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White Cliff Minerals LTD

Quarterly Report - Activities

for the quarter ended 31 March 2017

Highlights

- **Aucu Gold Project delivers 93% increase in Inferred gold resources to 302,000 Oz's**
- **New gold in soil anomalies identified at Merolia Gold Project**

Summary

Kyrgyz Republic Exploration – Aucu Gold Project (90% owned)
During the March quarter the Company received the final, and duplicate, assay results from the 2016 drill program at the Aucu Gold deposit in the Kyrgyz Republic. The drilling identified a new high grade mineralised zone containing visible gold in both the drill holes and in surface outcrop.

Subsequent to the quarter end the Company completed a new JORC gold resource estimate in conjunction with detailed metallurgy testing. These study outcomes will be used to complete an open pit optimisation study.

The updated inferred resource for the **Aucu** gold deposit reported in accordance with the JORC Code above a cut-off grade of 1 g/t gold is **1.8 million** tonnes grading **5.2 g/t gold,** for **302,000 ounces** of contained gold.

Importantly the new resource contains a very high grade zone (Quartz Zone) of **244,000 tonnes** at **9.5 g/t gold** containing **75,000 ounces of gold,**

Western Australian Exploration -Gold Projects (100% owned)
Extensive soil geochemical sampling programs identified substantial gold in soil anomalism along the Central gold trend near Ironstone.

Corporate

During the quarter the Company acquired an additional 1% of the Kyrgyz Republic Aucu gold project from an external shareholder through the issue of 12 million new ordinary shares. White Cliff now owns 90% of the Aucu high grade gold project.

Todd Hibberd
Managing Director
28 April 2017

1 The Aucu Gold Project, Central Asia (90%)

During the March 2016 quarter the Company conducted the following work on the Aucu gold deposit:

- Duplicate assay program on all mineralised intervals at Aucu
- Resource Estimation
- Metallurgical test work

The duplicate assay program demonstrated that the assays from the Kyrgyz laboratory were suitable for the calculation of a minerals resource estimate.

Subsequent to the end of the quarter the Company completed and announced (ASX announcement April 21, 2017) a new inferred gold resource for the **Aucu** gold deposit, above a cut-off grade of 1 g/t gold, of:

1.8 million tonnes grading **5.2 g/t gold,** for **302,000 ounces** of contained gold.

The new inferred resource is reported in accordance with the JORC Code (2012) and represents a 93% increase in contained gold ounces and a 23% increase in average grade over the previous gold resource reported in April 2015.

Importantly the new resource contains a very high grade zone (Quartz Zone) of:

244,000 tonnes at **9.5 g/t gold** containing **75,000 ounces of gold,**

This latest resource estimate also identified a new inferred copper resource, above a cut-off grade of 0.25% copper, of **608,000** tonnes at **0.64% copper,** containing **3,870 tonnes of copper.**

The copper resource is reported in accordance with the JORC Code (2012). The new gold and copper resources start at surface, have only been drilled to 100 metres vertical depth and remain open along strike and at depth.

The reported gold resources represent less than 5% of mineralised faults identified by rock-chip sampling to date. Approximately 95% of the mineralised faults identified by rock chip sampling are still to be drilled. The gold bearing mineralised structures extend beyond the current resource estimate area over a length greater than 3,000 metres and occur as multiple lodes (Figure 1). Table 1 provides a breakdown of the updated resource estimate by area.

Table 1: Gold – Inferred Resources (reported in accordance with the JORC Code 2012)

Area	Category	Tonnes	Gold (g/t)	Gold (Ounces)
Lower Gold Zone	Inferred	693,000	4.44	99,000
Upper Gold Zone	Inferred	495,000	4.02	64,000
Sandstone Zone	Inferred	179,000	6.84	39,000
Quartz Zone	Inferred	244,000	**9.49**	75,000
Quartz Zone Halo	Inferred	89,000	1.55	4,000
Camp Gold Zone	Inferred	48,000	6.83	10,000
Eastern Gold Zone	Inferred	66,000	4.95	11,000
Total	**Inferred**	**1,813,000**	**5.18**	**302,000**

The project also contains an inferred resource for the **Chanach** copper deposit which consists of **10 Million** tonnes grading **0.41% copper for 41,000 tonnes** of contained copper (using a cut-off grade of 0.25% copper), unchanged from 2015 (Table 2).

Table 2: Copper – Inferred Resources (reported in accordance with the JORC Code 2012)

Area	Category	Tonnes	Copper %	Copper (tonnes)
Quartz Zone	Inferred	608,000	0.64	3,870
Chanach Porphyry	Inferred	10,000,000	0.41	41,000
Total	**Inferred**	**10,608,000**	**0.42**	**44,870**

