



White Cliff Minerals LTD

White Cliff Minerals Limited

ABN 22 126 299 125

Annual report
for the year ended 30 June 2017

Contents

Corporate information	3
Review of operations	4
Directors' report	15
Auditor's independence declaration	23
Statement of comprehensive income	24
Statement of financial position	25
Statement of changes in equity	26
Statement of cash flows	27
Notes to the financial statements	28
Directors' declaration	45
Independent auditor's report to the members	46
ASX additional information	50

Corporate Information

Directors	Michael Langoulant Todd Hibberd Rodd Boland
Company secretary	Michael Langoulant
Registered office and principal place of business	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 Level 11, 172 St George's Terrace Perth, Western Australia 6000 Telephone: (08) 9323 2000
Auditors	HLB Mann Judd Chartered Accountants Level 4, 130 Stirling Street Perth, Western Australia 6000
Solicitors	Jackson McDonald Lawyers Level 17, 225 St Georges Terrace Perth, WA 6000
ASX code	White Cliff Minerals Limited is listed on the Australian Securities Exchange (Shares: WCN, Options: WCNOB)

Review of Operations

Highlights

Exploration was successfully advanced on several projects during the reporting period. Most notably the Company increased the high grade JORC 2012 compliant gold resource at the AuCu Gold project in the Kyrgyz Republic to 1.8 Mt at 5.2 g/t gold for 302,000 ounces of contained gold and identified a JORC 2012 compliant copper resource at AuCu of 608,000 tonnes at 0.64% copper for 3,780 tonnes of contained copper. These deposits are open along strike and at depth. Metallurgical test work indicated high gold recoveries averaging 98% overall.

The Company also identified potentially economic gold mineralisation at the Ironstone and East Burtville Gold prospects near Laverton in Western Australia.

A review of the Company's existing nickel-cobalt projects revealed that Ghan Well contained potentially economic cobalt mineralisation which is open laterally and along strike.

Corporate

During the reporting period the Company completed a placement and a share purchase plan that raised \$2,549,750 (before issue costs) to continue its exploration programs and for working capital. Subsequent to year end the Company announced a rights issue and placement to raise a maximum of \$2,890,000.

Exploration Summary

The AuCu Gold Project, Central Asia (90%)

The Company conducted the following work on the AuCu gold deposit during the reporting period:

- 4,045 metres of reverse circulation and diamond drilling;
- A JORC compliant resource estimation upgrade;
- Metallurgical test work; and
- A preliminary open pit and underground optimisation study.

A total of 4,045 metres of reverse circulation and diamond drilling was conducted at the AuCu high grade gold deposit in the Kyrgyz Republic (Map 1). The drilling program identified extensive new mineralisation with multiple intersections at high grade from near surface including: 12 metres at 15 g/t gold, 11 metres at 15 g/t gold, 12 metres at 5.2 g/t gold.

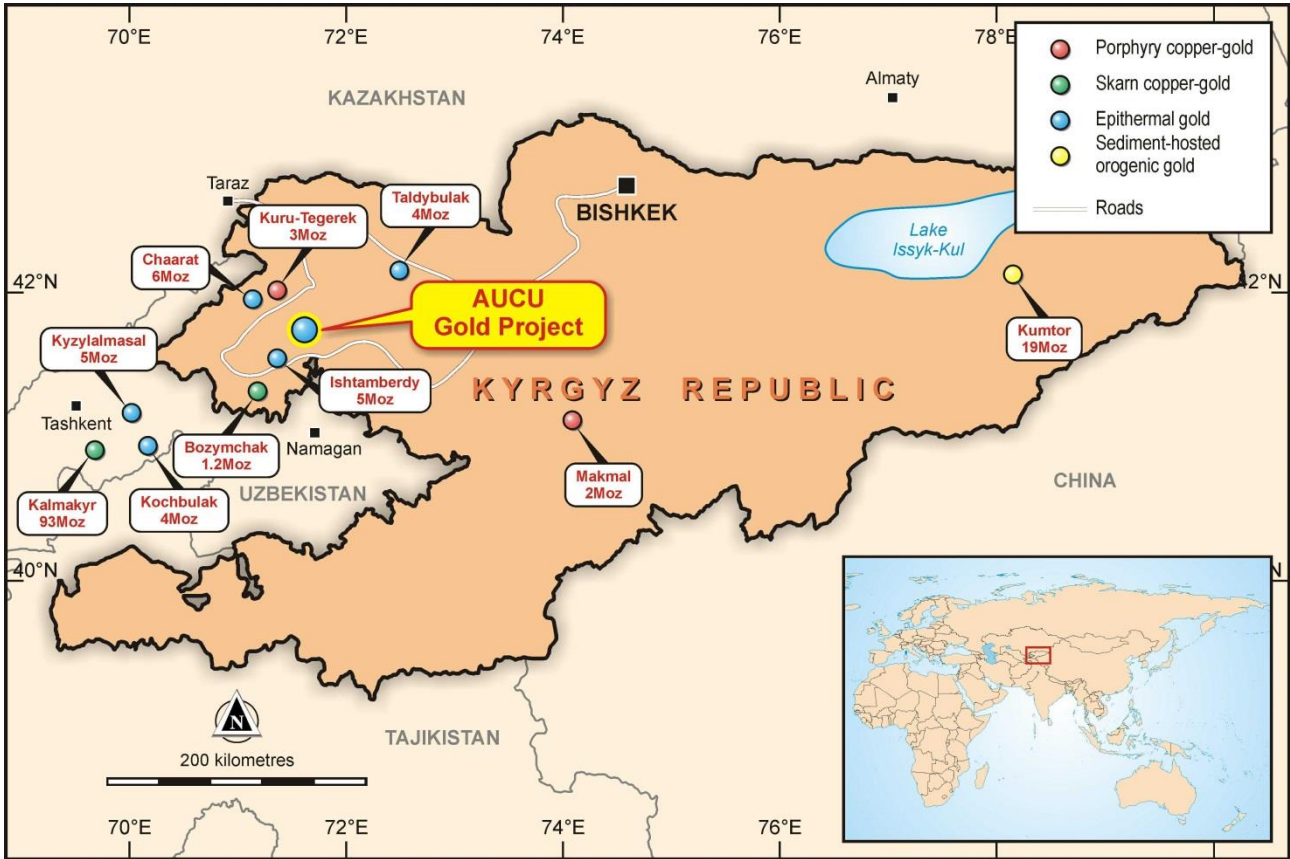
In April (*ASX release 21 April 2017*) the Company announced a new inferred gold resource for the **AuCu** gold deposit of **1.8 million** tonnes grading **5.2 g/t gold**, for **302,000 ounces** of contained gold, above a cut-off grade of 1 g/t gold. The new inferred resource was reported in accordance with the JORC Code (2012) and represents a 93% increase in contained gold ounces and a 23% increase in average grade over the previous 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 included a new inferred copper resource reported in accordance with the JORC Code (2012) of **608,000 tonnes** at **0.64% copper**, containing **3,870 tonnes of copper**, using a cut-off grade of 0.25% copper.

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 have been outlined from less than 5% of mineralised faults identified by rock-chip sampling on the project 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 area over a length greater than three kilometres and occur as multiple lodes (Figure 1). Table 1 provides a breakdown of the updated resource estimate by area.



Map 1: AUCU Gold Project location with major gold deposits illustrated.

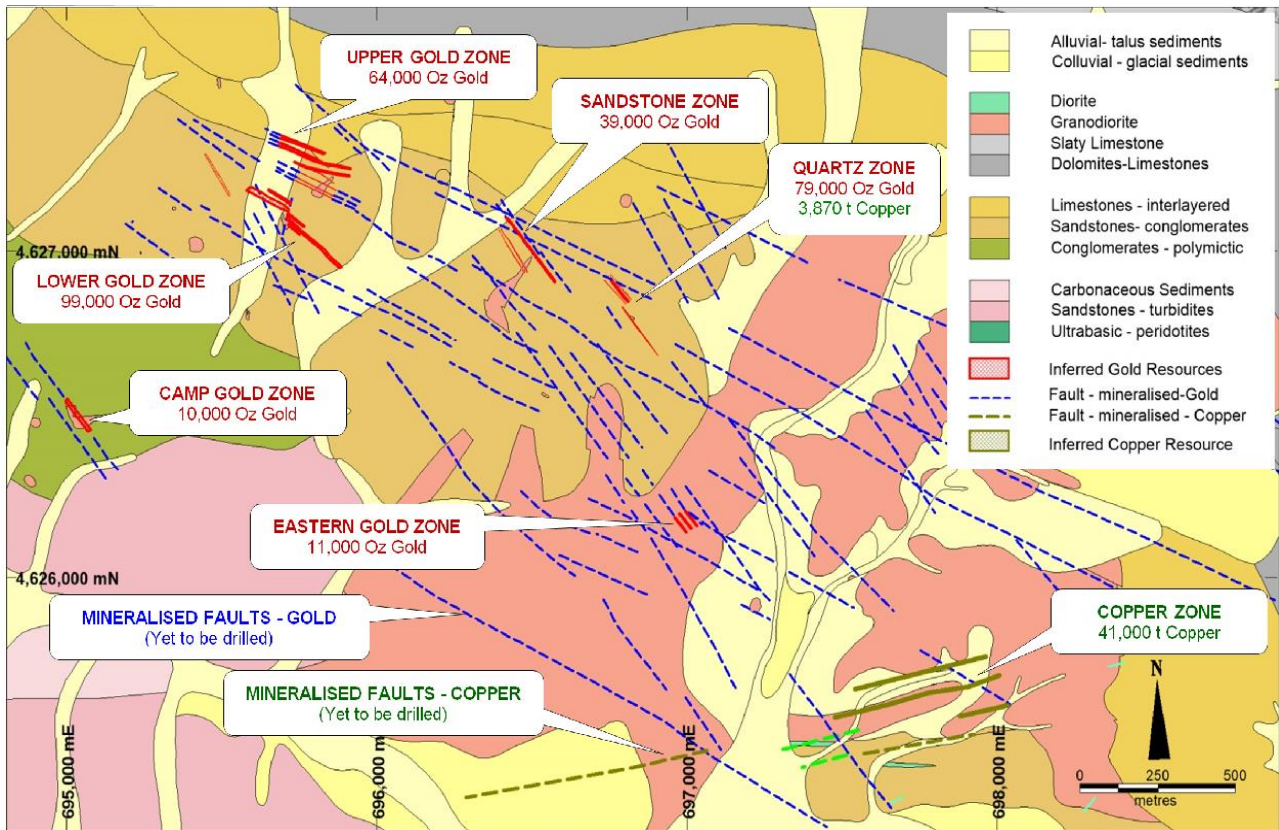


Figure 1: Location map of drilling showing Inferred gold resources (red hatch) outlines from less than 5% of the identified mineralised faults. 95% of the mineralised faults identified by rock chip sampling are still to be drilled (dashed blue and green lines).

