.



Map 1 Australian exploration projects



Map 2 Chanach project location with regional geology with major gold deposits illustrated.

The Aucu Gold Project, Central Asia (89%)

During the half year reverse circulation drilling commenced at the Aucu high grade gold deposit in the Kyrgyz Republic (Map 2). A total of 1,994 metres of reverse circulation drilling identified extensive high grade mineralisation including: 8 metres at 55 g/t gold, 4 metres at 60 g/t gold, 6 metres at 38.4 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 new zones of gold mineralisation are in addition to the existing JORC compliant inferred gold resource of 1.2 Million tonnes at 4.2 g/t containing 156,000 ounces of gold.

Three New Mineralised Zones Discovered

Field work immediately discovered three new mineralised zones interpreted to be extensions of the Aucu gold deposit. The new mineralised zones are parallel to the existing zones and consist of:

The Upper Gold Zone East, 900 metres East of the UGZ which consists of a 500 metre long zone with drilling results including: 8 metres at 55 g/t gold, 4 metres at 60 g/t gold, 2 metres at 43 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 Eastern Gold Zone (EGZ) that occurs 1.5 kilometres east of the lower gold zone within granodiorite with drilling results including: 3 metres at 6.97 g/t gold, 3 metres at 4.33 g/t gold and an additional 3 metres at 3.56 g/t gold.

The Camp Gold Zone (CGZ) that occurs 400 metres South of the LGZ within sediments with drilling results of 9 metres at 6.83g/t gold The CGZ was initially identified from trenching results of 3 metres at 23.8 g/t gold.

Licence Extended to 2020

During December 2015 the Kyrgyz State Agency for Geology and Mineral Resources (SAGMAR) issued a five year extension to the Company's exploration license (AP 590) with an expiry date of 31 December 2020.

The Company is now seeking statutory approvals for the 2016 exploration program from the relevant state authorities (Geology, Mining, Environment, Forestry and the regional government). The approvals are progressing rapidly and the Company expects to be able to commence exploration in April 2016.

Metallurgical Test Work

Preliminary metallurgical test work revealed an average total overall gold recovery of 98.9% from intensive cyanide leaching of both the gravity concentrate and gravity tailings. The total gravity recoverable gold averaged an exceptional 88.6% from intensive cyanide leaching of the gravity concentrate.

The test work was conducted on 182 one metre RC samples which were composited into 69 samples representing each ore intersection from every hole (Figure 1). The samples represent ALL the mineralised intervals sampled from the 2014 and 2015 drill programs.

Further investigation of the test work revealed an average overall gold recovery of 99% for the samples that represent the current JORC Compliant resource (1.2 Million tonnes at 4.2 g/t gold). The above results indicate that all of the JORC Compliant Inferred resource is likely to have very high average recoveries and further, will be amenable to standard processing methods.

Aucu Gold Project Summary

1. JORC Compliant Inferred Gold Resource of 1.2 Mt at 4.2 g/t containing 156,000 ounces of gold
2. Mineralisation outcrops at surface
3. Three new mineralised zones discovered with exceptionally high average grades ~40+ g/t gold
4. Metallurgical average total gold recovery of 99%
5. Average gravity recoverable gold of 88.6%
6. Licence extended to December 2020

