White Cliff Minerals Limited

ABN 22 126 299 125

Annual report
for the year ended 30 June 2018

Contents

Corporate information	3
Review of operations	4
Directors' report	14
Auditor's independence declaration	22
Statement of comprehensive income	23
Statement of financial position	24
Statement of changes in equity	25
Statement of cash flows	26
Notes to the financial statements	27
Directors' declaration	44
Independent auditor's report to the members	45
ASX additional information	49

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, WCNOC)

Review of Operations

Highlights

During the year the Company successfully advanced several projects, most notably increasing the high grade JORC Compliant gold resource at the Aucu Gold project by 60% to 2.95Mt at 5.1 g/t gold containing 484,000 ounces of gold (previously 302,000 Ounces of gold) and identifying a JORC Compliant copper resource of 17.2 Mt at 0.37% copper containing 64,000 tonnes of copper (previously 44,380 tonnes copper). The deposits are open along strike and at depth. Metallurgical test work indicated high gold recoveries averaging 98% overall.

Drilling at the Company's existing nickel-cobalt projects identified extensive residual oxide cobalt and nickel mineralisation at both Coglia Well and Coronation Dam which are both within trucking distance to Glencore PLC's Murrin Murrin Nickel processing facility. Both deposits are open laterally and along strike.

Corporate

During the year the Company completed two rights issues and a placement that raised a combined $4.4 million to continue exploration on the Aucu gold deposit in the Kyrgyz Republic and the Coglia and Coronation Dam cobalt and nickel projects in Western Australia.

Exploration Summary

White Cliff controls tenement packages in Western Australia's Yilgarn Craton and a major gold-copper project in Central Asia.

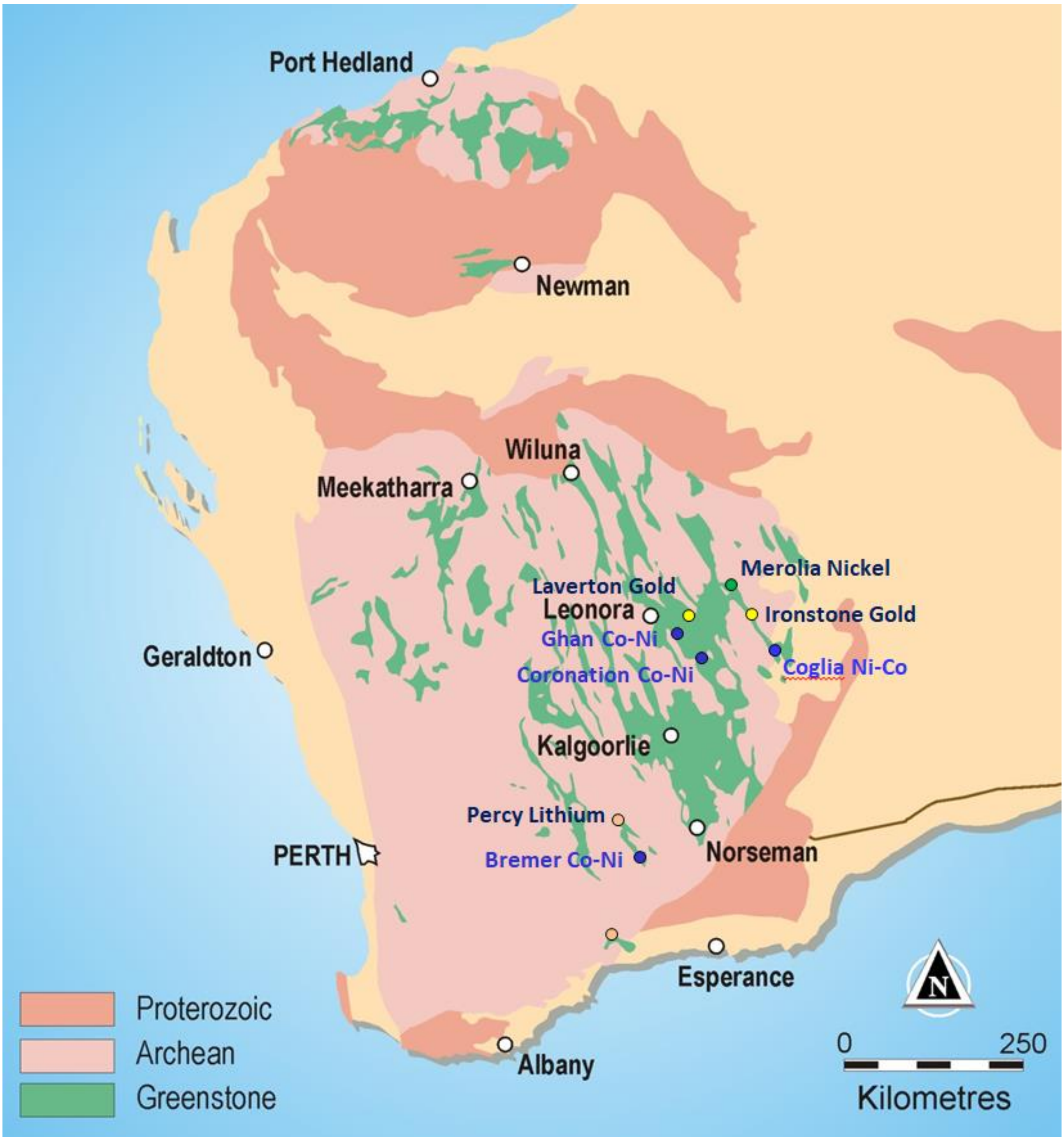
Central Asia

During the year 5,656 metres of reverse circulation and diamond drilling was conducted at the Aucu high grade gold deposit in the Kyrgyz Republic (Map 2). The drilling program defined substantial high grade mineralisation resulting in an updated resource estimate (May 2018) which increased the JORC compliant gold resource to 2.95 Million tonnes at 5.1 g/t containing 484,000 ounces of gold representing a 60% increase in ounces over the previous estimate. The resource estimation also identified a copper resource of 17.2 million tonnes at 0.37% copper containing 64,000 tonnes of copper.