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	1,814,000	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

Metallurgical Test Work

During the year the Company also conducted metallurgical test work on samples taken from the 2016 drilling program to complement the test work conducted on all prior mineralised intervals.

The samples tested were mainly from the newly discovered Quartz Zone, which has an average gold grade of 9.5 g/t gold and an average copper grade of 0.64% copper. Fourteen composites representing 96 one-metre drill samples were tested. One composite contained over 1% copper but very little gold. The other 13 composites had significant gold and copper values, averaging 10.6 g/t gold and 0.85% copper. Comparison of fire assay gold analyses with Leachwell bottle roll analyses indicated greater than **96%** free milling gold for 10 of the composites. Two composites had about 76% free milling gold and one composite had 36% free milling gold. These three composites averaged about 2.6% copper which may have affected the Leachwell assays. Screen fire assays showed that on average one-third of the gold occurred as relatively large metallic grains.

In addition to the gold test work, sequential leach tests quantified the various types of copper mineralisation (oxides, secondary copper sulphides and primary copper sulphides) in each sample. Results showed that approximately:

- 34% of the copper is present as copper oxide (azurite and malachite);
- 20% of the copper is present as secondary copper sulphides (chalcocite and neotocite);
and
- 44% of the copper is present as primary copper sulphides (chalcopyrite).

This is consistent with observed geology. The composition of copper types in each hole varies widely and is related to the amount of weathering the ore interval has been exposed too. Samples closer to the surface or on a major fault zone tend to be much more oxidised.

During financial year 2018, White Cliff will undertake further metallurgical testing of copper and gold recovery via a combination of gravity concentration and froth floatation. This process route would produce saleable high-grade gold/copper concentrates. At this stage of the project, this appears to be the most attractive processing method. It avoids cyanide leaching and associated environmental management.

Gravity recoverable gold averages **88.6%** based on the 69 composites (182 samples) tested in 2016 (ASX release dated 18 February 2016). Gravity concentration testing has not been conducted for the 2017 composites at this stage. However, the high levels of free milling gold and coarse particulate gold seen in the recent results are positive indicators.

Approximately **64%** of the copper occurred as primary and secondary sulphides which are readily recovered to high-grade concentrates by froth floatation. The remaining 34% of the copper occurs as oxide minerals, which are generally more difficult to recover to concentrates. Achievable recovery levels and concentrate grades will be investigated in the planned test work.

Mining Optimisation Study

A mining optimisation study was undertaken evaluating how much of the existing resource can potentially be mined via both open pit and underground methods. The study produced a series of optimal mining shells and optimised stopes based on standard mining and local cost parameters. The information collected and estimated in the optimisation study is not sufficiently detailed or advanced to be reported but provides a guide to the possible size and depth of open pit and underground designs based on the current inferred resource. The study allowed the Company to examine various mining scenarios and has provided information on where to target infill drilling in the most economical manner to enable conversion of the existing inferred resource into an indicated resource.

2017 Exploration Program

Subsequent to the end of financial year 2017, drilling has commenced at the Quartz Zone focussing on extending the high-grade mineralisation along strike. Further drilling programs are to be conducted at numerous other identified mineralised zones at Aucu.

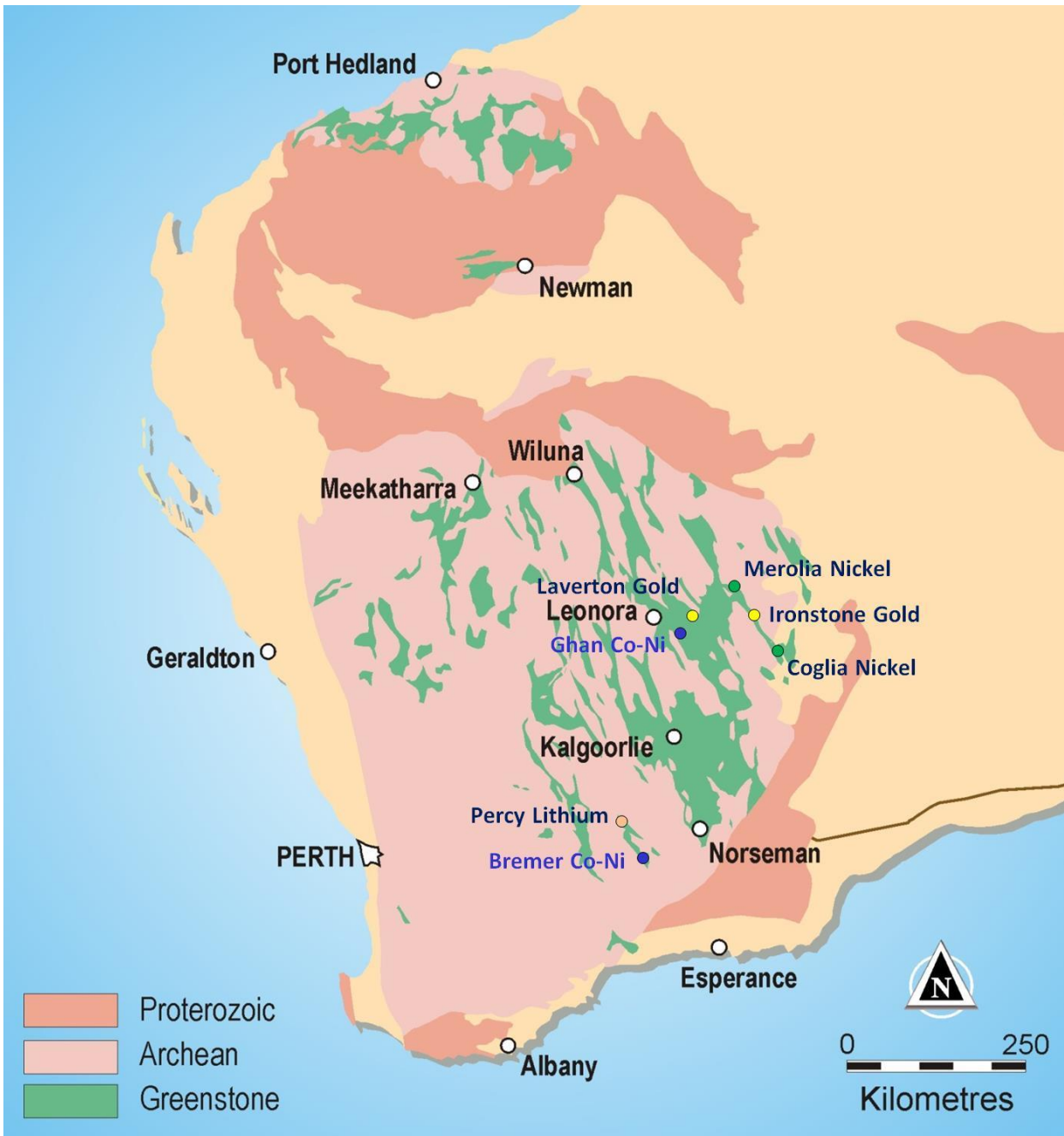
Merolia Gold and Nickel Gold Project, Western Australia (100%)

During the year the Company conducted a 2,000 metre drill program to test the Ironstone and East Burtville gold prospects at Merolia. In addition, an extensive soil sampling campaign was conducted to test the Central Gold Trend located between Ironstone and Comet Well.

At **Ironstone**, drilling identified multiple broad mineralised zones from shallow depths that remain open at depth and along strike. Results include:

- 4 metres at 1.8 g/t gold within 12 metres at 1.1 g/t gold
- 4 metres at 1.3 g/t gold and 5 metres at 0.6 g/t gold
- 4 metres at 0.79 g/t gold and 4 metres at 0.77 g/t gold within 12 metres at 0.66 g/t gold

In addition to the main mineralised intersections, there are wide zones of +0.2 g/t gold mineralisation that indicate the presence of a large mineralised system and alteration halo. Further work is being planned.



Map 2: Western Australian exploration projects

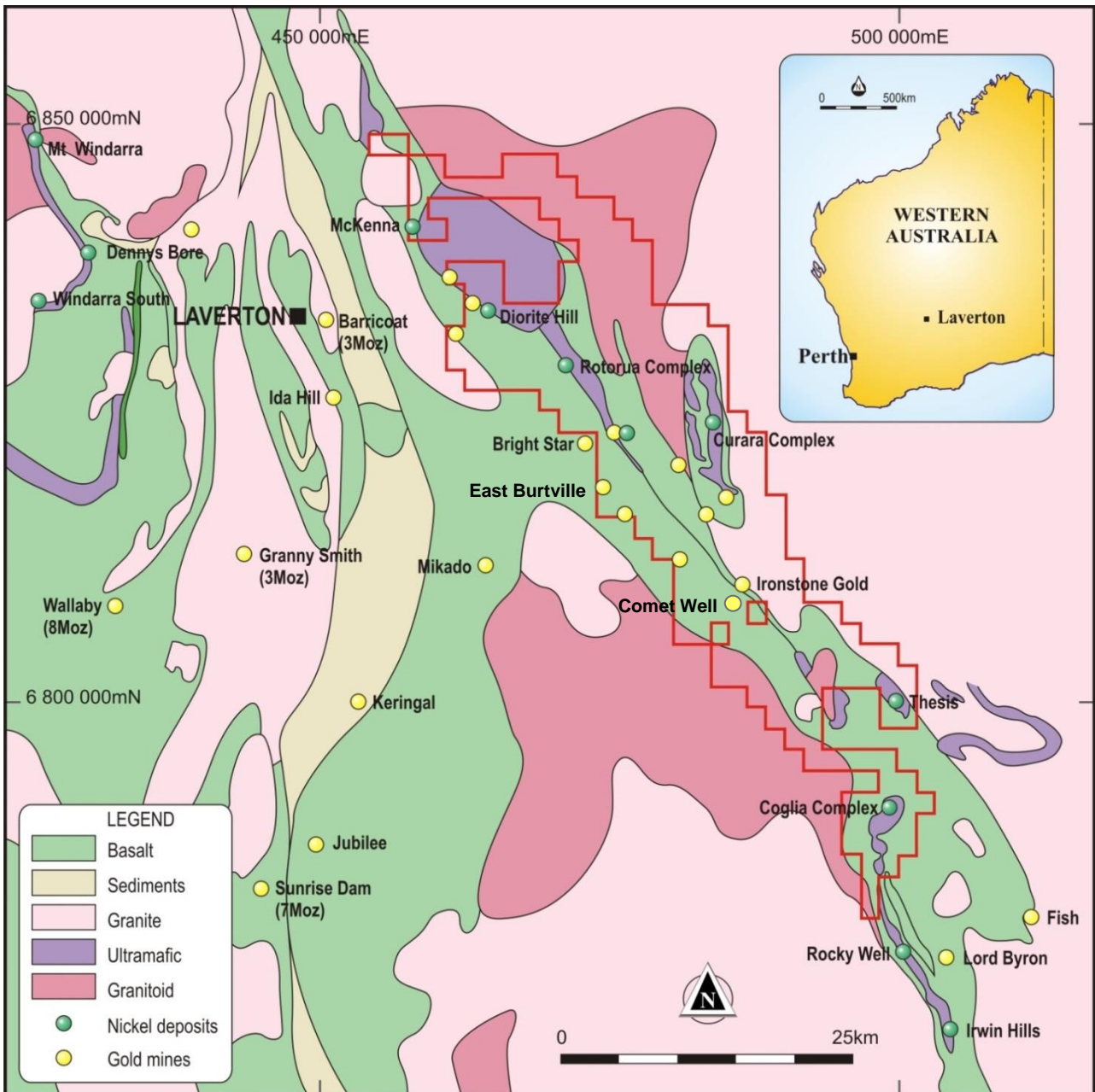


Figure 2: Map of the tenements at the Merolia Project near Laverton WA, with target areas highlighted.