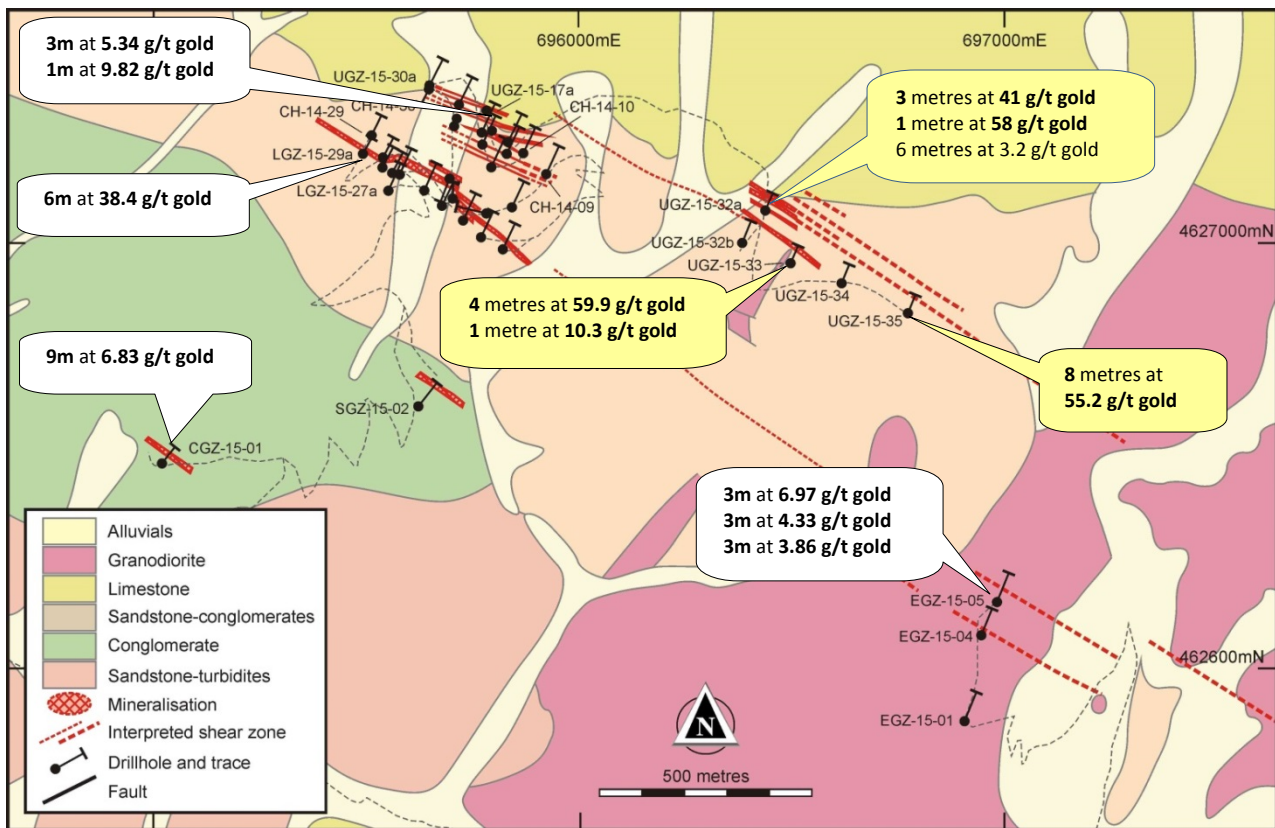


Figure 1 Aucu Gold deposit showing drilling locations. Holes highlighted by white outlines are reported in this announcement. Mineralised zones are depicted by red hatched areas (known) or red lines (Inferred).

Merolia Nickel-Copper and Gold Project (100%)

During the half year the company finalised drilling programs for the McKenna and Cogia nickel sulphide targets and the Ironstone Gold target (Figure 2). See ASX releases dated 21/01/2016 and 12/02/2016.

Drilling commenced in January 2016. High grade gold mineralisation was discovered at the Ironstone Gold prospect and the Company is planning further exploration. For detailed information see ASX release dated 29/02/2016.

Drilling was completed at the McKenna and Cogia nickel sulphide targets in February 2016. Samples for both drilling programs are currently at the laboratory undergoing analysis. Results will be released as they become available.

Other Projects

In the half year no significant exploration was undertaken on the Company's remaining exploration projects.