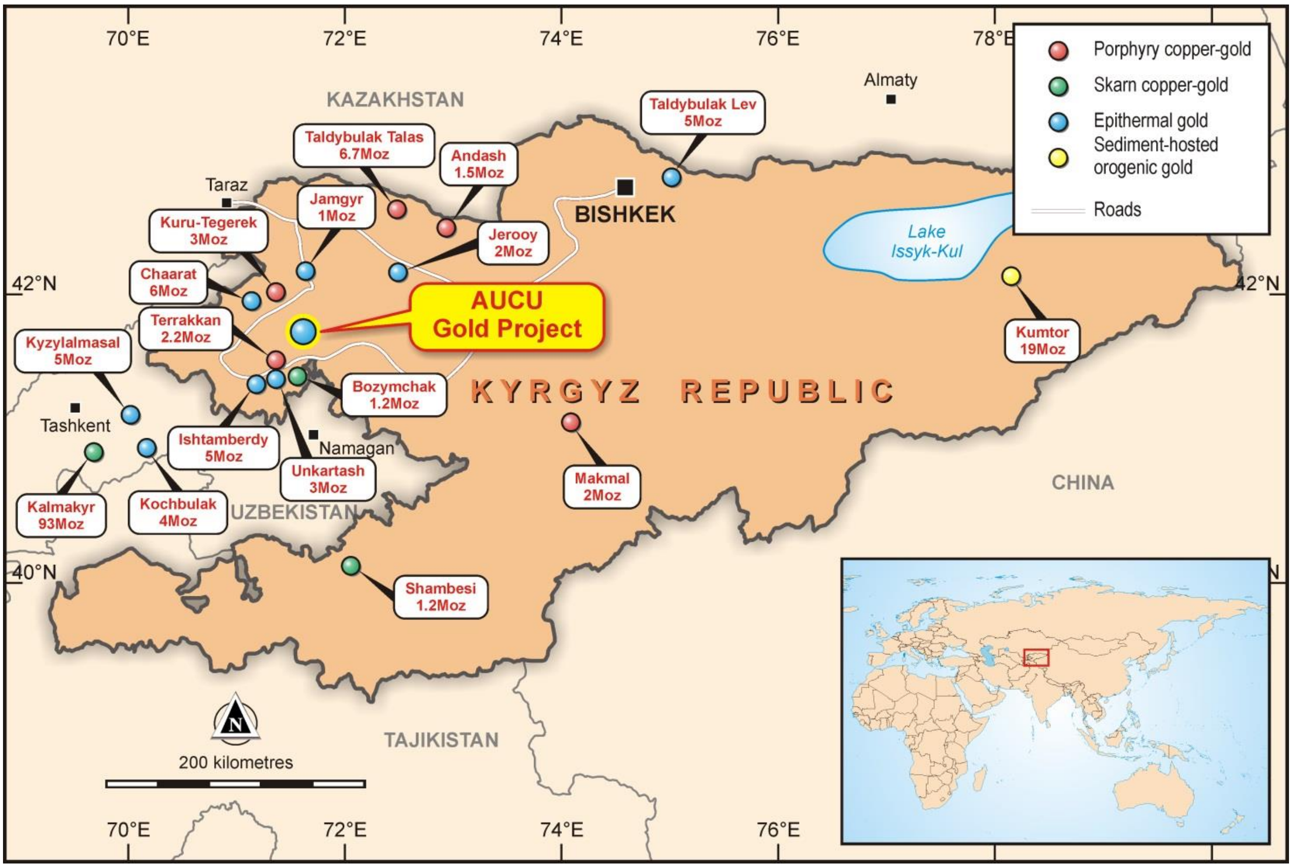
Western Australia

In Western Australia the Company is exploring several projects with the primary focus on the Coglia Well and Coronation Dam cobalt and nickel projects (Map 1).

Drilling identified high grade cobalt and nickel mineralisation at the Coronation Dam and Coglia Well cobalt and nickel projects



Map 1 White Cliff Minerals Limited exploration projects in Western Australia



Map 2 Aucu project location with regional geology with major gold deposits illustrated

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

During the year the Company conducted the following work on the Aucu gold deposit:

- 5,656 metres of reverse circulation drilling
- Updated JORC compliant resource estimation
- Extensive soil geochemistry sampling program

In May (ASX release 29 May 2018) the Company announced an increased inferred gold resource estimate for the **Aucu** gold deposit, above a cut-off grade of 1 g/t gold, of **2.95 million** tonnes grading **5.1 g/t gold,** for **484,000 ounces** of contained gold. The new inferred resource was reported in accordance with the JORC Code (2012) and represents a 60% increase in contained gold ounces over the previous resource reported in April 2017.

This latest resource estimate also identified a new inferred copper resource, above a cut off grade of 0.25% copper, of 17.2 Mt tonnes at 0.37% copper, containing **64,000 tonnes of copper**. The new copper resource represents a 46% increase in contained copper over the previous contained copper resource of 44,870 tonnes reported in April 2017.

The new gold and copper resources start at surface, have only been drilled to 100 metres vertical depth and remain open along strike and at depth.

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

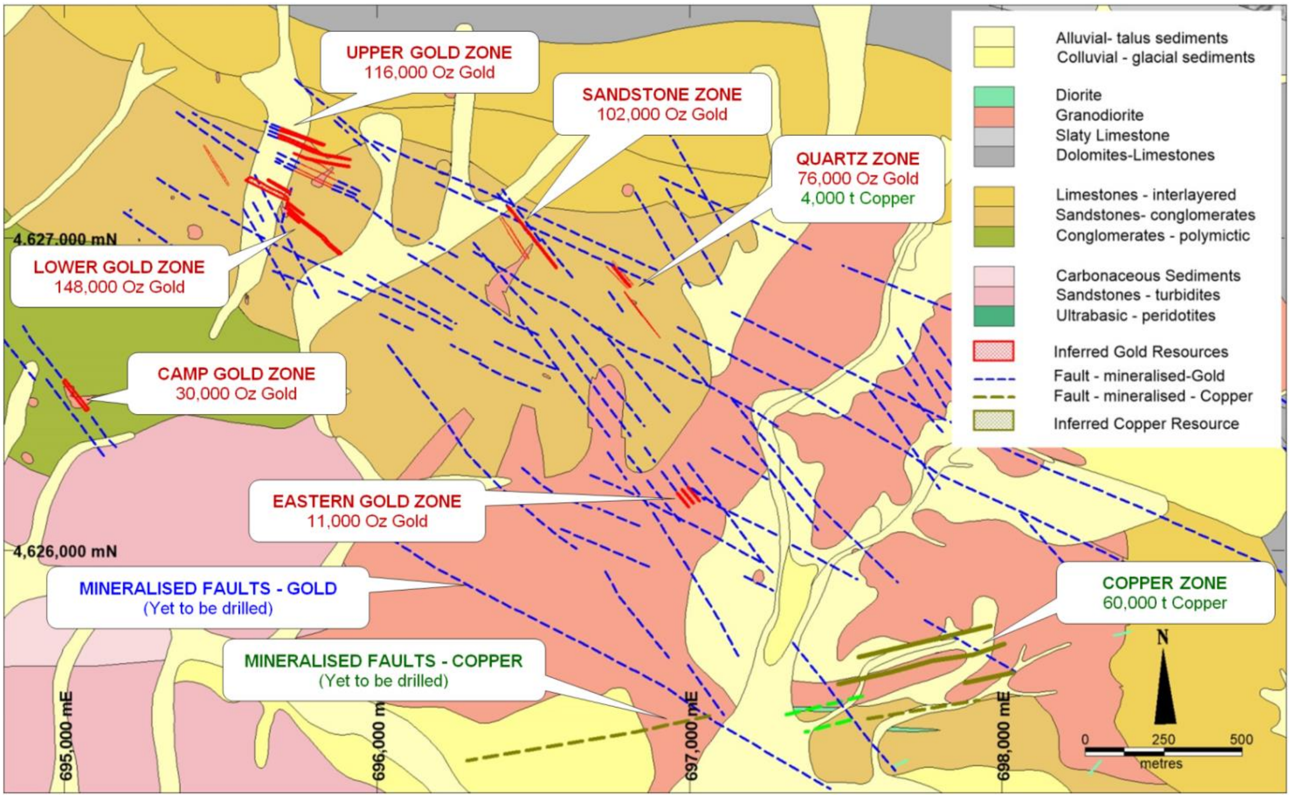


Figure 1*: Location map of drilling showing Inferred gold resources (red hatch) that represent less than 5% of the identified mineralised faults. 95% of the mineralised faults identified by rock chip sampling are still to be drilled (dashed blue and green lines).*

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	1,160,000	4.0	148,000
Upper Gold Zone	Inferred	770,000	4.7	116,000
Sandstone Zone	Inferred	280,000	11.4	102,000
Quartz Zone	Inferred	330,000	**6.2**	65,000
Quartz Zone Halo	Inferred	190,000	1.9	11,000
Camp Gold Zone	Inferred	110,000	8.8	30,000
Eastern Gold Zone	Inferred	120,000	2.8	11,000
Total	**Inferred**	**2,950,000**	**5.1**	**484,000**

The project also contains an inferred resource for the **Chanach** copper deposit which consists of **17.2 million** tonnes grading **0.37% copper for 64,000 tonnes** of contained copper (using a cut-off grade of 0.25% copper), a 46% percent increase from the 2017 resource(Table 2).