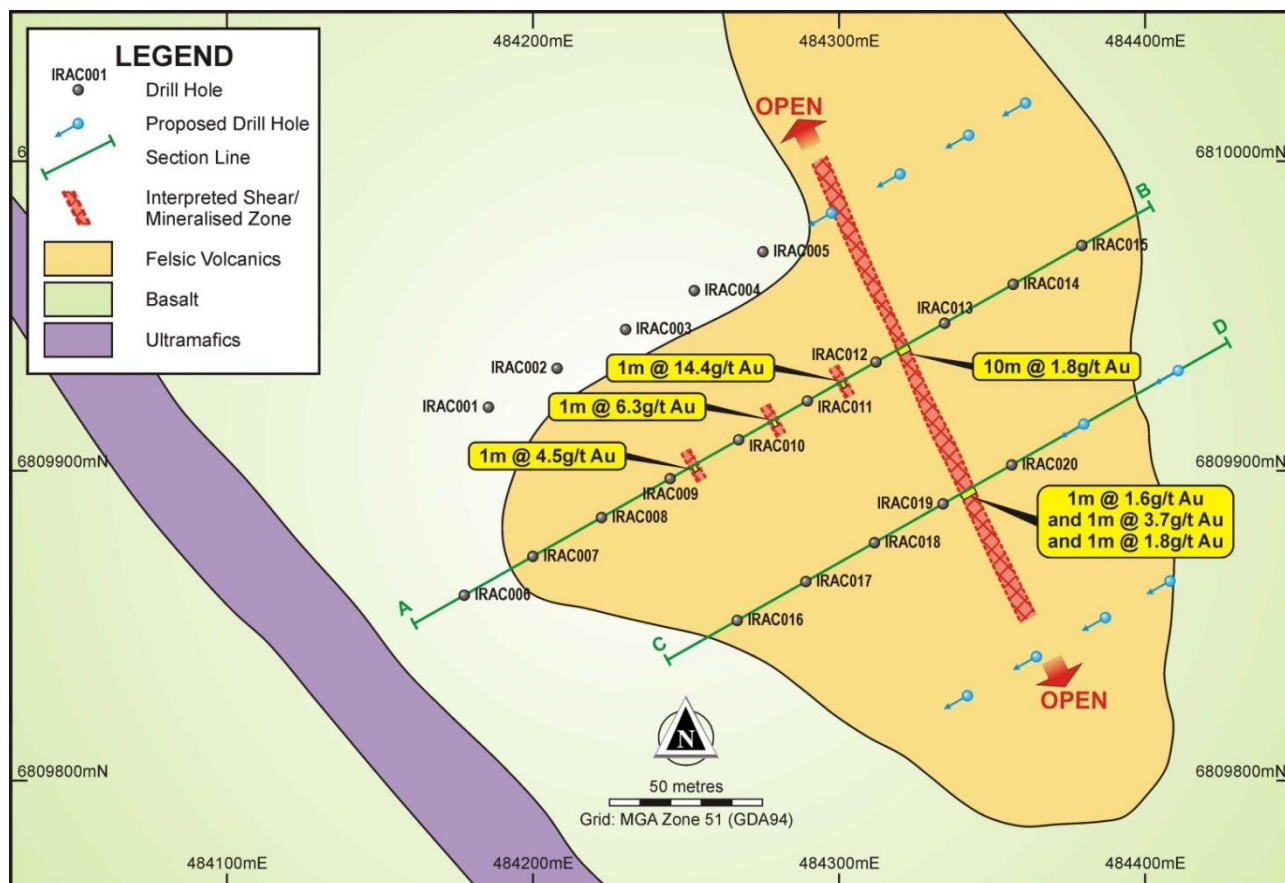


Figure 3: Geology map showing the Ironstone air-core drilling locations, interpreted gold mineralisation and further planned drilling

At **East Burtville**, drilling identified high-grade gold mineralisation including:

- 5 metres at 7.2 g/t gold including 1 metre at **14.2 g/t** gold from surface
- 4 metres at 5.5 g/t gold including 1 metre at **20.8 g/t** gold
- 1 metre at 3.9 g/t gold
- 3 metres at 2.1 g/t gold

The gold mineralisation is associated with a north-south trending quartz vein occurring within metamorphosed basalts. The quartz vein is exposed at surface, has been intersected in drilling over a strike length of 100 metres and is open along strike and at depth. Historic drilling also identified high grade gold mineralisation associated with quartz veining, with notable intercepts including:

- 5 metres at **27.8 g/t** gold including 1 metre at **135 g/t** gold
- 2 metres at 6.7 g/t gold and;
- 3 metres at 5.3 g/t gold.

The Company is very encouraged by the presence of the quartz veining at East Burtville and believes further exploration is warranted.

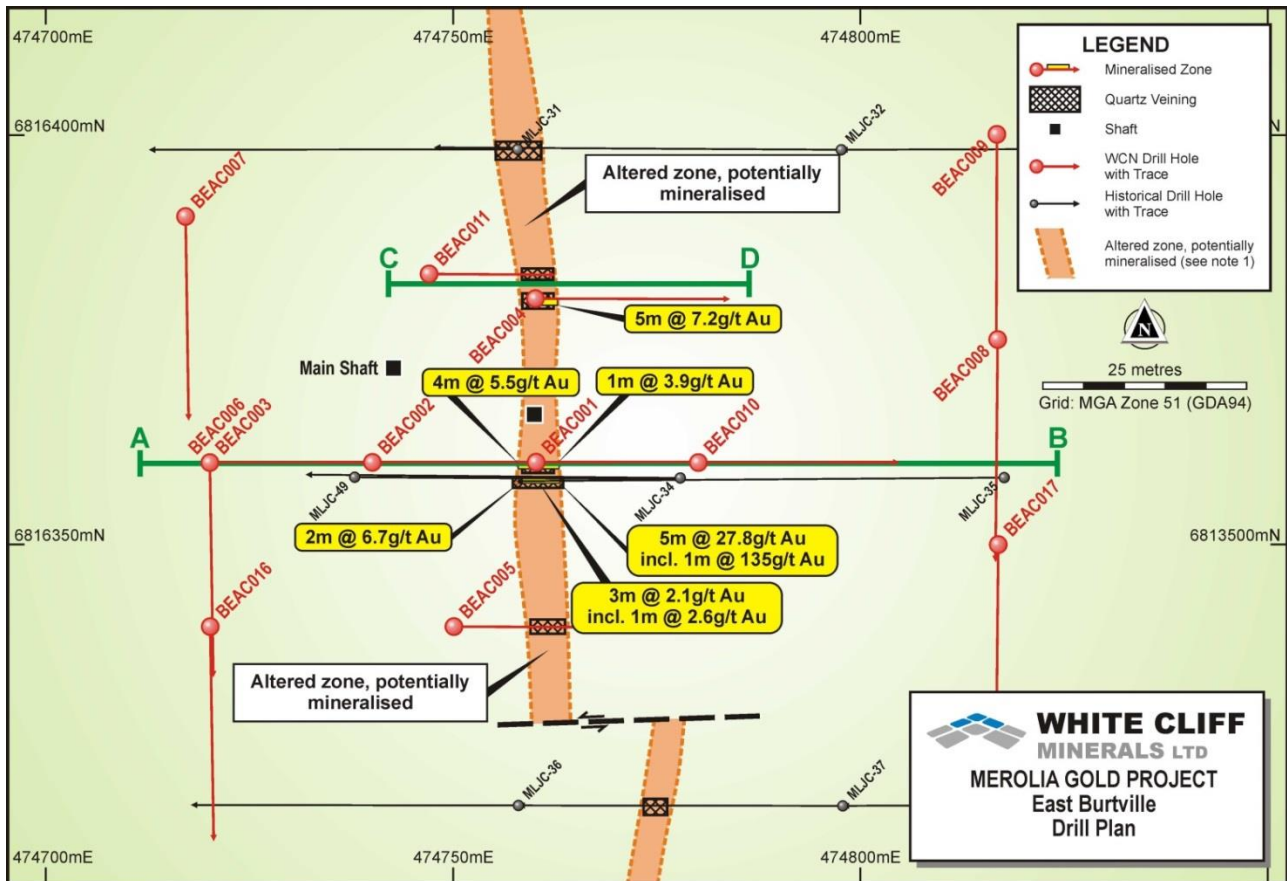


Figure 4: Plan view of East Burtville drilling showing hole locations and direction, mineralisation and interpreted quartz structure. Note: Gold mineralisation in quartz veins commonly occurs as gold nuggets. Assay results can be highly variable. A low or zero assay result is not necessarily an indication that the vein is not mineralised.

At **Comet Well**, the Company identified extensive gold in soil anomalies along the Central Gold Trend. 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. Further exploration is warranted.