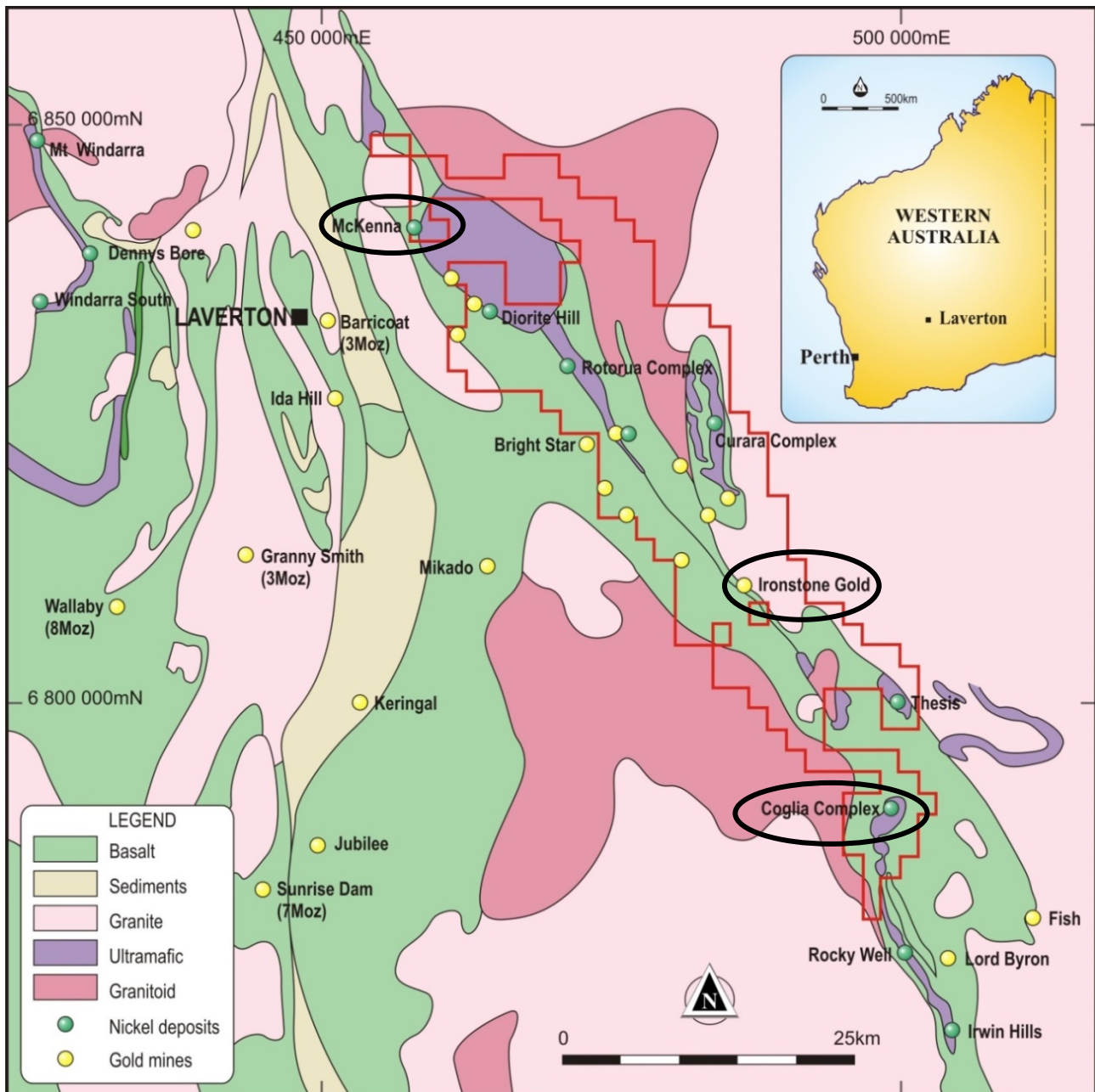


Figure 2 The geological plan of the 771km² Merolia Project showing magmatic nickel-copper sulphide prospects lode gold prospects and the locations of the current geophysical surveys

Corporate

During the half-year completed a placement and shareholder purchase plan that together raised \$2,434,000, by the issue of ordinary shares at \$0.006, to continue exploration on the Aucu gold deposit in Kyrgyz and the Merolia nickel and gold project in Western Australia. In addition the Company received a Research and Development tax refund of \$172,436 during the half-year.

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 11 and forms part of the directors' report for the half year ended 31 December 2015.

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
10 March 2016

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 2015, 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.



**Perth, Western Australia
10 March 2016**

**N G Neill
Partner**

White Cliff Minerals Limited
ABN 22 126 299 125

Condensed Statement of Comprehensive Income
For the half year ended 31 December 2015

| | Consolidated | |
|---|---------------------|---------------------|
| | 31 December | 31 December |
| | 2015 | 2014 |
| | \$ | \$ |
| Revenue | | |
| Interest income | 1,431 | 5,611 |
| Government drilling grant | - | 5,439 |
| | <u>1,431</u> | <u>11,050</u> |
| | | |
| Borrowing costs | 29,612 | - |
| Consulting fees | 155,150 | 102,053 |
| Employee benefits | 301,744 | 219,244 |
| Exploration expenditure | 1,374,800 | 1,100,771 |
| Other expenses | 252,633 | 189,422 |
| Foreign exchange losses | 53,508 | 45,031 |
| | <u>2,167,447</u> | <u>1,656,521</u> |
| | | |
| Loss before income tax expense | (2,166,016) | (1,645,471) |
| | | |
| Income tax benefit | 172,436 | - |
| | <u>172,436</u> | <u>-</u> |
| | | |
| Loss after income tax for the period | (1,993,580) | (1,645,471) |
| | | |
| Other comprehensive income | | |
| Other comprehensive income, net of tax | - | - |
| | <u>-</u> | <u>-</u> |
| | | |
| Total comprehensive income/(loss) for the period | (1,993,580) | (1,645,471) |
| | <u>(1,993,580)</u> | <u>(1,645,471)</u> |
| | | |
| | <u>Cents</u> | <u>Cents</u> |
| Basic loss per share | | |
| (cents per share) | (0.3) | (0.4) |