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

Area	Category	Tonnes	Copper %	Copper (tonnes)
Quartz Zone	Inferred	700,000	0.51	4,000
Chanach Porphyry	Inferred	16,500,000	0.36	60,000
Total	Inferred	17,500,000	0.37	64,000

2018 Exploration Program

Subsequent to the end of the year, exploration has recommenced with an extensive soil geochemical survey to refine gold, copper and lead-zinc anomalies identified in 2017; and to test more of the prospective areas of the license. Results will be available during the Decemberr quarter. Proposed exploration includes updating the structural and geological model including completing a new 3D model, further trenching and drilling.

Australian Cobalt and Nickel Projects (100%)

The Company has a 100% interest in three cobalt and nickel projects in the north-eastern goldfields of Western Australia. Substantial work has been conducted during the year and is detailed in the following sections. All three projects are located close to multiple operating mines serviced by substantial existing infrastructure such as roads, telecommunications, power, gas and with access to a skilled workforce. They are all within trucking distance of Glencore's Murrin Murrin nickel-cobalt processing plant and other proposed processing facilities that could potentially pose an option for monetising resources.

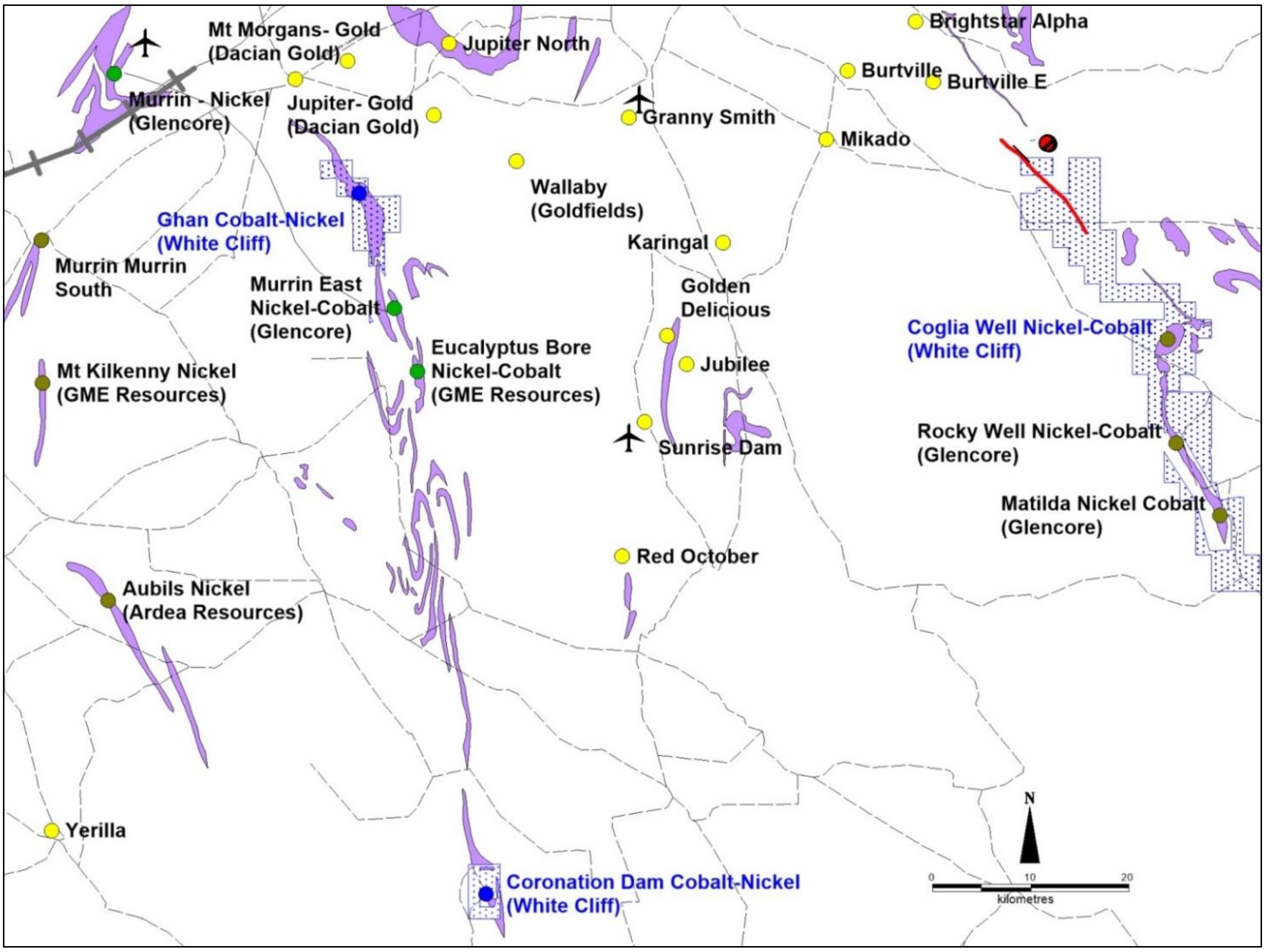


***Figure 2**: Location and infrastructure map of the Coglia Well, Coronation Dam and Ghan Well cobalt projects. The area is serviced by rail, roads, towns, airports and Glencore's nickel processing facility at Murrin Murrin*

Coglia Cobalt and Nickel Project (100%)

During the year the Company completed a 2,869m RC program at the Coglia Well cobalt and nickel project. Results included:

- 20 metres at **0.1% cobalt** and 0.7% nickel from 32 metres including
  - 11 metres at **0.13% cobalt** and 0.63% nickel from 41 metres
- 16 metres at **0.12% cobalt** and 0.52% nickel from 40 metres including
  - 12 metres at **0.13% cobalt** and 0.55% nickel
- 17 metres at 0.11% cobalt and 1.01% nickel from 78 metres including;
  - 6 metres at 0.22% cobalt 1.6% nickel
  - Single metre intersections **of 0.49% and 0.29% cobalt**
- 4 metres at **0.11% cobalt**, **3.20% nickel** and 314ppm copper from 43 metres including;
  - 3 metres at 0.12% cobalt, **3.85% nickel** and 346ppm copper
- Single metre cobalt grades of **0.41% and 0.36% cobalt**
- 2 metres at 0.38% cobalt and 1.05% nickel from 65 metres

- Multiple holes ended in mineralisation
- Highly anomalous copper assays suggestive of sulphide mineralisation including;
    - 23 metres at 1,024ppm (0.1%) copper from 22 metres
    - 33 metres at 527ppm copper from 18 metres
- Mineralised zone is 1,000 metres wide and 10-20 metres thick

The drilling identified widespread cobalt and nickel mineralisation within the regolith profile along a 5 kilometre long and 1 kilometre wide section of the Coglia ultramafic complex. The results have confirmed the high grade of cobalt and nickel mineralisation previously identified at the Coglia Well deposit and extended the mineralised zone to 5 kilometres long.

The drilling also identified exceptionally high nickel grades including 4 metres at 3.2% nickel including 1 metre at 4.2% nickel more usually associated with nickel-copper sulphide mineralisation. The project also contains anomalously high copper that is also suggestive of sulphide mineralisation.

The Company anticipates conducting metallurgical test work to determine suitable processing options over coming months prior to further drilling which will be designed to develop JORC-compliant cobalt and nickel resources.

