

# **WHITE CLIFF MINERALS LIMITED**

**ACN 126 299 125**

---

## **NOTICE OF GENERAL MEETING**

**and**

## **EXPLANATORY MEMORANDUM**

---

Date of Meeting: Thursday, 11<sup>th</sup> October 2012

Time of Meeting: 1.00pm (WST)

Place of Meeting: Suite 2, 5 Ord Street  
West Perth WA

This Notice of General Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

# WHITE CLIFF MINERALS LIMITED

ACN 126 299 125

## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of White Cliff Minerals Limited ACN 126 299 125 (**Company**) will be held at the Company's office at Suite 2, 5 Ord West Perth, Western Australia at 1.00pm (WST) on Thursday, 11<sup>th</sup> October 2012.

The Explanatory Memorandum which accompanies and forms part of this Notice of General Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of General Meeting.

### AGENDA

#### RESOLUTIONS

---

##### 1. **Ratification of Tranche 1 Placement**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders hereby approve and ratify the issue and allotment of 6,660,000 Shares to professional and sophisticated investors on 7 September 2012 in the manner and on the terms and conditions contained in the Explanatory Memorandum."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 1 by those persons who were issued Securities under the Tranche 1 Placement and their Associates. However, a person can vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

---

##### 2. **Approval of Tranche 2 Placement**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of up to 18,340,000 Shares and 12,500,000 Options to professional and sophisticated investors in the manner and on the terms and conditions contained in the Explanatory Memorandum"*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 2 by any person who may be issued Securities under the Tranche 2 Placement and any person who might obtain a benefit, except a benefit obtained solely in the capacity of a Shareholder, if Resolution 2 is passed, and any Associate of those persons. However, a person can vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

---

### 3. **Approval of placement of Broker Options to Hartleys Limited**

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.1 and for all other purposes, approval is given by the Shareholders for the issue and allotment of 10,000,000 Options to Hartleys Limited in consideration of acting as broker for the Placement and the SPP Offer in the manner and on the terms and conditions set out in the Explanatory Statement."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 3 by Hartleys and by a person who might obtain a benefit, except a benefit obtained solely in the capacity of a Shareholder, if Resolution 3 is passed, and any Associate of those persons. However, a person can vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

---

### 4. **Approval of issue of Shortfall Shares**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders hereby approve the issue and allotment of up to 20,000,000 Shortfall Shares to those persons determined by the Directors to be eligible in the manner and on the terms and conditions described in the Explanatory Statement."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 4 by any person who may participate in the proposed issue of Shortfall Shares and by a person who might obtain a benefit, except a benefit obtained solely in the capacity of a Shareholder, if Resolution 4 is passed, and any Associate of those persons. However, a person can vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

---

### 5. **Approval of placement of SPP Options to participating Shareholders and investors**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders hereby approve the issue and allotment of up to 10,000,000 SPP Options to Eligible Shareholders who subscribed for the Company's share purchase plan and to investors who subscribe for Shortfall Shares on the terms and conditions described in the Explanatory Statement."*

In accordance with Listing Rule 14.11, the Company will disregard any votes cast on Resolution 5 by those persons who may participate in any issue of SPP Options, and their Associates. However, a person can vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

---

## 6. Approval of grant of SPP Options to Michael Langoulant

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 5, for the purposes of Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the grant of up to 750,000 SPP Options to Mr Michael Langoulant and his Associates on the terms and conditions set out in the Explanatory Statement."*

In accordance with Listing Rule 14.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by Mr Langoulant and his Associates. However, a person can vote if the vote is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

---

## 7. Approval of grant of SPP Options to Todd Hibberd

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 5, for the purposes of Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the grant of up to 750,000 SPP Options to Mr Todd Hibberd and his Associates on the terms and conditions set out in the Explanatory Statement."*

In accordance with Listing Rule 14.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 7 by Mr Hibberd and his Associates. However, a person can vote if the vote is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

---

## 8. Approval of grant of SPP Options to Rodd Boland

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 5, for the purposes of Listing Rule 10.11 and sections 195(4) and 208 of the Corporations Act and for all other purposes, Shareholders approve the grant of up to 250,000 SPP Options to Mr Rodd Boland on the terms and conditions set out in the Explanatory Statement."*

In accordance with Listing Rule 14.11 and section 224 of the Corporations Act, the Company will disregard any votes cast on Resolution 8 by Mr Boland and his Associates. However, a person can vote if the vote is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### BY ORDER OF THE BOARD

Brooke White  
Company Secretary  
Dated: 10 September 2012

## **PROXY AND VOTING ENTITLEMENT INSTRUCTIONS**

### **PROXY INSTRUCTIONS**

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to the Company's office, **Suite 2, 5 Ord Street, West Perth WA 6005, +61 8 9324 2977**, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company.