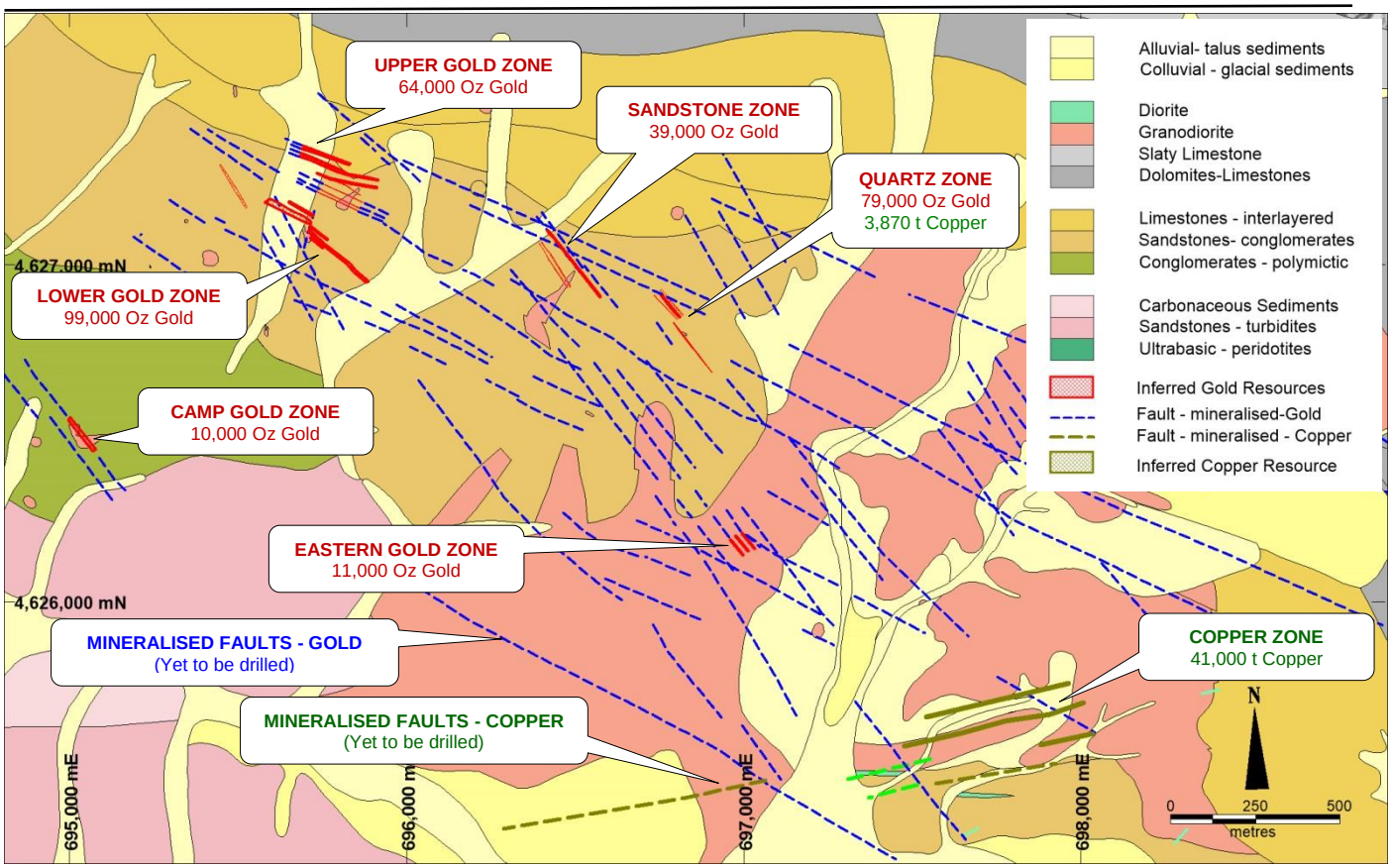


***Figure 1**: Location map of drilling showing Inferred gold resources (red hatch) that represent less than 5% of the identified mineralised faults. 95% of the mineralised faults identified by rock chip sampling are still to be drilled (dashed blue and green lines)*

Summary of all information material to understanding the reported estimate

The reader is referred to the Announcement dated 21 April 2017 for detailed information regarding the resource estimate. The following is a summary of all material information to understanding the reported estimate.

The reported Aucu inferred gold and copper resource occurs in quartz veining and faults 1-10 metres wide within sandstone and porphyries. The sandstones dip at -20 degrees to the NNE and the porphyry intrusions are sub-vertical in several orientations. The quartz veins and fault zones are orientated NW to NNW are sub-vertical and cross all lithology's indicating that they formed after the sandstone deposition and after the main porphyry intrusion. The mineralised faults and veins cover an extensive area of over 5km2 and less than 5% of the identified faults have been drilled.

The reported Chanach inferred copper resource occurs entirely within the main porphyry intrusion as several ENE to easterly trending shear zones that are sub-vertical (Figure 1).

The inferred mineral resource drilling has been conducted with a Korean Hanjin tracked reverse circulation rig drilling 130mm diameter holes using a pneumatic hammer and face sampling bit. This technique shatters the rock into small sub 10mm chips which flow into the centre of the drill rod and are transported to surface using high pressure air. The sample is collected in a cyclone before passing into a sample bag. Diamond Drilling has also be conducted using the same drill rig configured for collection of NQ (50mm) rock core.

Sampling is conducted on 1 metre drill chip samples where the 30kg sample is split using a three tier riffle splitter that reduces the sample to 3 kg for laboratory analysis. The remnant sample is stored for metallurgical test work if required. The entire resource is currently classified as inferred pending a site visit by the Competent Person to confirm laboratory quality assurance methods, sampling methods, geology, bulk density, drill hole locations, elevations and access. It is expected that some of the deposit will be reclassified as an indicated resource category when the site visit is completed.

Drilling has been conducted on 50m spaced lines with 25 spaced drill holes at the Aucu gold deposit. Drilling has been conducted on 100 metre spaced lines with 50 spaced drill holes at the Chanach copper deposit.

The resource has been estimated using Ordinary Kriging within ore wireframes using a minimum grade of 0.3 g/t for gold and 0.25% for copper. Up to 2 metres of internal dilution has been allowed for at zero grades. This updated Joint Ore Reserve Committee (JORC) 2012 compliant inferred mineral resource estimate was calculated by Perth based mining industry consultants Optiro Pty Ltd.