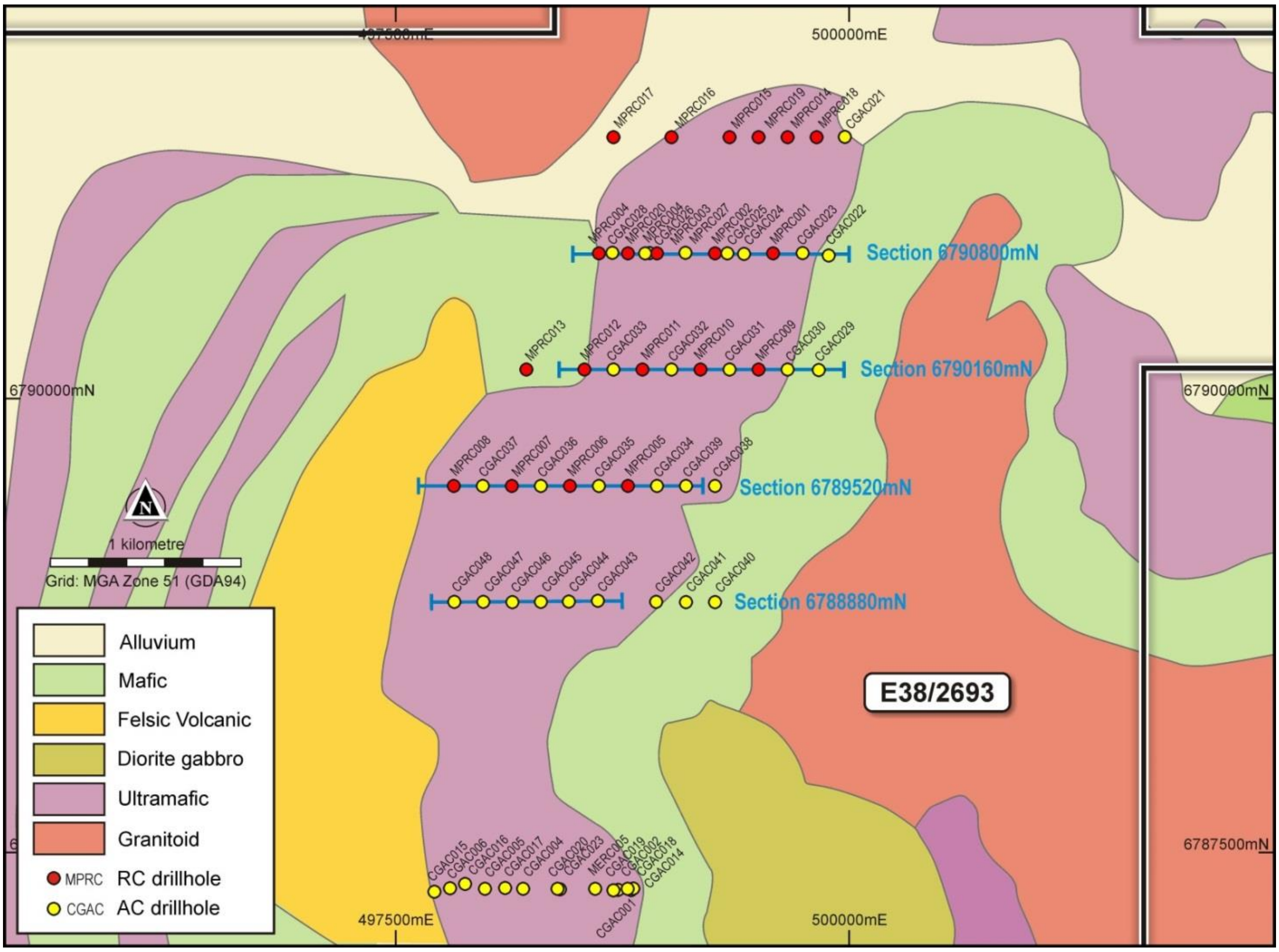


***Figure 3**: Coglia Well completed drilling draped over the geology.*

Coronation Dam Cobalt and Nickel (100%)

During the year the Company completed a 5,000m RC program at the Coronation Dam cobalt and nickel project. Results include:

- **40 metres at 0.11% cobalt and 1.04% nickel** from 16 metres
    - **15 metres at 0.20% cobalt and 1.1% nickel** from 29 metres
- **20 metres at 0.27% cobalt and 0.66% nickel** from 28 metres including
    - **1 metre at 0.95% cobalt and 0.97% nickel** from 31 metres
    - **1 metre at 0.63% cobalt and 0.70% nickel** from 35 metres
- 24 metres at 0.19% cobalt and 1.2% nickel from 8 metres
- 8 metres at 0.16% cobalt and 1.0% nickel from surface
- 56 metres at 0.06% cobalt and 0.90% nickel from 20 metres
- 32 metres at 0.05% cobalt and 0.80% nickel from 44 metres
- 4 metres at 0.24% cobalt and 1.53% nickel from 76 metres
- Mineralisation up to **550 metres wide and 40 metres thick**

Initial drilling results are from the central three cross sections drilled in the central part of the deposit to confirm the historical drilling results. Extensive cobalt mineralisation was identified from surface, extends up to a depth of 65 metres and is approximately 550 metres wide. The orebody dips at a shallow angle to the west. Further drilling results will be released as they become available.

Once all drilling results have been received the Company anticipates conducting metallurgical test work to determine suitable processing options prior to further drilling designed to develop JORC compliant cobalt and nickel resources.

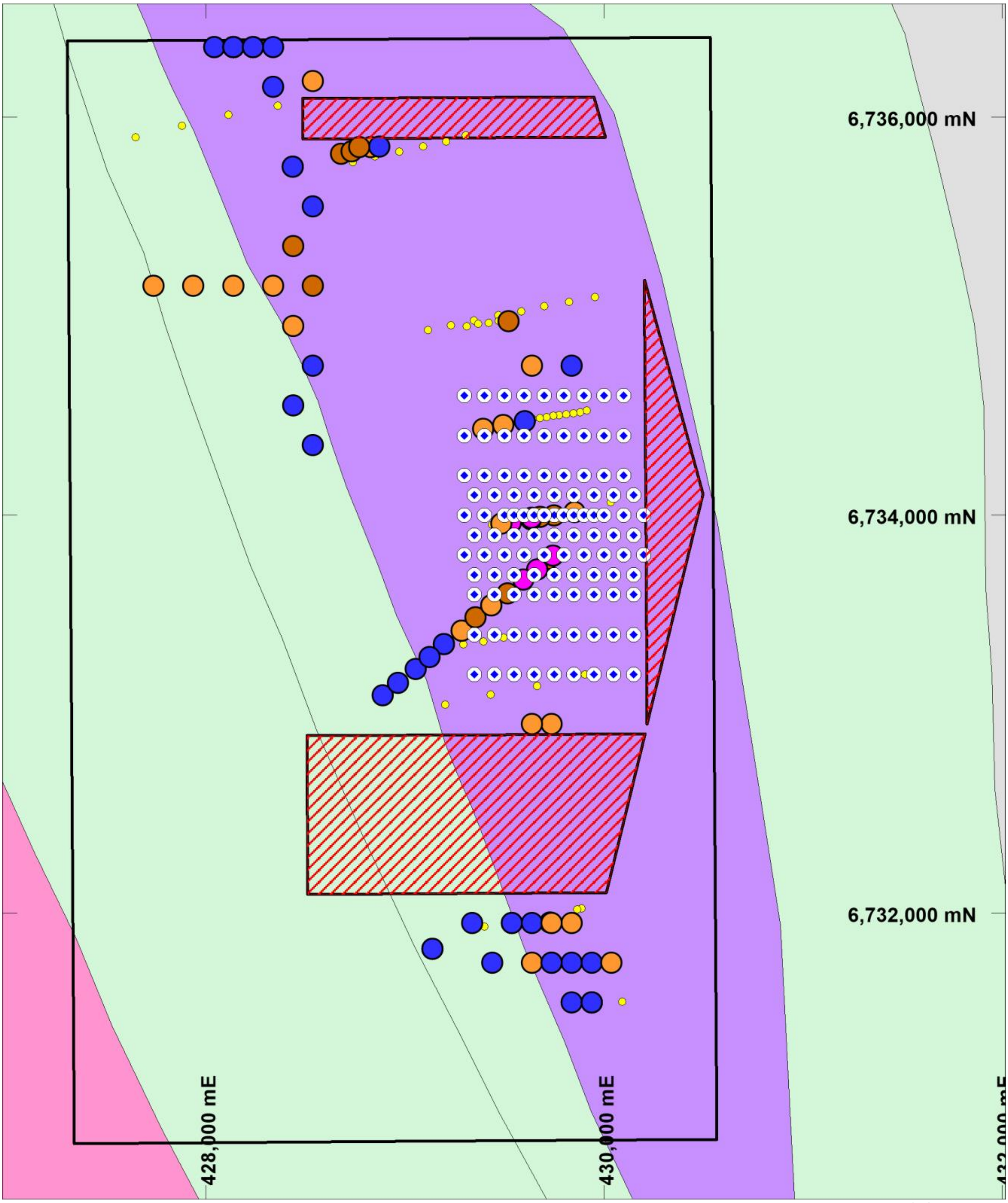


Figure 4: *Location map of drilling and cobalt mineralisation at Coronation Dam located 90km southeast of Glencore's Murrin processing facility in Western Australia. Coloured dots represent maximum down hole cobalt grades from historical drilling.*

Ghan Well Cobalt and Nickel Project (100%)

During the year the Company conducted geological modelling at Ghan Well to establish the known extents and scale of the existing cobalt intersections associated with nickel mineralisation.