In the case of Shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

### **VOTING ENTITLEMENT**

For the purposes of determining voting entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 1.00pm on Tuesday, 9<sup>th</sup> October 2012. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

# WHITE CLIFF MINERALS LIMITED

ACN 126 299 125

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the General Meeting to be held at Suite 2, 5 Ord Street, Perth, Western Australia at 1.00pm (WST) on Thursday, 11<sup>th</sup> October 2012.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting.

Full details of the business to be considered at this General Meeting are set out below.

---

### 1. Background

#### *Capital Raising*

On 30 August 2012 the Company announced:

- (a) a private placement of 25,000,000 Shares at an issue price of \$0.03 to professional and sophisticated investor clients of Hartleys to raise \$750,000 (before issue costs) in working capital, together with one free attaching option exercisable at \$0.06 on or before 30 September 2014 (**Placement Option**) for every two shares subscribed for (**Placement**); and
- (b) a share purchase plan offer to Shareholders to raise up to \$600,000 (**SPP Offer**). Under the SPP Offer, Eligible Shareholders will be offered the opportunity to subscribe for up to 20,000,000 Shares at an issue price of \$0.03 per Share with any Shares not subscribed for by Eligible Shareholders comprising a shortfall that may be offered to professional or sophisticated investors as a separate placement at the discretion of the Directors (**SPP Shortfall**).

#### *Placement*

It is proposed that the Placement be completed in two tranches as follows:

- (a) the first tranche of 6,660,000 Shares was finalised on 7 September 2012 in accordance with Listing Rule 7.1 (**Tranche 1 Placement**), and
- (b) the second tranche of 18,340,000 Shares and 12,500,000 Placement Options is to be completed following shareholder approval as is being sought via Resolution 2 (**Tranche 2 Placement**).

In order to avoid secondary sale restrictions on Shares issued on exercise of Placement Options, the Placement Options will be granted pursuant to a prospectus to be lodged following the close of the SPP Offer (**Prospectus**). The Prospectus will be sent to Placement participants at the same time it is sent to subscribers to the SPP Offer and SPP Shortfall (see section headed "*Free Options Offer*" below).

#### *Share Purchase Plan*

The Company is undertaking the SPP Offer by offering Eligible Shareholders the right to subscribe for additional Shares. Each Eligible Shareholder is entitled to purchase Shares up to the value of \$15,000. The SPP Offer is not underwritten.

SPP Offer applications will be accepted on a first come-first served basis.

The Directors have reserved the right to place any Shares comprising the SPP Shortfall (**Shortfall Shares**) at their discretion with professional and sophisticated investors as a separate placement should Eligible Shareholders not fill the SPP Offer, up to a maximum of 20,000,000 Shortfall Shares.

The SPP Offer is intended to be completed before the General Meeting. The issue of any Shortfall Shares is to take place after the General Meeting.

Resolution 4 seeks Shareholder approval to issue up to 20,000,000 Shortfall Shares (a number which assumes that no Eligible Shareholders subscribe for the SPP Offer), to professional or sophisticated investors who are not related parties of the Company.

### *Free Options Offer*

In addition to the Placement and the SPP Offer, the Company has also announced that it intends to separately offer Shareholders who subscribe for Shares under the SPP Offer, and professional or sophisticated investors who subscribe for Shortfall Shares, one free Option for every two new Shares subscribed for, up to a maximum of 10,000,000 Options (**SPP Options**).

The SPP Options will be issued on the same terms as the Placement Options, being exercisable at \$0.06 each and having an expiry date of 30 September 2014.

The Company intends to offer the SPP Options by way of the Prospectus. The Prospectus will be sent to each Shareholder who accepts the SPP Offer and to each professional or sophisticated investor who subscribes for Shortfall Shares. Such persons will need to complete the application form that will accompany the Prospectus.