At the laboratory the 3kg drill sample is dried, crushed to 90% passing a 1mm screen then subsampled via jones riffle splitter to 300 grams. The 300 gram sample is milled to 90% passing 75 microns (0.075mm). A 30 gram subsample is weighed and analysed for gold via either an acid digest (aqua regia) with Atomic Absorption Spectroscopy (AAS) or via Fire Assay and AAS analysis. Copper and base metals are assayed using a 2-10 gram sample four acid digest followed by inductively coupled plasma mass spectrometry (ICP-MS).

The resources have been estimated using a cut-off grade of 1 g/t (gold) and 0.25% (copper) based on likely mining scenarios. High grades have been reduced (Top Cut) to a maximum level via statistical analysis of the grade distribution of the metal in each domain.

Extensive metallurgical test work has been conducted on all mineralised zones. The test work includes total recoverable gold, gravity recoverable gold, cyanide recoverable gold, sequential copper leach and bottle leach.

Metallurgical Test Work

The Company is currently completing a substantial gold and copper metallurgical test work program to better outline potential processing options for the deposit. Previous metallurgical test work produced high gravity gold recoveries (88.8% gravity recoverable and 99% total recoverable gold). Assuming the current metallurgical studies produce similar results, the Company believes that a low-cost simple gravity plant could allow the project to provide substantial cash flow within a short time frame. The results will be reported once complete.

Mining Optimisation Study

The Company is currently conducting a mining optimisation study to establish how much of the current resource could potentially be extracted via an open pit mining operation. This study will consider the relevant capital expenditure required to build an economic mining operation. The study results will be reported once complete.

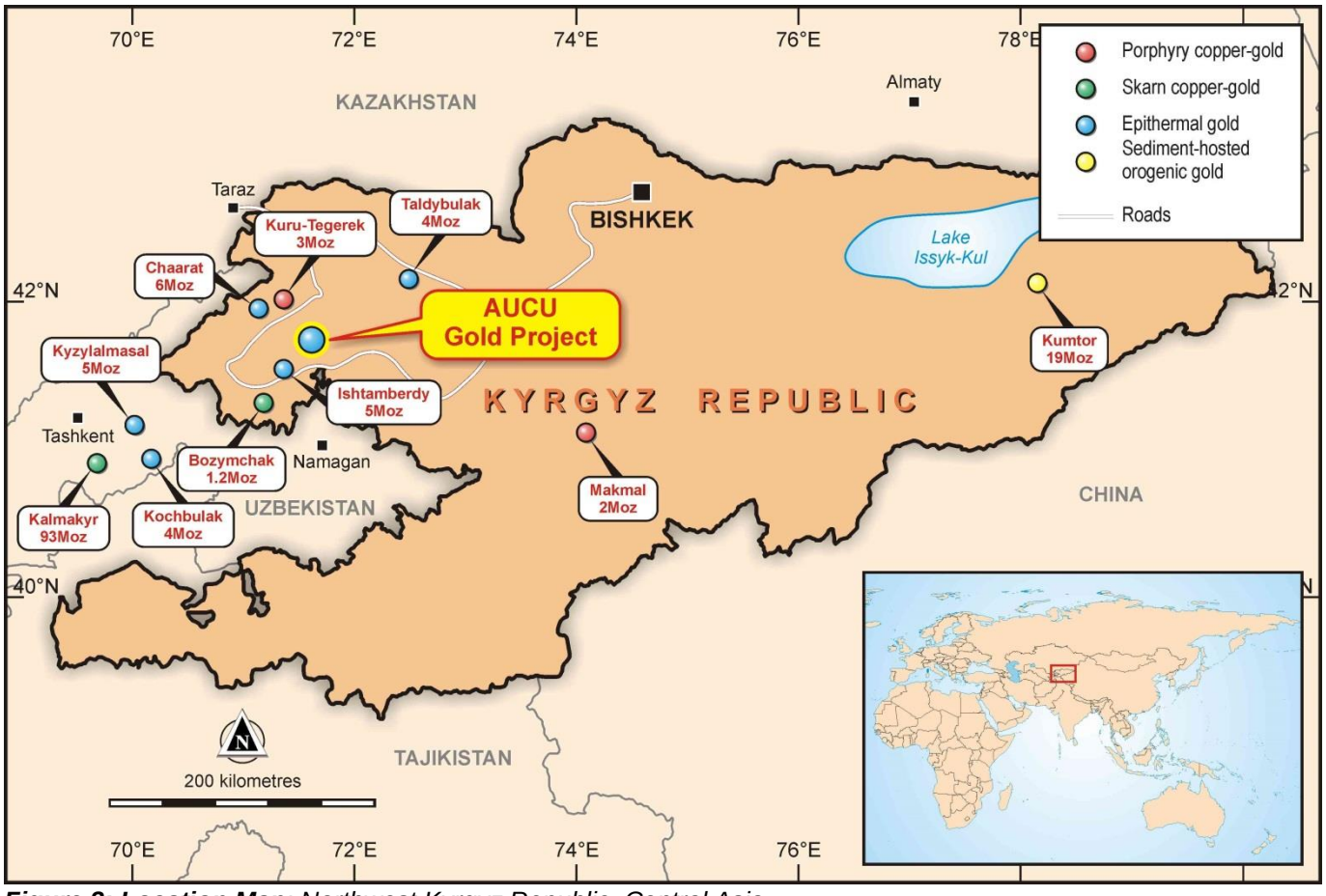


***Figure 2: Location Map**: Northwest Kyrgyz Republic, Central Asia*

2 Merolia Gold and Nickel Project (100%)

During the March quarter the Company reported that substantial gold in soil anomalies has been identified at Comet Well along the **Central Gold Trend** near Laverton in Western Australia.