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

White Cliff Minerals Limited
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Condensed Statement of Financial Position
As at 31 December 2015

| | | Consolidated | |
|---------------------------------------|-------------|---------------------|---------------------|
| | | 31 December | 30 June 2015 |
| | | 2015 | |
| | Note | \$ | \$ |
| Current assets | | | |
| Cash and cash equivalents | | 828,138 | 455,797 |
| Trade and other receivables | | 114,566 | 29,578 |
| Other assets | | 28,758 | 28,758 |
| Total current assets | | 971,462 | 514,133 |
| Non-current assets | | | |
| Exploration project acquisition costs | 2 | 1,393,350 | 1,393,350 |
| Plant and equipment | | 106,771 | - |
| Total non-current assets | | 1,500,121 | 1,393,350 |
| Total assets | | 2,471,583 | 1,907,483 |
| Current liabilities | | | |
| Trade and other payables | | 330,427 | 201,383 |
| Borrowings | | 40,000 | - |
| Convertible borrowings | | - | 520,864 |
| Total current liabilities | | 370,427 | 722,247 |
| Total liabilities | | 370,427 | 722,247 |
| Net assets | | 2,101,156 | 1,185,236 |
| Equity | | | |
| Issued capital | 3 | 20,739,604 | 17,830,104 |
| Reserves | | 902,876 | 902,876 |
| Accumulated losses | | (19,541,324) | (17,547,744) |
| Total equity | | 2,101,156 | 1,185,236 |

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

Condensed Statement of Changes in Equity
For the half year ended 31 December 2015

| | Consolidated | | | | |
|---|-----------------------|----------------------------|---------------------------|-----------------|---------------------|
| | Issued capital | Shares to be issued | Accumulated losses | Reserves | Total equity |
| | \$ | \$ | \$ | \$ | \$ |
| 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 |
| Balance at 31 December 2014 | 16,900,139 | 540,000 | (16,749,054) | 882,399 | 1,573,484 |
| Opening balance as at 30 June 2015 | 17,830,104 | - | (17,547,744) | 902,876 | 1,185,236 |
| Loss for the period | - | - | (1,993,580) | - | (1,993,580) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive result for period | - | - | (1,993,580) | - | (1,993,580) |
| Shares issued during the half year (net of issue costs) | 2,909,500 | - | - | - | 2,909,500 |
| Balance at 31 December 2015 | 20,739,604 | 0 | (19,541,324) | 902,876 | 2,101,156 |

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 2015

| | Consolidated | |
|--|---------------------------|---------------------------|
| | 31 December 2015 | 31 December 2014 |
| | Inflows/(Outflows) | Inflows/(Outflows) |
| | \$ | \$ |
| Cash flows from operating activities | | |
| Receipts from customers | 172,436 | 358,400 |
| Payments to suppliers and employees | (519,153) | (366,933) |
| Interest received | 1,431 | 5,611 |
| Net cash (outflow) from operating activities | (345,286) | (2,922) |
| Cash flows from investing activities | | |
| Payments for exploration and evaluation | (1,550,730) | (1,272,402) |
| Payments for assets | (106,771) | - |
| Net cash (outflow) from investing activities | (1,657,501) | (1,272,402) |
| Cash flows from financing activities | | |
| Net borrowings repaid | (480,864) | 514,985 |
| Proceeds from the issue of securities | 3,057,890 | 93,200 |
| Capital raising costs | (148,390) | (15,556) |
| Share applications received | - | 540,000 |
| Net cash inflow from financing activities | 2,428,636 | 1,132,629 |
| Net increase/(decrease) in cash held | 425,849 | (142,695) |
| Cash at the beginning of the reporting period | 455,797 | 1,002,094 |
| Foreign exchange gains/(losses) | (53,508) | (45,031) |
| Cash at the end of the reporting period | 828,138 | 814,369 |

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 2015

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 2015 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 2015 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 2015 financial statements.