Resolution 5 seeks Shareholder approval, pursuant to Listing Rule 7.1, for the issue of up to 10,000,000 SPP Options to Shareholders who participate in the SPP Offer and professional or sophisticated investors who subscribe for Shortfall Shares.

Each Director of the Company intends to participate in the SPP Offer and accordingly will be entitled, subject to shareholder approval, to receive SPP Options on the same terms as other participating Shareholders.

The Company has appointed Hartleys as broker for the Placement and the SPP Offer.

### *Placement of Broker Options*

Pursuant to a letter agreement between Hartleys and the Company (undated), Hartleys has agreed to provide corporate advice and capital raising services to the Company, including acting as broker to the Placement and the SPP Offer.

In consideration of the provision of these services, the Company has agreed to allot and issue 10,000,000 Options (**Broker Options**) to Hartleys' nominee, Zenix Nominees Pty Ltd ACN 107 391 908 (**Broker Placement**).

The Broker Options will be issued on the same terms as the Placement Options and the SPP Options.

Resolution 3 seeks Shareholder approval for the Broker Placement.

### ***Timetable***

The timetable for completion of the Placement, Broker Placement, SPP Offer and SPP Options Offer is as follows:

<b>Event</b>	<b>Date</b>
Record date for SPP Offer (5.00pm WST)	29 August 2012
Announcement of Placement and SPP Offer	30 August 2012
Completion of Tranche 1 Placement	7 September 2012
Opening date of SPP Offer	7 September 2012
Closing date of SPP Offer (5.00pm WST)	27 September 2012
SPP Shares issued and holding statements despatched	1 October 2012
General Meeting	11 October 2012
Completion of Tranche 2 Placement	11 October 2012
Completion of Broker Placement	11 October 2012
Prospectus for SPP Options Offer lodged with ASIC	12 October 2012
SPP Options Offer opens	12 October 2012
SPP Options Offer closes	31 October 2012
SPP Options granted and holding statements despatched	2 November 2012

These dates are indicative only and are subject to change without notice, in the discretion of the Directors, subject to the requirements of the ASX Listing Rules and the Corporations Act.

---

## **2. Resolution 1 – Ratification of Tranche 1 Placement**

Resolution 1 seeks ratification by Shareholders of the 7 September 2012 issue of 6,660,000 Shares at an issue price of \$0.03 to professional and sophisticated investors.

The purpose of seeking Shareholder approval and ratification of the issue of the Shares in Resolution 1 is to effectively reinstate the maximum limit under the Listing Rules of the number of Shares that the Company may issue in any 12 month period without Shareholder approval.

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided to Shareholders to enable them to consider and ratify the issue of the Shares in Resolution 1:

- (a) The number of Shares allotted was 6,660,000.
- (b) The Shares were issued at \$0.03 cents per Share.
- (c) The Shares are fully paid ordinary shares and rank equally with all existing Shares.
- (d) A total of approximately \$200,000 (less issue costs) was raised by the Tranche 1 Placement.

- (e) The Company intends to use the funds raised pursuant to the Tranche 1 Placement to accelerate the Company's exploration programs in both Australia and Kyrgyzstan.
- (f) The Shares were issued to professional and sophisticated investor clients of Hartleys. The allottees are not related parties of the Company.

The Directors unanimously recommend Shareholders vote in favour of Resolution 1.

---

### **3. Resolution 2 – Approval of Tranche 2 Placement**

Resolution 2 seeks Shareholder approval for the allotment and issue of 18,340,000 Shares, at an issue price of \$0.03, and 12,500,000 Placement Options to professional and sophisticated investors.

Listing Rule 7.1 provides that a company must not, without prior approval of shareholders and subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue Securities pursuant to the Tranche 2 Placement during the period of 3 months after the date of the General Meeting (or a longer period, if allowed by ASX), without utilising the Company's 15% annual placement capacity.