The anomalies contain a maximum gold value of **169 ppb** but are more commonly 20-50 ppb gold with several samples greater than **100ppb**. The anomalies extend along approximately 2.3 kilometres of strike and are up to 150-350 metres wide. There also appears to be a SE mineralised zone approximately 1.1 kilometres long joining the Ironstone gold zone to the Central gold zone.

The Company is awaiting results of the East Burtville drilling program prior to panning further drilling.

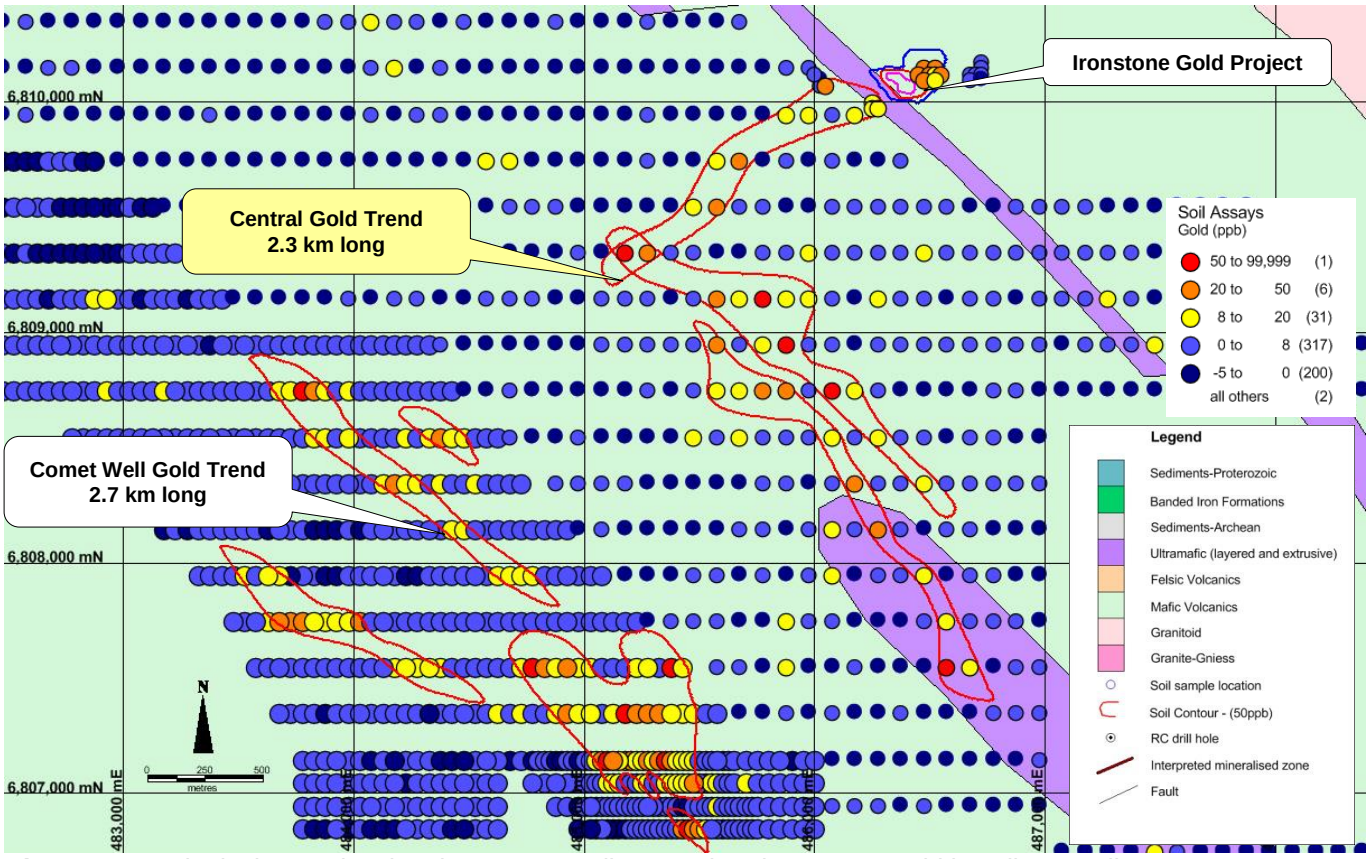


Figure 3: *Geological map showing the Comet Well, Central and Ironstone gold in soil anomalies*

Comet Well Prospect Background

The Company reported the **discovery of gold nuggets** within the regional Ironstone Gold prospect in February 2016. Detailed metal detecting identified a significant number of **gold nuggets** at surface over a 3 kilometre long trend (the Comet Well gold trend) that coincides with a major regional fault structure.

The nuggets were located by prospectors operating under a formal tribute agreement with the Company. Recent prospecting by the tribute group has identified visible gold from a 2 metre deep pit occurring adjacent to a quartz vein where 4 ounces of gold has been recovered (Figure 4). Along the 3 kilometre trend a total 40 ounces of gold has been recovered with the largest nugget weighing 20 grams.

Evaluation of the regional magnetic data over the Ironstone gold project has identified several NW-SE trending shear systems that have the potential to host substantial gold mineralisation (Figure 3). The Comet Well gold trend and associated regional structures extend at least 30 kilometres north to the A1 Minerals Bright Star deposit and only limited historical exploration has been undertaken over these structures.

