

13 October 2014 ASX Code: WCN

# **Initial Convertible Note Proceeds Received**

## Highlights

US\$500,000 cash received from US based investment firm Magna Equities

White Cliff Minerals Limited ("White Cliff" or the "Company") is pleased to announce that it has closed the 24-month convertible note funding agreement with Magna Equities, LLC ("Magna"), a New York based investment firm, and has received the initial US\$500,000 under this agreement.

The US\$500,000 funds received will be applied mainly towards advancing the Kyrgyz located Chanach copper-gold project where the Company has recently announced high grade gold drill assay results at the Aucu target, (refer to announcements of 29 September and 9 October 2014), including:

- 4 metres at 13.6 g/t gold including 1 metre at 30.1 g/t from 50 metres
- 3 metres at 11.49 g/t from 36 metres
- 5 metres at 4.2 g/t gold from 55 metres
- 4 metres at 23.83 g/t gold from 85 metres
- 6 metres at 13.1 g/t gold including 1 metre at 23.1 g/t from 47 metres
- 5 metres at 6.2 g/t from 82 metres
- 8 metres at 6.7 g/t gold from 56 metres
- 3 metres at 8.2 g/t gold from 83 metres
- 1 metre at 12.3 g/t gold and 1 metre at 10.3 g/t gold
- 2 metres at 21.98 g/t gold from 102 metres

In accordance with the terms of the facility, the Company has issued Magna with 5,829,269 WCN shares at an average issue price of \$A0.01 per share.

An Appendix 3B for the convertible notes and Shares issued is attached.

#### Section 708A Notice

The Company issues this notice pursuant to Section 708A(5)(e) of the Corporations Act in relation to the 5,829,269 WCN Shares issued.

The Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act, in reliance on Section 708(8) of the Corporations Act. The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
- (b) Section 674 of the Corporations Act.

As at the date of this notice, there is no excluded information for the purposes of Sections 708A(7) and (8) of the Corporations Act in relation to the Company.

For further information please contact: <a href="mailto:www.wcminerals.com.au">www.wcminerals.com.au</a> info@wcminerals.com.au

Michael Langoulant Executive Chairman +61 89321 2233 Todd Hibberd Managing Director +61 89321 2233

#### About White Cliff Minerals Limited

White Cliff Minerals Limited is a Western Australian based exploration company with the following main projects:

Chanach Copper-Gold Project (88.7%): The project is located in the Kyrgyz Republic, 350km west-southwest of the capital city of Bishkek and covers 83 square kilometres. The Chanach project is located in the western part of the Tien Shan Belt, a highly mineralised zone that extending for over 2500 km, from western Uzbekistan, through Tajikistan, Kyrgyz Republic and southern Kazakhstan to western China. Mineralisation occurs as porphyry and epithermal systems developed within magmatic arcs, and orogenic type gold deposits that are structurally controlled. Major deposits located within 100km of the project contain up to 93 million ounces of gold and 25 million tonnes of copper. Initial work indicates that the project may host porphyry and skarn style gold and copper mineralisation. Drilling during 2010-2013 has identified extensive copper-gold porphyry mineralisation with copper values of up to 2.1%.

Merolia Project (100%): The project consists of 771 square kilometres of the Merolia Greenstone belt and contains extensive ultramafic sequences including the Diorite Hill layered ultramafic complex, the Rotorua ultramafic complex, the Coglia ultramafic complex and a 51 kilometre long zone of extrusive ultramafic lava's. The Intrusive complexes are prospective for nickel-copper sulphide accumulations possibly with platinum group elements, and the extrusive ultramafic rocks are prospective for nickel sulphide and nickel-cobalt accumulations. The project also contains extensive basalt sequences that are prospective for gold mineralisation including the Ironstone prospect where historical drilling has identified 24m at 8.6g/t gold.

Lake Johnston Project (100%): The project covers over 127 square kilometres in the Lake Johnson Greenstone Belt, which contains the Emily Ann and Maggie Hayes nickel sulphide deposits. These mines have a total resource of approximately 140,000 tonnes of contained nickel. The project area has excellent prospectivity for both komatiite associated nickel sulphides and amphibolite facies high-grade gold mineralisation.

Laverton Gold Project (100%): The project consists of 136 square kilometres of tenement applications in the Laverton Greenstone belt. The core prospects are Kelly Well and Eight Mile Well located 20km southwest of Laverton in the core of the structurally complex Laverton Tectonic zone immediately north of the Granny Smith Gold Mine (3 MOz) and 7 kilometres north of the Wallaby Gold Mine (7MOz).