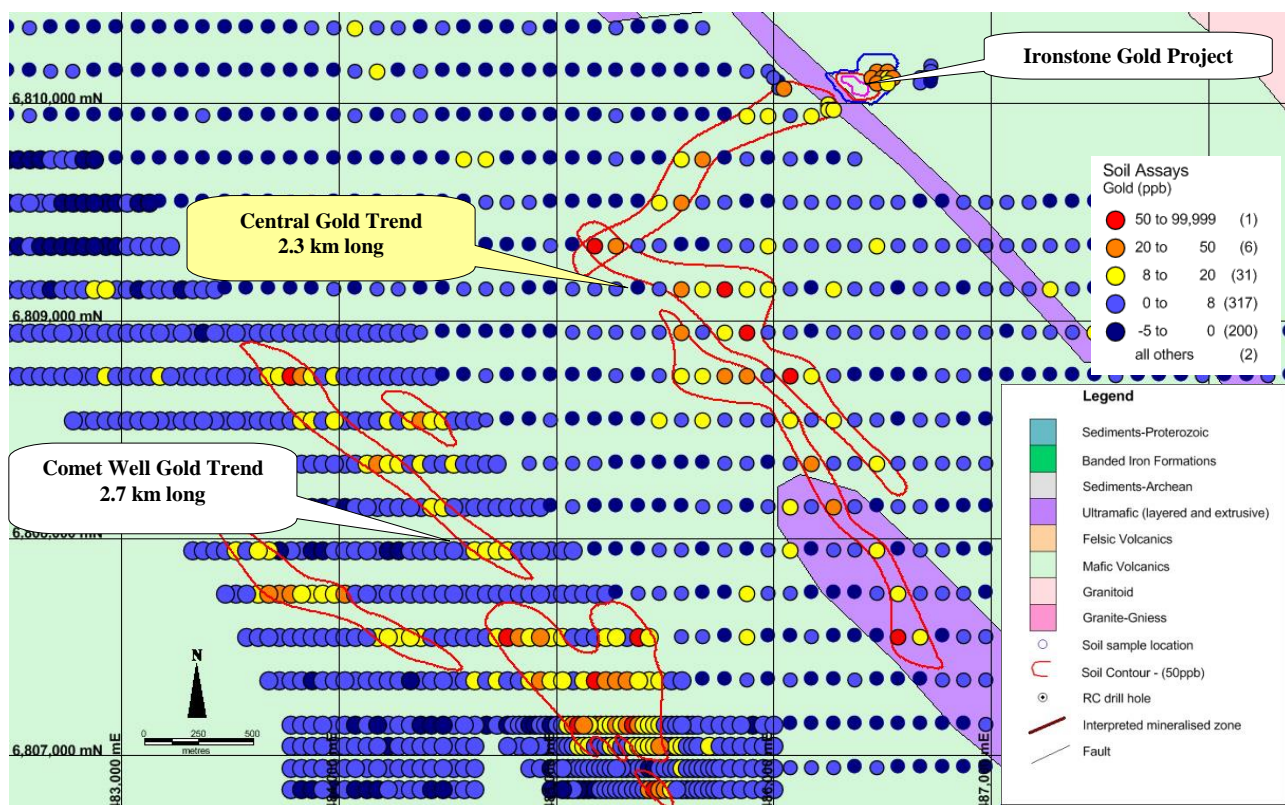


Figure 5: Geological map showing the Comet Well, Central and Ironstone gold in soil anomalies.

Ghan Well Cobalt and Nickel Project, Western Australia (100%)

During the year, the Company reviewed the existing geochemical and drilling database at Ghan Well and identified multiple cobalt intersections associated with nickel mineralisation within extensive ultramafic rock sequences (ASX Release 29 May 2017). The Company considers the mineralisation to be potentially economic.

The cobalt mineralisation occurs as a shallow layer of cobalt-enriched manganiferous oxides that form between the smectite clays and the overlying ferruginous clays. High-grade cobalt mineralisation typically occurs between 10-30 metres depth and is associated with nickel mineralisation. Results include:

- 11 metres at 0.15% cobalt from 25 metres depth
- 8 metres at 0.16% cobalt from 33 metres depth
- 6 metres at 0.21% cobalt from 14 metres depth
- 4 metres at 0.27% cobalt from 27 metres depth

In addition, extensive soil geochemical sampling has highlighted multiple cobalt anomalies along the ultramafic sequences which extend for 12 kilometres within the White Cliff tenement. Only a fraction of the ultramafic sequences have been drill tested.

The Ghan Well project consists of a central ultramafic sequence ranging from 800 metres to 2,100 metres wide and 12 kilometres long surrounded by felsic and mafic volcanic rock. Due to the properties of ultramafic lava flows, cobalt, nickel and base metals are typically concentrated towards the bottom of the lava flow. Subsequent faulting and folding has transformed horizontal ultramafic lava flows (now rock) into sub-vertical ultramafic rock units.

The cobalt mineralisation is closely associated with nickel mineralisation and generally occurs slightly higher in the regolith profile. At Ghan Well there is substantial nickel mineralisation and the cobalt mineralisation discussed above has formed from the same processes. The Company believes that the cobalt mineralisation has the potential to be economically extractable in its own right.

The proximity of the project to the Murrin Murrin nickel refinery is likely to strongly impact the possibility of economic development of both the cobalt and nickel mineralisation. While the Company has not yet calculated any mineral resources, it is clear the potential exists for a substantial resource.

Current drilling has only tested a small fraction of the mapped ultramafic unit, indicating there is potential to discover significant additional mineralisation.

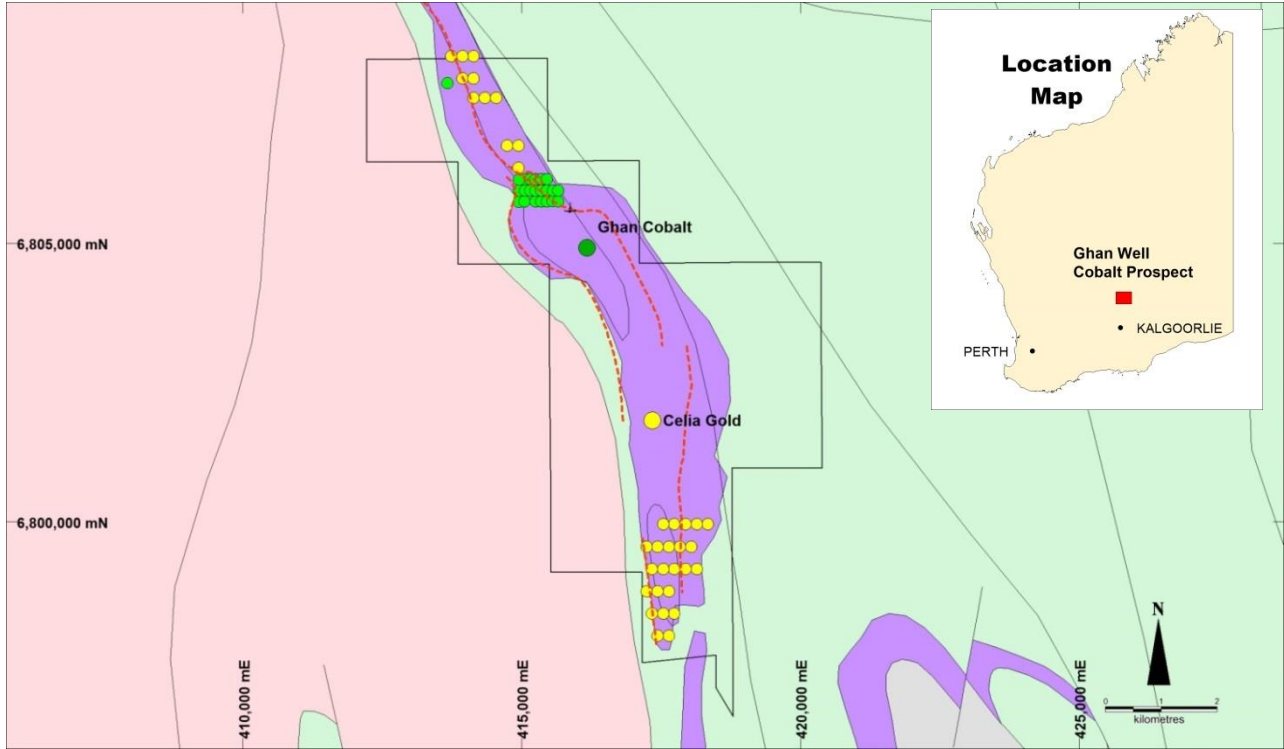


Figure 6: Location map of drilling and cobalt mineralisation at Ghan Well near Laverton in Western Australia. Yellow and green dots are historical drill hole locations.

Lake Percy Lithium Project, Western Australia (100%)

On 11 January 2017 the Company announced the grant of a new lithium tenement (E63/1793), north of its existing Lake Percy tenement (E63/1222i). Historical exploration on E63/1793 (Figure 7) identified pegmatites both in outcrop and in drill holes but no lithium assaying was undertaken. The Company is currently reviewing the project subsequent to Lontown Resources (ASX:LTR) electing to withdraw from the Lake Percy Joint Venture. This decision by Lontown was made subsequent to year-end.

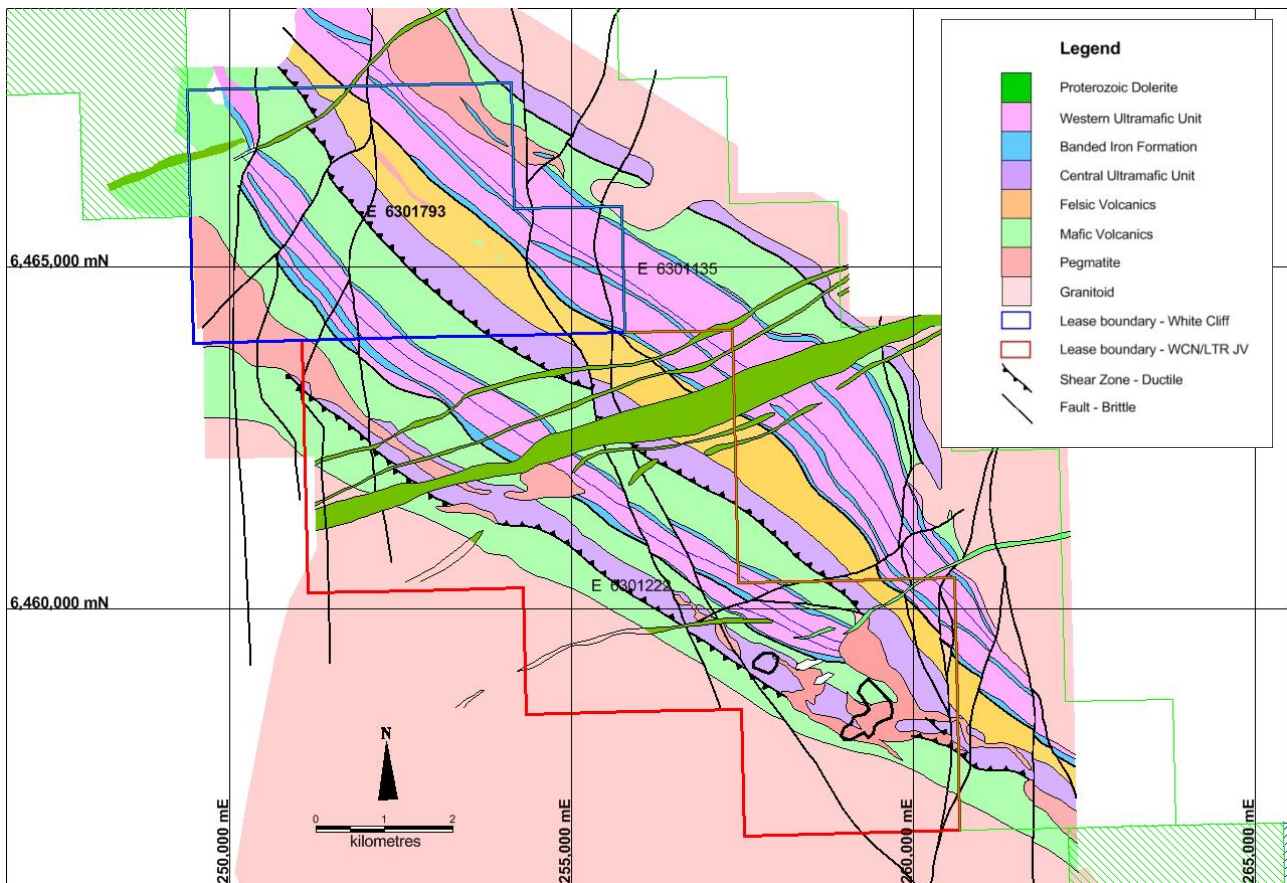


Figure 7: Geological Map of White Cliff Minerals Lake Percy Tenements

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.