In accordance with the disclosure requirements of Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Placement:

- (a) The maximum number of Securities to be issued is 18,340,000 Shares and 12,500,000 Placement Options.
- (b) The Securities will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that allotment will occur on one date.
- (c) The issue price of the Shares issued pursuant to the Tranche 2 Placement will be \$0.03 per Share.
- (d) The Securities will be issued to professional and sophisticated investors that are not related parties of the Company.
- (e) The Placement Options will be granted as soon as possible after lodgement of the Prospectus and on the terms and conditions set out in the Schedule of this Explanatory Memorandum.
- (f) The Shares will be fully paid ordinary shares and rank equally with all existing Shares.
- (g) A total of approximately \$550,000 (less issue costs) will be raised by the issue of the Shares pursuant to Resolution 2.
- (h) The Company intends to use the funds raised from the Tranche 2 Placement towards continued exploration on the Company's exploration portfolio in Australia and the Kyrgyz Republic, and for general working capital.

The Directors unanimously recommend Shareholders vote in favour of Resolution 2.

---

#### **4. Resolution 3 – Approval of placement of Broker Options to Hartleys Limited**

Resolution 3 seeks Shareholder approval for the allotment and issue of 10,000,000 Options (**Broker Options**) to Hartleys.

The Broker Options are to be issued pursuant to the letter agreement between Hartleys and the Company dated 27 August 2012 under which Hartleys agreed to provide corporate advice and capital raising services to the Company. Those services include acting as broker to the Placement and the SPP Offer.

A summary of ASX Listing Rule 7.1 is set out in Section 3 above.

The effect of Resolution 3 will be to allow the Directors to issue the Broker Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the placement of Broker Options:

- (a) The maximum number of Broker Options to be issued is 10,000,000.
- (b) The Broker Options will be issued and allotted no later than 3 months after the date of the General Meeting (or such later date as permitted by the Listing Rules) and it is intended that allotment will occur on one date.
- (c) The Broker Options will be issued for nil cash consideration as they are being allotted in consideration of Hartleys corporate advice provided to the Company, accordingly, no funds will be raised by the placement of the Broker Options.
- (d) The Broker Options will be allotted and issued to Hartleys' subsidiary and nominee, Zenix Nominees Pty Ltd ACN 107 391 908.
- (e) The Broker Options will be granted on the terms and conditions set out in the Schedule of this Explanatory Memorandum.

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

---

## 5. Resolution 4 – Approval of issue of Shortfall Shares

The Company is undertaking the SPP Offer to raise up to \$600,000. Under the SPP Offer, Eligible Shareholders will be offered the opportunity to subscribe for a maximum of 500,000 Shares each at an issue price of \$0.03 per Share.

A summary of ASX Listing Rule 7.1 (which requires shareholder approval for an issue of securities, subject to certain exceptions) is set out in Section 3 above.

An exception to Listing Rule 7.1 is the issue of securities under a securities purchase plan where the number of securities to be issued is not greater than 30% of the number of fully paid ordinary securities on issue, and certain other conditions are satisfied. The SPP Offer is an offer that complies with the relevant exception.

The maximum number of Shares that the Company proposes to issue under the SPP Offer is 20,000,000 Shares. If, after the SPP Offer closes, there are Shortfall Shares, the Directors propose, subject to Shareholder approval, to issue Shortfall Shares to eligible investors as determined at the discretion of the Directors, in conjunction with the Broker.

The offer of Shortfall Shares however does not fall within the exception referred to above. The approval of Shareholders is therefore sought to enable the Company to issue Shortfall Shares without relying upon the 15% placement capacity under Listing Rule 7.1.

If Shareholders do not approve the issue of Shortfall Shares in accordance with Resolution 4, the Directors intend to issue Shortfall Shares utilising the 15% placement capacity allowed by Listing Rule 7.1.

The effect of Resolution 4, if passed, will be that Shortfall Shares issued to investors will not be counted for the purpose of calculating the Company's 15% limit under Listing Rule 7.1 and will have no effect on the Company's capacity under Listing Rule 7.1 to issue further Securities representing up to 15% of the Company's issued capital in the next 12 months.

In accordance with Listing Rule 7.3, the following details are provided in relation to Resolution 4:

- (a) The maximum number of Shortfall Shares to be issued (assuming no Eligible Shareholders participate in the SPP Offer) is 20,000,000 Shares. The Directors consider the number of Shortfall Shares will be considerably less than this number.
- (b) The Shortfall Shares will be issued and allotted no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (c) The issue price of each Shortfall Share will be \$0.03.
- (d) The Shortfall Shares will be issued to investors as determined by the Directors and the allottees will not be related parties of the Company.
- (e) The Shortfall Shares will be fully paid ordinary shares and will rank equally with existing Shares, and will be quoted by ASX.
- (f) The Company intends to use the funds raised from the issue of Shortfall Shares towards continued exploration on the Company's exploration portfolio in Australia and the Kyrgyz Republic, and for general working capital.

