White Cliff Minerals LTD

Quarterly Report - Activities

for the quarter ended 30 September 2020

Highlights

- **Acquisition of Reedy South Gold Project near Cue, Western Australia**
- **Historical drilling at the Reedy South Gold Project has returned high-grade intercepts from Pegasus and King Cole Prospects, including:**
  - **12m @ 5.26g/t** from 34m (PGRC10016)
  - **7m @ 10.86g/t** from 30m (PGRC10036)
  - **4m @ 7.68g/t** from 36m (PGRC10015)
  - **5m @ 6.41g/t** from 34m (PGRC10018)
- **The Reedy South Gold Project is only 600m south of South Emu-Triton Underground Mine and within trucking distance of multiple operating gold mines and mills.**
- **Drilling contractor secured to commence up to 3,000m maiden drilling program at Reedy South Gold Project in late-October**
- **Strong position with cash and listed shares of ~$3.80 million**
- **Company is continuing discussions regarding the potential divestment of non-core projects**

OPERATIONS

Acquisition of Reedy South Gold Project

On 14 September 2020, White Cliff Minerals Limited (**White Cliff** or the **Company**) announced the acquisition of 100% of of M 20/446 and E 20/969, E20/971 & E20/972 (the **Reedy South Gold Project** or the **Project**) from Harley James Sears and Wakeford Holdings Pty Ltd (in respect of M20/446) (**Wakeford Parties**) and Bonanza Resources Pty Ltd (in respect of E 20/969, E20/971 & E20/972) (**Bonanza**). Completion of acquisition of the Reedy South Gold Project occurred on 8 October 2020.

Reedy South Gold Project

The Project covers 156km^2 of the highly prospective Cue goldfields, including 1km of strike along the prolific Reedy Shear Zone (**RSZ**). The Project comprises one granted mining lease (M20/446) covering the historic underground workings of Pegasus and King Cole, and three exploration license applications (E20/969, E20/971 & E20/972). The Project is situated 40km north of Cue, via the Great Northern Highway and is 80km south of Meekatharra.

The Project is situated within the prolific Cue-Meekatharra gold district, along trend Reedys (1.6Moz), Caledonian (1Moz), Bluebird (1Moz) and Paddy's Flat (2.3Moz) gold deposits, with two mills operating within 60km of the Project.

White Cliff believes in the potential of the current targets to host a regionally significant resource, particularly given the lack of systematic exploration. Historical exploration at the Reedy South Gold Project has been limited to surface prospecting, geochemistry, and broad spaced shallow drilling with exploration over the past decade constrained by funding.