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.

Directors' Report

Your directors present their annual financial report on the consolidated entity (referred to hereafter as the "Group") consisting of White Cliff Minerals Limited (the "Company" or "parent entity") and the entities it controlled during the financial year ended 30 June 2017. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

M Langoulant - *Executive Chairman*

T Hibberd - *Managing Director*

R Boland - *Non-Executive Director*

Principal activities

The principal activity of the Group during the financial year was mineral exploration.

Dividends

No dividend has been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Review of operations

Information on the operations of the Group is set out in the review of Operations Report on pages 4 to 14 of this Annual Report.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group to the date of this report.

Matters subsequent to the end of the financial year

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods other than:

- the Company drew down a further \$600,000 in short term borrowings;
- the Company has received applications from shareholders for 466,368,695 ordinary shares in relation to a completed partially underwritten 1:2 rights issue of ordinary shares at an issue price of \$0.002 to raise \$932,737 in working capital. The rights issue underwriter has confirmed to the Company that it has commitments from client to place the rights issue shortfall being 473,370,167 ordinary shares which when completed will raise an additional \$946,740 in working capital.

Likely developments and expected results

Additional comments on expected results of certain operations of the Group are included in the review of operations and activities.

Environmental legislation

The Group is subject to significant environmental legal regulations in respect to its exploration and evaluation activities. There have been no known breaches of these regulations and principles.

Indemnification and insurance of directors and officers

During the financial year the Company has not paid premiums in respect of insuring directors and officers of the Company against liabilities incurred as directors or officers. The Company has no insurance policy in place that indemnifies the Company's auditors.

Directors' Report

Information on directors

Michael Langoulant; B Com, CA Executive Chairman and Company Secretary

Experience and expertise

Founding director with almost 30 years' experience in public company corporate administration and fundraising. After 10 years with large international accounting firms he has acted as finance director, CFO, company secretary and non-executive director with a number of publicly listed companies.

Other current directorships

Nil

Former directorships in the last 3 years

Luir Gold Ltd, Property Connect Holdings Limited and Nyota Minerals Limited

Special responsibilities

Chairman and Company Secretary

Interests in shares and options at the date of this report

49,877,169 ordinary shares; 9,333,333 31 December 2018 options; 2,500,000 December 2017 options; 11,000,000 performance rights

Todd Jeffrey Hibberd; BSc, MSc, Dip Bus, MAusIMM, MAICD Managing Director

Experience and expertise

Appointed in December 2008, Mr Hibberd is a geologist with an extensive background in exploration, mining and mineral economics with over 23 years in exploration, resource estimation, feasibility studies, mine development and production management. Recent experience includes eight years as a Director of White Cliff Minerals (six years as Managing Director, two years as Managing Director of ASX listed Stonehenge Metals Limited and 10 years working for Newmont Mining Corporation in various senior exploration and production roles.

Other current directorships

None

Former directorships in the last 3 years

None

Special responsibilities

Managing Director

Interests in shares and options at the date of this report

61,501,800 ordinary shares; 8,000,000 31 December 2018 options; 5,000,000 December 2017 options; 11,000,000 performance rights

Rodd Boland; B Com, MBA Non-Executive Director

Experience and expertise

Appointed in February 2010, Mr. Boland has over 20 years of corporate and financial industry experience in investment banking, executive management and the capital markets including advising and raising equity for corporations in the form of venture capital, private equity, pre-initial public offerings and initial public offerings.

Other current directorships

None

Former directorships in the last 3 years

Property Connect Holdings Limited

Special responsibilities

Investor relations

Interests in shares and options at the date of this report

9,390,000 ordinary shares; 166,667 31 December 2018 options; 500,000 December 2017 options; 1,500,000 performance rights

White Cliff Minerals Limited
ABN 22 126 299 125

Directors' Report

Meetings of directors

During the financial year there were 8 formal directors' meetings. All other matters that required formal Board resolutions were dealt with via written circular resolutions. In addition, the directors met on an informal basis at regular intervals during the financial year to discuss the Group's affairs.

The number of meetings of the Company's board of directors attended by each director were:

	<i>Directors' meetings held whilst in office</i>	<i>Directors' meetings attended</i>
M Langoulant	8	8
T Hibberd	8	8
R Boland	8	8

Shares under option

Outstanding share options at the date of this report are as follows:

Grant Date	Date of expiry	Exercise price	Number of options
December 2015	31 December 2017	\$0.02	202,850,001
December 2015	1 December 2018	\$0.012	30,000,000
December 2016	31 December 2018	\$0.013	151,322,273

No option holder has any right under the options to participate in any other share issue of the Company or any other controlled entity.

Shares issued on the exercise of options

There have been no shares issued upon the exercise of options.

Directors' Report

Remuneration Report (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of White Cliff Minerals Limited (the "Company") for the financial year ended 30 June 2017. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes all executives in the Parent and the Group receiving the highest remuneration.

Key Management Personnel

(i) Directors

Michael Langoulant (Executive Chairman)
Todd Hibberd (Managing Director)
Rodd Boland (Non-executive Director)

(ii) Executives

There were no other executives of the Company as at 30 June 2017.

Details of directors' and executives' remuneration are set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Employment contracts/Consultancy agreements
- D Share-based compensation

A Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aims to align executive reward with the creation of value for shareholders. The key criteria for good remuneration governance practices adopted by the Board are:

- competitiveness and reasonableness
- acceptability to shareholders
- performance incentives
- transparency
- capital management

The framework provides a mix of fixed salary, consultancy agreement based remuneration and share based incentives.

The broad remuneration policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is governed by the full board. Although there is no separate remuneration committee the Board's aim is to ensure the remuneration packages properly reflect directors' and executives' duties and responsibilities. The Board assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention and motivation of a high quality Board and executive team.

The current remuneration policy adopted is that no element of any director or executive package is directly related to the Company's financial performance. Indeed there are no elements of any director or executive remuneration that are dependent upon the satisfaction of any specific condition however the overall remuneration policy framework is structured to advance and create shareholder wealth.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board and are intended to be in line with the market.

Directors' Report

Directors' fees

Some of the directors perform at least some executive or consultancy services. As the Board considers it important to distinguish between the executive and non-executive roles each of the directors receive a separate fixed fee for their services as a director.

Retirement allowances for directors

Apart from superannuation payments paid on salaries there are no retirement allowances for directors.

Executive pay

The executive pay and reward framework has the following components:

- base pay and benefits such as superannuation
- long-term incentives through participation in employee equity issues

Base pay

All executives are either full time employees or consultants who are paid on an agreed basis that has been formalised in a consultancy agreement.

Benefits

Apart from superannuation paid on executive salaries there are no additional benefits paid to executives.

Short-term incentives

There are no current short term incentive remuneration arrangements.

Performance based remuneration

To ensure that the Company has appropriate mechanisms in place to continue to attract and retain the services of suitable directors and employees, the Company has issued options and performance rights to key personnel.

During the year ended 30 June 2017, the Company issued 16,000,000 options to directors while in the year ended 30 June 2016, the Company issued 16,000,000 performance rights to directors (refer note 13).

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and other key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Company and the Group for the year ended 30 June 2017 are set out in the following tables. There are no elements of remuneration that are directly related to performance.

The key management personnel of the Group comprise the directors of the Company who have the authority and responsibility for planning, directing and controlling the activities of the Group. Given the size and nature of the Group, there are no other employees who are required to have their remuneration disclosed in accordance with the *Corporations Act 2001*.

White Cliff Minerals Limited
ABN 22 126 299 125

Directors' Report

Remuneration of directors

**Year ended
30 June 2017**

Name	Salary / fees	Post-employment benefits Superannuation	Share-based payments ¹	Total	Performance based remuneration %
	\$	\$	\$	\$	
Director					
M Langoulant ²	180,000	-	16,000	196,000	8.2%
T Hibberd	259,356	21,789	16,000	297,145	5.4%
R Boland	30,000	-	-	30,000	-
	469,356	21,789	32,000	523,145	

**Year ended
30 June 2016
Director**

M Langoulant ²	180,000	-	8,090	188,090	4.3%
T Hibberd	259,356	21,789	8,090	289,235	2.3%
R Boland	30,000	-	4,046	34,046	11.9%
	469,356	21,789	20,226	511,371	

1 The assessed fair value at grant date of options and performance rights granted to directors is included in key management personnel remuneration above and expensed in the statement of comprehensive income over the vesting period of the options. Fair values at grant date are determined using market value for listed options or a Black and Scholes pricing model that takes into account various assumptions as detailed in Note 13.

2 Includes fees for accounting and corporate administration services to a company of which he is a director and shareholder.

C Employment contracts/Consultancy agreements

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. Formal services contracts have been made with the Executive Chairman and the Managing Director. The Company may terminate these contracts on 3 months' notice by paying 9 months fees.

D Share-based compensation

The terms and conditions of options and performance rights granted affecting remuneration in the current or a future reporting period are as follows:

Options

Grant date	Expiry date	Exercise price	Value per right at grant date	% Vested
December 2016	31 December 2018	\$0.013	\$0.002	100%

Of these options 8,000,000 were issued to M Langoulant and 8,000,000 were issued to T Hibberd.