Figure 4: *Gold nuggets recovered by prospectors within the Company's tenement package*

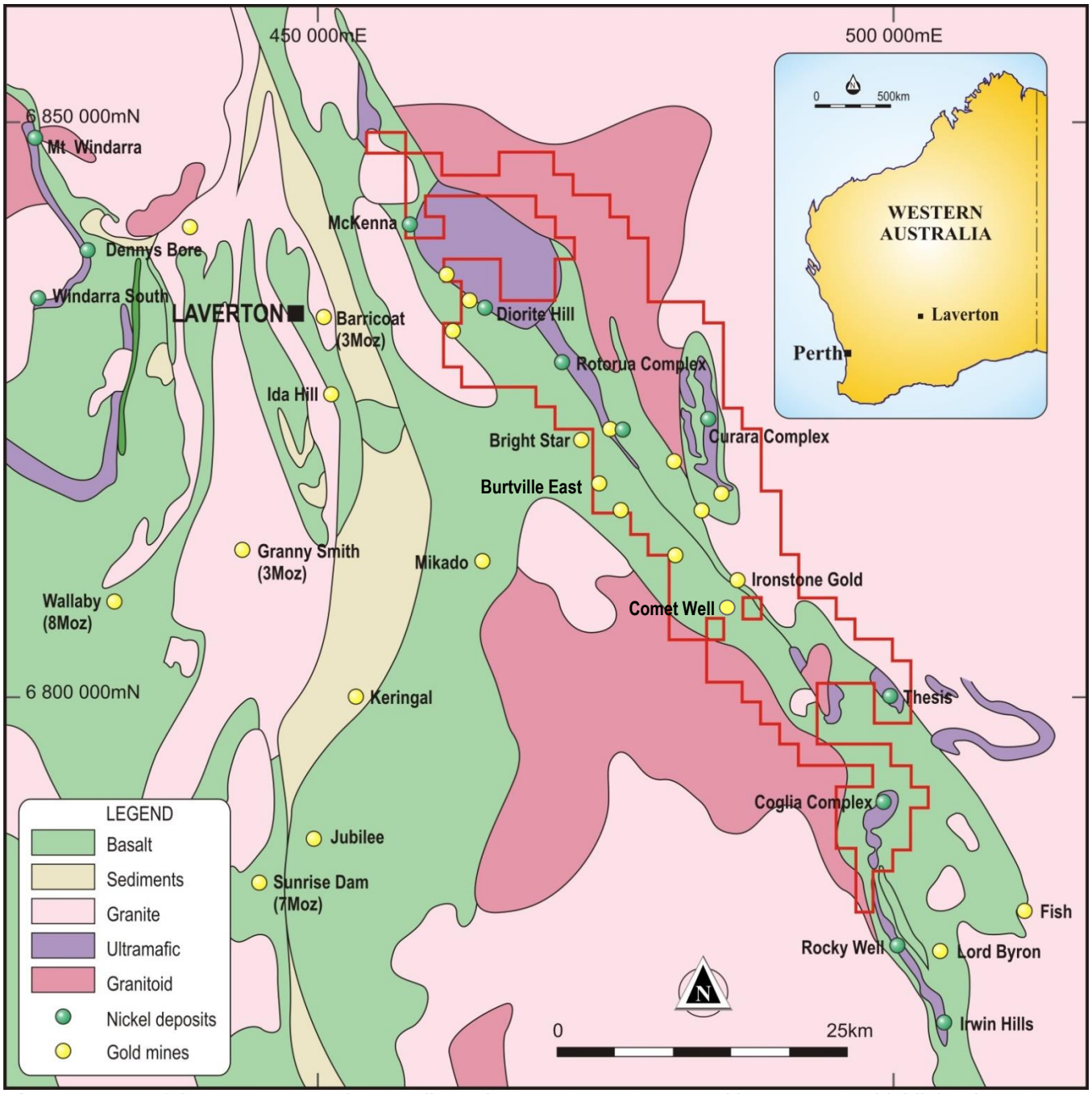


Figure 5: *Map of the tenements at the Merolia Project near Laverton WA, with target areas highlighted.*

3 Lake Percy Lithium Project (100%) and Joint Venture (100% reducing to 30%)

On 11 January 2017 the Company announced the grant of a new lithium tenement (E63/1793) north of the Lake Percy Lithium Joint Venture tenement (E63/1222i). Historical exploration on the tenement E63/1793 (Figure 6) identified pegmatites both in outcrop and on drill holes but no lithium assaying was undertaken. The Company had intended to complete a soil sampling program in the March quarter, but this has been delayed until the June quarter.

During the quarter the Lake Percy joint venture partner Liontown Resources (LTR) announced the discovery of a 2 kilometre long Lithium trend on the JV tenement. Liontown conducted a maiden RC drilling program comprising 8 holes for 1,623m at Lake Percy to test beneath the lithium-in-soil trend. All assays have been received for the drilling with no significant results recorded. Liontown is undertaking a review of the JV Project before undertaking further activities.