For personal use only

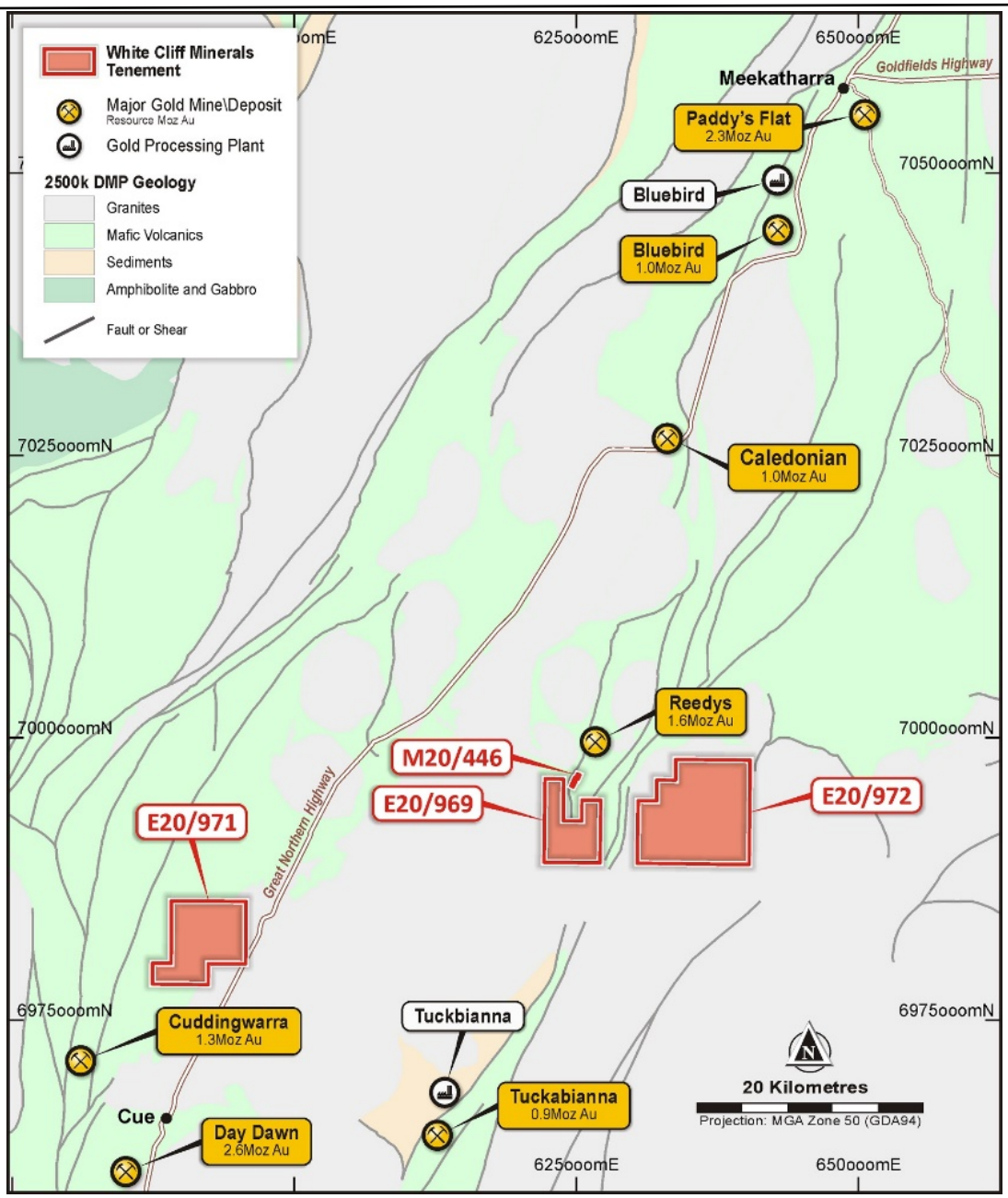


Figure 1: The Reedy South Gold Project Location

There were two underground workings accessed via the Pegasus and King Cole shafts however there is no official gold production recorded from the historical underground production. An RC drilling program undertaken in 2015 by the project owner focused on the Pegasus prospect consisting of 42 holes for 1,820m (Refer announcement 14 September for full drilling and assay data). Significant intercepts included:

- **12m** @ **5.26g/t** from 34m (PGRC10016)
- **7m** @ **10.86g/t** from 30m (PGRC10036)
- **4m** @ **7.68g/t** from 36m (PGRC10015)
- **5m** @ **6.41g/t** from 34m (PGRC10018)

Based on initial review of QA and QC of available exploration data, White Cliff believes that there is sufficient dataset to progress the Project towards a maiden JORC mineral resource estimate (**MRE**). Given the average depth of drilling to date is ~60m, it warrants immediate drilling to test depth and strike extensions of the current prospects on completion of the maiden MRE.

For personal use only

The Project hosts two historic workings, namely Pegasus and King Cole, which have also been the focus of historic exploration, and which the Company aims to undertake first pass drilling on.

Project Background

Tenement History

Tenement M20/446 was granted on 17th August 2000.The tenement area size is 29.14 hectares and has a minimum expenditure requirement of $10,000 per annum. Historic mining activity on the tenement includes two historical underground workings named the Pegasus and King Cole; no official gold production has been recorded with the department of mines. The tenement consists of 3 historic GML's (20/2552, 20/2457 and 20/2458) approximately 1200m long and 240m wide centred along the Reedy Shear Zone and is surrounded by M 20/12 currently held by Big Bell Gold Operations Pty Ltd, a subsidiary of Westgold. M 20/446 has been in private ownership since the grant date in 2000.

Tenements E20/969, E20/971 and E20/972 are currently in application. Covering 156km^2, the tenements overlie prospective geology and structural features that have been identified in regional magnetics and from GSWA mapping, with next stage work programs looking at further mapping and geochemical sampling programs.

***Table 1**: Tenement Details*

Tenement ID	Holder	Grant	Expiry	Area	Area km2
M 20/446	Wakeford Holdings PL / Harley Sears	17/10/2000	19/10/2021	29ha	0.29
E 20/969	Bonanza Resources Pty Ltd	Application	-	9 blocks	27.5
E 20/971	Bonanza Resources Pty Ltd	Application	-	15 Blocks	45.79
E 20/972	Bonanza Resources Pty Ltd	Application	-	27 Blocks	82.49

Historic Drilling

Key companies which have managed the tenement since 1984 include Homestake Australia Ltd, St Barbara Mines Ltd and Wakeford Holdings PL. The majority of drill holes (**Table 2**) have been RAB and RC by Homestake and St Barbara, exploring for gold. The tenement has been held in private hands since.