Performance rights

Performance rights carry no dividend or voting rights. When vested, each right is convertible into one ordinary share. Performance rights were issued in previous financial years to key management personnel as part of their remuneration are as follows:

White Cliff Minerals Limited
ABN 22 126 299 125

Name	Balance at the beginning of the financial period	Granted during the financial period	Exercised during the financial period	Balance at the end of the financial period	Vested and exercisable at the end of the financial period
Director					
M Langoulant	11,000,000	-	-	11,000,000	3,000,000
T Hibberd	11,000,000	-	-	11,000,000	3,000,000
R Boland	1,500,000	-	-	1,500,000	1,500,000

Key management personnel equity holdings

2017	Balance at beginning of year	Net movement during the year	Balance at the end of year
Director			
<i>Ordinary shares</i>			
M Langoulant	25,651,446	9,000,000	34,651,446
T Hibberd	34,397,736	6,603,464	41,001,200
R Boland	5,260,000	1,000,000	6,260,000
<i>Options</i>			
M Langoulant	7,666,668	4,166,665	11,833,333
T Hibberd	10,416,668	2,583,332	13,000,000
R Boland	3,250,000	(2,583,333)	666,667
<i>Performance rights</i>			
M Langoulant	11,000,000	-	11,000,000
T Hibberd	11,000,000	-	11,000,000
R Boland	1,500,000	-	1,500,000
2016			
Director			
<i>Ordinary shares</i>			
M Langoulant	13,651,446	12,000,000	25,651,446
T Hibberd	18,397,736	16,000,000	34,397,736
R Boland	1,260,000	4,000,000	5,260,000
<i>Options</i>			
M Langoulant	4,166,668	3,500,000	7,666,668
T Hibberd	4,666,668	5,750,000	10,416,668
R Boland	2,250,000	1,000,000	3,250,000
<i>Performance rights</i>			
M Langoulant	6,000,000	5,000,000	11,000,000
T Hibberd	6,000,000	5,000,000	11,000,000
R Boland	3,000,000	(1,500,000)	1,500,000

End of remuneration report.

Directors' Report

Auditor independence and non-audit services

Section 307C of the *Corporations Act 2001* requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 23 and forms part of this directors' report for the year ended 30 June 2017.

Non-audit services

The Company may decide to employ the auditors on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the consolidated entity are important. The Company has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Details of non-audit services are outlined in Note 20.

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.



M Langoulant
Executive-chairman
Perth, Western Australia
Date: 11 September 2017

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of White Cliff Minerals Limited for the year ended 30 June 2017, 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
11 September 2017

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

White Cliff Minerals Limited
ABN 22 126 299 125

Statement of Comprehensive Income
For the year ended 30 June 2017

	Note	Consolidated 2017 \$	2016 \$
Other income	2(a)	30,905	78,861
Exploration expenditure incurred		2,523,142	2,219,583
Foreign exchange loss		10,014	125,635
Share based payment expense		32,000	20,226
Other expenses		1,389,764	1,267,062
		3,954,920	3,632,506
Loss before income tax expense		(3,924,015)	(3,553,645)
Income tax benefit	3	-	172,436
Loss after income tax benefit		(3,924,015)	(3,381,209)
Net loss for the year		(3,924,015)	(3,381,209)
Other comprehensive loss/(income), net of tax		-	-
Total comprehensive loss for the year		(3,924,015)	(3,381,209)
Basic loss per share (cents per share)	4	(0.2)	(0.3)

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

White Cliff Minerals Limited
ABN 22 126 299 125

Statement of Financial Position
As at 30 June 2017

	Note	Consolidated 2017 \$	2016 \$
Current Assets			
Cash and cash equivalents	6	507,116	1,839,388
Trade and other receivables	7	41,519	36,105
Prepayments		15,300	10,000
Other assets		28,758	28,758
Total Current Assets		592,693	1,914,251
Non-Current Assets			
Plant and equipment		131,047	129,803
Exploration project acquisition costs	8	1,509,350	1,393,350
Total Non-Current Assets		1,640,397	1,523,153
Total Assets		2,233,090	3,437,404
Current Liabilities			
Trade and other payables	9	338,350	245,018
Borrowings	10	100,000	-
Total Current Liabilities		438,350	245,018
Total Liabilities		438,350	245,018
Net Assets		1,794,740	3,192,386
Equity			
Issued capital	11	25,733,309	23,238,940
Reserves	12	914,399	882,399
Accumulated losses		(24,852,968)	(20,928,953)
Total Equity		1,794,740	3,192,386

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

White Cliff Minerals Limited
ABN 22 126 299 125

Statement of Changes in Equity
For the year ended 30 June 2017

Consolidated	Issued capital \$	Accumulated losses \$	Reserves \$	Total equity \$
Balance at 30 June 2015	17,830,104	(17,547,744)	902,876	1,185,236
Loss for the period	-	(3,381,209)	-	(3,381,209)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(3,381,209)	-	(3,381,209)
Shares issued during the period	5,697,901	-	-	5,697,901
Share based compensation	40,703	-	(20,477)	20,226
Capital raising costs (note 11(b))	(329,768)	-	-	(329,768)
	5,408,836	-	-	5,388,359
Balance at 30 June 2016	23,238,940	(20,928,953)	882,399	3,192,386
Loss for the period	-	(3,924,015)	-	(3,924,015)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(3,924,015)	-	(3,924,015)
Shares issued during the period	2,645,750	-	-	2,645,750
Share based compensation	-	-	32,000	32,000
Capital raising costs (note 11(b))	(151,381)	-	-	(151,381)
	2,494,369	-	32,000	2,526,369
Balance at 30 June 2017	25,733,309	(24,852,968)	914,399	1,794,740

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

White Cliff Minerals Limited
ABN 22 126 299 125

Statement of Cash Flows
For the year ended 30 June 2017

		Consolidated	
	Note	Inflows/ (Outflows) 2017 \$	Inflows/ (Outflows) 2016 \$
Cash flows from operating activities			
Receipts from customers, government grants and incentives		27,246	219,074
Payments to suppliers and employees		(909,707)	(847,591)
Interest received		3,659	1,972
Net cash outflow from operating activities	14(a)	(878,802)	(626,545)
Cash flows from investing activities			
Loans and convertible notes received/(repaid)		-	(520,864)
Payments for plant and equipment		(54,697)	(148,655)
Payments for project acquisition		(20,000)	-
Payments for exploration and evaluation		(2,877,142)	(2,688,478)
Net cash outflow from investing activities		(2,951,839)	(3,357,997)
Cash flows from financing activities			
Proceeds from the issue of shares		2,549,750	5,697,901
Proceeds from borrowings		100,000	-
Capital raising costs		(151,381)	(329,768)
Net cash inflow from financing activities		2,498,369	5,368,133
Net increase/(decrease) in cash held		(1,332,272)	1,383,591
Cash at the beginning of the year		1,839,388	455,797
Cash at the end of the year	6	507,116	1,839,388

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

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 1: Statement of significant accounting policies

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial report has also been prepared on a historical cost basis. The Company is a listed public company registered and domiciled in Australia. The financial report is presented in Australian dollars.

Going Concern

The Company and its controlled entities as at 30 June (the "Group") do not generate sufficient cash flows from their operating activities to finance these 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.

During the financial year the Company has raised a net \$2,549,750 in new equity capital, and at the date of this report the Company has working capital of approximately \$154,343.

Since year-end the Company has undertaken a partially underwritten rights issue to raise up to \$1.879 million. In addition it has announced it will undertake a placement to raise an additional \$1 million in working capital to progress the Company's exploration activities. Despite these additional capital raisings, the Company's cash flows indicate that further capital raisings will be required.

As a result, there exists 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 the above matters and, accordingly, have prepared the financial report on a going concern basis.

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2017, 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 the current annual reporting period. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies. The Group has however adopted "AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101" such certain specific disclosures required by Australian Accounting Standards have not been made on the basis that the information resulting from that disclosure is not material.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised by the Board of directors for issue on 11 September 2017

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of White Cliff Minerals Limited (“Company” or “parent entity”) and its controlled entities as at 30 June 2017 (the “Group”).

The financial statements of the controlled entities are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Controlled entities are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

(e) Significant accounting judgements estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Exploration and evaluation costs carried forward

The Group’s main activity is exploration and evaluation for minerals. The nature of exploration activities are such that it requires interpretation of complex and difficult geological models in order to make an assessment of the size, shape, depth and quality of resources and their anticipated recoveries. The economic, geological and technical factors used to estimate mining viability may change from period to period. In addition, exploration activities by their nature are inherently uncertain. Changes in all these factors can impact exploration asset carrying values.

Share-based payment transactions:

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by either market value or using a Black and Scholes model using the assumptions contained in Note 13.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest income

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(ii) Government assistance - drilling grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

(g) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Temporary bank overdrafts are included in cash at bank and in hand. Permanent bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

(h) Income tax

The income tax expense or benefit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in controlled entities, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

The Company recognises both its current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Impairment of assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior financial periods. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

(l) Provisions

Where applicable, provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not made for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Provisions are measured at the net present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

(m) Share-based payment transactions

Equity settled transactions:

The Group provides benefits to employees and consultants of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees and consultants is measured by reference to the fair value of the equity instruments at the date at which they are granted and/or vested. The fair value is determined by using either market value or the Black and Scholes model, further details of which are given in Note 13.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which any performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired, and the Group's best estimate of the number of equity instruments that will ultimately vest.

The statement of comprehensive income charge or credit for a year represents the movement in cumulative expense recognised as at the beginning and end of that year.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 4).

(n) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the costs of acquisition as part of purchase consideration.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 1: Statement of significant accounting policies (continued)

(o) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(p) Exploration and evaluation expenditure

Exploration costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial year and accumulated acquisition costs written off to the extent that they will not be recovered in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of White Cliff Minerals Limited.

(r) Parent entity financial statements

The financial information for the parent entity, White Cliff Minerals, disclosed in Note 19, has been prepared on the same basis as the consolidated financial statements.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

	Consolidated	
	2017	2016
	\$	\$

Note 2: Revenue and expenses

(a) Revenue from continuing operations

Other revenue

Insurance recoveries	-	30,250
Interest received	3,659	1,972
Government drilling grants	-	46,639
Sundry income	27,246	-

(b) Expenses

Loss from ordinary activities before income tax expense includes the following specific expenses:

Auditor's remuneration	25,500	25,500
Borrowing costs	2,500	29,612
Depreciation	53,452	18,852
Employee costs*	483,488	483,488

* Includes all direct exploration employee costs

Note 3: Income tax

Unrecognised deferred tax balances

The following deferred tax assets have not been brought to Account

Deferred tax assets comprise:

Accruals	3,716	(3,936)
Share issue costs	117,764	124,572
Losses available for offset against future income – revenue	4,205,665	3,852,871
Losses available for offset against future income – capital	38,159	38,159

Deferred tax liabilities comprise:

Exploration expenses capitalised	(31,480)	(31,480)
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Net unrecognised deferred tax assets

	4,333,824	3,980,186
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Deferred tax assets have not been recognised in respect of these items because it is not that future taxable profit will be available against which the Group can utilise the benefit thereof.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

	Consolidated 2017 \$	2016 \$
Note 4: Loss per share		
Total basic loss per share (cents)	(0.2)	(0.3)

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

Net loss for the period	(3,924,015)	(3,381,209)
The weighted average number of ordinary shares	1,737,881,925	989,546,932

The diluted loss per share is not reflected as the result is anti-dilutive.