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

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.

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

***Figure 5**: Location map of drilling and cobalt mineralisation at Ghan Well near Laverton in Western Australia. Yellow and green dots are historical drill hole locations.*

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 2018. 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 - *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 13 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 during the financial year and up to the date of this report other than the share consolidation referred to below and the rights issues and placement during the year.

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:

- On 10 September 2018 the company implemented a 50:1 share consolidation. This reduced the number of shares on issue from 3,849,586,836 to 76,991,814. The number of options and their respective exercise prices were similarly adjusted on a 50:1 basis.

Likely developments and expected results
Additional comments on expected results of certain operations of the Group are included in the Review of Operations.

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 *Chairman and Company Secretary*
Experience and expertise
Director since 2007 with approximately 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
LB-Shell plc
Former directorships in the last 3 years
Property Connect Holdings Limited (2016-2017) and Nyota Minerals Limited (2005-2016)
Special responsibilities
Chairman and Company Secretary
Interests in shares and options at the date of this report
1,811,166 ordinary shares, 186,666 December 2018 options, 143,173 June 2019 options

Todd Jeffrey Hibberd; BSc, MSc, Dip Bus, MAusIMM, MAICD *Managing Director*
Experience and expertise
A Director since 2008 Mr Hibberd is a geologist with an extensive background in exploration, mining and mineral economics with over 24 years in exploration, resource estimation, feasibility studies, mine development and production management. Recent experience includes nine years as a Director of White Cliff Minerals (seven 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
1,520,000 Ordinary shares, 160,000 December 2018 options

Rodd Boland; B Com, MBA *Non-Executive Director*
Experience and expertise
A Director since 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 (2015-2016)
Special responsibilities
Investor relations
Interests in shares and options at the date of this report
175,833 Ordinary shares, 3,333 December 2018 options, 10,633 June 2019 options

Directors' Report

Meetings of directors

During the financial year there were 12 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:

	Directors' meetings held whilst in office	*Directors' meetings attended*
M Langoulant	12	12
T Hibberd	12	12
R Boland	12	12

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	1 December 2018	$0.60	600,000
December 2016	31 December 2018	$0.65	3,026,403
October 2017	31 July 2020	$0.25	5,000,000
October 2017	31July 2020	$0.50	5,000,000
March 2018	30 June 2019	$0.50	10,270,754

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

During the year there were 1,666,667 shares issued upon the exercise of options at $0.01.

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 2018. 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 (Chairman)
Todd Hibberd (Managing Director)
Rodd Boland (Non-executive Director)

(ii) Executives
There were no other executives of the Company as at 30 June 2018.

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.

Subsequent to the year ended 30 June 2018 all pre-existing performance rights issued to directors were cancelled for no consideration in conjunction with a share consolidation.

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 2018 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.*

Directors' Report

Remuneration of directors

Name	Salary / fees	Post-employment benefits Superannuation	Share-based payments[1]	Total	Performance based remuneration %
Year ended 30 June 2018	$	$	$	$	
Director					
M Langoulant[2]	180,000	-	20,000	200,000	10%
T Hibberd	259,356	21,789	20,000	301,145	6.6%
R Boland	30,000	-	-	30,000	-
	469,356	21,789	40,000	531,145	
Year ended 30 June 2017					
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	

[1] The assessed fair value at grant date of options (2017) and performance rights (2018) 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, Black and Scholes pricing model that takes into account various assumptions for unlisted options and the market price of the Company's shares at the date of grant for performance rights.

[2] Includes fees for accounting and corporate administration services paid to Lanza Holdings Pty Ltd, a company of which Mr Langoulant is a director and shareholder, in accordance with a consultancy agreement which may be terminated by the Company by paying 9 months of consultancy fees, or by Lanza Holdings Pty Ltd due to breach or upon 3 months' notice.

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 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 – year ended 30 June 2017

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 (160,000 post-share consolidation) were issued to M Langoulant and 8,000,000 (160,000 post-share consolidation) were issued to T Hibberd.

Performance rights - shown on a pre-share consolidation basis – year ended 30 June 2018
Performance rights carry no dividend or voting rights. When vested, each right is convertible into one ordinary share. Performance rights issued to key management personnel as part of their remuneration are as follows:

Name	Opening balance	Issued during the year[1]	Exercised during the year	Closing balance[1]
Director				
M Langoulant	11,000,000	82,500,000	(7,000,000)	86,500,000
T Hibberd	11,000,000	82,500,000	(7,000,000)	86,500,000
R Boland	1,500,000	8,250,000	(1,500,000)	8,250,000

[1] Subsequent to balance date all performance rights were cancelled for no consideration. The value ascribed to these performance rights was based on the Company's share price on the date of grant, 25 October 2017 ($0.007), however as these rights were cancelled subsequent to balance date, no value has been expensed or included as remuneration in the current year. 8,000,000 2015 performance rights (Tranche A) which were granted to Mr Langoulant (4,000,000) and Mr Hibberd (4,000,000) on 30 November 2015 and included in the opening balances above, vested during the current year. As a result, the value of these rights, being $40,000 ($0.005 per right) has been expensed during the current year and included in the KMP remuneration above.

Key management personnel equity holdings - shown on a pre-share consolidation basis

2018 **Director**	Balance at beginning of year	Net movement during the year	Balance at the end of year
Ordinary shares			
M Langoulant	34,651,446	40,529,379	75,180,825
T Hibberd	41,001,200	34,998,800	76,000,000
R Boland	6,260,000	2,361,667	8,621,667
Options			
M Langoulant	11,833,333	2,158,656	13,991,989
T Hibberd	13,000,000	(5,000,000)	8,000,000
R Boland	666,667	(468,333)	198,334
2017 **Director**			
Ordinary shares			
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
Options			
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

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 22 and forms part of this directors' report for the year ended 30 June 2018.

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.