During 2015, 42 angled RC holes (PGRC10001 – 10042) to infill existing historic holes, on 10m spaced drill lines along a strike length of 120m, were completed over the Pegasus workings.

The holes were designed to define the footwall and hanging wall contacts on both sides of the shear zone which averaged 20m in true width. The drilling confirmed the historic high grades associated with the Pegasus deposit, but did not test mineralisation below 60 metres.

***Table 2:** Drilling Summary at M 20/446. The complete drill hole information is set out at the end of the announcement.*

Drilling Type	Number of Holes	Average Depth	Total Metres
Air Core	8	45	363
Rotary Percussion	43	44	1,877
Reverse Circulation	117	61	7,182
Total	**168**		**9,422**

For personal use only

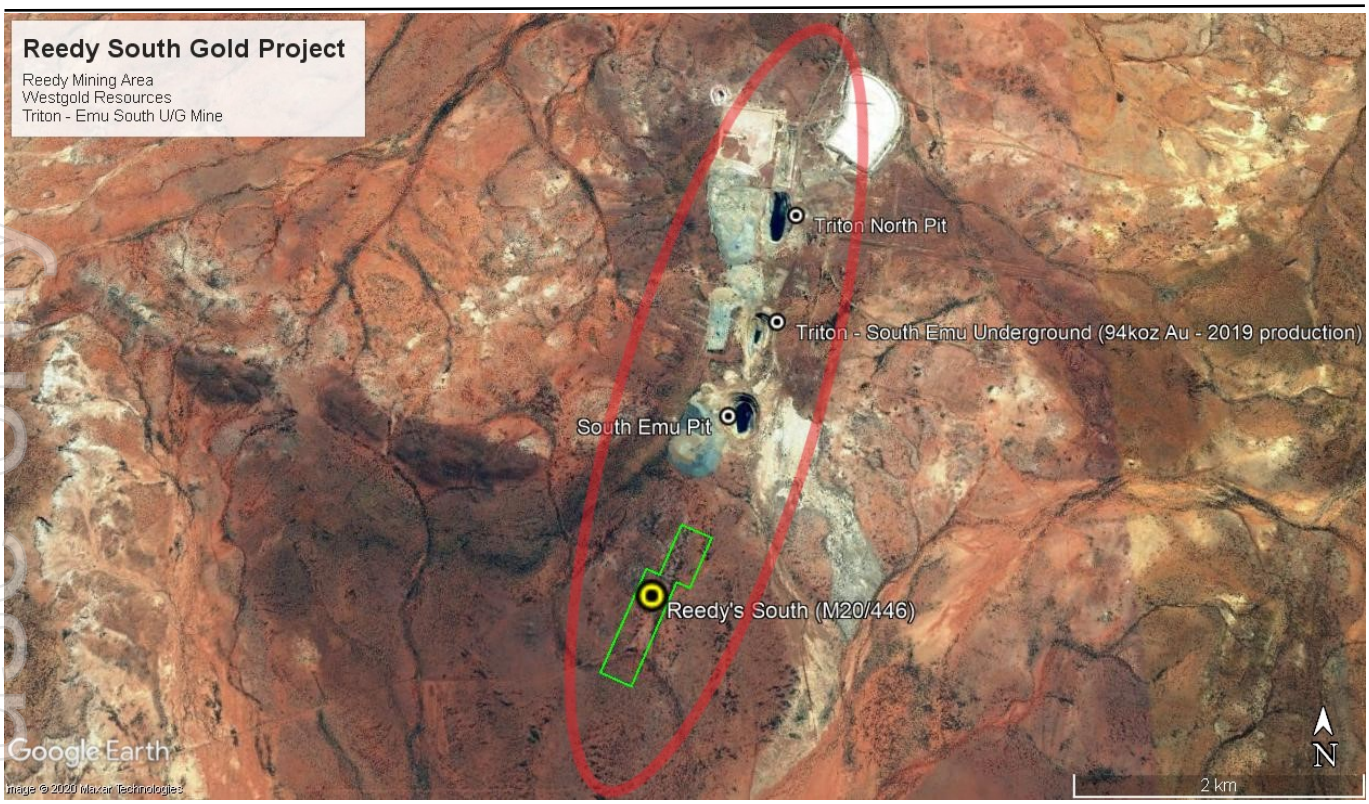


Figure 2. Location of tenement M20/446 in relation to South Emu/Triton and showing the RSZ trend

On 8 October 2020, the Company announced that it had engaged Drillwest to undertake the maiden drilling program at the Reedy South Gold Project. The program, which will consist of up to 3,000 metres of reverse circulation (**RC**) and diamond drilling targeting continuity of high-grade mineralisation at depth, will be finalised upon receipt of the maiden MRE for the Project. The Company engaged Perth based Auralia Mining Consultants for the MRE.