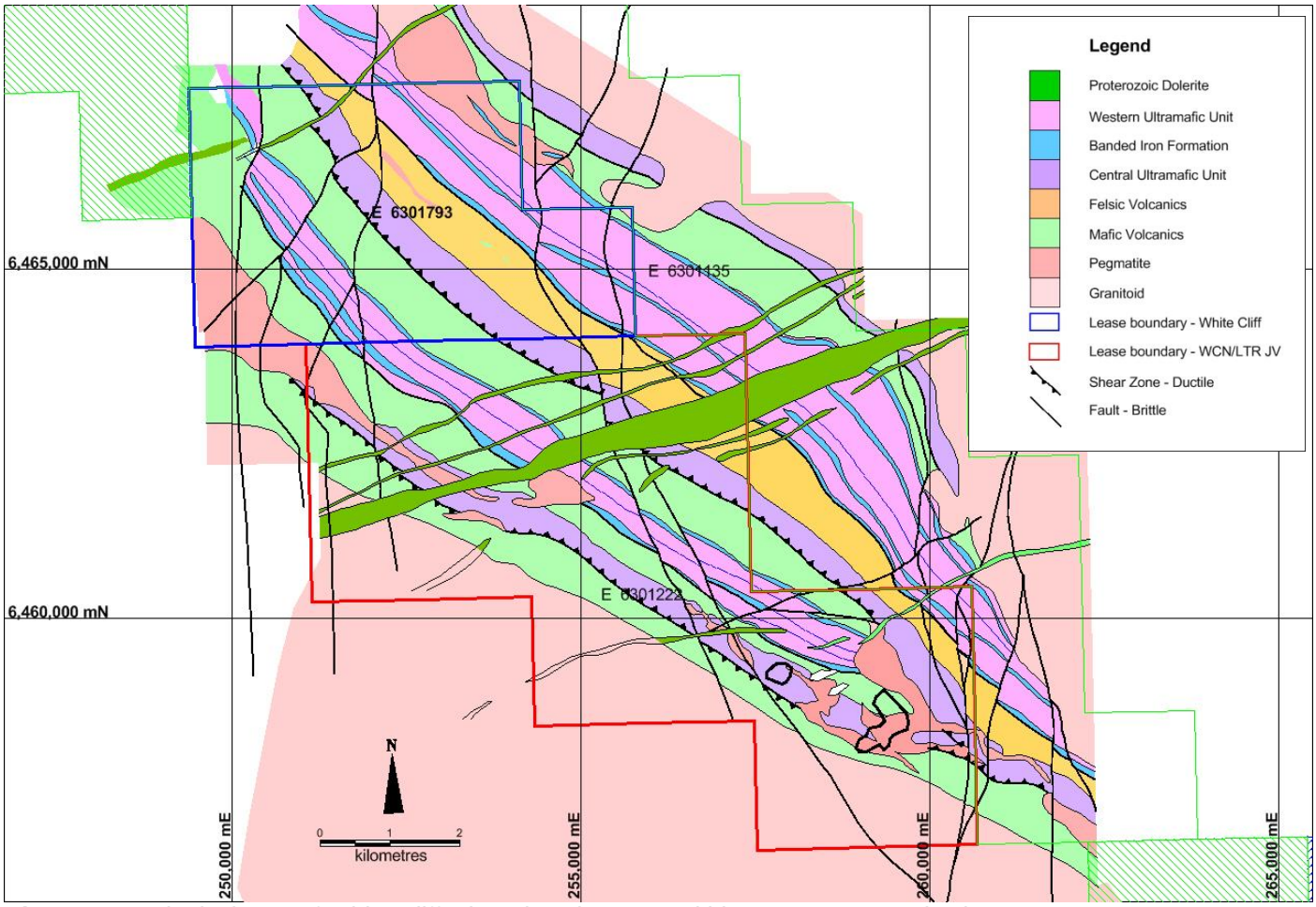


Figure 6: *Geological Map of White Cliff Minerals Lake Percy Lithium Tenement and Joint Venture Tenement*

Lake Percy Joint Venture Agreement

In June 2016 WCN secured a joint venture agreement with Liontown to explore the Company's Lake Percy tenement (E63/1222) for lithium and other minerals in a rapidly emerging lithium province in the Lake Johnson-Forrestania district of Western Australia.

Under the joint venture, Liontown can earn up to 70% equity in the 41km^2 Lake Percy tenement (EL63/1222i) located approximately 430km east of Perth Western Australia (***Figure 7***) by:

- spending A$1,000,000 on exploration within 3 years to earn 51% equity;
- at Liontown's election, it can increase its equity to 70% by spending an additional A$750,000 before the 4th anniversary of the JV Agreement execution; and

- by committing to spending $50,000 on exploration before having the right to withdraw from the joint venture.