T Hibberd
Managing director
Perth, Western Australia
Date: 25 September 2018

Accountants | Business and Financial Advisers

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 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in 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
25 September 2018

L Di Giallonardo
Partner

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

Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533

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

White Cliff Minerals Limited
ABN 22 126 299 125

Statement of Comprehensive Income
For the year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Revenue	2(a)	**1,949**	30,905
Exploration acquisition costs written off		**20,000**	-
Exploration expenditure incurred		**3,416,714**	2,523,142
Foreign exchange loss		**-**	10,014
Share based payment expense		**40,000**	32,000
Other expenses	2(b)	**1,805,475**	1,389,764
		5,282,189	3,954,920
Loss before income tax expense		**(5,280,240)**	(3,924,015)
Income tax benefit	3	**-**	-
Loss after income tax benefit		**(5,280,240)**	(3,924,015)
Net loss for the year		**(5,280,240)**	(3,924,015)
Other comprehensive income, net of tax		**-**	-
Total comprehensive loss for the year		**(5,280,240)**	(3,924,015)
Basic loss per share (cents per share)	4	**(0.2)**	(0.2)

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 2018

	Note	Consolidated 2018 $	2017 $
Current Assets			
Cash and cash equivalents	6	**447,043**	507,116
Trade and other receivables	7	**104,891**	41,519
Prepayments		**-**	15,300
Other assets		**28,758**	28,758
Total Current Assets		**580,692**	592,693
Non-Current Assets			
Plant and equipment		**67,968**	131,047
Exploration project acquisition costs	8	**1,489,350**	1,509,350
Total Non-Current Assets		**1,557,318**	1,640,397
Total Assets		**2,138,010**	2,233,090
Current Liabilities			
Trade and other payables	9	**679,541**	338,350
Provisions	10	**91,473**	-
Borrowings	11	**600,000**	100,000
Total Current Liabilities		**1,371,014**	438,350
Total Liabilities		**1,371,014**	438,350
Net Assets		**766,996**	1,794,740
Equity			
Issued capital	12	**29,771,795**	25,733,309
Reserves	13	**412,606**	914,399
Accumulated losses		**(29,417,405)**	(24,852,968)
Total Equity		**766,996**	1,794,740

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 2018

Consolidated	Issued capital $	Accumulated losses $	Reserves $	Total equity $
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 12(b))	(151,381)	-	-	(151,381)
Balance at 30 June 2017	25,733,309	(24,852,968)	914,399	1,794,740
Loss for the period	-	(5,280,240)	-	(5,280,240)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	(5,280,240)	-	(5,280,240)
Shares issued during the period	**4,419,089**	**-**	**-**	**4,419,089**
Exercise of options	**16,667**	**-**	**-**	**16,667**
Capital raising costs - note 12(b) (cash)	**(223,260)**	**-**	**-**	**(223,260)**
Share-based payments:				
- directors	**-**	**-**	**40,000**	**40,000**
- capital raising costs	**(255,215)**	**-**	**255,215**	**-**
Transfers within equity	**81,205**	**715,803**	**(797,008)**	**-**
Balance at 30 June 2018	**29,771,795**	**(29,417,405)**	**412,606**	**766,996**

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 2018

	Note	Consolidated Inflows/ (Outflows) 2018 $	Inflows/ (Outflows) 2017 $
Cash flows from operating activities			
Receipts from customers, government grants and incentives		**-**	27,246
Payments to suppliers and employees		**(1,268,221)**	(909,707)
Interest expense		**(89,583)**	-
Interest received		**1,949**	3,659
Net cash outflow from operating activities	15(a)	**(1,355,855)**	(878,802)
Cash flows from investing activities			
Payments for plant and equipment		**-**	(54,697)
Payments for project acquisition		**-**	(20,000)
Payments for exploration and evaluation		**(3,416,714)**	(2,877,142)
Net cash outflow from investing activities		**(3,416,714)**	(2,951,839)
Cash flows from financing activities			
Proceeds from the issue of shares		**4,435,757**	2,549,750
Proceeds from borrowings		**600,000**	100,000
Repayment of borrowings		**(100,000)**	-
Capital raising costs		**(223,261)**	(151,381)
Net cash inflow from financing activities		**4,712,496**	2,498,369
Net decrease in cash held		**(60,073)**	(1,332,272)
Cash at the beginning of the year		**507,116**	1,839,388
Cash at the end of the year	6	**447,043**	507,116

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

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 $4.2 million in new equity capital. Despite these additional capital raisings, at balance date, the Company has negative working capital and the Company’s cash flows indicate that further capital raisings will be required. The directors remain of the view that they will be able to raise sufficient equity/debt to continue its normal operations; however there is no certainty that this will occur.

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 2018, 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 2018, specifically AASB 9 *Financial Instruments*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. As a result of this review the Directors have determined that there is no material impact 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 25 September 2018.

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).

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 2018 (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.

(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.

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.

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 re-valued 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.

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 Note14.

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.

(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.

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 20, has been prepared on the same basis as the consolidated financial statements.

	Consolidated 2018 $	2017 $

Note 2: Revenue and expenses

(a) Revenue from continuing operations

	2018 $	2017 $
Interest received	**1,949**	3,659
Sundry income	**-**	27,246
	1,949	30,905

(b) Expenses

Loss from ordinary activities before income tax benefit includes the following specific expenses (included in other expenses):

	2018 $	2017 $
Auditor's remuneration (Note 21)	**26,250**	25,500
Borrowing costs	**17,727**	2,500
Depreciation	**63,079**	53,452
Employee costs*	**662,802**	483,488
Interest expense	**89,583**	-
Leave provisions	**99,389**	-

* Includes all direct exploration employee costs

Note 3: Income tax

The prima facie income tax benefit on pre-tax accounting loss reconciles with the income tax benefit in the financial statements as follows:

	2018 $	2017 $
Accounting loss	**(5,280,240)**	(3,924,015)
Income tax benefit (calculated at 27.5%)	**(1,452,066)**	(1,079,104)
Non-deductible expenses	**16,297**	4,903
Deferred tax assets not brought to account	**1,435,769**	1,074,201
Income tax benefit	**-**	-

Unrecognised deferred tax balances

The following deferred tax assets have not been brought to account:

	2018 $	2017 $
Deferred tax assets comprise:		
Accruals	**13,693**	3,716
Share issue costs	**128,192**	117,764
Losses available for offset against future income – revenue	**4,697,252**	4,205,665
Losses available for offset against future income – capital	**38,159**	38,159
	4,877,296	4,365,304
Deferred tax liabilities comprise:		
Exploration expenses capitalised	**(31,480)**	(31,480)
Net unrecognised deferred tax assets	**4,845,816**	4,333,824

Deferred tax assets have not been recognised in respect of these items because it is not considered probable that future taxable profit will be available against which the Group can utilise the benefit thereof.

	Consolidated 2018 $	2017 $
Note 4: Loss per share		
Total basic loss per share (cents)	**(0.2)**	(0.2)
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	**(5,280,240)**	(3,924,015)
The weighted average number of ordinary shares	**2,881,791,622**	1,737,881,925

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 2018.

2018	Australia $	Kyrgyz $	Total $
Revenue			
Interest income	1,949	-	1,949
Segment revenue	1,949	-	1,949
Segment net operating loss after tax	(2,829,428)	(2,450,812)	(5,280,240)
Segment assets	736,800	1,401,210	2,138,010
Other segment information			
Segment liabilities	1,356,014	15,000	1,371,014
Depreciation and amortisation of segment assets	31,411	31,668	63,079

Note 5: Segment information (cont)

2017	Australia $	Kyrgyz $	Total $
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	438,350
Depreciation and amortisation of segment assets	21,785	31,667	53,452

Note 6: Cash and cash equivalents

	2018 $	2017 $
Cash at bank and on hand	**50,632**	216,665
Short term deposits	**396,411**	290,451
	447,043	507,116

(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 less than 90 days.

Note 7: Trade and other receivables

Goods and services tax receivable	**104,891**	30,810
Sundry debtor	**-**	10,709
	104,891	41,519

Note 8: Exploration project acquisition costs

	Consolidated	
	2018	2017
	$	$
Opening balance	**1,509,350**	1,393,350
Acquisition costs written off	**(20,000)**	-
Project acquisition costs	**-**	116,000
Acquisition costs in respect of areas of interest in the exploration phase	**1,489,350**	1,509,350

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*	**604,377**	271,102
Accrued annual leave	**75,164**	67,248
	679,541	338,350

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

Note 10: Provisions

Provision for long service leave	**91,473**	-

Note 11: Borrowings

Short term loan from shareholder	**600,000**	100,000
	600,000	100,000

This loan was for a maximum of 12 months from drawdown with interest payable quarterly in arrears at 15% pa. The term of this loan has been extended until 31 January 2019 and the lender has the right to register a financing statement on the Personal Property Securities Register. The Company can repay this loan at any time with no penalty.