The drilling program is to commence in the last week of October and should complete by mid-November. Concurrently with the drilling program, the Company's geologists will conduct an initial geological mapping program across E20/969, E20/971 and E20/972.

Midas Cu-Au Projects (E45/5107 and E45/5112)

The Paterson Province comprises a Paleoproterozoic basement of Rudall Complex metamorphic rocks overlain by Neoproterozoic sediments of the Yeneena and northwestern Officer Basins, and Paleozoic Canning Basin sediments to the northeast. The province hosts several world-class deposits: Telfer gold-copper mine, Nifty copper mine and Kintyre uranium deposit. The recent Winu (Rio Tinto) and Havieron (Newcrest/Greatland Gold) discoveries are being considered as intrusion-related copper-gold mineralisation hosted in buried Yeneena Basin sediments on the Anketell Shelf.

The Midas Cu Au Projects are located on major granite dome structures and have highly prospective fault structures. E45/5107 lies some 80 kilometres south-southwest of the major Telfer Cu-Au gold mine. It straddles the contact between the Coolboro Sandstone in the east and the younger Broadhurst Formation in the west. The area is remote even by WA standards and has only been superficially explored in the past. E45/5107 have significant historical stream sediment sampling programs around Coolbro Creek completed by CRA Exploration in the 80s returned 82g/t Au, with follow up rock-chip sampling in quartz veins at Table Top reported 2m @ 2.9g/t Au.

The Table Top project has surface geology which is approximately 80% outcrop, predominantly comprising Meso- to Neoproterozoic Coolbro Sandstone with minor remnant Permian Paterson Formation. The Coolbro Sandstone forms the basal unit of Yeneena Basin which overlies Paleoproterozoic granitic gneisses and metasediments of the Rudall Complex.

For personal use only

White Cliff has ordered for the commencement of a geochemical sampling program at Table Top and Coolbro Creek within E45/5107, targeting 7 areas for gold and copper generated by structural review and historical work.

Tenement E45/5112

E45/5112 covers most of the McKay Ridge Dome and hosts important Yeneena Supergroup sediments the focus of SEDEX style and structurally controlled components of the Telfer, Nifty and Maroochydore Gold/Copper/Cobalt deposits. Dome structures also may provide a source and or a heat engine for mineralising fluids. The sequence appears to be an antiformal dome exposing the Rudall Metamorphic Complex at its core, flanked by Yeneena Group sediments (Throssell Range Group) and then younger sediments still of the Officer Basin (Tarcunyah Group). The tenement is proximal to the major NW regional structure (MacKay Fault; also named as the Southwest Thrust on other maps). E45/5112 is largely under-explored.

Post sampling program at E45/5107, White Cliff will look into geochemical sampling and additional mapping, ahead of first-pass drilling at E45/5112.

CORPORATE

Cash Position

The Company's cash position including listed investments as at 30 September was approximately $3.80 million[1]. Following the end of the September quarter, the Company completed the acquisition of the Reedy South Gold Project which includes the payment of $400k cash to the vendors. The Company retains sufficient funding to carry out its planned activities over the coming quarters.

[1] The 10,312,577 RTG shares held by the Company were worth approximately $1.85 million as at 30 September 2020.

Options

On 30 September 2020, 155,483,480 listed options exercisable at $0.045 (ASX:WCNOD) expired unexercised.

Release of Escrow

On 19 September 2020, 8,124,999 fully paid ordinary shares were released from voluntary escrow.

Note 6 to Appendix 5B

Payments to related parties of the entity and their associates:

- Directors fees and wages of approximately $26,000
- Company secretarial fees of approximately $6,000
- Accounting and bookkeeping fees of approximately $6,000

This release was authorised by the Board.

For personal use only

About White Cliff Minerals Limited

Gold Projects:

Reedy South Gold Project (100%): The Project covers 156km^2 of the highly prospective Cue goldfields, including 1km of strike along the prolific Reedy Shear Zone (RSZ). The Project comprises one granted mining lease (M20/446) covering the historic underground workings of Pegasus and King Cole, and three exploration license applications (E20/969, E20/971 & E20/972). The Project is situated 40km north of Cue, via the Great Northern Highway and is 80km south of Meekatharra. Previous drilling includes 7m @ 10.86g/t from 30m and 12m @ 5.26g/t from 34m.