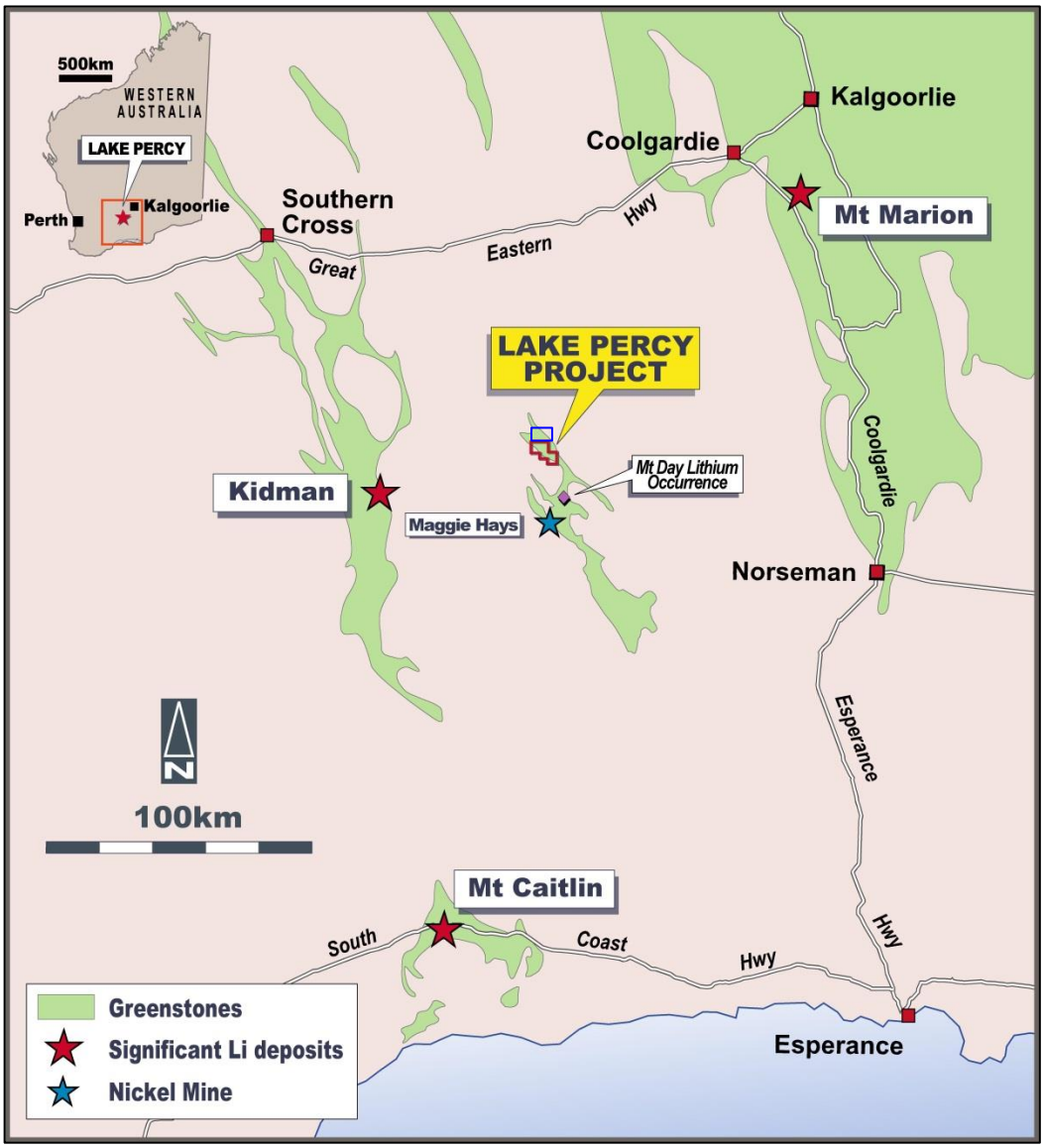


Figure 7: *Lake Percy Project – Location Plan and Regional Geology*

4 Other Projects

The Company conducted extensive soil sampling programs over several other prospects during the quarter. Analysis of these samples will be reported as they become available.

5 Corporate

During the quarter the Company issued 12 million White Cliff shares in consideration for acquiring a further 1% interest in the Aucu Gold Project. White Cliff now owns 90% of the Aucu Project.

6 Tenement information

TENEMENT	PROJECT	LOCATION	OWNERSHIP	CHANGE IN QUARTER
AP590	Chanach	Kyrgyz Republic	90%	+1%
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%	-
E38/2727	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	0%	-100% surrendered
P39/5263	Laverton	Laverton	0%	-100% surrendered
E39/1585	Laverton	Laverton	100%	-
E39/1586	Laverton	Laverton	0%	-100% surrendered
E38/2702	Laverton	Laverton	100%	-
E31/1011	Duck Hill	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 (90%): The Project contains extensive porphyry related gold and copper mineralisation starting at the surface and extending over several kilometres. Drilling during 2014-6 has defined a **gold deposit** currently containing an inferred resource of **1.8Mt at 5.2 g/t** containing **302,000 ounces of gold** and 608,000 tonnes at 0.64% copper containing 3870 tonnes of copper. Drilling has also defined a significant **copper deposit** at surface consisting of 10Mt at 0.41% copper containing 41,000 tonnes of copper.

Extensive mineralisation occurs around both deposits demonstrating significant expansion potential. The project is located in the Kyrgyz Republic, 350km west-southwest of the capital city of Bishkek and covers 57 square kilometres. The Chanach project is located in the western part of the Tien Shan Belt, a highly mineralised zone that extending for over 2500 km, from western Uzbekistan, through Tajikistan, Kyrgyz Republic and southern Kazakhstan to western China

Merolia Gold and Nickel Project (100%): The project consists of 771 square kilometres of the Merolia Greenstone belt and contains extensive ultramafic sequences including the Diorite Hill layered ultramafic complex, the Rotorua ultramafic complex, the Coglia ultramafic complex and a 51 kilometre long zone of extrusive ultramafic lava's. The intrusive complexes are prospective for nickel-copper sulphide accumulations possibly with platinum group elements, and the extrusive ultramafic rocks are prospective for nickel sulphide and nickel-cobalt accumulations.

The project also contains extensive basalt sequences that are prospective for gold mineralisation including the Ironstone prospect where historical drilling has identified 24m at 8.6g/t gold. Soil sampling in 2016 has identified multiple mineralised gold trends at Burtville East, Comet Well and Ironstone which will be drilled in 2017.

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.