Mount Remarkable Project (100%): The project covers 185 square kilometres and is located approximately 170 km N-NE of Kalgoorlie and about 25 km SE of Kookynie in the Northern Goldfields. Included in the project area are the historic gold mining centres of Mt Remarkable and Yerilla which consists of several old workings. Major gold mines in the surrounding area include Sons of Gwalia, Tarmoola, Carosue Dam, Granny Smith, Wallaby and Sunrise Dam. The project includes several areas adjacent to and along strike from existing nickel deposits at Aublis, Yerilla and Boyce Creek. These deposits form Heron Resources' Yerilla Nickel Project which contains 135 Mt @ 0.77% Nickel and 0.05% Cobalt.

#### JORC Compliance

The Information in this report that relates to exploration results at the Chanach gold-copper project was originally reported in the Company's announcement released to ASX on 29 September and 9 October 2014. The Company confirms that it is not aware of any new information or data that materially affects the information included within the Company's previous announcements.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

# Appendix 3B

# New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

White Cliff Minerals Limited

**ABN** 

22 126 299 125

We (the entity) give ASX the following information.

## Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- †Class of \*securities issued or to be issued
- a) Ordinary shares
- b) \$USi convertible notes
- Number of \*securities issued or to be issued (if known) or maximum number which may be issued
- a) 5,829,269
- b) 470,000
- Principal the terms 3 +securities (eg, if options, exercise price and expiry date; if partly paid \*securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)
- a) Ordinary shares
- b) 12month \$US1 convertible notes convertible into fully paid shares at a 20% discount to the 5 day VWAP prior to conversion

<sup>+</sup> See chapter 19 for defined terms.

4	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?	a) Yes b) New class
	<ul> <li>If the additional securities do not rank equally, please state:</li> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> </ul>	
	<ul> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	
5	Issue price or consideration	a) \$Ao.o1 b) \$US1 each
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<ul><li>a) Convertible note fee and conversion</li><li>b) Working capital</li></ul>
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?	Yes
	If Yes, complete sections 6b – 6h in relation to the *securities the subject of this Appendix 3B, and comply with section 6i	
6b	The date the security holder resolution under rule 7.1A was passed	22/10/13
6с	Number of *securities issued without security holder approval under rule 7.1	Nil

Appendix 3B Page 2 01/08/2012

<sup>+</sup> See chapter 19 for defined terms.

6d Number of \*securities issued Nil with security holder approval under rule 7.1A Number of \*securities issued 6e 2 May 2014 with security holder approval 207,141,667 ordinary shares under rule 7.3, or another 102,050,017 March 2017 options specific security holder approval (specify date of meeting) 6f Number of securities issued 55,800,000 ordinary shares under an exception in rule 7.2 If securities issued under rule 6g N/a 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. 6h If securities were issued under N/a rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to **ASX Market Announcements** Calculate the entity's remaining 6i a) 14,528,573 issue capacity under rule 7.1 and b) 44,904,961 rule 7.1A – complete Annexure 1 and release to ASX Market Announcements Dates of entering \*securities a) 14 October 2014 7 into uncertificated holdings or b) 10 October 2014 despatch of certificates Number +Class fully paid ordinary 8 Number and +class of all 454,878,483 +securities quoted on ASX shares (including the securities in 102,050,017 Options exercisable at section 2 if applicable) 3 cents on or before 11 March 2017

<sup>+</sup> See chapter 19 for defined terms.

		Number	+Class
9	Number and *class of all *securities not quoted on ASX ( <i>including</i> the securities in section 2 if applicable)	470,000	\$US1 convertible note
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	None at this point	
Part	2 - Bonus issue or pro ra	ata issue	
11	Is security holder approval required?		
12	Is the issue renounceable or non-renounceable?		
13	Ratio in which the *securities will be offered		
14	<sup>+</sup> Class of <sup>+</sup> securities to which the offer relates		
15	<sup>+</sup> Record date to determine entitlements		
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?		
17	Policy for deciding entitlements in relation to fractions		
18	Names of countries in which the entity has *security holders who will not be sent new issue documents		
	Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.		

Appendix 3B Page 4 01/08/2012

<sup>+</sup> See chapter 19 for defined terms.