Movements during the year:		
Opening balance	**100,000**	-
Loans received	**600,000**	100,000
Loans repaid	**(100,000)**	-
	600,000	100,000

Note 12: Issued capital

(a) Ordinary shares issued	Consolidated $ 2018	 $ 2017
3,849,586,836 (2017: 1,879,477,724) ordinary shares	**29,771,795**	25,733,309

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 $	$
1 July 2016		1,527,511,057		23,238,940
Nov 2016	Placement	200,000,000	0.0075	1,500,000
Dec 2016	Share Purchase Plan	139,966,667	0.0075	1,049,750
Jan 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**
Sept -Nov 2017	Rights issue	939,738,862	0.002	1,879,478
Jan-Feb 2018	Placement	500,000,000	0.002	1,000,000
Mar 2018	Rights issue	513,203,583	0.003	1,539,611
Mar 2018	Performance shares issued	15,500,000	-	81,205
June 2018	Options exercised	1,666,667	0.01	16,667
Capital raising costs	Cash	-		(223,260)
Capital raising costs	Share-based payments	-		(255,215)
30 June 2018		**3,849,586,836**		**29,771,795**

(c) Share options

	Number of options 2018	 2017
Unlisted options exercisable at $0.02 on or before 31 December 2017	**-**	202,850,001
Unlisted options exercisable at $0.012 on or before 1 December 2018	**30,000,000**	30,000,000
Listed options exercisable at $0.013 on or before 31 December 2018	**151,322,223**	151,322,223
Listed options exercisable at $0.01 on or before 30 June 2019	**513,536,916**	-
Gleneagle options Series A	**250,000,000**	-
Gleneagle options Series B	**250,000,000**	-
	1,094,859,139	384,172,224

(d) Movements in share options

Listed Options to acquire ordinary fully paid shares at $0.01 on or before 30 June 2019:		
Beginning of the financial year	**-**	-
Issued during year	**515,203,583**	-
Exercised during year	**(1,666,667)**	-
Balance at end of financial year	**513,536,916**	-

Note 12: Issued capital (cont)

	Number of options 2018	2017
Listed Options to acquire ordinary fully paid shares at $0.013 on or before 31 December 2018:		
Beginning of the financial year	**151,322,273**	-
Issued during year	**-**	151,322,273
Balance at end of financial year	**151,322,273**	-
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**	202,850,001
Expired during year	**(202,850,001)**	-
Balance at end of financial year	**-**	202,850,001
Unlisted Gleneagle Series A Options to acquire ordinary fully paid shares at $0.005 on or before 31 July 2020:		
Beginning of the financial year	**-**	-
Issued during year	**250,000,000**	-
Balance at end of financial year	**250,000,000**	-
Unlisted Gleneagle Series B Options to acquire ordinary fully paid shares at $0.01 on or before 31 July 2020:		
Beginning of the financial year	**-**	-
Issued during year	**250,000,000**	-
Balance at end of financial year	**250,000,000**	-
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**	30,000,000
Issued during year	**-**	-
Balance at end of financial year	**30,000,000**	30,000,000

Note 13: Reserves

	Consolidated 2018 $	2017 $
Option issue reserve (a)	**125,391**	125,391
Share compensation reserve (b)		
Opening balance	**789,008**	757,008
Share based expense for year	**40,000**	32,000
Capital raising expense	**255,215**	-
Transferred to equity	**(81,205)**	-
Transferred to retained losses	**(715,803)**	-
Closing balance	**287,215**	789,008
	412,606	914,399

(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 14.

Note 14: 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 year:

Type	Number	Grant date	Expiry Date	Exercise price $	Fair value
2014 Rights – Tranche B	7,500,000	16/12/2014	31/12/2017	-	$41,205[1]
2015 Rights – Tranche A	8,000,000	30/11/2015	31/12/2017	-	$40,000[1]
2015 Rights Tranche B	8,000,000	30/11/2015	31/12/2018	-	40,000[2]
2016 Options	16,000,000	23/12/2016	31/12/2018	0.013	$32,000[3]
Gleneagle Series A Options	250,000,000	10/1/18	31/7/2020	0.005	$182,625[4]
Gleneagle Series B Options	250,000,000	10/1/18	31/7/2020	0.01	$70,590[4]
2017 Performance rights	173,500,000	25/10/2017	31/12/2020	-	$542,062[2]
June 2019 Options	2,000,000	29/3/2018	30/6/2018	0.01	$2,000[3]

[1] The fair value of the performance rights was based on the Company's share price at the date of grant. The fair value of the 2014 Rights – Tranche B was expensed in previous periods. The fair value of the 2015 Rights – Tranche A was expensed in the current period.
[2] No fair value is required to be expensed upon the grant of these performance rights as it was not considered probable that the vesting conditions of these rights would be met.
[3] The fair value of the equity-settled listed options was estimated using the initial bid price for these options on the first day these options were quoted for trading upon ASX.
[4] The Gleneagle unlisted options were granted in respect to Gleneagle's underwriting of the 2017 Rights Issue. These options have been valued using a Black & Scholes option pricing model using the following inputs – spot price at date of issue $0.006; exercise prices - $0.005 - $0.01; interest rate 1.88%; volatility 100%; discount for lack of marketability 30%; and discount for vesting hurdles 50% - 60%.

Note 15: Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated	
	2018	2017
	$	$
a) *Reconciliation of loss from ordinary activities after income tax to net cash outflow from operating activities*		
Net loss for the year after income tax	**(5,280,240)**	(3,924,015)
Depreciation	**63,079**	53,452
Share based payment expense	**40,000**	32,000
Exploration expenditure treated as exploration investment activity	**3,416,714**	2,877,142
Exploration acquisition costs written off	**20,000**	-
Foreign exchange movements	**-**	10,014
(Increase) / decrease in trade and other receivables	**(63,372)**	(5,413)
(Increase) / decrease in prepayments	**15,300**	(5,300)
Increase / (decrease) in trade and other payables	**333,275**	59,843
Increase / (decrease) in provisions	**99,389**	23,475
Net cash outflow from operating activities	**(1,355,855)**	(878,802)

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 16: 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 $756,000 (2016: $766,000) 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 2019 is approximately $44,000.

Note 17: Key management personnel disclosures

(a) Directors

At the date of this report the directors of the Company are:
M Langoulant – *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	
	2018	2017
	$	$
Short-term	**469,356**	469,356
Post-employment	**21,789**	21,789
Share-based payments	**40,000**	32,000
	531,145	523,145

Detailed remuneration disclosures of directors and key management personnel are included in the Remuneration Report forming part of the Directors' Report.

Note 18: Interest in jointly controlled operation

The Company owns 90% of Chanach LLC which is the joint venture company that holds the Chanach gold-copper 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.

Note 19: 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 2018 %	2017 %
Northern Drilling Pty Ltd	Australia	Ordinary	100	100
Petrus Resources Pty Ltd	Australia	Ordinary	100	100
Venture Exploration Pty Ltd	Australia	Ordinary	100	100
PB Partners Malaysia Limited	Malaysia	Ordinary	100	100
Chanach LLC	Kyrgyz Republic	Ordinary	90	90

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 gold-copper project (2017: 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 20: Parent Entity Disclosures

Financial position

	30 June 2018 $	30 June 2017 $
Assets		
Current assets	**447,043**	592,693
Non-current assets	**1,690,967**	1,640,397
Total assets	**2,138,010**	2,233,090
Liabilities		
Current liabilities	**771,014**	338,350
Borrowings	**600,000**	100,000
Total liabilities	**1,371,014**	438,350
Net assets	**776,996**	1,794,740
Equity		
Issued capital	**29,771,795**	25,733,309
Accumulated losses	**(29,417,405)**	(24,852,968)
Reserves	**412,606**	914,399
Total equity	**766,996**	1,794,740
Financial performance		
Loss for the year	**(5,280,240)**	(3,924,015)
Other comprehensive income	**-**	-
Total comprehensive loss	**(5,280,240)**	(3,924,015)

Note 21: Auditor's remuneration

The auditors of the Group are HLB Mann Judd.