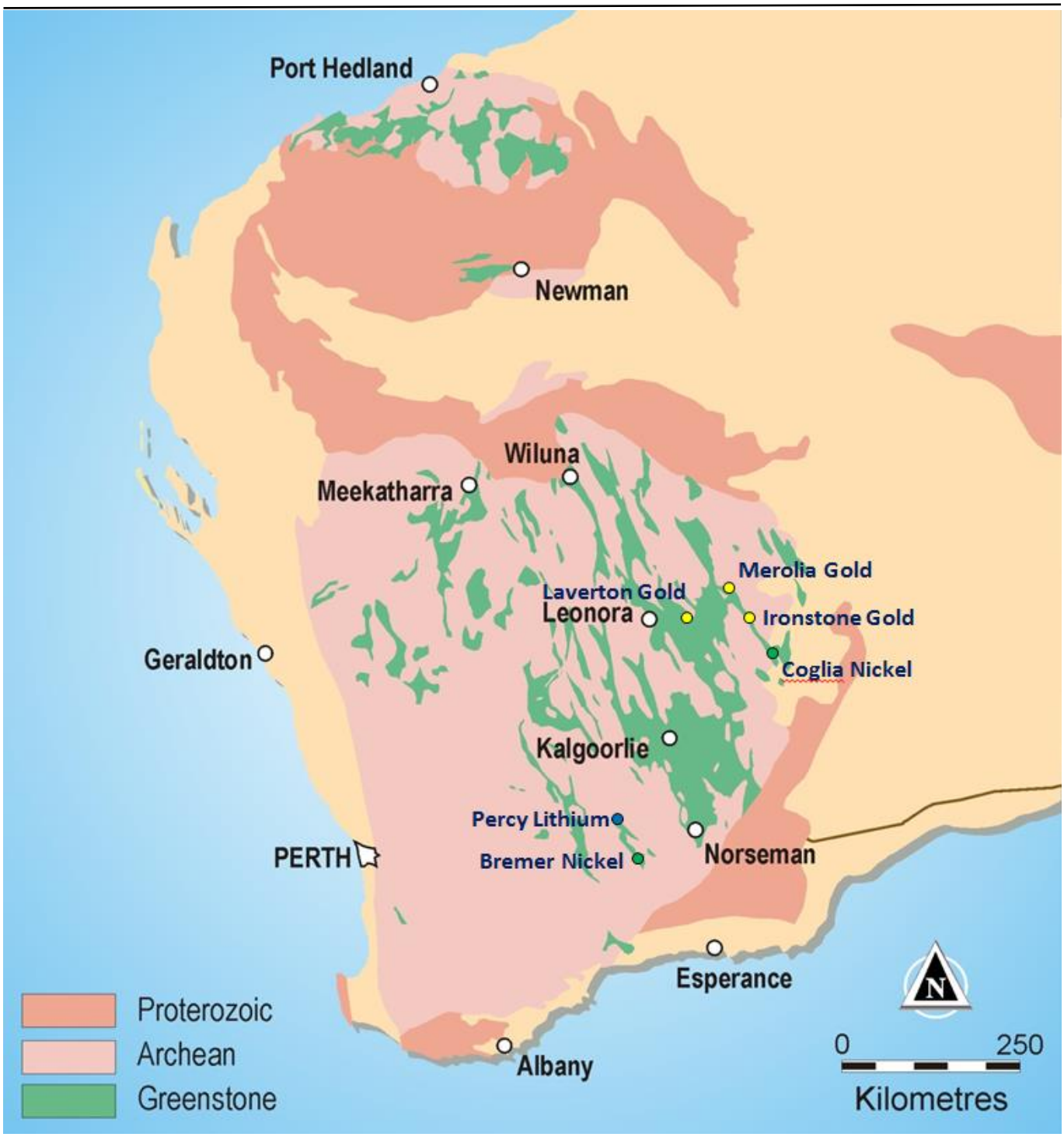
Lake Percy Lithium Project (100%) and Joint Venture (reducing to 30%): The Lake Percy tenement (E63/1222i) is the subject of a Joint Venture arrangement where Liontown Resources (LTR) can earn up to 70% via expenditure of $1.75 Million. Substantial lithium anomalism has been identified within outcropping pegmatites and drilling will be conducted in 2017. The Company also holds 100% of the adjacent 20km^2 tenement (E63/1793) which also contains untested outcropping pegmatites.

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).

JORC Compliance

The Information in this update that relates to Exploration Results is based on information compiled by Mr Todd Hibberd, who is a member of the Australasian 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 `Australasian Code for Reporting of 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 in this report that relates to Mineral Resources is based on information compiled by Mr Ian Glacken, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Glacken is a full time employee of Optiro Pty Ltd. Mr Glacken 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 `Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)`. Mr Glacken consents to the inclusion of this information in the form and context in which it appears in this report.



Tenement Map - Australia. *A regional geology and location plan of White Cliff Minerals Limited exploration projects in the Yilgarn Craton, Western Australia*

Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Name of entity

WHITE CLIFF MINERALS LIMITED

ABN	**Quarter ended ("current quarter")**
22 126 299 125	March 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(337)	(2,564)
	(b) development		
	(c) production		
	(d) staff costs	(98)	(160)
	(e) administration and corporate costs	(88)	(532)
1.3	Dividends received		
1.4	Interest received	2	3
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other –option fee		27
1.9	**Net cash from / (used in) operating activities**	**(521)**	**(3,226)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment		(9)
	(b) tenements (see item 10)		
	(c) investments		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**		**(9)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares		2,550
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(9)	(151)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**(9)**	**2,399**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,523	1,839
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(521)	(3,226)

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
4.3	Net cash from / (used in) investing activities (item 2.6 above)		(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(9)	2,399
4.5	Effect of movement in exchange rates on cash held		(10)
4.6	**Cash and cash equivalents at end of period**	**993**	**1,523**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	145	173
5.2	Call deposits	848	1,346
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter**	**993**	**1,523**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	152
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities		
8.2	Credit standby arrangements		
8.3	Other (please specify)		

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	Estimated cash outflows for next quarter	$A'000
9.1	Exploration and evaluation	200
9.2	Development	
9.3	Production	
9.4	Staff costs	65
9.5	Administration and corporate costs	85
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**350**

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 28 April 2017

Director

Print name: Michael Langoulant

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.