Note 5: Segment information

For management purposes, the Board of Directors of the Company has been defined as the Chief Operating Decision Maker. Segment information is presented in respect of the Group's business segments based on the Group's management and internal reporting structure.

During the year the group operated predominantly in one business segment that consisted of mineral exploration. Geographically, the group explores in both Australia and the Kyrgyz Republic. Segment results are classified in accordance with their use within geographic segments.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The following table presents the financial information regarding these segments provided to the Board of Directors for the year ended 30 June 2017.

	Australia \$	Kyrgyz \$	Total \$
2017			
Revenue			
Other income	27,246	-	27,246
Interest income	3,659	-	3,659
Segment revenue	30,905	-	30,905
Segment net operating loss after tax	(1,633,335)	(2,290,680)	(3,924,015)
Segment assets	800,212	1,432,878	2,233,090
Other segment information			
Segment liabilities	318,220	120,130	483,350
Depreciation and amortisation of segment assets	21,785	31,667	53,452

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 5: Segment information (cont)

2016	Australia \$	Kyrgyz \$	Total \$
Revenue			
Government drilling grants	46,639	-	46,639
Interest income	1,972	-	1,972
Segment revenue	48,611	-	48,611
Segment net operating loss after tax	(1,677,338)	(1,703,871)	(3,381,209)
Segment assets	2,068,859	1,368,545	3,437,404
Other segment information			
Segment liabilities	205,890	39,218	245,018
Depreciation and amortisation of segment assets	3,018	15,834	18,852

Note 6: Cash and cash equivalents

	2017 \$	2016 \$
Cash at bank and on hand	216,665	210,878
Short term deposits	290,451	1,628,510
	507,116	1,839,388

(a) Reconciliation to Statement of Cash Flows

The above figures agree to cash at the end of the financial year as shown in the Statement of Cash Flows.

(b) Cash at bank and on hand

These are non-interest bearing accounts.

(c) Deposits at call

The deposits are bearing floating interest rates between 0.3% and 0.5%. These deposits have a maturity date of no more than 90 days.

Note 7: Trade and other receivables

Goods and services tax receivable	30,810	31,605
Sundry debtor	10,709	4,500
	41,519	36,105

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 8: Exploration project acquisition costs

	Consolidated 2017	2016
	\$	\$
Opening balance	1,393,350	1,393,350
Project acquisition costs	116,000	-
Acquisition costs in respect of areas of interest in the exploration phase	1,509,350	1,393,350

The recoupment of exploration project acquisition costs carried forward is dependent upon the recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas.

Note 9: Trade and other payables

Trade payables and accruals*	271,102	201,245
Provisions	67,248	43,773
	338,350	245,018

* Trade payables are non-interest bearing and are normally paid on 30 day terms.

Note 10: Borrowings

Short term loan from shareholder	100,000	-
	100,000	-

This unsecured loan is for a maximum of 12 months from drawdown with interest payable quarterly in arrears at 10% pa. A 2.5% facility fee was also payable. The Company can re-pay this loan at any time at no penalty.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 11: Issued capital

(a) Ordinary shares issued	Consolidated \$ 2017	\$ 2016
1,879,477,724 (2016: 1,527,511,057) ordinary shares	25,733,309	23,238,940

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the parent entity, ordinary shareholders rank after all creditors and are fully entitled to any proceeds on liquidation.

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue Price \$	\$
July 2015 – Oct 2015	Convertible note conversions	44,997,459	0.006-0.0077	275,434
Aug 2015 – Nov 2015	Placements	243,143,743	0.006-0.0077	1,548,267
Oct 2015	Share Purchase Plan	205,700,000	0.006	1,234,200
Nov 2015	Performance rights vested	7,500,000	-	40,703
May 2016 – Jun 2016	Placement	440,000,000	0.006	2,640,000
	Capital raising costs			(329,768)
30 June 2016		1,527,511,057		23,238,940
November 2016	Placement	200,000,000	0.0075	1,500,000
December 2016	Share Purchase Plan	139,966,667	0.0075	1,049,750
January 2017	Purchase project interest (non-cash)	12,000,000	0.008	96,000
	Capital raising costs			(151,381)
30 June 2017		1,879,477,724		25,733,309

(c) Share options

	Number of options	2017	2016
Listed options exercisable at \$0.03 on or before 11 March 2017	-	102,050,017	
Unlisted options exercisable at \$0.02 on or before 31 December 2017	202,850,001	202,850,001	
Unlisted options exercisable at \$0.02 on or before 15 December 2016	-	110,000,000	
Listed options exercisable at \$0.013 on or before 31 December 2018	151,322,223	-	
Unlisted options exercisable at \$0.012 on or before 1 December 2018	30,000,000	30,000,000	
	384,172,224	444,900,018	

(d) Movements in share options

Listed Options to acquire ordinary fully paid shares at \$0.013 on or before 31 December 2018:			
Beginning of the financial year	-	-	
Issued during year	151,322,273	-	
Balance at end of financial year	151,322,273	-	

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 11: Issued capital (cont)

	Number of options	
	2017	2016
Listed options to acquire ordinary fully paid shares at \$0.03 on or before 11 March 2017:		
Beginning of the financial year	102,050,017	102,050,017
Expired during year	(102,050,017)	-
Balance at end of financial year	-	102,050,017
Unlisted Options to acquire ordinary fully paid shares at \$0.02 on or before 31 December 2017:		
Beginning of the financial year	202,850,001	-
Issued during year	-	202,850,001
Balance at end of financial year	202,850,001	202,850,001
Listed Options to acquire ordinary fully paid shares at \$0.015 on or before 15 December 2016:		
Beginning of the financial year	110,000,000	-
Issued during year	(110,000,000)	110,000,000
Balance at end of financial year	-	110,000,000
Listed Options to acquire ordinary fully paid shares at \$0.012 on or before 1 December 2018:		
Beginning of the financial year	30,000,000	-
Issued during year	-	30,000,000
Balance at end of financial year	30,000,000	30,000,000

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 12: Reserves

	Consolidated 2017 \$	2016 \$
Option issue reserve (a)	125,391	125,391
Share compensation reserve (b)		
Opening balance	757,008	777,485
Share based expense for year	32,000	20,226
Transferred to equity	-	(40,703)
Closing balance	789,008	757,008
	914,399	882,399

- (a) Option issue reserve
The option issue reserve represents amounts paid upon subscribing for options issued by the Company.
- (b) Share compensation reserve
The share compensation reserve is used to record the value of equity benefits provided to consultants and directors as part of their remuneration. Refer Note 13.

Note 13: Share based payments

Share based payments consists of options and performance rights issued to directors and consultants. The expense is recognised in the Statement of Comprehensive Income and Statement of Changes in Equity over the vesting periods of the options and rights. The following share-based payment arrangements were in place during the current and prior years:

Type	Number	Grant date	Expiry Date	Exercise price \$	Fair value
2014 Options	7,500,000	19/5/2014	11/3/2017	0.03	\$7,500*
2014 Rights – Tranche A	7,500,000	16/12/2014	31/12/2016	-	\$40,703**
2014 Rights – Tranche B	7,500,000	16/12/2014	31/12/2017	-	\$41,205**
2015 Rights – Tranche A	8,000,000	30/11/15	31/12/2017	-	-***
2015 Rights Tranche B	8,000,000	30/11/15	31/12/2018	-	-***
2016 Options	16,000,000	23/12/2016	31/12/2018	0.013	\$32,000****

Fair value of options/rights granted

* The fair value of the equity-settled share options was estimated using the initial bid price for these options on the first day these options were quoted for trading upon ASX. The holders of these options did not realise any value/profit from these options which have now lapsed.

** The fair value of the performance rights was estimated using the Black and Scholes model taking into account the terms and conditions upon which the rights were granted.

*** It was considered that no fair value is required to be expensed upon the grant of these performance rights. The fair value of these 16,000,000 performance rights, if vested, approximates \$96,000.

**** The fair value of the equity-settled share options was estimated using the initial bid price for these options on the first day these options were quoted for trading upon ASX.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 14: Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated	
	2017	2016
	\$	\$
<i>a) Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities</i>		
Net loss for the year after income tax	(3,924,015)	(3,381,209)
Depreciation	53,452	18,852
Share based payment expense	32,000	20,226
Exploration expenditure and employee costs treated as exploration investment activity	2,877,142	2,562,843
Foreign exchange movements	10,014	125,635
(Increase) / decrease in trade and other receivables	(5,413)	(6,527)
(Increase) / decrease in prepayments	(5,300)	(10,000)
Increase / (decrease) in trade and other payables	59,843	62,867
Increase / (decrease) in provisions	23,475	(19,232)
Net cash outflow from operating activities	(878,802)	(626,545)

b) Non-cash financing and investing activities

During the year ended 30 June 2017 the Company issued 12,000,000 ordinary shares to acquire an additional interest in the Chanach project.

Note 15: Commitments and contingencies

Exploration expenditure commitments

In order to maintain rights of tenure to its Australian located mineral tenements, the Company is required to outlay certain amounts in respect of rent and minimum expenditure requirements set by the Western Australian State Government Mines Department. The Group's commitments to meet this minimum level of expenditure are approximately \$766,000 (2016: \$595,000) annually.

Exemption from incurring this annual level of expenditure may be granted where access to the tenement area is restricted for reasons beyond the Company's control such as where native title issues restrict the Company's ability to explore in the project area. The Company is not aware of any such restrictions to exploration in the coming year and it does not anticipate seeking any exemption to reduce this annual expenditure requirement.

In order to maintain rights of tenure to its Kyrgyz Republic located mineral tenement, the Company is required to complete an annual works program as agreed with the Kyrgyz government. If this program is not completed in the calendar year then continued tenure to the project could be in jeopardy.

Other contingencies

The Company is a guarantor to an office lease under which its remaining exposure through to the end of the lease in June 2018 is approximately \$35,000.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 16: Key management personnel disclosures

(a) Directors

At the date of this report the directors of the Company are:

M Langoulant – *Executive chairman*

T Hibberd – *Managing director*

R Boland – *Non executive director*

There were no changes of the key management personnel after the reporting date and the date the financial report was authorised for issue.