Midas Cu-Au Projects (100%): The project consists of two tenements covering 228km^2 of under-explored granite dome structures within the Paterson Province. It has highly prospective fault structures, and in the case of E45/5107 have significant historical stream sediment sampling programs around Coolbro Creek in the 80s returned 82g/t Au, with follow up rock-chip sampling in quartz veins at Table Top reported 2m@2.9g/t Au.

Ironstone Gold Project (100%): The project consists of 169km^2 of the Merolia Greenstone belt consisting of the Ironstone, Comet Well and Burtville prospects. The project 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.

Laverton Gold Project (100%): The project consists of one granted tenement (12km^2) in the Laverton Greenstone belt. The Red Flag prospect is located 20km southwest of Laverton in the core of the structurally complex Laverton Tectonic zone immediately north of the Mt Morgan's Gold Mine (3.5 Moz) and 7km northwest of the Wallaby Gold Mine (7 Moz).

Cobalt-Nickel Projects:

Coronation Dam Cobalt Project (100%): The project consists of one tenement (16km^2) in the Wiluna-Norseman greenstone belt 90km south of the Murrin Murrin nickel-cobalt HPAL plant. The tenement contains an Inferred Mineral Resource of **5.7 million tonnes at 1% nickel and 0.08% cobalt** containing 56,700 tonnes of nickel and 4,300 tonnes of cobalt (ASX release 25 March 2019). Mineralisation is open along strike within an extensive ultramafic unit that contains zones of cobalt mineralisation associated with nickel mineralisation.

Ghan Well Cobalt Project (100%): The project consists of one tenement (39km^2) in the Wiluna-Norseman greenstone belt 25km southeast of the Murrin Murrin nickel-cobalt HPAL plant. The tenement contains an extensive ultramafic unit with zones of cobalt mineralisation associated with nickel mineralisation. The cobalt grades range from 0.01% to 0.75% and occur within a zone of manganiferous oxides within the regolith profile.

Coglia Well Cobalt Project (100%): The project consists of one tenement (52km^2) in the Merolia greenstone belt 50km south east of Laverton, Western Australia. The tenements contain extensive ultramafic units that host zones of cobalt mineralisation associated with nickel mineralisation. Recent drilling has identified extensive nickel and cobalt grades including 17 metres at **0.11% cobalt** and 1.0% nickel (ASX release 18 June 2018).

Merolia Nickel Project (100%): The project consists of 169km^2 of the Merolia Greenstone belt and contains extensive ultramafic sequences including the Rotorua ultramafic complex, the Curara ultramafic complex and a 22km long zone of extrusive ultramafic lavas. 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.

Tenement Information

TENEMENT	PROJECT	LOCATION	OWNERSHIP	CHANGE IN QUARTER
M20/446	Reedy South	Cue	100%	Gained 100%
E20/969	Reedy South	Cue	100%	Gained 100%
E20/971	Reedy South	Cue	100%	Gained 100%
E20/972	Reedy South	Cue	100%	Gained 100%
E45/5107	Midas Cu-Au	Paterson	100%	-
E45/5112	Midas Cu-Au	Paterson	100%	-
E38/2484	Ironstone	Laverton	100%	Surrendered
E38/2552	Ironstone	Laverton	100%	-
E38/2693	Ironstone	Laverton	100%	-
E38/2877	Ironstone	Laverton	100%	Surrendered

For personal use only

E38/2847	Ironstone	Laverton	100%	-
E39/1479	Ghan Well	Laverton	100%	-
E39/1585	Red Flag	Laverton	100%	-
E31/1101	Coronation Dam	Leonora	100%	-

For personal use only

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

WHITE CLIFF MINERALS LIMITED

ABN	Quarter ended ("current quarter")
22 126 299 125	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(65)	(65)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(9)	(9)
	(e) administration and corporate costs	(65)	(65)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	3	3
1.8	Other (provide details if material)	(6)	(6)
1.9	**Net cash from / (used in) operating activities**	**(142)**	**(142)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(20)	(20)
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

For personal use only

For personal use only

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(20)**	**(20)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,151	2,151
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(142)	(142)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(20)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	(27)	(27)
4.6	**Cash and cash equivalents at end of period**	**1,962**	**1,962**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	15	10
5.2	Call deposits	1,947	2,141
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,962**	**2,151**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	38
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

- Directors fees and wages of approximately $26,000
- Company secretarial fees of approximately $6,000
- Accounting and bookkeeping fees of approximately $6,000

For personal use only

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(142)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(20)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(162)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,962
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,962
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	12

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

For personal use only

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date: 16 October 2020

Authorised by: .....
Nicholas Ong

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only