

Research

Mining



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16:47 Wed 17 Nov 2021

view White Rock Minerals Ltd (ASX:WRM, OTCQX:WRMCF)

White Rock Minerals re-initiated by Fundamental Research Corp with a buy rating

White Rock holds three assets, the Red Mountain high-grade silver-zinc polymetallic project in Alaska and two projects in Australia - the Mt Carrington gold-silver project and the recently acquired Woods Point gold project.



White Rock Minerals Ltd (ASX:WRM, OTCQX:WRMCF)'s Red Mountain resource in Alaska is one of the highest-grade silver-zinc VMS (volcanogenic massive sulphide) deposits in the world, according to Fundamental Research Corp.

The stock market research firm has re-initiating coverage on White Rock with a buy rating and a fair value estimate of A\$0.87 per share (current price: A\$0.31).

The following is an extract from the research update:

Highlights

- ▶ White Rock holds three assets, including the Red Mountain high-grade silver-zinc polymetallic project in Alaska (resource stage), the Mt Carrington gold-silver project in Australia (Pre-Feasibility Study/PFS), and the recently acquired Woods Point gold project (high-grade historic gold producer) in the prolific Victoria gold province in Australia.
- ▶ We believe Red Mountain's resource is one of the highest-grade silver-zinc VMS deposits in the world (9.1 Mt at 13.2% ZnEq or 609 g/t AqEq). We believe WRM will likely be able to expand its existing resource-base, and delineate a gold-rich maiden resource in 2022/2023.
- ▶ Woods Point has historically produced 880 Koz gold at very high-grades (26.5 g/t). We believe the existing mining infrastructure, and an 80,000 tonne per annum processing plant, are the project's major advantages, as WRM will be able to quickly advance the project back into production after delineating a resource.
- ▶ Thomson Resources (MCAP of \$41M) is earning up to a 70% interest in Mt Carrington. WRM is carried free through to a Definitive Feasibility Study (DFS) and an Environment Impact Statement (EIS), implying that WRM has no near-term capital commitments. A 2020 PFS indicated a Before Tax-NPV8% of A\$94M, and a high IRR of 82%. WRM's 30% interest implies a BT-NPV8% of \$28M. As WRM's Enterprise Value (EV) is just \$29M, we believe the market is assigning zero value to Red Mountain and Woods Point.
- ▶ We believe inflation and slow rate hikes will provide near-term support to gold prices. Upcoming catalysts include exploration drilling at both Woods Point and Red Mountain, and the completion of a DFS at Mt. Carrington.

Key catalysts include:

- ▶ Woods Point - underground exploration, resource estimate, and regional exploration
- ▶ Red Mountain - ongoing exploration of new VMS targets, and gold targets at Last Chance
- ▶ Mt Carrington - completion of a DFS

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ASX:WRM

Price: 0.31 AUD

Market Cap: \$44.16 m

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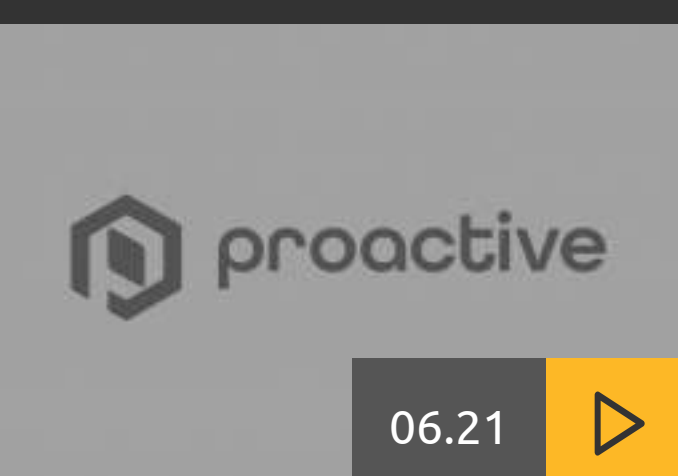
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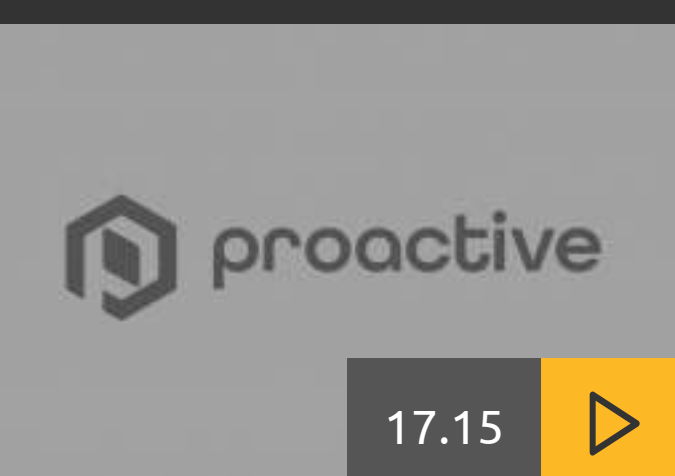
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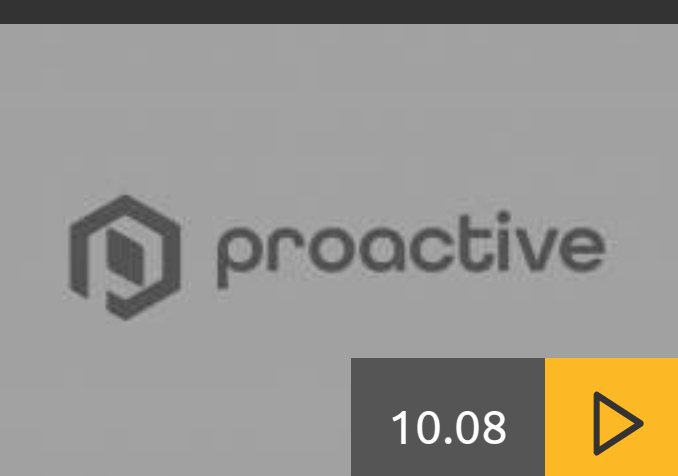
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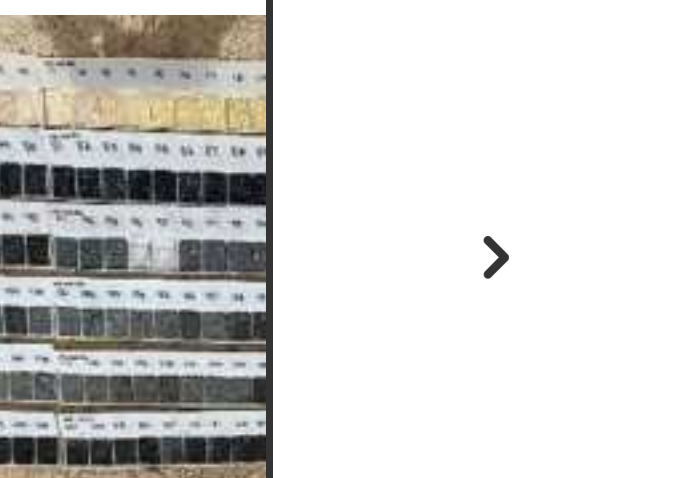
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