19	Closing date for receipt of acceptances or renunciations
20	Names of any underwriters
21	Amount of any underwriting fee or commission
22	Names of any brokers to the issue
23	Fee or commission payable to the broker to the issue
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders
25	If the issue is contingent on  +security holders' approval, the date of the meeting
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders
28	Date rights trading will begin (if applicable)
29	Date rights trading will end (if applicable)
30	How do *security holders sell their entitlements <i>in full</i> through a broker?
31	How do <sup>+</sup> security holders sell

<sup>+</sup> See chapter 19 for defined terms.

	through a broker and accept for the balance?	
32	How do *security holders dispose of their entitlements (except by sale through a broker)?	
33	<sup>+</sup> Despatch date	

# Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

Type of securities (*tick one*)

- (a)  $\mathbf{X}$  Securities described in Part 1 shares only
- (b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities.

# Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- If the \*securities are \*equity securities, the names of the 20 largest holders of the additional \*securities, and the number and percentage of additional \*securities held by those holders
- If the \*securities are \*equity securities, a distribution schedule of the additional \*securities setting out the number of holders in the categories

1 - 1,000 1,001 - 5,000 5,001 - 10,000

10,001 - 100,000 100,001 and over

A copy of any trust deed for the additional \*securities

+ See chapter 19 for defined terms.

Appendix 3B Page 6 01/08/2012

Entitie	es that have ticked box 34(b)		
38	Number of securities for which <sup>†</sup> quotation is sought		
39	Class of *securities for which quotation is sought		
40	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?		
	If the additional securities do not rank equally, please state:  the date from which they do  the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment  the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment		
41	Reason for request for quotation now  Example: In the case of restricted securities, end of restriction period  (if issued upon conversion of		
	another security, clearly identify that other security)		
		Number	+Class
42	Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

<sup>+</sup> See chapter 19 for defined terms.

## **Quotation agreement**

- <sup>+</sup>Quotation of our additional <sup>+</sup>securities is in ASX's absolute discretion. ASX may quote the <sup>+</sup>securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the \*securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those \*securities should not be granted \*quotation.
  - An offer of the \*securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any \*securities to be quoted and that no-one has any right to return any \*securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the \*securities be quoted.
- If we are a trust, we warrant that no person has the right to return the 
  +securities to be quoted under section 1019B of the Corporations Act at 
  the time that we request that the +securities be quoted.
- We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before †quotation of the †securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 14 October 2014

Chairman

Print name: Michael Langoulant

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Appendix 3B Page 8 01/08/2012

<sup>+</sup> See chapter 19 for defined terms.

# Appendix 3B - Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

# Part 1

Rule 7.1 – Issues exceeding 15% of capital		
Step 1: Calculate "A", the base figure from which the placement capacity is calculated		
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	186,107,947	
Add the following:		
<ul> <li>Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> </ul>	55,800,000	
<ul> <li>Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> </ul>	207,141,667	
<ul> <li>Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul>		
<ul> <li>Note:</li> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>		
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period		
"A"	449,049,614	

<sup>+</sup> See chapter 19 for defined terms.

Step 2: Calculate 15% of "A"			
"B"	0.15		
	[Note: this value cannot be changed]		
<b>Multiply</b> "A" by 0.15	67,357,442		
Step 3: Calculate "C", the amount of placement capacity under rule 7.1 that has already been used			
<ul> <li>Insert number of equity securities issued or agreed to be issued in that 12 month period not counting those issued:</li> <li>Under an exception in rule 7.2</li> </ul>	Nil 47,000,000 Shares (estimated number of shares that may be issued upon conversion of 470,000 US\$ Convertible notes)		
<ul> <li>Under rule 7.1A</li> <li>With security holder approval under rule 7.1 or rule 7.4</li> </ul>	5,829,269 Shares		
<ul> <li>Note:</li> <li>This applies to equity securities, unless specifically excluded – not just ordinary securities</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>			
"C"	52,829,269		
Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1			
"A" x 0.15	67,357,442		
Note: number must be same as shown in Step 2			
Subtract "C"	52,829,269		
Note: number must be same as shown in			
Step 3			

Appendix 3B Page 10 01/08/2012

<sup>+</sup> See chapter 19 for defined terms.

# Part 2

Rule 7.1A – Additional placement capacity for eligible entities		
Step 1: Calculate "A", the base figure from which the placement capacity is calculated		
449,049,614		
0.10		
Note: this value cannot be changed		
44,904,961		
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used		
Nil		

<sup>+</sup> See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A		
"A" x 0.10	44,904,961	
Note: number must be same as shown in Step 2		
Subtract "E"	0	
Note: number must be same as shown in Step 3		
<b>Total</b> ["A" x 0.10] – "E"	44,904,961	
	Note: this is the remaining placement capacity under rule 7.1A	

Appendix 3B Page 12 01/08/2012

<sup>+</sup> See chapter 19 for defined terms.