	Consolidated	
	2018	2017
	$	$
Assurance services:		
HLB Mann Judd:		
Audit and review of financial statements	**26,250**	25,500
Total remuneration for audit services	**26,250**	25,500
Other services	**-**	-
Total auditor's remuneration	**26,250**	25,500

Note 22: 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:

- On 10 September 2018 the company implemented a 50:1 share consolidation. This reduced the number of shares on issue from 3,849,586,836 to 76,991,814. The number of options and their respective exercise prices were similarly adjusted on a 50:1 basis.

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 2018 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 2018.

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

T Hibberd
Managing director

Perth, Western Australia
25 September 2018

HLB Mann Judd

Accountants | Business and Financial Advisers

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 2018, the consolidated statement of 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 2018 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 Related to Going Concern

We draw attention to Note 1(a) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report**.**

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

Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533

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

HLB Mann Judd

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of exploration project acquisition costs (Note 8 in the financial report)	
The Group has capitalised exploration project acquisition costs of $1,489,350 as at 30 June 2018 in relation to its Australian and Kyrgyz Republic projects. 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.	Our procedures included but were not limited to: • We obtained an understanding of the key processes associated with management's review of the carrying value of the capitalised exploration project acquisition costs; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2019 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 any of its areas 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 2018, 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.

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.

HLB Mann Judd

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 2018.

In our opinion, the Remuneration Report of White Cliff Minerals Limited for the year ended 30 June 2018 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.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
25 September 2018

L Di Giallonardo
Partner

Additional information

The shareholder information set out below was applicable as at 18 September 2018.

A. Distribution of equity securities

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

	Class of equity security *Ordinary shares*
1 – 5,000	1,202
5,001 – 10,000	431
10,001 – 100,000	794
100,001 and over	134
	2,561

There were 1,823 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**
JAYTU PTY LTD <J W GARDNER SUPER FUND A/C>	2,229,000	2.90
COMEC NOMINEESPTY LTD	1,818,506	2.36
ROOKHARP INVESTMENTS PTY LIMITED	1,700,000	2.21
MR JOSEPHUS JEFFREY VERHEGGEN <SEF & MIA TESTAMENTARY A/C>	1,500,000	1.95
MS NICOLE GALLIN + MR KYLE HAYNES <GH SUPER FUND A/C>	1,200,000	1.56
JUNIOR JAY PTY LTD <JJC CONSULTING SERVICES A/C>	1,080,000	1.40
WEST RESCUE PTY LTD <WEST RESCUE A/C>	1,030,667	1.34
LANZA HOLDINGS PTY LTD <LANGOULANT FAMILY S/F A/C>	936,783	1.22
AVELA ASSET MANAGEMENT PTE LTD	891,375	1.16
CORP ADMIN RESOURCES PTY LTD	881,129	1.14
TERRA AQUA PTY LTD <TERRA VERDE A/C>	860,000	1.12
SPINITE PTY LTD	740,000	0.96
MR MICHAEL PETRUS HENDRIKS + MRS SALLY JANE HENDRIKS <CALGARY SUPER FUND A/C>	736,492	0.96
PERSHING AUSTRALIA NOMINEES PT Y LTD <ACCUM A/C>	667,001	0.87
TERRA AQUA PROPRIETARY LIMITED <TERRA ROSSO A/C>	660,000	0.86
MR JIM SBOUNIAS	640,000	0.83
MR JOHN MCGREGOR SKINNER	640,000	0.83
ROOKHARP INVESTMENTS PTY LIMITED	608,333	0.79
THE PURPLE ONION PTY LTD <KIM BAILEY SUPER FUND A/C>	600,000	0.78
MR ANTHONY GLASS + MRS JANE ELIZABETH GLASS <A & JE GLASS SUPER FUND A/C>	560,000	0.73
	358,013,240	**25.95**

Twenty largest quoted equity security holders – 31 December 2018 options

Name	**Options held**	% **of issued options**
MR NEVILLE JOHN MANHIRE	246,000	8.13
MR DENNIS LOH	213,333	7.05
FIRST INVESTMENT PARTNERS PTY LTD	209,988	6.94
MR MARTIN FRANCIS O'DONNELL + MRS SUSAN LORETTA O'DONNELL <O'DONNELL FAMILY SUPER A/C>	180,000	5.95
LANZA HOLDINGS PTY LTD <LANGOULANT S/F A/C>	173,333	5.73
TERRA AQUA PTY LTD <TERRA VERDE A/C>	160,000	5.29
MR PAUL STEVENSON + MRS SUSAN STEVENSON	116,000	3.83
DANFORTH INTERNATIONAL PTY LTD	102,667	3.39
MR ANDREW JOHN IGO	93,333	3.08
MR DAVID SCOTT BATES	68,333	2.26
FREDERICK JOHN MCKAY PTY LTD <FJ MCKAY SF>	50,000	1.65
MICHAEL HENDRIKS + SALLY HENDRIKS <CALGARY SUPER FUND>	46,667	1.54
CALDER RETIREMENT HOLDINGS P/L <EMU BAY SF>	42,222	1.40
MR CAMERON MCPHIE <THE MCPHIE FAMILY A/C>	42,222	1.40
MR BENJAMIN JOHN CORLETT	40,000	1.32
PETARD PTY LTD	40,000	1.32
MR TROY ASHLEY RETHUS	40,000	1.32
MR GEOFFREY WAYNE FURLONG	29,820	0.99
BEENYUP HOLDINGS PTY LTD <JEG & SM DYKSTRA FAMILY A/C>	26,667	0.88
MR GARY PETER IRESON	26,667	0.88
	1,947,252	64.34

Twenty largest quoted equity security holders – 30 June 2019 options

Name	**Options held**	% **of issued options**
MS NICOLE GALLIN + MR KYLE HAYNES <GH SUPER FUND A/C>	1,000,000	9.74
J P MORGAN NOMINEES AUSTRALIA LIMITED	625,000	6.09
SOCIAL INVESTMENTS PTY LTD	400,000	3.89
PLAN-1 PTY LTD	346,667	3.38
M2 ASSETS PTY LTD <M2 ASSETS A/C>	333,333	3.25
MR MICHAEL SOUCIK + MRS HEATHER SOUCIK <HMS SUPERANNUATION FUND A/C>	323,833	3.15
MAHE INVESTMENTS PTY LTD	304,844	2.96
ROOKHARP INVESTMENTS PTY LTD	291,667	2.84
JATHRO PTY LTD <IMON A/C>	200,000	1.95
MRS ZI JUAN QI <CHEN FAMILY A/C>	200,000	1.95
SARTO PTY LTD <R ZAPPIA& SONS PROVIDENT A/C>	200,000	1.95
BROADCOOLA NOMINEES PTY LTD <SPYGLASS SUPER FUND AC>	140,000	1.36
LANZA HOLDINGS PTY LTD <LANGOULANT S/F A/C>	134,090	1.31
MERRIBROOK SUPER PTY LTD <V & M DELLA FRANCA S/F AC>	133,333	1.30
MICHAEL HENDRIKS + SALLY HENDRIKS <CALGARY SUPER FUND>	111,167	1.08
GRANDALP PTY LTD <MILLER SUPER FUND A/C>	103,333	1.01
MR DARON KINLEY	100,000	0.97
MR NEVILLE JOHN MANHIRE	100,000	0.97
NOOKAMKA HOLDINGS PTY LTD <SUPERANNUATION FUND A/C>	100,000	0.97
MR BENJAMIN JAMES OPIE <SPECULATIVE INVESTMENT A/C>	100,000	0.97
	5,246,267	51.08

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.

E. Tenement schedule

Project Area	Tenement details	% Held
Laverton	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; EL63/1861	100
Red Flag	EL39/1585;	100
Chanach, Kyrgyz Republic	PL 590 A Π	90