Adoption of new and revised accounting standards

In the half-year ended 31 December 2015 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 2015.

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 2015. 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 | Twelve months |
| | ended | ended |
| | 31 December | 30 June |
| | 2015 | 2015 |
| | \$ | \$ |
| Opening balance | 1,393,350 | 1,393,350 |
| Project acquisition costs | - | - |
| Project acquisition costs written off | - | - |
| | <hr/> | <hr/> |
| Acquisition costs in respect of areas of interest in the exploration phase | 1,393,350 | 1,393,350 |
| | <hr/> | <hr/> |

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 31 December 2015 \$ | Twelve months ended 30 June 2015 \$ |
| Issued and fully paid | 20,739,604 | 17,380,104 |
| <i>Movements in ordinary shares on issue</i> | | |
| Opening balance | 17,830,104 | 16,822,494 |
| 2014/5 Convertible note fees & note conversions | - | 307,547 |
| February 2015 Entitlement issue and shortfall placements | - | 787,149 |
| 20 July 2015 – Convertible note conversion | 53,865 | - |
| 17 August 2015 – placement and convertible note conversion | 289,033 | - |
| 4 September 2015 – placement and convertible note conversion | 141,964 | - |
| 2 October 2015 – Tranche 1 placement | 107,400 | - |
| 6 October 2015 – Convertible note conversion | 42,626 | - |
| 20 October 2015 – Convertible note conversion | 55,340 | - |
| 30 October 2015 – Convertible note conversion | 40,863 | - |
| 30 October 2015 – Share Purchase Plan | 1,234,200 | - |
| 2 November 2014 – Tranche 2 Placement | 1,092,600 | - |
| Share issue costs | (148,391) | (87,086) |
| Closing balance | 20,739,604 | 17,830,104 |
| | Shares | Shares |
| Opening balance | 586,169,855 | 449,049,614 |
| 2014/5 Convertible note fees & note conversion | - | 38,726,767 |
| February 2015 Entitlement issue and shortfall placements | - | 98,393,474 |
| 20 July 2015 – Convertible note conversion | 7,694,972 | - |
| 17 August 2015 – placement and convertible note conversion | 37,564,856 | - |
| 4 September 2015 – placement and convertible note conversion | 20,569,983 | - |
| 2 October 2015 – Tranche 1 placement | 17,900,000 | - |
| 6 October 2015 – Convertible note conversion | 7,194,220 | - |
| 20 October 2015 – Convertible note conversion | 8,925,783 | - |
| 30 October 2015 – Convertible note conversion | 6,191,388 | - |
| 30 October 2015 – Share Purchase Plan | 205,700,000 | - |
| 2 November 2014 – Tranche 2 Placement | 182,100,000 | - |
| 30 November 2015 – performance shares issued | 7,500,000 | - |
| Closing balance | 1,087,511,057 | 586,169,855 |

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Note 4: Options

| | Number of options | |
|---|-----------------------------|---------------------|
| | 31 December 2015 | 30 June 2015 |
| Listed options exercisable at \$0.03 on or before 11 March 2017 | 102,050,017 | 102,050,017 |
| Unlisted options exercisable at \$0.02 on or before 31 December 2017 | 202,850,000 | - |
| Unlisted options exercisable at \$0.012 on or before 31 December 2018 | 30,000,000 | - |
| | 334,900,017 | 102,050,017 |

Note 5: Segment information

The following table presents the segment revenue and loss information provided to the Board for the period ended 31 December 2015 and 31 December 2014.

| | Australia \$ | Kyrgyz Republic \$ | Consolidated \$ |
|-------------------------|-------------------------|-----------------------------------|----------------------------|
| 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 |
| 31 December 2015 | | | |
| Segment revenue | 1,431 | - | 1,431 |
| Segment result | (885,371) | (1,108,209) | (1,993,580) |
| Segment assets | 1,077,656 | 1,393,927 | 2,471,583 |
| Segment liabilities | 321,909 | 48,518 | 370,427 |

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 2015 that may significantly affect operations, results or state of affairs of the Group in future financial years.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 20 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 2015 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 2015; 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
10 March 2016

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 2015, 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 Group 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 Group's financial position as at 31 December 2015 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 Group's financial position as at 31 December 2015 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
10 March 2016