The passing of Resolution 4 will:

- (a) provide the Company with additional working capital which is, in the Directors' view, prudent given that the current market is experiencing significant volatility and fluctuation;
- (b) strengthen the Company's balance sheet and provide the Company with additional working capital to commit to the development of its key exploration programs; and
- (c) provide flexibility for the Company to raise additional funds in the future as and when required.

For these reasons, the Directors unanimously recommend Shareholders vote in favour of Resolution 4.

---

## **6. Resolution 5 – Approval of placement of SPP Options to participating Shareholders and investors**

Resolution 5 seeks Shareholder approval for the allotment and issue of up to 10,000,000 Options to those Shareholders that participate in the SPP Offer and professional and sophisticated investors who subscribe for any Shortfall Shares (**SPP Option Placement**).

The total number of SPP Options to be issued will depend on the total number of Shares issued under the SPP Offer and any SPP Shortfall, but will not exceed 10,000,000 Options.

One SPP Option will be issued for every two Shares subscribed for under the SPP Offer or any SPP Shortfall.

A summary of ASX Listing Rule 7.1 is set out in Section 3 above.

The effect of Resolution 5 will be to allow the Directors to issue the SPP Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) The maximum number of SPP Options to be issued is 10,000,000.
- (b) The SPP Options will be issued and allotted no later than 3 months after the date of the General Meeting (or such later date as permitted by the Listing Rules) and it is intended that allotment will occur on the same date.
- (c) The SPP Options will be issued for nil cash consideration as they are being allotted in consideration for participation in the SPP Offer or the SPP Shortfall.
- (d) The SPP Options will be allotted and issued to those shareholders that participate in the SPP Offer and to professional and sophisticated investors who subscribe for any Shortfall Shares.
- (e) The SPP Options will be granted on the terms and conditions set out in the Schedule of this Explanatory Memorandum.

In accordance with relief granted by ASX from the requirements of Listing Rule 7.3.8, Resolution 5 does not contain a voting exclusion statement. This means that persons who may participate in any issue of SPP Options and their Associates may vote on Resolution 5.

However, in accordance with the conditions pursuant to which the relief was granted, the Company will disregard all votes cast on Resolution 5 by a proposed underwriter or sub-underwriter of the Prospectus, and any Director and their Associates.

The Directors intend to participate in the SPP Offer for their and their Associates' holdings and will, subject to Resolutions 6 to 8 being approved by Shareholders, receive an allocation of SPP Options if Resolution 5 is approved. As a consequence the Directors do not make any recommendation in respect of Resolution 5.

---

## **7. Resolutions 6 to 8 – Approval of grant of SPP Options to Directors**

Resolutions 6 to 8 are conditional on Shareholders approving Resolution 5. If Resolution 5 is not passed, Resolutions 6 to 8 will be withdrawn.

Resolutions 6 to 8 seek Shareholder approval in accordance with Listing Rule 10.11 and Chapters 2.D and 2E of the Corporations Act for the grant of a total of up to 1,750,000 SPP Options to Directors (or their nominees) under the SPP Option Placement.

The grant of the SPP Options to the Directors reflects their entitlement to be issued SPP Options as participants in the SPP Offer.

### ***Listing Rule requirements***

Listing Rule 10.11 generally provides that Directors may not be issued any securities in the Company without the approval of Shareholders.

### ***Section 195(4) of the Corporations Act***

Section 195(1) of the Corporations Act provides that a director who has a “material personal interest” in a matter being considered at a director’s meeting must not be present while the matter is being considered or vote on the matter. Section 195(4) of the Corporations Act provides that where there are insufficient directors to form a quorum at a directors’ meeting because of section 195(1), the directors can call a general meeting of shareholders to consider the matter.

The Directors are unable to form a quorum to consider any matters relating to the issue of SPP Options under Resolutions 6 to 8, as each of the Directors has a material interest in the outcome of the Resolutions. Therefore, the Company is seeking approval under section 195(4) to deal with the matter.