(b) Key management personnel

During the reporting periods the Company had no other key management personnel.

(c) Key management personnel compensation

	Consolidated	
	2017	2016
	\$	\$
Short-Term	469,356	469,356
Post-employment	21,789	21,789
Share-based payments	32,000	20,226
	<u>523,145</u>	<u>511,371</u>

Detailed remuneration disclosures of directors and key management personnel are in pages 15 to 22 of this Report.

Note 17: Interest in jointly controlled operation

The Company owns 90% of Chanach LLC which is the joint venture company that holds the Chanach copper and gold exploration tenement in Kyrgyz Republic.

Apart from owning this mineral tenement Chanach LLC does not hold any other material assets. All known Chanach LLC liabilities are accrued as liabilities of the parent company. As a result it is not considered necessary to consolidate Chanach LLC into the Group's accounts as it will not show a position that is materially different.

The Group has no capital commitments or guarantees in relation to funding Chanach LLC.

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 18: Related party disclosure

The ultimate parent entity in the wholly-owned group and the ultimate Australian parent entity is White Cliff Minerals Limited. The consolidated financial statements include the financial statements of White Cliff Minerals Limited and the controlled entities listed in the following table:

Name of entity	Country of incorporation	Class of shares	Equity holding 2017 %	2016 %
Northern Drilling Pty Ltd	Australia	Ordinary	100	100
Petrus Resources Pty Ltd	Australia	Ordinary	100	100
Venture Exploration Pty Ltd	Australia	Ordinary	100	100
PBP Malaysia Limited	Malaysia	Ordinary	100	98.9
Chanach LLC	Kyrgyz Republic	Ordinary	90	89

There were no transactions between White Cliff Minerals Limited and its controlled entities during the financial year other than loan funds advanced to the Chanach LLC re the Chanach copper-gold project (2016: nil).

The Company has entered into a consultancy agreement with Lanza Holdings Pty Ltd, an entity associated with Michael Langoulant, for services including accounting and corporate administration. Annual fees payable to Lanza are \$150,000 plus GST. The Company may terminate the agreement by paying 9 months of consultancy fees. Lanza may terminate the agreement due to breach or upon 3 months' notice.

Note 19: Parent Entity Disclosures

Financial position

	30 June 2017 \$	30 June 2016 \$
Assets		
Current assets	592,693	1,914,2510
Non-current assets	1,640,397	1,523,153
Total assets	2,233,090	3,437,404
Liabilities		
Current liabilities	338,350	245,018
Borrowings	100,000	-
Total liabilities	438,350	245,018
Net assets	1,794,740	3,192,386
Equity		
Issued capital	25,733,309	23,238,940
Accumulated losses	(24,852,968)	(20,928,953)
Reserves	914,399	882,399
Total equity	1,794,740	3,192,386
Financial performance		
Loss for the year	(3,924,015)	3,381,209
Other comprehensive income	-	-
Total comprehensive loss	(3,924,015)	(3,381,209)

White Cliff Minerals Limited
ABN 22 126 299 125

Notes to the financial statements
For the year ended 30 June 2017

Note 20: Auditor's remuneration

The auditors of the Group are HLB Mann Judd.

	Consolidated	
	2017	2016
	\$	\$
Assurance services		
HLB Mann Judd:		
Audit and review of financial statements	25,500	25,500
Total remuneration for audit services	25,500	25,500
Other services		
HLB Mann Judd - taxation services	-	-
Total auditor's remuneration	25,500	25,500

Note 21: Events after the balance date

There has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods other than:

- the Company drew down a further \$600,000 in short term borrowings; and
- the Company has received applications from shareholders for 466,368,695 ordinary shares in relation to a completed partially underwritten 1:2 rights issue of ordinary shares at an issue price of \$0.002 to raise \$932,737 in working capital. The rights issue underwriter has confirmed to the Company that it has commitments from client to place the rights issue shortfall being 473,370,167 ordinary shares which when completed will raise an additional \$946,740 in working capital.

White Cliff Minerals Limited
ABN 22 126 299 125

Directors' declaration

1. In the opinion of the directors of White Cliff Minerals Limited (the "Company"):
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year then ended; and
 - ii. complying with Accounting Standards, Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the year ended 30 June 2017.

This declaration is signed in accordance with a resolution of the Board of Directors.



MJ Langoulant
Chairman

Perth, Western Australia
11 September 2017

INDEPENDENT AUDITOR'S REPORT

To the members of White Cliff Minerals Limited

Report on the Audit of the Financial Report*Opinion*

We have audited the financial report of White Cliff Minerals Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty regarding going concern

Without modifying our opinion, we draw attention to Note 1(a) 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 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.

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 (WA Partnership) ABN 22 193 232 714

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<p>Carrying value of exploration project acquisition costs (Note 8)</p> <p>The Group has capitalised exploration project acquisition costs of \$1,509,350 as at 30 June 2017 in relation to its Australian and Kyrgyz Republic projects.</p> <p>Our audit procedures determined that the carrying value of exploration and evaluation was a key audit matter as it was an area which required the most audit effort, required the most communication with those charged with governance and was determined to be of key importance to the users of the financial statements</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the key processes associated with management's review of the capitalised exploration project acquisition costs asset carrying values; • We considered the Director's assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its area of interest; • We examined the exploration budget for 2017 and discussed with management the nature of planned ongoing activities; • We reviewed additions to exploration expenditure during the year; • We enquired with management, reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its area of interest: and • We examined the disclosures made in the financial report

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are

responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of White Cliff Minerals Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized blue ink signature of the firm HLB Mann Judd.

HLB Mann Judd
Chartered Accountants

A blue ink handwritten signature of Norman Neill.

N G Neill
Partner

Perth, Western Australia
11 September 2017

White Cliff Minerals Limited
ABN 22 126 299 125

Additional information

The shareholder information set out below was applicable as at 31 August 2017.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	<i>Class of equity security</i> <i>Ordinary shares</i>
1 – 5,000	89
1,001 – 5,000	24
5,001 – 10,000	65
10,001 – 100,000	662
100,001 and over	1,867
	2,707

There were 1,139 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders – ordinary shares

Name	Ordinary shares held	% of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	33,945,000	1.81
CORP ADMIN RESOURCES PTY LTD	26,479,276	1.41
LANZA HOLDINGS PTY LTD <LANGOULANT FAMILY S/F A/C>	24,659,778	1.31
TERRA AQUA PTY LTD <TERRA ROSSO A/C>	21,001,100	1.12
CITICORP NOMINEES PTY LIMITED	20,818,152	1.11
TERRA AQUA PROPRIETARY LIMITED <TERRA VERDE A/C>	20,000,100	1.06
DIXIE INVESTMENTS PTY LTD <M & K DIAMOND FAMILY A/C>	20,000,000	1.06
MR JULIAN ANDREW MCKENZIE	20,000,000	1.06
MRS ASPASIA LEKOPOULOS + MR ALEXANDER LEKOPOULOS	18,173,005	0.97
MR JIM SBOUNIAS	17,000,000	0.90
JAYTU PTY LTD <J W GARDNER SUPER FUND A/C>	16,500,000	0.88
HEBEI MINING (AUSTRALIA) PTY LTD	16,400,000	0.87
MR ANTHONY GLASS + MRS JANE ELIZABETH GLASS <A & JE GLASS SUPER FUND A/C>	16,000,000	0.85
MR JOHN PURCELL	14,500,000	0.77
MR ROGER HEALEY	14,100,000	0.75
MR JIM SBOUNIAS + MRS CHRISTINA SHARON LEANNE SBOUNIAS <J & S SBOUNIAS S/F A/C>	13,000,000	0.69
ABDUL FIDA PTY LTD <AR&F DANNAOUI FAMILY A/C>	12,000,000	0.64
DYNAMIC FUND PTY LTD <DYNAMIC SUPERFUND A/C>	12,000,000	0.64
MR BRUCE NOEL RICHARDSON	10,830,766	0.58
MR GUY LANCE JONES <BOQ LOAN A/C>	10,606,063	0.56
	358,013,240	19.04

White Cliff Minerals Limited
ABN 22 126 299 125

Additional information

Twenty largest quoted equity security holders – 31 December 2018 options

Name	Options held	% of issued options
MR NEVILLE JOHN MANHIRE	15,000,000	9.91
MR DENNIS LOH	10,666,667	7.05
MR HAKAN BASAGAC	10,000,000	6.61
LANZA HOLDINGS PTY LTD <LANGOULANT S/F A/C>	8,666,667	5.73
TERRA AQUA PTY LTD <TERRA VERDE A/C>	8,000,000	5.29
DANFORTH INTERNATIONAL PTY LTD	5,133,333	3.39
MR ANDREW JOHN IGO	4,666,667	3.08
MR PAUL STEVENSON + MRS SUSAN STEVENSON	4,500,000	2.97
MR CHRISTOPHER WILLIAMS	4,500,000	2.97
MS NERIDA ELAINE WHITE	2,444,444	1.62
MICHAEL HENDRIKS + SALLY HENDRIKS <CALGARY>	2,333,333	1.54
MR GEOFFREY WAYNE FURLONG	2,300,000	1.52
MR CAMERON MCPHIE <THE MCPHIE FAMILY A/C>	2,111,111	1.40
CALDER RETIREMENT HOLDINGS P/L <EMU BAY SF>	2,111,110	1.40
FREDERICK JOHN MCKAY PTY LTD <FJ MCKAY SF>	2,000,000	1.32
PETARD PTY LTD	2,000,000	1.32
MR TROY ASHLEY RETHUS	2,000,000	1.32
MISS EMILY MARSH-RUSSEL	2,000,000	1.32
MR JOHN DONALD FLEAY	1,500,000	0.99
MR ENG KIAT KHOO	1,500,000	0.99
	93,433,332	61.74

C. Substantial shareholders

There are no substantial shareholders in the Company.

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

White Cliff Minerals Limited
ABN 22 126 299 125

Additional information

E. Tenement schedule

<u>Project Area</u>	<u>Tenement details</u>	<u>% Held</u>
Laverton	EL38/2702; EL39/1833	100
Mt Remarkable	EL31/1101	100
Ghan Well	E39/1479;	100
Ironstone Range	EL38/2484; EL38/2552; EL38/2690; EL38/2693; EL38/2847-8; EL38/2877	100
Lake Johnson	EL63/1988-9; EL63/1222; EL63/1264; EL63/1716 EL63/1793;	100
Red Flag	EL39/1585;	100
Mt Cattlin North	EL74/0607-8	100
Chanach, Kyrgyz Republic	PL 590 A II	90