### ***Chapter 2E of the Corporations Act***

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provisions; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

Messrs Langoulant, Hibberd and Boland are Directors and related parties of the Company. The grant of SPP Options to the Directors constitutes the giving of a financial benefit.

Accordingly, Shareholder approval is sought for the purposes of the Corporations Act requirements.

### **Regulatory information requirements**

In accordance with the requirements of Listing Rule 10.13 and Chapter 2E of the Corporations Act, and in particular with section 219 of the Corporations Act, the following information is provided to Shareholders to allow them to assess the proposed grant of SPP Options to the Directors:

- (a) The nature of financial benefit that will be given to the Directors if Resolutions 6 to 8 are approved is the grant of 1,750,000 SPP Options to the Directors (or their nominees) as follows:

<b>Name of Director</b>	<b>Number of SPP Options</b>
Michael Langoulant	750,000
Todd Hibberd	750,000
Rodd Boland	250,000

- (b) The exercise price of the SPP Options will be \$0.06 per Option.
- (c) The SPP Options will expire at 5.00pm WST on 30 September 2014.
- (d) The SPP Options will be granted for nil cash consideration; accordingly, no funds will be raised through the grant of the SPP Options.
- (e) The full terms and conditions of the SPP Options are set out in the Schedule of this Explanatory Memorandum.
- (f) The SPP Options will be issued as soon as possible after the lodgement of the Prospectus, and in any event within one month of the date of the General Meeting.
- (g) As at the date of the Notice of General Meeting, each Director has an interest (directly or indirectly) in the following Securities:

<b>Name of Director</b>	<b>Shares</b>	<b>Options</b>
Michael Langoulant	3,400,000 <sup>1</sup>	1,000,000
Todd Hibberd	3,705,714 <sup>2</sup>	1,500,000
Rodd Boland	10,000	750,000

**Note 1:** Held indirectly through Lanza Holdings Pty Ltd of which Mr Langoulant is a director and shareholder.

**Note 2:** Held indirectly through Terra Aqua Pty Ltd, of which Mr Hibberd is a director and shareholder, atf The Terra Rosso Super Fund atf the Terra Verde Trust.

- (h) The relevant remuneration details of each Director for FY10/11 and FY11/12 (comprising salary, fees, share based payments and superannuation) are set out below:

<b>Name of Director</b>	<b>FY10/11</b>	<b>FY11/12</b>
Michael Langoulant	\$188,120	\$181,086
Todd Hibberd	\$292,181	\$298,713
Rodd Boland	\$66,090	\$63,940

- (i) The primary purpose of the grant of the SPP Options to the Directors is to provide cost effective consideration for the ongoing commitment and contribution to the Company in their role as Directors.
- (j) The market price for the underlying Shares during the term of the SPP Options would normally determine whether or not the recipient would exercise the SPP Options. If,

at the time any of the SPP Options are exercised, the price of the underlying Shares is higher than the exercise price of the SPP Options, there may be a perceived cost to the Company.

- (k) If all the SPP Options proposed to be granted to Directors are exercised and paid for, the Company will receive \$105,000; the funds raised from the Shares issued as a result of the exercise of SPP Options will be used for working capital purposes, as the Board thinks fit.
- (l) If Shareholders approve all Resolutions contained in the Notice and all Shares and SPP Options are granted as contemplated by the Notice, the issued capital of the Company will be as follows:

<b>Security</b>	<b>Number</b>
Existing Shares	67,380,647
Tranche 1 Shares	6,660,000
Tranche 2 Shares	18,340,000
<b>Total Shares</b>	<b>92,380,647</b>
Existing listed Options	Nil
Existing unlisted Options	5,750,000
Tranche 2 Options	12,500,000
Broker Options	10,000,000
SPP Options	10,000,000
<b>Total Options</b>	<b>38,250,000</b>

- (m) If Shareholders approve the grant of 1,750,000 SPP Options to the Directors and all of those SPP Options are exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately a maximum of 2.6% based on the existing number of Shares as at the date of the Notice (as set out in the table contained in paragraph (l) above).
- (n) The most recent available data concerning the price of the Company's Shares traded on ASX over the past twelve months is as follows:

	<b>High</b>	<b>Low</b>	<b>Last</b>
<b>Price</b>	\$0.130	\$0.023	\$0.035
<b>Date</b>	5-7 September 2011	12 June 2012 28 June 2012	28 August 2012

- (o) The value of the SPP Options to be granted cannot be determined with certainty as this will depend on the market price of Shares in the Company at the time of issue.
- (p) An estimate of the value of the SPP Options that are proposed to be granted to the Directors pursuant to Resolutions 6 to 8 using the Black & Scholes option pricing model is set out below:

<b>Related party</b>	<b>Value</b>
Michael Langoulant	\$6,750
Todd Hibberd	\$6,750
Rodd Boland	\$2,250

- (q) The estimated value of SPP Options is based upon the following assumptions and parameters:
- (i) a risk free rate of 4.25%;
  - (ii) a market price of the underlying Shares of 3.5 cents, being the last sale price of the Shares on ASX on 28 August 2012;
  - (iii) a dividend yield of nil%;
  - (iv) a volatility factor of 100%;
  - (v) an exercise price for the SPP Options of \$0.06 per Option;
  - (vi) an expiry date of the SPP Options of 5.00pm WST on 30 September 2014;
  - (vii) an expected grant date of 2 November 2012; and
  - (viii) a marketability discount of 33% to reflect the fact that the SPP Options are not freely transferable.

#### ***Listing Rule disclosures***

Listing Rule 10.11 generally provides that Directors may not be issued any securities in the Company without approval of Shareholders.

If approval for any of Resolutions 6, 7 and/or 8 is given for the purposes of Listing Rule 10.11, then approval is not required in respect of those Resolution/s for Listing Rule 7.1.

#### ***Interests in outcome of Resolutions 6 to 8***

Mr Langoulant has an interest in the outcome of Resolution 6 as he will receive a financial benefit by way of the grant of SPP Options if Resolution 6 is approved. Mr Langoulant, and any Associate of Mr Langoulant, is disqualified from voting on Resolution 6 relating to the issue of SPP Options.

Mr Hibberd has an interest in the outcome of Resolution 7 as he will receive a financial benefit by way of the grant of SPP Options if Resolution 7 is approved. Mr Hibberd, and any Associate of Mr Hibberd, is disqualified from voting on Resolution 7 relating to the issue of SPP Options.

Mr Boland has an interest in the outcome of Resolution 8 as he will receive a financial benefit by way of the grant of SPP Options if Resolution 8 is approved. Mr Boland, and any Associate of Mr Boland, is disqualified from voting on Resolution 8 relating to the issue of SPP Options.

#### ***Directors' recommendations***

Each of the Directors has a personal interest in one of Resolutions 6 to 8. Accordingly, they do not consider it appropriate for them to make a recommendation to Shareholders in relation to Resolutions 6 to 8.

---

## 8. Glossary of terms

In this Explanatory Memorandum the following expressions have the following meanings:

**ASIC** means the Australian Securities and Investment Commission.

**Associate** has the meaning given to it by Division 2 of Part 1 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or the securities exchange conducted by it, whichever the context requires.

**Board** means the board of Directors.

**Broker** means Hartleys as broker for the Placement and the SPP Offer.

**Broker Options** means the 10,000,000 Options to be allotted and issued to the Broker if Resolution 3 is passed.

**Broker Placement** means the prospective placement of the Broker Options to the Broker that is the subject of Resolution 3.

**Capital Raising** means the Placement and the SPP Offer, to raise up to \$1,350,000.

**Company** or **White Cliff** means White Cliff Minerals Limited ACN 126 299 125.

**Constitution** means the Company's constitution from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company from time to time.

**Eligible Shareholder** means a Shareholder who is entitled to participate in the SPP Offer.

**Explanatory Memorandum** means the explanatory memorandum that accompanies and forms part of this Notice.

**Hartleys** means Hartleys Limited ACN 104 195 057, the holder of an Australian financial services licence.

**Listing Rule** means a listing rule of ASX.

**Meeting** or **General Meeting** means the general meeting of Shareholders convened by this Notice.

**Notice** or **Notice of General Meeting** means the notice of general meeting which accompanies this Explanatory Memorandum.

**Option** means an option to acquire a Share in the Company.

**Placement** means the Tranche 1 Placement and the Tranche 2 Placement.

**Placement Option** means an Option issued pursuant to the Placement.

**Resolution** means a resolution referred to in the Notice.

**Securities** means a Share or an Option.

**Share** means an ordinary share in the Company.

**Shareholder** means a shareholder of the Company.

**Shortfall Shares** means Shares that are offered under the SPP Offer and which are not subscribed for by Eligible Shareholders.

**SPP Offer** means the share purchase plan offer under which Eligible Shareholders will be offered the opportunity to subscribe for up to 20,000,000 Shares each at an issue price of \$0.03 per Share to raise up to \$600,000.

**SPP Option** means an Option to be issued to subscribers for:

- (a) Shares under the SPP Offer; and
- (b) Shortfall Shares.

**SPP Option Placement** means the grant of up to 10,000,000 SPP Options in accordance with Resolution 5.

**SPP Shortfall** means the difference between 20,000,000 Shares and the number of Shares subscribed for under the SPP Offer.

**Tranche 1 Placement** means the issue of 6,660,000 Shares undertaken by the Company on 7 September 2012, ratification of which is sought by Resolution 1.

**Tranche 2 Placement** means the proposed issue of 18,340,000 Shares and 12,500,000 Placement Options to be undertaken by the Company, approval for which is sought by Resolution 2.

**WST** means the time in Perth, Western Australia.

## Schedule – Terms and Conditions of Options

The terms and conditions of the Options referred to in Resolutions 2, 3 and 5 to 8 are regulated by the Constitution, the Corporations Act, the Listing Rules and general law.

The terms and conditions of the Options are as follows:

- (a) Each Option entitles the holder to acquire one fully paid ordinary Share in the Company.
- (b) The expiry date of the Options is 5.00pm WST on 30 September 2014 (**Expiry Date**).
- (c) The exercise price of the Options is \$0.06 per Option.
- (d) Each Option may be exercised at any time prior to the Expiry Date by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the sum of \$0.06 per Option exercised.
- (e) The Options may be transferred by an instrument (duly stamped where necessary) in the form commonly used for transfer of Options at any time until the Expiry Date. This right is subject to any restrictions on the transfer of an Option that may be imposed by ASX in circumstances where the Company is listed on ASX.
- (f) The Options will not be quoted on ASX.
- (g) Option holders shall be permitted to participate in new issues of securities on the prior exercise of Options in which case the Option holders shall be afforded the period of at least nine (9) Business Days prior to and inclusive of the record date (to determine entitlements to the issue) to exercise the Option.
- (h) Shares issued on the exercise of Options will be issued not more than ten (10) Business Days after receipt of a properly executed exercise notice and application moneys. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary Shares of the Company in all respects. If the Company is listed on ASX it will, pursuant to the exercise of an Option, apply to ASX for quotation of the Shares issued as a result of the exercise, in accordance with the Corporations Act and the Listing Rules.
- (i) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the relevant Listing Rules.
- (j) If there is a bonus issue of Shares to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue.
- (k) In the event that a pro rata issue (except a bonus issue) is made to the holders of the underlying securities of the Company, the exercise price of the Options may be reduced in accordance with Listing Rule 6.22.

**WHITE CLIFF MINERALS LIMITED**  
**ACN 126 299 125**

**PROXY FORM**

White Cliff Minerals Limited, Suite 2, 5 Ord Street, West Perth WA 6005

Facsimile +61 8 9324 2977

I/We \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/(s) of White Cliff Minerals Limited (**Company**) and entitled to

\_\_\_\_\_ Shares in the Company

hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her/it \_\_\_\_\_

of \_\_\_\_\_

or failing him/her/it the Chairman as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the Company to be held at Suite 2, 5 Ord Street, West Perth, Western Australia at 1.00pm (WST) on Thursday, 11<sup>th</sup> October 2012 and at any adjournment thereof in respect of \_\_\_\_\_ of my/our Shares or, failing any number being specified, **ALL** of my/our Shares in the Company.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is [     ]%.  
(An additional proxy form will be supplied by the Company on request.)

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a Resolution, the proxy may abstain or vote at his/her/its discretion.

In relation to undirected proxies, the Chairman intends to vote in favour of all of the Resolutions.

If you do not wish to direct your proxy how to vote, please place a mark in the box:

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of a Resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

I/we direct my/our proxy to vote as indicated overleaf:

