



(ABN 64 142 809 970)

# Annual Report 30 June 2017

# White Rock Minerals Ltd

## Corporate Directory

### DIRECTORS

Brian Phillips (Chairperson)  
Matthew Gill (Managing Director and Chief Executive Officer)  
Peter Lester (Non-Executive Director)  
Ian Smith (Non-Executive Director)  
Jeremy Gray (Non-Executive Director)

### COMPANY SECRETARY

Shane Turner

### PRINCIPAL & REGISTERED OFFICE

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### SHARE REGISTRARS

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770 Canning Highway  
Applecross WA 6153  
Tel: 08 9315 2333

### AUDITORS

KPMG  
727 Collins Street  
Melbourne Victoria 3008

### BANKERS

ANZ Banking Group Limited  
927 Sturt Street  
Ballarat Victoria 3350

### LEGAL ADVISORS

Baker McKenzie  
181 William Street  
Melbourne Victoria 3000



Figure 1: Mt Carrington Project Location

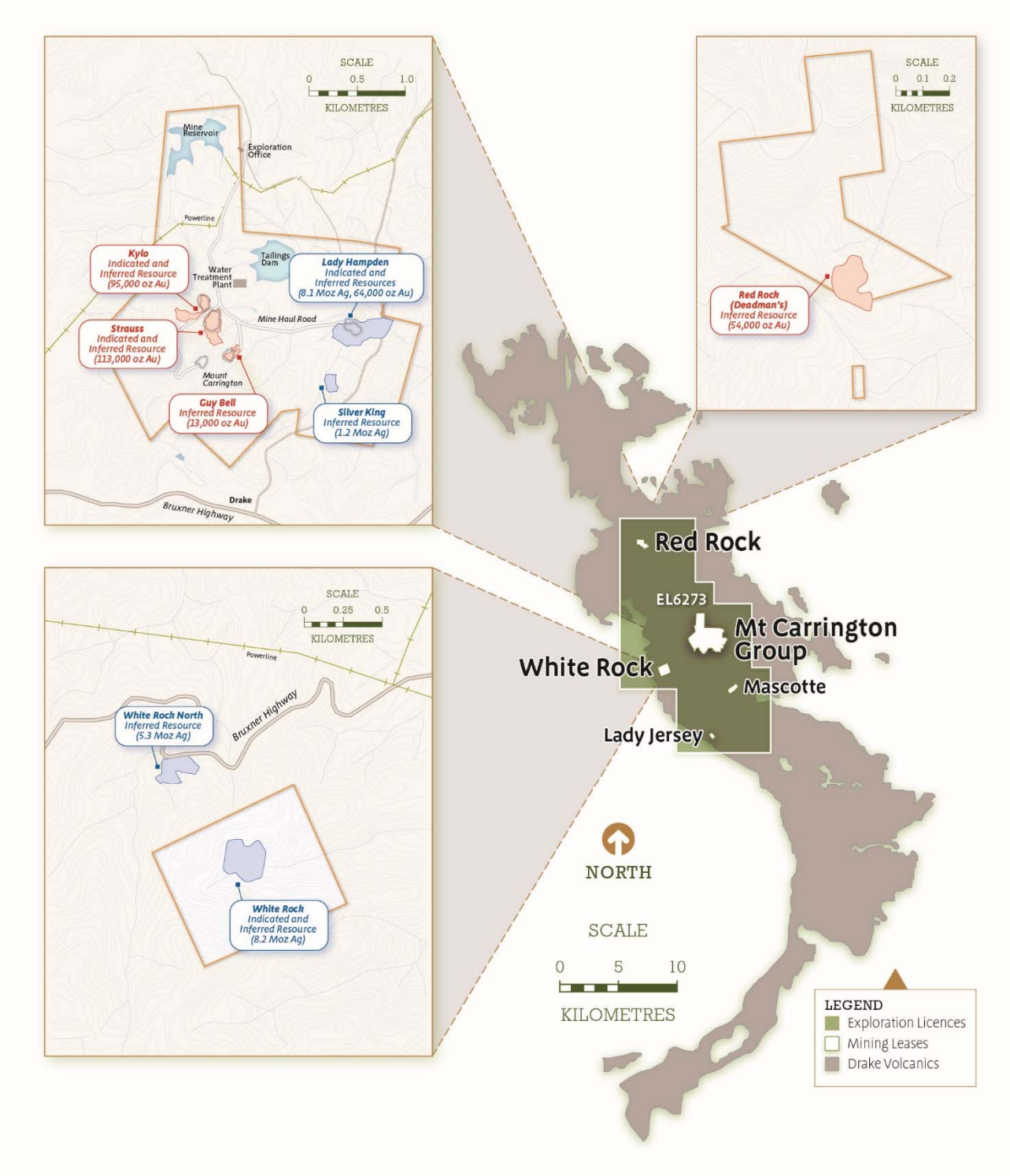


Figure 2: Mt Carrington Tenements



White Rock Minerals Ltd

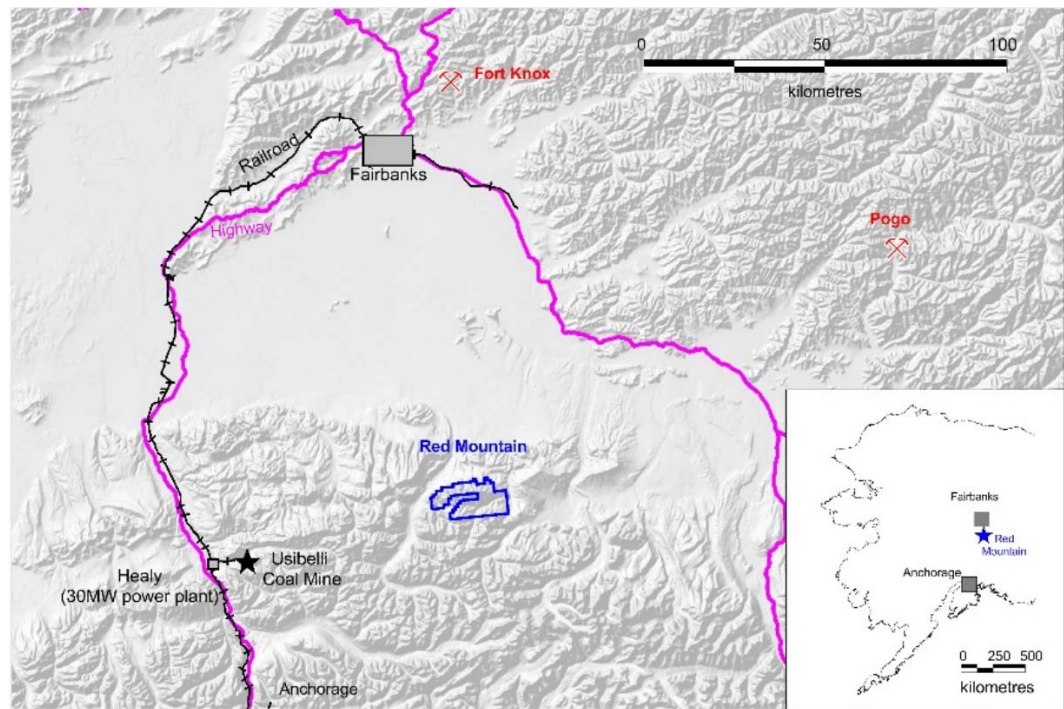


Figure 3: Red Mountain Project Location

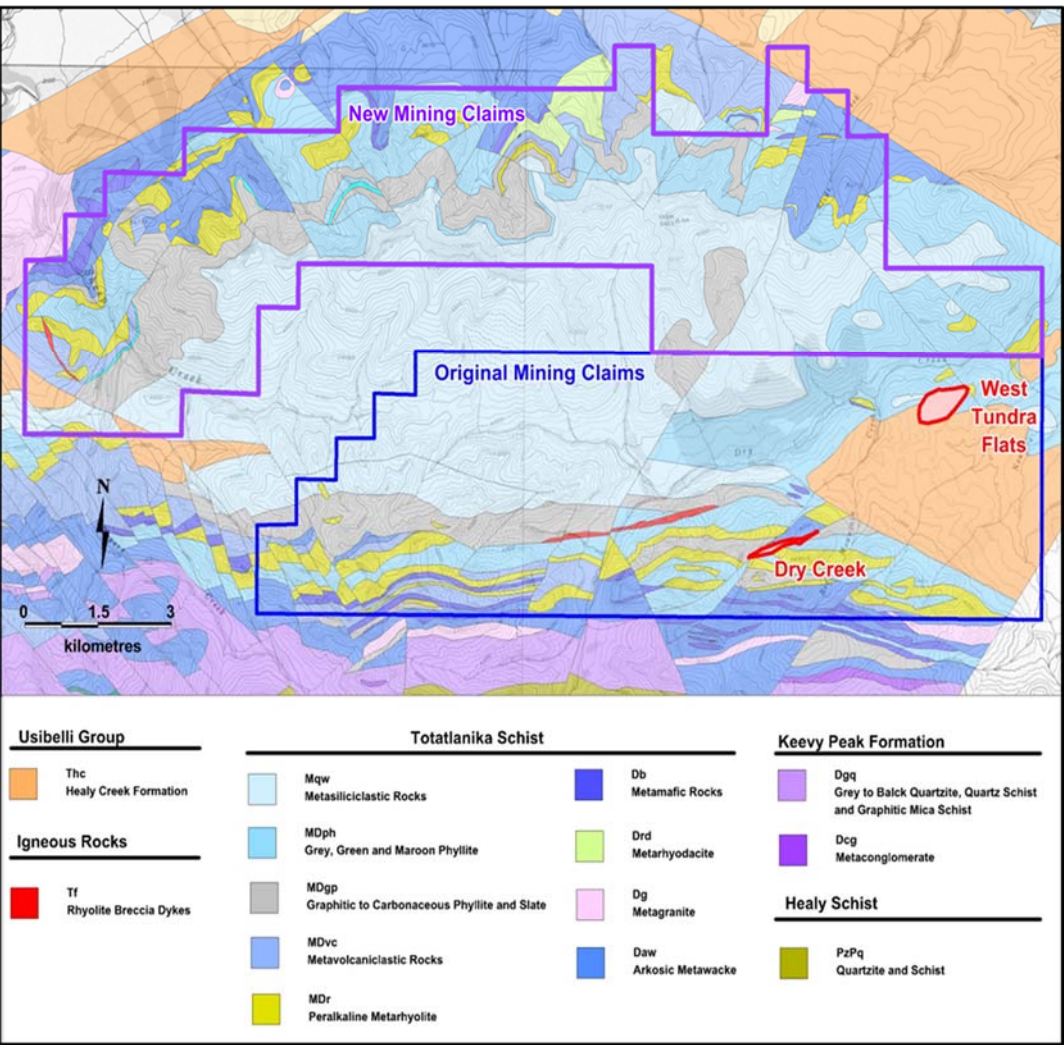
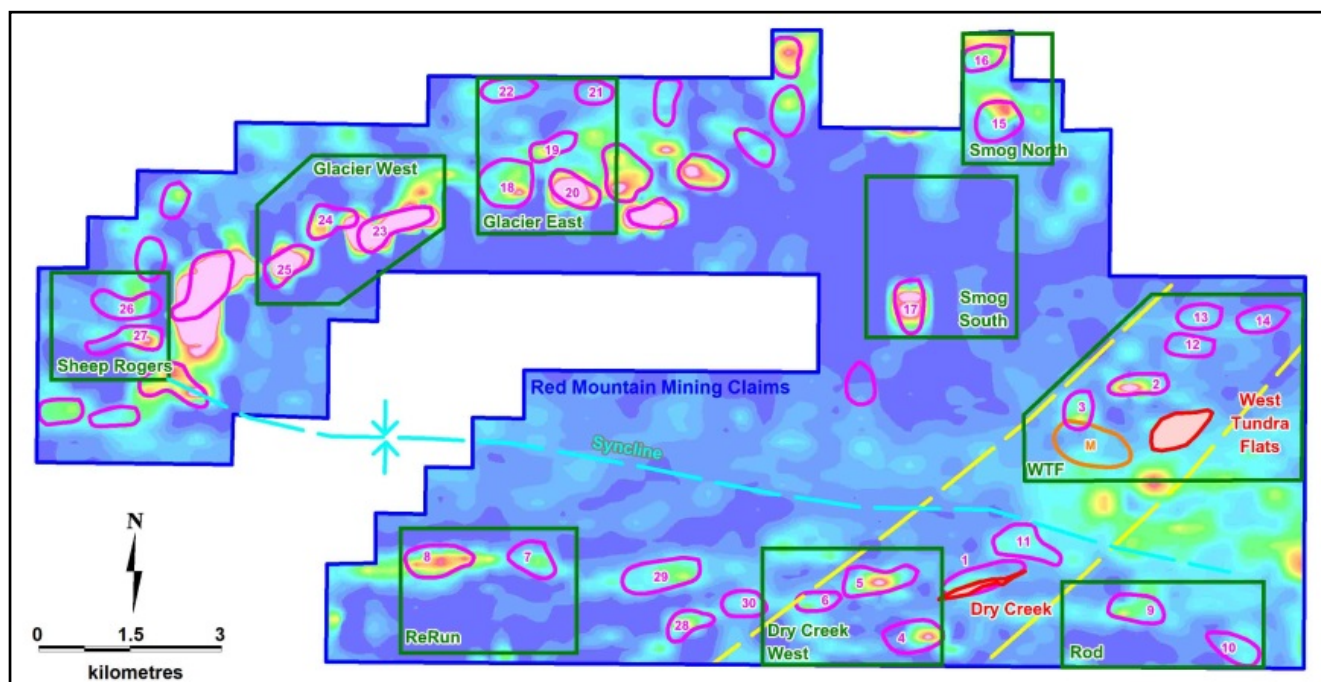


Figure 4: Red Mountain project tenement outline on DGGs geology map (after Freeman et al., 2016) with locations for the Dry Creek and West Tundra Flats VMS deposits. The original mining claims were expanded with the new mining claims being acquired during the report period.



**Figure 5:** Red Mountain high priority conductors (pink) on a conductivity depth slice at 40m below surface from the 1D inversion of airborne electromagnetics. Locations for the Dry Creek and West Tundra Flats VMS deposits, and target areas (ReRun, Dry Creek West, Rod, WTF, Smog South, Smog North, Glacier East, Glacier West and Sheep Rogers) are defined by geochemical alteration (in green boxes), and the corridor of conductors along the northeast trend from Dry Creek to West Tundra Flats (dashed yellow line).

# White Rock Minerals Ltd

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# White Rock Minerals Ltd

## Introduction: Profile

### For the year ended 30 June 2017

White Rock Minerals Ltd ("White Rock" or "The Company") is an Australian minerals exploration and development company with activities focussed in the New England Fold Belt of northern New South Wales and the Bonfield district in central Alaska.

White Rock owns 100% of the Mt Carrington project near Drake, NSW, which contains an Indicated and Inferred Mineral Resource estimate of 338,000 ounces gold and 23.5 million ounces silver, reported in accordance with the JORC Code (2004). The Resources are located on granted Mining Leases with developed infrastructure.

White Rock maintains a vision and strategy to create and enhance shareholder value by developing a mining operation at Mt Carrington based on the exploitation of the near-surface gold-silver Resource base and refurbishing of the existing site infrastructure. Work during 2016-17 has initiated feasibility studies and continued with data collection for preparation of an Environmental Impact Statement (EIS). The feasibility study is building on the results of the scoping study with a staged approach that focuses on the initial development of the advanced gold Resources followed by later stages developing the silver dominant Resources and additional satellite deposits.

The Mt Carrington Mining Leases are enveloped by an Exploration Licence (183km<sup>2</sup>) with demonstrated potential for epithermal and intrusion-related gold, silver and copper mineralisation. White Rock has generated and refined an extensive exploration target portfolio at Mt Carrington since 2010.

In 2016 the Company acquired 100% of the Red Mountain project, an advanced zinc-silver volcanogenic massive sulphide (VMS) exploration project in Alaska. This asset offers the potential for exploration success built around two existing deposits, Dry Creek and West Tundra Flats, in a highly prospective field and with exposure to two commodities in demand - zinc and silver. During 2017 the Company announced a maiden Inferred Mineral Resource estimate of 678,000t zinc, 286,000t lead, 53.5 million ounces silver and 352,000 ounces gold contained, reported in accordance with the JORC Code (2012).

The Company has secured a significant land package (143km<sup>2</sup>) around the Dry Creek and West Tundra Flats deposits where a further 30 lookalike conductivity targets have been identified within zones of anomalous surface geochemistry that are indicative of proximal VMS mineralisation.

White Rock's Board and management team comprises a small group of highly experienced mineral industry professionals with global proficiency in exploration, project development, mining, business, corporate development and management.

## Highlights For the year ended 30 June 2017

**Exploration:** At Red Mountain the Company announced a maiden Inferred Mineral Resource estimate for the Dry Creek and West Tundra Flats deposits. The independent Mineral Resource estimate was completed by RPM Global Holdings (formally known as RungePincockMinarco) in accordance with the JORC Code (2012). The Inferred Mineral Resource estimate includes a high grade component of 9.1 million tonnes @ 12.9% ZnEq<sup>4</sup> for 1.2Mt of contained zinc equivalent at a 3% Zn cut-off. This high-grade Mineral Resource Estimate sits within a greater Inferred Mineral Resource of 16.7 million tonnes @ 8.9% ZnEq<sup>4</sup> for 1.5Mt of contained zinc equivalent at a 1% Zn cut-off for Dry Creek, 3% Zn cut-off for West Tundra Flats & 0.5% Cu cut-off for Dry Creek Cu Zone. White Rock also completed work using historic surface geochemistry and electromagnetics data to identify 30 high priority conductors associated with zones of anomalous geochemistry that is indicative of proximal VMS mineralisation. The targeting underpins a belief that the Red Mountain project could be home to a new camp of high grade zinc-silver-gold VMS deposits.

**Economic Studies:** At the start of 2017 the Company commenced the Mt Carrington gold – silver Project Definitive Feasibility Study (DFS). Work on all of the key technical disciplines is ongoing and has included detailed geological modelling of the Mineral Resource to JORC 2012 standard, further metallurgical test work needed to lock down the preferred plant design, strategic mine planning, open pit sequencing and optimisation of a range of mining, processing and infrastructure components. In addition to the technical studies, detailed work relating to long lead time baseline studies critical to the preparation of the Project's Preliminary Environmental Assessment (PEA) and final EIS are ongoing.

**Environmental Rehabilitation Program:** The environmental rehabilitation program continued on the Mt Carrington Mining Leases, designed to support the long term environmental sustainability of the Leases.

**Community Engagement Program:** At Mt Carrington the Company continues to keep the local Drake community, Tenterfield Council and local stakeholders informed and is ready to re-engage once feasibility studies have more clearly defined the Project description and processing route for the Mt Carrington project. The Company, together with a leading community engagement consultancy firm has developed a social impact assessment and community consultation strategy which is ready to implement once activities intensify when the formal permitting process begins.

**Equity Fundraising:** Equity capital raisings during the year comprised various placements to Institutional and Sophisticated Investors and included an entitlement issue. Approximately 469 million shares were issued to the value of \$6,882,589 before costs of which \$6,842,589 was received as cash injections.

## 2018 Strategy

**Development Studies:** The Company intends to continue feasibility studies to determine the optimal development strategy for the gold and silver Resources at Mt Carrington. Once feasibility studies have defined the Project description and established the optimum processing route the required regulatory approvals process will also be progressed with a view to securing development consent, subject to financing.

**Exploration and Resource Enhancement:** White Rock intends to target near surface mineralisation with the potential to expand the Resource profile at Mt Carrington while development studies are underway, and target new discoveries of high grade zinc-silver mineralisation at the Red Mountain project to build an inventory capable of supporting a new start-up operation in the coming years.

**Project Evaluation:** The Company will continue to evaluate corporate and project opportunities aimed at realising the value of the existing projects, and identify additional projects which can add value to the Company's asset base.



# White Rock Minerals Ltd

## Letter from the Chairman & Managing Director

### For the year ended 30 June 2017

Dear fellow shareholders,

Since acquiring the highly prospective Red Mountain zinc – silver – lead – gold – copper project in Alaska in early 2016, the Company has set about defining and unlocking its potential. In July 2016, with the assistance of Dr Jim Franklin, a recognised global expert in volcanogenic massive sulphide (VMS) deposits, the Company reported the identification of a number of high priority zinc and silver VMS exploration targets within its existing tenement package, along strike from the already identified main mineralisation at Dry Creek. Based on further geochemistry and geophysical exploration work, in August 2016, after identifying further highly prospective exploration targets, we expanded our Alaskan Red Mountain zinc and silver footprint by securing an additional 114 mining claims, taking our total prospective and strategic footprint to 143km<sup>2</sup>. This has added multiple new targets with the potential to increase the already significant zinc/silver/lead/gold resource defined by initial drilling. In April of this year, using the existing 127 drillhole database, independent geological consultants Runge (now known as RPM) analysed the Red Mountain mineralisation and estimated a maiden JORC 2012 Resource totalling some 16.7 million tonnes at 4.1% zinc, 1.7% lead, 99 g/t silver, 0.2% copper and 0.7 g/t gold. This confirmed the Red Mountain VMS Project as a globally significant polymetallic resource. We have defined an exploration program including geophysics, geochemistry and drilling of already defined targets. Subject to funding, this work would commence early to mid-2018, using local expertise under White Rock direction. Red Mountain has all the hall-marks of evolving as a significant new development.

A \$1.6M placement and \$4.1M entitlement issue in the December quarter to existing and new shareholders contributed \$5.7M (after costs). Early in 2017, major shareholder Cartesian Royalty Holdings (CRH) completed the Tranche 2 placement of \$500,000 as envisaged in the Mt Carrington funding agreement between CRH and the Company.

With this funding secured, in early 2017 work commenced on progressing the Mt Carrington gold and silver scoping study to Definitive Feasibility Study (DFS) level. Consultants were engaged to complete studies, to feasibility standard, on resource and ore reserves, geotechnical and open pit mine design, planning and sequencing, and metallurgical responses to the treatment of both combined and separate gold and silver mill feeds. Work during 2017 also focused on the engineering layout and design of a possible processing plant, and the necessary tailings storage facility design. Environmental, regulatory and social licence studies were commenced, and background base studies of flora, fauna, and water continued. Technical studies have continued into the first half of the 2017/18 year. Results of the mining and metallurgical studies are expected to be available during the December quarter. Throughout the year, the Company continued to ensure that the water released from the tailings dam met the required standards. Our reverse osmosis plant and diesel generator were refurbished to facilitate this clean water release program.

In August 2016, Matt Gill was appointed as the Company's Managing Director, and in January 2017, non-executive director and the Company's founding Managing director Geoff Lowe retired from the board. In early February, we welcomed Ian Smith to the board as a non-executive director. Ian is a mining engineer with broad experience in managing and directing businesses across the mining and mining service industries. In May we also welcomed Jeremy Gray as a non-executive director, as envisaged in the CRH agreement. Jeremy's background in capital markets, broking and business development will be a valuable addition to the board's capabilities.

Shareholders who follow the base and precious metals prices will have seen a strong price increase in zinc and solid performances in gold and silver, particularly in Australian dollar terms. A strong gold price enhances the economics of commissioning the Mt. Carrington project treating feed from the two major gold open pits, with the ability to follow this with a gold/silver focus in subsequent years.

The continuing strong demand for zinc has seen its price increase over the past 12 months by some 40%, to reach current 10-year highs. Likewise, gold in Australian dollars traded up to \$1800 in July 2016, and despite the relative strength of the A\$, it is still over \$1600. Each of these metals underpins the future of our Company.

While there has been some retail and corporate interest in both the Mt Carrington and Red Mountain assets, the Company has not seen the underlying value of its assets reflected in the Company's share price, and this does remain a frustration for shareholders. We believe we have two company-making assets already in our expanding portfolio, and we will continue with our current development plans so as to add value for our shareholders. The Board will continually test and seek-out opportunities that might also unlock and add to the value contained within the Company's portfolio of assets.

Yours sincerely,



Brian Phillips



Matthew Gill

# White Rock Minerals Ltd

## Review of operations

### For the year ended 30 June 2017

The principal activities completed by White Rock in the past year are summarised below.

July 2016	At Red Mountain, an assessment of historical geochemical data identified three high priority targets with high grade zinc-silver potential along strike of the Dry Creek deposit, these being ReRun, Dry Creek West and Rod.
August 2016	<p>At Red Mountain, an assessment of historical airborne electromagnetics (“EM”) data used the known deposits at Dry Creek and West Tundra Flats to identify 14 lookalike high priority conductivity targets coincident with geochemical target areas previously identified.</p> <p>The strategic land package at Red Mountain was subsequently doubled to 143km<sup>2</sup> ahead of finalising additional targets from the assessment of historical EM and geochemical data.</p>
September 2016	At Red Mountain, finalisation of the assessment of historical EM and geochemical data identified 30 high priority conductors associated with 9 geochemical target areas within the expanded strategic land package.
October 2016	At Mt Carrington, a review of the mining section of earlier scoping studies identified a number of areas for mine optimisation during feasibility studies including plant throughput, pit sequencing, pit production staging, geotechnical slope design, dilution reduction ,fleet optimisation and waste haulage optimisation.
January 2017	At Mt Carrington, the Company assembled a highly skilled study team to commence work on the Feasibility Study and Environmental Impact Statement. Initial priorities focused on the community consultation strategy, a geological review of Mineral Resources and metallurgical test work to lock down the preferred plant design.
February 2017	At Red Mountain, a review of the historical drilling database recommended resampling and assaying historic core to add confidence in historic drilling results prior to a JORC Mineral Resource estimation.
April 2017	<p>At Red Mountain, following a satisfactory resampling program a maiden Mineral Resource estimation was completed for the Dry Creek and West Tundra Flats deposits. Highlights of the Mineral Resource were:</p> <ul style="list-style-type: none"> <li>• High grade Inferred Mineral Resource of 9.1 million tonnes @ 12.9% ZnEq<sup>1</sup> for 1.2Mt of contained zinc equivalent at a 3% Zn cut-off.</li> <li>• Total Inferred Mineral Resource of 16.7 million tonnes @ 8.9% ZnEq<sup>1</sup> for 1.5Mt of contained zinc equivalent at a 1% Zn cut-off for Dry Creek, 3% Zn cut-off for West Tundra Flats &amp; 0.5% Cu cut-off for Dry Creek Cu Zone.</li> <li>• Impressive base metal and precious metal content with 678,000t zinc, 286,000t lead, 53.5 million ounces silver and 352,000 ounces gold</li> </ul>
May 2017	<p>At Mt Carrington, drilling of two holes was completed at the Lady Hampden deposit to obtain fresh rock samples required for the metallurgical test work program. Results included:</p> <ul style="list-style-type: none"> <li>• 11m @ 4.21g/t Au &amp; 86g/t Ag from 58m (LHDM002)*</li> <li>• 19m @ 1.5g/t Au &amp; 255g/t Ag from 119m (LHDM002)*</li> </ul> <p>* Both sample intervals include 1m dilution of whole PQ core reserved for comminution test work.</p>

# White Rock Minerals Ltd

## Exploration projects

For the year ended 30 June 2017

### Mt Carrington Gold-Silver Project, Drake District NSW

#### Background

The Mt Carrington project is located near the township of Drake in northern NSW and comprises one Exploration Licence (“EL6273”) and 22 mining leases wholly contained within EL6273, covering a total area of 183km<sup>2</sup> as at 30 June 2017 (Figure 2).

The project covers a significant portion of the Drake Volcanic belt with a strike length in excess of 60km. The belt has been subject to sporadic exploration since the 1960s for gold, silver, copper, zinc, lead, molybdenum, tin and tungsten. However, no systematic exploration using modern techniques was undertaken on EL6273 from 1994 until 2008. It is considered that potential within the EL6273 at Mt Carrington is very high for a variety of precious and base metal deposits.

The mining leases held by White Rock cover an area of 940 hectares and contain the historic Drake Au-Ag-Cu-Zn mineral field. The field has seen intermittent exploration and small scale mining from the late 1800’s to the late 1980’s. However, the previous mining endeavours are considered to have only scratched the surface. Until White Rock’s involvement, no systematic evaluation of the current Mineral Resources on the mining leases had been undertaken for more than 16 years.

The mining leases were renewed in December 2010 for a period of ten years, providing security of tenure to underpin any future development.

The leases also contain significant infrastructure and assets which are owned by White Rock. These include a tailings dam, freshwater dam, waste water treatment plant, road network, high voltage power supply, and office and accommodation facilities.

#### Development Studies

At the start of 2017 the Company commenced the Mt Carrington gold – silver Project Definitive Feasibility Study (DFS). The initial priorities for the DFS were a geological review of the Resource to JORC (2012) standard and definitive metallurgical test work needed to lock down the preferred plant design. These activities support the strategic mine planning, open pit sequencing and optimisation that will then proceed in order to report a Probable Reserve to JORC 2012 standard.

At the end of June 2017 detailed geological modelling, interpretation and the generation of the appropriate geological block models was nearing completion. Following two site visits, the necessary geotechnical investigations and subsequent reporting was also well advanced. Mine planning work is ongoing, and the first phase of metallurgical test work completed. This first phase of test work included comminution (rock hardness) test work for the first time, as well as gold and silver recovery test work. This test work phase has generally confirmed the gold recoveries expected, whilst further work is required on the best metallurgical route to extract the silver and the subsequent likely specifications for potential sale as a concentrate. To that end, discussions also commenced with various concentrate traders and brokers on possible gold and silver concentrate specifications and sales terms that could be expected depending on the processes selected during the DFS.

To enable advancement of the metallurgical test work a short drill program was completed in early 2017 (ASX Announcement 30 May 2017). The program comprised two holes at the Lady Hampden deposit to obtain additional fresh rock samples required for the gold and silver metallurgical test work program.

Results included:

- 11m @ 4.21g/t Au & 86g/t Ag from 58m (LHDM002)\*
- 19m @ 1.5g/t Au & 255g/t Ag from 119m (LHDM002)\*

\* Both sample intervals include 1m dilution of whole PQ core reserved for comminution test work.

This information is now being used to allow preliminary processing plant engineering design works to commence. Tailings Storage Facility (TSF) preliminary design options are also well advanced. The important water management component will then follow, as well as estimates for the operating and capital costs. These works are necessary in order to be able to report a Pre-Feasibility Study (PFS) including a JORC 2012 Probable Reserve Statement later this year.

In parallel with these technical studies, the key long-lead environmental studies are also progressing. A Community Consultation and Stakeholder Engagement Strategy has been prepared. On site, focus has been on ground water management, rock materials characterisation, terrestrial ecology studies, a truck haulage study and ongoing air and water monitoring.

Feasibility work to date has confirmed the focus on developing the Mt Carrington gold resource asset as the enabler to develop its other silver resource assets at Mt Carrington through additional activities and development optionality studies into the best route to extract silver. This development strategy provides the optionality and opportunity to commence with positive cash flow generation from an initial focus on producing gold. This initial focus should provide a sound return on the capital invested, and unlock the value of the Company’s other zinc and silver resources for subsequent development into the future.

In parallel with these Mt Carrington development studies, the Company will look to advance the understanding of its highly prospective zinc and silver VMS project in Alaska, which is discussed in the section below.

White Rock Minerals Ltd  
Exploration projects (continued)  
For the year ended 30 June 2017  
Mineral Resources

MT CARRINGTON JORC (2004) MINERAL RESOURCES – JUNE 2017						
Silver Dominant Resources						
Resource Category	Deposit	Tonnes	Gold grade (g/t)	Gold ounces	Silver grade (g/t)	Silver ounces
Indicated	Lady Hampden	1,840,000	0.6	37,000	69	4,056,000
	White Rock	1,710,000	-	-	77	4,214,000
	<b>Sub-Total</b>	<b>3,550,000</b>	<b>0.3</b>	<b>37,000</b>	<b>72</b>	<b>8,270,000</b>
Inferred	Lady Hampden	2,470,000	0.3	27,000	51	4,023,000
	White Rock	2,660,000	-	-	47	3,978,000
	White Rock North	3,180,000	-	-	52	5,314,000
	Silver King	640,000	-	-	59	1,218,000
	<b>Sub-Total</b>	<b>8,950,000</b>	<b>0.1</b>	<b>27,000</b>	<b>51</b>	<b>14,533,000</b>
Total	Lady Hampden	4,310,000	0.5	64,000	58	8,079,000
	White Rock	4,370,000	-	-	58	8,192,000
	White Rock North	3,180,000	-	-	52	5,314,000
	Silver King	640,000	-	-	59	1,218,000
	<b>Total</b>	<b>12,500,000</b>	<b>0.2</b>	<b>64,000</b>	<b>57</b>	<b>22,803,000</b>
Gold Dominant Resources						
Resource Category	Deposit	Tonnes	Gold grade (g/t)	Gold ounces	Silver grade (g/t)	Silver ounces
Indicated	Strauss	1,240,000	1.4	57,000	3.8	153,000
	Kylo	1,590,000	1.2	59,000	2.6	133,000
	<b>Sub-Total</b>	<b>2,830,000</b>	<b>1.3</b>	<b>116,000</b>	<b>3.1</b>	<b>286,000</b>
Inferred	Strauss	1,260,000	1.4	56,000	2.6	104,000
	Kylo	760,000	1.5	35,000	1.8	43,000
	Red Rock	1,630,000	1.0	54,000	3.5	182,000
	Guy Bell	160,000	2.5	13,000	4.9	24,000
	<b>Sub-Total</b>	<b>3,810,000</b>	<b>1.3</b>	<b>158,000</b>	<b>2.9</b>	<b>353,000</b>
Total	Strauss	2,500,000	1.4	113,000	3.2	257,000
	Kylo	2,350,000	1.3	95,000	2.3	176,000
	Red Rock	1,630,000	1.0	54,000	3.5	182,000
	Guy Bell	160,000	2.5	13,000	4.9	24,000
	<b>Total</b>	<b>6,640,000</b>	<b>1.3</b>	<b>275,000</b>	<b>3.0</b>	<b>639,000</b>
Total Resources						
Category	Tonnes		Gold ounces		Silver ounces	
Indicated	6,380,000		153,000		8,556,000	
Inferred	12,760,000		185,000		14,886,000	
Total	19,140,000		338,000		23,442,000	

**Table 1: Mt Carrington Mineral Resource Estimate Summary June 2017**

All Au-dominant resources have been estimated using a cut-off of 0.5g/t except Red Rock, which uses a cut-off of 0.7g/t. All Ag-dominant resources have been estimated using a cut-off of 25g/t. The estimates have been rounded in accordance with the guidance of the JORC (2004) code. The Carrington Mineral Resource information was prepared and first disclosed under the JORC Code 2004 as per ASX Announcements by White Rock Minerals Ltd on 13 February 2012, 11 July 2013 and 20 November 2013, and the ASX Announcement by Rex Minerals Ltd on 10 December 2008. The Resources figures have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

## White Rock Minerals Ltd

### Exploration projects (continued)

For the year ended 30 June 2017

#### Environmental Management and Rehabilitation

White Rock maintains an environmental management program on the Mt Carrington mining leases. It is focused on structured rehabilitation of remnants of the 1980's mining venture on the main leases, and includes remediation works on the old ore pad, waste rock dumps, roads, stormwater drains and diversion channels.

The primary focus is the management of water contained in the tailings dam, and the prevention of overflow of untreated water into the natural drainage systems in the district. To meet this objective, a waste water treatment plant was commissioned in November 2010 to facilitate treatment of the tailings dam water. In 2014 a sprinkler system was installed to assist in evaporation of water from the storage facility, supplementing the existing water treatment process. The sprinkler system was further upgraded in late 2015. During 2017, a reverse osmosis water treatment plant was re-commissioned to complement the expanded water sprinkler system, providing a more reliable water management and discharge system.

When required, the treatment plant allows for release of the treated water into the local drainage system at a rate of 500,000 litres per day. The water quality is monitored and independently analysed off site. Treated water is of significantly better quality than the benchmark determined by the Australian and New Zealand Environment Conservation Council. Compliance water sampling is undertaken on a monthly basis for 21 catchment sites in the Drake district.

#### Red Mountain Zinc-Silver Project, Alaska, USA

##### Background

The Red Mountain Project is located in central Alaska (Figure 3), 100km south of Fairbanks, in the Bonnifield Mining District. The tenement package comprises 224 mining claims over a total area of ~143km<sup>2</sup>, covering the known Dry Creek and West Tundra Flats volcanogenic massive sulphide ("VMS") deposits.

VMS deposits typically occur as a cluster of deposits ("camps"). Typically, deposits are evenly spaced within a camp. Within almost all camps, deposit sizes are normally distributed. In mature camps this means one "giant" (> 40Mt of ore, 1.8Mt of total base metal: upper 10% of all VMS deposits), two large (>10Mt ore, 550,000 tonnes of base metals: upper 25% of all deposits) and 3-8 small (<3.3Mt ore, 150,000 tonnes of base metal, 50% of all deposits) deposits /occurrences. Typical VMS camps consist of 4-8 deposits, each spaced about 4 to 6 km apart.

The Red Mountain Project includes the Fosters, Discovery (together referred to as Dry Creek) and West Tundra Flats (WTF) deposits (Figure 4). These are the most prominent occurrences in the Bonnifield District and can be considered a single VMS camp.

At the Dry Creek deposit, two horizons containing massive sulphide mineralisation have been found. The Dry Creek North Horizon occurs near the upper part of the Mystic Creek and hosts the majority of mineralisation defined to date. The Dry Creek South Horizon occurs lower in the section. Both zones dip steeply north. The Dry Creek North Horizon can be traced for 4,500 metres. The central 1,400 metres (on the flanks of Red Mountain) host the Fosters and Discovery deposits.

At Discovery, mineralisation occurs as massive to semi-massive zinc-lead-silver rich sulphides within, and at the base of, an aphanitic, intensely quartz-sericite-pyrite altered, siliceous rock termed the "mottled meta-rhyolite". This mineralisation is commonly associated with overlying stringer and disseminated chalcopyrite-pyrite mineralisation. At Fosters, mineralisation is hosted by a distinctive brown pyritic mudstone unit in the hangingwall of, and along strike from, the "mottled meta-rhyolite".

The mineralisation comprises disseminations and wispy laminations of sulphides and zones of semi-massive to massive sulphides. Sulphides include pyrite, sphalerite, galena and chalcopyrite. Precious metals are typically enriched, especially in the footwall portion of the mineralization.

Mineralisation at Dry Creek pinches and swells along strike and down dip, as is typical of VMS deposits. True width intersections are up to 40 metres where there is evidence of growth faults, which typically act as feeders to the VMS system and can be important controls in localising thick ore accumulations. Identifying and targeting such growth faults along the VMS horizon will be an important part of exploration to expand and discover new deposits.

At the West Tundra Flats prospect the mineralized zone occurs at the base of a black chloritic schist unit that is at the base of the sedimentary Sheep Creek Member and at the very top of the metavolcanic Mystic Creek Member. Massive sulphide mineralisation is localised in a number of generally narrow exhalative units distinguished by semi-massive and massive sulphides including pyrite, sphalerite and galena. The massive sulphides are commonly rich in silver with erratic gold. The zone extends at least 1,000 metres northwest-southeast along strike and 1,600m down dip to the southwest. The horizon dips about 10° to the southwest, is 0.3 to 4.4 m thick and remains open down dip.

Previously, exploration on the Red Mountain project has comprised some 101 drill holes for 13,831m at Dry Creek and 26 drill holes for 5,349m at West Tundra Flats (ASX Announcement 15 February 2016).



# White Rock Minerals Ltd

## Exploration projects (continued)

### For the year ended 30 June 2017

Historical preliminary metallurgical test work on a composite sample of drill core intersections showed that the ore responded well to a traditional flotation scheme producing a bulk lead concentrate and a separate zinc concentrate with excellent metal recoveries. Zinc recoveries were in excess of 98% of the available zinc. Lead recoveries were approximately 75-80% of the available lead. Silver, copper and gold reported to the lead concentrate. Recoveries of these metals were in the range of 70% to 80%.

The zinc concentrate produced was of very high quality with grades ranging from 58% to 62%. Lead-copper concentrate produced by the test work contained approximately 33% lead, with dilution being primarily due to zinc. An evaluation of this concentrate indicated that the mineralogical makeup of the concentrate was simple, and reagent optimization should be capable of upgrading this concentrate to approximately 50% lead. Results from analysis of the zinc concentrate showed low selenium content at <0.01% and typical cadmium values at 0.15%.

Access to the Red Mountain project is by a ~20 minute direct flight from Fairbanks via helicopter. Gravel roads extend to within 40 miles of the project area and winter trails can be used to supply freight to the area on a seasonal basis. Elevations range from 750 metres to 1,850 metres ASL over the claim area. The area has excellent infrastructure by Alaskan standards. The town of Healy is located 50 miles to the west on the Parks Highway and is home to a large 30 megawatt coal-fired power plant with rail transportation to ocean ports.

### Mineral Resources

In February 2017 White Rock engaged RPM Global Holdings Limited ("RPM", formerly RungePincockMinarco Limited) to complete a review of the historical drilling database (127 drill holes for 19,180 metres) to provide White Rock with recommendations for additional work that would be required to complete a Mineral Resource estimate for mineralisation at Red Mountain. The main recommendation was to resample and assay a selection of significant core intersections that span both an even spatial distribution across mineralisation and historic drill programs. The resampling program was designed to add confidence in using the historic drilling results and satisfy JORC QA/QC requirements.

The recommended resampling program was then completed in March and the subsequent results satisfied RPM that a Mineral Resource estimation, reported in compliance with the JORC Code (2012), could proceed using the historic drilling results.

In April 2017 White Rock completed a maiden Mineral Resource estimate for the Red Mountain project (ASX Announcement 26 April 2017). Highlights of the Mineral Resource are:

- **High grade Inferred Mineral Resource of 9.1 million tonnes @ 12.9% ZnEq<sup>1</sup> for 1.2Mt of contained zinc equivalent at a 3% Zn cut-off.**
- **Total Inferred Mineral Resource of 16.7 million tonnes @ 8.9% ZnEq for 1.5Mt of contained zinc equivalent at a 1% Zn cut-off for Dry Creek, 3% Zn cut-off for West Tundra Flats & 0.5% Cu cut-off for Dry Creek Cu Zone.**
- **Impressive base metal and precious metal content with 678,000t zinc, 286,000t lead, 53.5 million ounces silver and 352,000 ounces gold.**
- **This Mineral Resource places the Red Mountain Project in the top quartile of undeveloped high-grade VMS (zinc, silver, gold) deposits globally<sup>2</sup>.**
- **Mineralisation commences at surface and is open down dip.**

**Table 1 - Red Mountain June 2017 Inferred Mineral Resource Estimate**

Prospect	Cut-off	Tonnage	ZnEq <sup>1</sup>	Zn	Pb	Ag	Cu	Au	ZnEq <sup>1</sup>	Zn	Pb	Ag	Cu	Au
		Mt	%	%	%	g/t	%	g/t	kt	kt	kt	Moz	kt	koz
Dry Creek Main	1% Zn	9.7	5.3	2.7	1.0	41	0.2	0.4	514	262	98	12.7	15	123
West Tundra Flats	3% Zn	6.7	14.4	6.2	2.8	189	0.1	1.1	964	416	188	40.8	7	229
Dry Creek Cu Zone	0.5% Cu	0.3	3.5	0.2	0.04	4.4	1.4	0.1	10	0.5	0.1	0.04	4	1
<b>Total</b>		<b>16.7</b>	<b>8.9</b>	<b>4.1</b>	<b>1.7</b>	<b>99</b>	<b>0.2</b>	<b>0.7</b>	<b>1,488</b>	<b>678</b>	<b>286</b>	<b>53.5</b>	<b>26</b>	<b>352</b>

White Rock Minerals Ltd  
Exploration projects (continued)  
For the year ended 30 June 2017

**Table 2 - Red Mountain June 2017 Inferred Mineral Resource Estimate at a 3% Zn Cut-off  
(contained within Table 1, not additional)**

Prospect	Cut-off	Tonnage	ZnEq <sup>1</sup>	Zn	Pb	Ag	Cu	Au	ZnEq <sup>1</sup>	Zn	Pb	Ag	Cu	Au
		Mt	%	%	%	g/t	%	g/t	kt	kt	kt	Moz	kt	koz
Dry Creek Main	3% Zn	2.4	8.7	4.7	1.9	69	0.2	0.4	211	115	46	5.3	5	32
West Tundra Flats	3% Zn	6.7	14.4	6.2	2.8	189	0.1	1.1	964	416	188	40.8	7	229
<b>Total</b>		<b>9.1</b>	<b>12.9</b>	<b>5.8</b>	<b>2.6</b>	<b>157</b>	<b>0.1</b>	<b>0.9</b>	<b>1,176</b>	<b>531</b>	<b>234</b>	<b>46.1</b>	<b>12</b>	<b>260</b>

<sup>1</sup> ZnEq = Zinc equivalent grades are estimated using long-term broker consensus estimates compiled by RFC Ambrian as at 20 March 2017 adjusted for recoveries from historical metallurgical testing work and calculated with the formula  $ZnEq = 100 \times [(Zn\% \times 2,206.7 \times 0.9) + (Pb\% \times 1,922 \times 0.75) + (Cu\% \times 6,274 \times 0.70) + (Ag \text{ g/t} \times (19.68/31.1035) \times 0.70) + (Au \text{ g/t} \times (1,227/31.1035) \times 0.80)] / (2,206.7 \times 0.9)$ . White Rock is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.

<sup>2</sup> Source: SNL, RFC Ambrian and company data.

### Exploration Targeting

White Rock has chosen to focus exploration on the Bonnifield East area where the two most significant deposits of Dry Creek and West Tundra Flats are located on opposite limbs of a regional syncline (Figure 4). The syncline controls the distribution of the prospective VMS horizon with the upper metasiliciclastic rocks of the Totalanika Schist forming the hangingwall to VMS mineralisation throughout the district. The prospective footwall sequence dips steeply to the north along the southern limb (where the Dry Creek deposit is located) and shallow to the south along the northern limb (where the West Tundra Flats deposit is located).

In September 2016 White Rock completed the first multi-disciplinary interpretation of all available data sources for this district. The targeting exercise used the power of modern vector analysis and 3D processing to define a combination of targets, including specific extensions to the known mineralisation as well as district wide targets that could represent additional zinc-silver deposits in the Red Mountain VMS camp. As a result the Company expanded its strategic land package to 143km<sup>2</sup> to cover 30 VMS targets with similar signatures to the Dry Creek and West Tundra Flats deposits. The high priority VMS targets are conductors located within zones of anomalous surface geochemistry that are indicative of proximal VMS mineralisation. The identification of high priority VMS targets relied on the analysis of two key datasets by discipline experts.

Dr Jim Franklin, a recognised global VMS expert, completed an assessment of compiled surface geochemical data (ASX Announcement 13 September 2016). The study aimed to use modern vector analysis to identify new exploration targets from old data. Dr Franklin was able to use the known deposits at Dry Creek and West Tundra Flats to calibrate his assessment of the regional data. The resulting assessment prioritises the Dry Creek West, ReRun, West Tundra Flats, Smog and Glacier target areas as highly prospective for additional VMS deposits (Figure 5). Observations based on the zonation of geochemical alteration and detailed geological mapping provided by the DGGS suggest that each target area shows extensive lateral and vertical footwall alteration, and the potential for a number of mineralised horizons and indicators for proximal base metal (zinc-lead) and precious metal (gold-silver) mineralisation.

Condor Consulting, Inc., recognised experts in the field of airborne electromagnetics ("EM"), completed a detailed interpretation of the EM and magnetics survey flown by the Alaskan Division of Geological and Geophysical Surveys ("DGGS") in 2007 (ASX Announcement 13 September 2016). Condor was able to use the known deposits at Dry Creek and West Tundra Flats to calibrate the assessment of the EM and magnetics data. A number of high priority conductors were identified as having the potential of being caused by massive sulphide mineralisation (Figure 5). The highest priority conductors are located within the identified geochemical target areas, some of which are coincident with strong base metal and precious metal anomalies from historic sampling (Conductors 1 to 30).

The expanded Red Mountain tenement package (143km<sup>2</sup>) covers the best geochemical targets along both limbs of the syncline (Figure 4), including a significant area down dip of the exposed prospective VMS horizon. The Company is now well positioned to advance exploration on the Red Mountain project with the two studies providing a pipeline of targets. Of the 30 conductors associated with geochemical anomalism, White Rock will aim to prioritise 5 of the best conductors for a campaign of follow-up field work that will culminate in drilling to test the best of these targets in addition to testing for extensions to the existing deposits at Dry Creek and West Tundra Flats.

### Competent Persons Report

#### No New Information or Data

This announcement contains references to exploration results and Mineral Resource estimates, all of which have been cross-referenced to previous market announcements by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

# White Rock Minerals Ltd

## Tenement schedule

For the year ended 30 June 2017

Country/State	Project	Tenement ID	Area
Australia/NSW	Mt Carrington	EL6273, MPL24, MPL256, MPL259, SL409, SL471, SL492, ML1147, ML1148, ML1149, ML1150, ML1200, MPL1345, ML5444, GL5477, GL5478, ML5883, ML6004, ML6006, ML6242, ML6291, ML6295, ML6335	183km <sup>2</sup>
USA/Alaska	Red Mountain	ADL611355, ADL611356, ADL611362, ADL611364, ADL611366, ADL611371, ADL621625-621738 (114), ADL721002-721010 (9), ADL721029-721038 (10), ADL721533-721615(83), ADL721624, ADL721625	143km <sup>2</sup>

**Table 2 Tenements schedule**

The Mt Carrington Project comprises 22 Mining Leases and one Exploration Licence. All tenements are held 100% by White Rock (MTC) Pty Ltd, a wholly owned subsidiary of White Rock Minerals Ltd. No farm-in or farm-out agreements are applicable.

The Red Mountain Project comprised 224 Mining Claims. All tenements are held 100% by White Rock (RM) Inc., a wholly owned subsidiary of White Rock Minerals Ltd. No farm-in or farm-out agreements are applicable.

# White Rock Minerals Ltd

## Directors' report

### For the year ended 30 June 2017

The Directors present their report together with the financial statements of White Rock Minerals Ltd ("the Company") and its subsidiaries (the "Group" or "White Rock"), for the financial year ended 30 June 2017 and the Independent Auditors' Report thereon.

#### 1. Board of Directors

The Board has five members, three of whom are independent non-executive directors. The non-executive directors are considered to be independent of management and free from any business relationship or other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement. Further information on the process for assessing independence is included in the Board Charter on the Company's website.

The Board considers that a diversity of skills, backgrounds, knowledge and experience is required in order to effectively govern the business. The Board actively works to ensure that executive and non-executive directors continue to have the right balance of skills, experience, independence and Company knowledge necessary to discharge their responsibilities in accordance with the highest standards of governance. Non-executive directors contribute operational experience; understanding of the sectors in which we operate; knowledge of world capital markets; and an understanding of the health, safety, environmental and community challenges that we face. The Board members work together as a whole to oversee strategy for the Group and to monitor pursuit of the corporate objective. In addition, the Board has direct access to members of senior management.

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<b>Mr Brian Phillips</b> <b>Independent Chairperson</b> AWASM-Mining, C Eng, FAusIMM	Mr Phillips is a mining engineer with extensive corporate and operating experience in the mining industry in Australia and overseas. Mr Phillips has been a Director since incorporation in 2010 and is a member of the Audit Committee. He is the non-executive chairman of Panoramic Resources Limited.
<b>Mr Matthew Gill</b> <b>Managing Director and Chief Executive Officer</b> B.E (Hons, Mining), M Eng Sc, FAusIMM, GAICD	Matthew Gill is a mining engineer with over 35 years' experience. He has a strong technical, operational and executive management background; having worked as an underground miner, mine planning engineer, supervisor, general manager and managing director in Australia, Papua New Guinea, India, Ghana and Bolivia. He holds three First Class Metalliferous Mine Manager's Certificates of Competency and has been instrumental in the successful development of three gold mines (Porgera, Beaconsfield and Ballarat). He is a three-time winner of the Australian Mine Manager of the Year Award and received the AusIMM Leadership Award in 2008. Previously, Group Chief Operating Officer for Singapore-listed LionGold Corp, he has also worked for Castlemaine Goldfields, Rio Tinto, WMC, Placer Pacific and Renison Goldfields.  Mr Gill has held the role of Chief Executive Officer from 29 March 2016 and on 1 August 2016 was appointed as Managing Director. He is a non-executive director of Mantle Mining Corp.
<b>Mr Peter Lester</b> <b>Independent Non-Executive Director</b> B.E (Mining), MAusIMM, MAICD	Mr Lester has over 40 years' experience in the mining industry and has held senior executive positions with North Ltd, Newcrest Mining Limited, Oxiana Limited, Doray Minerals Limited and Citadel Resource Group Limited. Mr Lester's experience covers operations, project and business development and general corporate activities. Mr Lester is a non-executive chairman of Kidman Resources Limited and non-executive director of Nord Gold NV and Millenium Minerals Limited. Mr Lester joined the Board of White Rock Minerals Ltd on 12 April 2013 and is currently Chairperson of the Audit Committee. Mr Lester was formerly a non-executive director of Castlemaine Goldfields Ltd, Chesser Resources Limited, and Toro Energy Ltd.
<b>Mr Ian Smith</b> <b>Independent Non-Executive Director</b> B.E (Hons, Mining), B.F. (Admin), FIEAust, FAusIMM, MAICD	Mr Smith has more than 40 years' experience in the mining and services sector and has held some of the most senior positions in the Australian resources industry. Most recently he was MD and CEO of Orica. Prior to that, Mr Smith was MD and CEO of Newcrest for five years, growing the business to become Australia's biggest, and globally one of the largest gold mining companies, with responsibility for 16,000 employees, and ten mines spread across four countries. Mr Smith has technical, operational, financial and strategic expertise, having also held senior and executive positions with Rio Tinto, WMC, Pasminco and CRA. He has represented the mining industry at the highest levels in Australia, being a past president of the Australian Mines & Metals Association and a past chairman of the Minerals Council of Australia. Mr Smith was appointed on 3 February 2017.

White Rock Minerals Ltd  
 Directors' report (continued)  
 For the year ended 30 June 2017

Name, qualifications and independence status	Experience, special responsibilities and other directorships
<b>Mr Jeremy Gray</b> <b>Non-Independent Non-Executive Director</b> B.C (Hons, Finance)	Mr Gray has more than 23 years in mining investment including appointments as the Global Head of Basic Materials at Standard Chartered Bank Plc, Head of Metals and Mining Research at Morgan Stanley in London and the Head of Mining Research at Credit Suisse in London. Mr. Gray serves as a Director of Chancery Asset Management, Singapore. Mr. Gray has been a Non-Executive Director of Axiom Mining Limited since July, 2015. Mr Gray was appointed on 5 May 2017.
<b>Mr Geoffrey Lowe</b> <b>Non-Executive Director</b> B.Sc, MAusIMM	Mr Lowe is a geologist with over 30 years' experience in both greenfields and near mine exploration for gold and copper in Australia, Myanmar and Spain. His career includes 18 years with the Normandy Mining Group and Newmont Australia Limited where he held geological and senior management positions in Queensland, Northern Territory and South Australia, followed by two years with Leviathan Resources Ltd and Perseverance Corporation Ltd. Mr Lowe joined Rex Minerals Ltd as Exploration Manager in August 2007, establishing and managing the exploration portfolio and programs for Rex up to June 2010. Mr Lowe took up the position of Managing Director of White Rock Minerals Ltd in June 2010. Mr Lowe stepped down as Managing Director in May 2015 after five years in this position and remained on the Board as a Non-Executive Director until his retirement on 31 January 2017.

## 2. Company Secretary

Mr Shane Turner commenced as Company Secretary in August 2015. Mr Turner is a Chartered Accountant with over 30 years' experience. He has extensive experience in Business Advisory, Initial Public Offerings, ongoing compliance and Corporate Governance. Mr. Turner is employed by RSM Australia and is a non-executive director and company secretary of MRG Metals Ltd.

## 3. Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

Director	Board Meetings		Audit Committee Meetings	
	A	B	A	B
Mr Brian Phillips	13	13	2	2
Mr Matthew Gill <sup>1,2</sup>	13	13	2	2
Mr Geoffrey Lowe <sup>1,3</sup>	8	9	1	1
Mr Peter Lester	13	13	2	2
Mr Ian Smith <sup>1,4</sup>	4	4	1	1
Mr Jeremy Gray <sup>5</sup>	1	1	-	-

A – Number of meetings attended

B – Number of meetings held during the year whilst the Director held office.

- Mr Gill, Mr Lowe and Mr Smith were not members of the Audit Committee. However, they were invited to, and attended meetings as appropriate.
- Mr Gill was appointed as a director on 1 August 2016. Prior to that date he was invited to and contributed at meetings of the board of directors.
- Mr Lowe resigned as a director effective 31 January 2017.
- Mr Smith was appointed as a director on 3 February 2017.
- Mr Gray was appointed as a director on 5 May 2017.

## 4. Corporate governance statement

White Rock Minerals Ltd ("White Rock") has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures openly and with integrity, pursuing the true spirit of corporate governance commensurate with White Rock's needs. To the extent they are applicable, White Rock has adopted the Corporate Governance Principles and Recommendations as published by ASX Corporate Governance Council. As White Rock's activities develop in size, nature and scope, the size of the Board and implementation of additional corporate governance structures will be given further consideration.



# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 4. Corporate governance statement (continued)

Consistent with ASX Listing Rule requirements, these Corporate Governance Principles are available on White Rock's website under a clearly marked Corporate Governance section that can be accessed at the following address:

<http://www.whiterockminerals.com.au/corporate/corporate-governance/>

The corporate governance statement as published at the above address is current as at 30 June 2017 and has been approved by the Board of Directors.

White Rock has a policy concerning trading in its shares by Directors and other designated persons, a copy of that Trading Policy is available on White Rock's website.

### 5. Principal activities

The principal activity of the Group during the course of the financial year was minerals exploration and evaluation in Australia and the United States of America. There were no significant changes in the nature of the Group's principal activities during the year.

### 6. Operating and financial review

The statement of comprehensive income shows a loss after tax of \$3,230,784 (2016 loss: \$1,701,358) for the year. The increase in loss was driven by further development of the Mount Carrington project after raising considerable funds. With no material change in the valuation of the Mount Carrington project an impairment write down of \$2,061,119 was recognised comprising of \$1,926,119 attributable to tenements retained and \$135,000 attributable to a tenement relinquished. As at 30 June 2017 the Group had a cash position of \$3,289,929 (2016: \$258,846). During 2016 the Group acquired Atlas Resources Pty Ltd (Atlas) by way of issue of shares and options and in turn, exercised the option held by Atlas to acquire the Red Mountain project by way of cash payment. The option exercise resulted in assumption of liabilities for future cash payments as well as obligations to perform future exploration activities. The amounts outstanding at 30 June 2017 totalled \$2,221,604 (2016: \$2,695,342) and will become due over the period to 2021. The Group has no bank debt. Additional information as to the review of business activities, likely developments for financial year 2018 and environmental regulation and management are included in the Introduction, Letter from the Chairman and Managing Director, Review of operations and Exploration projects sections which form part of the Directors report and are included earlier within the Annual Report.

### 7. Risks to Company Strategy

#### Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that tenements may have to be surrendered or not renewed. Furthermore, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as (a) general economic outlook; (b) interest rates and inflation rates; (c) currency fluctuations; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; (f) terrorism or other hostilities; and (g) government fiscal, monetary and regulatory policies.

#### Tenement title

Interests in tenements in Australia and the United States of America (USA) are governed by Federal and State legislation and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

Further, mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority. Renewal conditions may include increased expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

#### Market conditions

The market price of the shares in the Company can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 7. Risks to Company Strategy (continued)

#### Environmental risks

The operations and proposed activities of the Company are subject to Australian and USA State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds.

It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws, in order to minimise damage to the environment and risk of liability. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability.

#### Native title

At Mt Carrington, the Company is aware of a registered native title claim over the area of its tenements which may materially affect its future operations or performance. No guarantee can be given that this native title claim (nor any native title rights over areas in which the Company may in future acquire an interest) will not affect the Company.

#### Political risk, commodity price volatility and exchange rates risks

In the event that the Company establishes a mining operation, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for gold, silver, zinc or copper, technological advancements, forward selling activities and other macro-economic factors. Furthermore, prices of various commodities are denominated in United States dollars, whereas certain income and expenditure of the Company is and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, as determined by international markets.

#### Upgrading Resource Categories and Conversion of Resources to Reserves

Reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

### 8. Significant changes in the state of affairs

During the year the Company raised \$6.9M (before costs). This included an equity investment of \$1M from Cartesian Royalty Holdings Pte Ltd (CRH), an affiliate of the US based Cartesian Capital Group, in connection with a proposed two phase financing package for White Rock to develop its Mt Carrington Project to full commercial production comprising:

- an equity investment of A\$1,000,000 in two equal tranches to fund White Rock's working capital requirements and to contribute funding for White Rock to progress its Definitive Feasibility Study and Environmental Impact Statement activities (Phase I); and
- a future streaming financing of US\$19 million in return for a share of gold and silver production to fund working capital and the construction and commissioning of White Rock's Mt Carrington project to reach commercial production (Phase II).

In August 2016, White Rock announced that it had acquired additional tenements to expand its Red Mountain project to 143km<sup>2</sup>.

In April 2017, White Rock announced a maiden JORC resource at Red Mountain.

In the opinion of the Directors there were no further significant changes in the state of affairs of the Group during the year ended 30 June 2017.

### 9. Dividends paid or recommended

The Directors do not recommend the payment of a dividend and no amount has been declared or paid by way of a dividend to the date of this report.

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 10. Events subsequent to reporting date

#### *Proposed issue of options to Managing Director and Chief Executive Officer*

The Board of White Rock announced on 11 July 2017 that it had determined, subject to Shareholder approval, to issue the following unlisted Options to its Managing Director and Chief Executive Officer, Mr Matthew Gill. These Options are in recognition for his services to the Company and as an incentive to continue to drive the performance of the Company.

The terms of the Options are as follows:

- 1,500,000 vesting immediately, with an exercise price of \$0.02, expiring 5 June 2020;
- 1,500,000 vesting 1 June 2018, with an exercise price of \$0.02, expiring 31 May 2021; and
- 1,500,000 vesting 1 June 2019, with an exercise price of \$0.02, expiring 31 May 2022.

#### *Proposed issue of options to Corporate and Financial Advisory Services Consultant*

The Board of White Rock entered into a mandate with a Corporate and Financial Advisory Services Consultant on 28 July 2017, which includes, subject to Shareholder approval, an issue of unlisted options.

The terms of the Options are as follows:

- 3,000,000 vesting immediately, with an exercise price of \$0.04, expiring 2 years from issue; and
- 3,000,000 vesting immediately, with an exercise price of \$0.06, expiring 3 years from issue.

The issue of the above Options is conditional on the approval of Shareholders, with such approval to be obtained at the next annual general meeting of the Company.

Other than the events described above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

### 11. Likely developments

Likely developments are the continued minerals exploration on the tenements owned or controlled by the Group.

The Group's goals for 2018 are included in the Introduction, Letter from the Chairman and Managing Director, Review of operations and Exploration projects sections which form part of the Directors report and are included earlier within the Annual Report.

### 12. Directors' interests

The relevant interest of each Director in the shares or options over such instruments issued by the companies within the Group and other related bodies corporate, at the date of this report is as follows:

	White Rock Minerals Limited	
	Ordinary shares	Options over ordinary shares
Mr Brian Phillips	4,000,000	-
Mr Matthew Gill	3,333,333	4,200,000
Mr Peter Lester	3,820,155	-
Mr Ian Smith	6,666,667	-
Mr Jeremy Gray	-	-

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 13. Share options

#### 13.1 Options granted to Directors and Officers of the Company

The Company has granted no options during or since the end of the financial year to Directors and Officers of the Company as part of their remuneration. As discussed in section 10 subject to shareholder approval a total of 4,500,000 options are proposed to be issued to the Managing Director and Chief Executive Officer.

#### 13.2 Unissued shares under option to Directors and Officers of the Company

At the date of this report unissued ordinary shares to Directors and Officers of the Company under option are:

Expiry date	Exercise price	Number of shares
30 September 2018	\$0.025	1,400,000
30 September 2019	\$0.030	1,400,000
30 September 2020	\$0.035	1,400,000
<b>Total</b>		<b>4,200,000</b>

All options expire on the expiry date and will lapse if they are not exercised within 60 days of departure of the holder from the Company unless the Board exercises its discretion to permit the options to remain on foot until the expiry date. The Board retains the right to vary these conditions at its discretion.

#### 13.3 Shares issued on exercise of options

During or since the end of the financial year the Company has not issued any ordinary shares as a result of the exercise of options.

### 14. Indemnification and insurance of Officers

The Company provides insurance to cover legal liability and expenses for the Directors and Executive Officers of the Company. The Directors and Officers Liability Insurance provides cover against all costs and expenses that may be incurred in defending civil or criminal proceedings that fall within the scope of the indemnity and that may be brought against the Officers in their capacity as Officers. Disclosure of the nature of the liability cover and the amount of the premium is subject to a confidentiality clause under the insurance policy.

The Company has entered into an agreement with the Directors and certain Officers to indemnify these individuals against any claims and related expenses, which arise as a result of their work in their respective capacities.

The Company has not provided any insurance or indemnity for the auditor of the Company.

### 15. Non-audit services

During the current and comparative years KPMG, the Group's auditor did not undertake any other services in addition to the audit and review of the financial statements.

Details of amounts paid or payable to the auditor of the Group, KPMG, and its related practices for audit and non-audit services during the year are set out below.

	2017 \$	2016 \$
<b>KPMG Australia</b>		
Audit and review of financial statements	32,500	30,000
Other services	-	-

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 16. Remuneration Report – audited

The following were key management personnel (KMP) of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Name	Position held	Appointment/Resignation detail
<b>Non-Executive Directors</b>		
Mr Brian Phillips	Chairperson	Appointed 26 March 2010
Mr Peter Lester	Non-executive Director	Appointed 12 April 2013
Mr Ian Smith	Non-executive Director	Appointed 3 February 2017
Mr Jeremy Gray	Non-executive Director	Appointed 5 May 2017
Mr Geoffrey Lowe	Non-executive Director	Appointed 29 May 2015 Resigned 31 January 2017
<b>Executives</b>		
Mr Rohan Worland	Exploration Manager	Appointed 1 February 2016
Mr Matthew Gill	Managing Director	Appointed 1 August 2016
	Chief Executive Officer	Appointed 29 March 2016
	Chief Operating Officer	Appointed 25 May 2015

#### 16.1 Principles of compensation

Remuneration is referred to as compensation throughout this report. Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including Directors of the Company and Executives. Key management personnel comprise the Directors of the Company and Executives of the Group that are named in this report.

Compensation levels for key management personnel of the Group are competitively set to attract and retain appropriately qualified and experienced Directors and Executives. Compensation levels for the 2017 financial year were determined by considering the number of employees, market capitalisation and Company's financial position. Compensation is also set having regard to remuneration of Directors and Executives in other ASX listed exploration companies.

The compensation structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Compensation packages include a mix of fixed and variable compensation and short-term and long-term performance-based incentives.

##### 16.1.1 Fixed compensation

Fixed compensation consists of base compensation as well as leave entitlements and employer contributions to defined contribution superannuation funds. Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance and financial position of the Group.

##### 16.1.2 Performance linked compensation

Performance linked compensation includes both short-term and long-term incentives, and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives.

##### 16.1.3 Short-term incentive bonus

The short-term incentive (STI) is a discretionary bonus provided in the form of cash, which is determined based on an assessment of key performance indicators, including share price performance, business growth, exploration success and safety, environment and community matters. Short term bonuses are at the discretion of the Board and subject to satisfactory cash reserves being available.

##### 16.1.4 Long-term incentive

The long-term incentive (LTI) is provided as options over ordinary shares of the Company. Options granted to employees, directors, or contractors currently vest immediately. Due to the nature of the Company at this time the Board believes this is appropriate, having regard to the exercise price of options being set at a premium to the share price at the date of the grant. Options granted to KMP prior to 2016 lapse in the event of the holder leaving the Company unless the Board exercises its discretion to permit the options to remain on foot after departure until expiry, or when they expire, whichever occurs earlier. The Board retains the right to vary the conditions associated with options granted under the LTI at its discretion.



# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 16. Remuneration Report – audited (continued)

#### 16.1.5 Service agreements

Service agreements for executives are negotiated taking into consideration the funding position of the Group at the time of contract negotiations. The service agreements in place during the period for KMP executives included the following terms:

Exploration Manager – Independent contractor agreement, unlimited in term but capable of termination by either party on three months' notice.

Managing Director and Chief Executive Officer – Independent contractor agreement, unlimited in term but capable of termination by either party on three months' notice.

The employment contracts outline the components of compensation and contractor fees paid to the key management personnel but do not prescribe how compensation levels are modified. Compensation levels for ongoing contracts are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the executive and any changes required to meet the principles of the compensation policy. Compensation for short term independent contractor agreements are reviewed upon re-negotiation or extension to take into account these factors.

#### 16.1.6 Non-Executive Directors

Total compensation for all Non-Executive Directors is not to exceed \$300,000 per annum and is set with reference to fees paid to other Non-Executive Directors of comparable companies. Non-Executive Directors' base fees for the 2017 financial year were \$30,000 per annum, whilst the Chairperson's base fee was \$40,000. In addition Non-Executive Directors are entitled to statutory superannuation benefits on base fees.

The Chairperson and Non-Executive Directors do not receive performance related remuneration. Directors' fees cover all main Board activities and membership of committees.

#### 16.1.7 Services provided by remuneration consultants

During the current period, no services were provided by remuneration consultants in relation to remuneration of key management personnel.

#### 16.1.8 Consequences for shareholder wealth

In considering the Group's performance and impacts for shareholder wealth, the Board has regard to the geological finds and the following measures in respect of the current and previous financial years.

	2017	2016	2015	2014	2013
Net profit/(loss) attributable to equity holders of the parent	\$(3,230,784)	\$(1,701,358)	\$(16,017,736)	\$(1,211,903)	\$(364,820)
Closing share price at period end	\$0.015	\$0.018	\$0.023	\$0.015	\$0.035
<b>Closing cash balance</b>	<b>\$3,289,929</b>	<b>\$258,846</b>	<b>\$354,021</b>	<b>\$1,880,285</b>	<b>\$2,886,881</b>

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 16. Remuneration report - audited (continued)

#### 16.2 Directors' and Executive's remuneration (Group)

Details of the nature and amount of each major element of remuneration for each Director of the Company, and other key management personnel of the Group are:

		Short term			Post-employment	Other long term benefits <sup>8</sup>	Share based payments				
		Salary & fees <sup>7</sup> \$	STI cash bonus \$ (B)	Total \$	Super-annuation benefits \$	\$	Fair Value Options/Shares \$ (A)	Termination Benefits	Total \$	Proportion of remuneration performance related %	Value of options as a proportion of remuneration %
Non-Executive Directors											
Mr Brian Phillips (Chairperson)	2017	40,000	-	40,000	3,800	-	-	-	43,800	-	-
	2016	40,000	-	40,000	3,800	-	-	-	43,800	-	-
Mr Peter Lester	2017	30,000	-	30,000	2,850	-	-	-	32,850	-	-
	2016	30,000	-	30,000	2,850	-	-	-	32,850	-	-
Mr Ian Smith <sup>1</sup>	2017	12,500	-	12,500	1,188	-	-	-	13,688	-	-
	2016	-	-	-	-	-	-	-	-	-	-
Mr Jeremy Gray <sup>2</sup>	2017	4,619	-	4,619	237	-	-	-	4,856	-	-
	2016	-	-	-	-	-	-	-	-	-	-
Mr Geoffrey Lowe <sup>3</sup>	2017	17,500	-	17,500	1,662	-	-	-	19,162	-	-
	2016	30,000	-	30,000	2,850	-	-	-	32,850	-	-
Executive Directors											
Mr Matthew Gill – Managing Director,	2017	349,346	-	349,346	33,381	-	-	-	382,727	-	-
Chief Executive Officer & Chief Operating Officer <sup>4</sup>	2016	211,895	-	211,895	21,781	-	45,500	-	279,176	16%	16%
Executives											
Mr Andrew Dart – Chief Financial Officer &	2017	-	-	-	-	-	-	-	-	-	-
Company Secretary <sup>5</sup>	2016	13,527	-	13,527	1,981	(4,151)	-	-	11,357	-	-
Mr Rohan Worland – Exploration Manager <sup>6</sup>	2017	192,717	-	192,717	16,983	-	-	-	209,700	-	-
	2016	73,273	-	73,273	6,690	-	-	-	79,963	-	-
Total	2017	646,682	-	646,682	60,101	-	-	-	706,783	-	-
	2016	398,695	-	398,695	39,952	(4,151)	45,500	-	479,996	-	-

1. Mr Smith was appointed 3 February 2017.

2. Mr Gray was appointed 5 May 2017.

3. Mr Lowe resigned as Non-Executive Director effective 31 January 2017.

4. Mr Gill was appointed as Chief Operating Officer on 25 May 2015, appointed as Chief Executive Officer on 29 March 2016 and appointed as Managing Director on 1 August 2016 and provided his services under a contractor agreement.

5. Mr Dart resigned as Chief Financial Officer and Company Secretary effective 28 August 2015.

6. Mr Worland was appointed KMP effective 1 February 2016 upon execution of a new contractor agreement.

7. Salary & fees includes amounts earned by directors or key management personnel measured in accordance in Australian Accounting Standards which includes cash salary as well as accrued annual leave entitlements. Fees for Matthew Gill and Rohan Worland of \$32,850 and \$26,370 respectively were outstanding and payable as at 30 June 2017, these amounts are unsecured and will be settled in cash.

8. Represents the net accrual for long service leave which will only be paid in cash if key management personnel meet the required service conditions in accordance with relevant state based legislation. Long service leave is measured in accordance with Australian Accounting Standards and has not been paid in cash. Negative amounts presented represents forfeiture of accrued long service leave measured in accordance with Australia Accounting Standards due to failure to meet the minimum statutory service period.

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 16. Remuneration report - audited (continued)

#### Notes in relation to the table of Directors' and Executive's remuneration

- A. The fair value of the unlisted options granted during the year ended 30 June 2016 were calculated at the date of grant using the binomial option pricing model. As the options granted vest immediately the fair value is allocated to the reporting period in which the grant occurs.

The following factors and assumptions were used in determining the fair value of options at grant date:

Grant Date	Option life	Fair value per option	Option Exercise price	Share price on grant date	Expected volatility	Risk free interest rate
12 April 2016	2.33 years	\$0.0104	\$0.025	\$0.016	110%	2.09%
12 April 2016	3.33 years	\$0.0109	\$0.030	\$0.016	110%	2.09%
12 April 2016	4.33 years	\$0.0112	\$0.035	\$0.016	110%	2.09%

- B. The minimum value of the STI cash bonus is nil. The maximum value cannot be quantified as the STI cash bonus is at the Board's discretion. As no STI Cash bonus was issued during either the current or comparative year, no STI cash bonus is included as remuneration for any member of KMP. Accordingly, the percentage vested is nil and the portion forfeited is 100%.

### 16.3 Equity Instruments

All options refer to options over ordinary shares of White Rock Minerals Ltd, which are exercisable on a one-for-one basis.

#### 16.3.1 Options over equity instruments granted as compensation

No options over ordinary shares in the Company were granted to any member of KMP during the reporting period.

During 2016 the following options over ordinary shares in the Company were granted and vested as compensation to each key management person during the part of the reporting period they were KMP:

	Number of options granted during the period	Grant and vesting date	Fair value per option at grant date	Exercise price per option	Expiry date	Number of options vested during the period
<b>Directors</b>						
Mr Brian Phillips	-	-	-	-	-	-
Mr Peter Lester	-	-	-	-	-	-
Mr Geoffrey Lowe	-	-	-	-	-	-
<b>Executives</b>						
Mr Matthew Gill	1,400,000	12/4/2016	\$0.0104	\$0.025	30/9/2018	1,400,000
	1,400,000	12/4/2016	\$0.0109	\$0.030	30/9/2019	1,400,000
	1,400,000	12/4/2016	\$0.0112	\$0.035	30/9/2020	1,400,000
Mr Rohan Worland	-	-	-	-	-	-
Mr Andrew Dart	-	-	-	-	-	-

Options granted in 2016 vested immediately and will expire on the expiry date. The options were provided to the recipients in return for their services during the period.

#### 16.3.2 Exercise of options granted as compensation

During the current or comparative reporting periods, there were no shares issued to key management personnel on the exercise of options previously granted as compensation.

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 16. Remuneration report - audited (continued)

#### 16.3.3 Analysis of movements in options

The movement during the reporting period in the number of options over ordinary shares in White Rock Minerals Ltd held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2017	Note	Held at 1 July 2016 (A)	Lapsed during year (D)	Granted as compensation	Vested during year (E)	Held at 30 June 2017 (B)	Vested and exercisable at 30 June 2017 (B)(C)
<b>Directors</b>							
Mr Brian Phillips		-	-	-	-	-	-
Mr Geoffrey Lowe	(i)	1,666,667	-	-	-	1,666,667	1,666,667
Mr Peter Lester		-	-	-	-	-	-
Mr Ian Smith		-	-	-	-	-	-
Mr Jeremy Gray		-	-	-	-	-	-
<b>Executives</b>							
Mr Matthew Gill		4,200,000	-	-	-	4,200,000	4,200,000
Mr Rohan Worland		2,166,667	583,333	-	-	1,583,334	1,583,334
2016	Note	Held at 1 July 2015 (A)	Lapsed during year (D)	Granted as compensation	Vested during year (E)	Held at 30 June 2016 (B)	Vested and exercisable at 30 June 2016 (B)(C)
<b>Directors</b>							
Mr Brian Phillips		-	-	-	-	-	-
Mr Geoffrey Lowe	(i)	2,500,000	833,333	-	-	1,666,667	1,666,667
Mr Peter Lester		-	-	-	-	-	-
<b>Executives</b>							
Mr Matthew Gill		-	-	4,200,000	4,200,000	4,200,000	4,200,000
Mr Rohan Worland		2,750,000	583,333	-	-	2,166,667	2,166,667
Mr Andrew Dart		600,000	-	-	-	600,000	600,000

(A) Where the individual was not key management personnel at the beginning of the period, balance reflects number of instruments at the date they became key management personnel.

(B) Where the individual was not key management personnel at the end of the period, balance reflects number of instruments at the date they ceased to be key management personnel.

(C) No options were exercised during the year, and no options held by key management personnel are vested but not exercisable at 30 June 2017 or 30 June 2016.

(D) Where the individual was not key management personnel at the end of the period, options lapsed reflects options which lapsed during the part of the reporting period they were KMP.

(E) Where the individual was not key management personnel at the beginning of the period, options vested reflects options which vested during the part of the reporting period they were KMP.

Options included in the table above that were held by related parties on behalf of key management personnel are disclosed below.

(i) Held indirectly through Corthoon Pty Ltd as trustee for the G and V Lowe Family Trust.

The movement during the reporting period, by value, of options over ordinary shares in the Company held by each key management person, is detailed below.

	Granted in year \$	Value of options exercised in year \$	Lapsed in year \$ (A)
<b>Directors</b>			
Mr Brian Phillips	-	-	-
Mr Peter Lester	-	-	-
Mr Ian Smith	-	-	-
Mr Jeremy Gray	-	-	-
Mr Geoffrey Lowe	-	-	-
<b>Executives</b>			
Mr Matthew Gill	-	-	-
Mr Rohan Worland	-	-	8,225
	-	-	8,225

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2017

### 16. Remuneration report - audited (continued)

- A. Where the individual was not key management personnel at the end of the period, options lapsed reflects options which lapsed during the part of the reporting period they were KMP. The value represents the number of instruments held multiplied by the fair value of the instruments on the date they were granted.

#### 16.3.4 Analysis of movements in shares held by KMP

The movement during the reporting period in the number of ordinary shares in White Rock Minerals Ltd held, directly, indirectly or beneficially, by key management personnel, including their related parties, is as follows:

2017	Note	Held at 1 July 2016 (A)	Acquisitions	Sales	Held at 30 June 2017 (B)
<b>Directors</b>					
Mr Brian Phillips	(i)	3,136,398	863,602	-	4,000,000
Mr Geoffrey Lowe	(ii)	1,409,680	590,320	-	2,000,000
Mr Peter Lester	(iii)	2,546,770	1,273,385	-	3,820,155
Mr Ian Smith	(iv)	6,666,667	-	-	6,666,667
Mr Jeremy Gray		-	-	-	-
<b>Executives</b>					
Mr Matthew Gill	(v)	-	3,333,333	-	3,333,333
Mr Rohan Worland	(vi)	598,116	-	-	598,116

2016		Held at 1 July 2015 (A)	Acquisitions	Sales	Held at 30 June 2016 (B)
<b>Directors</b>					
Mr Brian Phillips		2,473,264	663,134	-	3,136,398
Mr Geoffrey Lowe		1,204,430	205,250	-	1,409,680
Mr Peter Lester		2,101,852	444,918	-	2,546,770
<b>Executives</b>					
Mr Matthew Gill		-	-	-	-
Mr Rohan Worland		598,116	-	-	598,116
Mr Andrew Dart		-	-	-	-

(A) Where the individual was not key management personnel at the beginning of the period, balance reflects number of instruments at the date they became key management personnel.

(B) Where the individual was not key management personnel at the end of the period, balance reflects number of instruments at the date they ceased to be key management personnel.

Shares that were held by related parties of key management personnel and included in the table above are disclosed below.

- (i) 4,000,000 held indirectly through Thylacine Pty Ltd as trustee for the Brian Phillips Superannuation Fund.
- (ii) 2,000,000 held indirectly by the Lowe Family Super Fund.
- (iii) 3,820,155 held indirectly through PNS (Holdings) Pty Ltd ATF PNS Super Fund.
- (iv) 6,666,667 held indirectly through Anamas Nominee Holdings Pty Ltd ATF Anamas Family Trust.
- (v) 3,333,333 held indirectly by the M & C Gill Super Fund.
- (vi) 65,002 held indirectly through Worland Pty Ltd ATF Worland Super Fund. 66,002 held by Lynsey Jane Cuthbert.

#### 16.4 Other transactions with key management personnel

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of those entities.

Some of these entities transacted with the Group during the year. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

From time to time, Directors of the Group, or their related entities, may provide services to the Group. These services are provided on terms that might be reasonably expected for other parties and are trivial or domestic in nature.



White Rock Minerals Ltd  
Directors' report (continued)  
For the year ended 30 June 2017

**17. Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on page 60 and forms part of the Directors' report for the year ended 30 June 2017.

Dated at Melbourne this 28<sup>th</sup> day of September 2017.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read 'Brian Phillips', written in a cursive style.

Brian Phillips  
Chairman

White Rock Minerals Ltd  
Consolidated Statement of Financial Position  
As at 30 June 2017

	Note	2017 \$	2016 \$
<b>Current Assets</b>			
Cash and cash equivalents	6	3,289,929	258,846
Trade and other receivables	7	1,027,143	888,751
Prepayments	8	47,660	18,390
<b>Total current assets</b>		<b>4,364,732</b>	<b>1,165,987</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	9	13,835,674	14,184,233
Property, plant and equipment	10	486,873	287,266
<b>Total non-current assets</b>		<b>14,322,547</b>	<b>14,471,499</b>
<b>Total assets</b>		<b>18,687,279</b>	<b>15,637,486</b>
<b>Current Liabilities</b>			
Trade and other payables	11	597,431	293,854
Employee benefits		24,680	19,645
<b>Total current liabilities</b>		<b>622,111</b>	<b>313,499</b>
<b>Non-current liabilities</b>			
Trade and other payables	11	2,156,988	2,627,296
Employee benefits		7,113	5,859
Provision for rehabilitation	12	978,000	988,000
<b>Total non-current liabilities</b>		<b>3,142,101</b>	<b>3,621,155</b>
<b>Total liabilities</b>		<b>3,764,212</b>	<b>3,934,654</b>
<b>Net assets</b>		<b>14,923,067</b>	<b>11,702,832</b>
<b>Equity</b>			
Issued capital	13(i)	41,552,890	35,162,671
Reserves	13(iii)	306,443	265,677
Accumulated losses		(26,936,266)	(23,725,516)
<b>Total equity</b>		<b>14,923,067</b>	<b>11,702,832</b>

The notes on pages 34 to 58 are an integral part of these consolidated financial statements.

White Rock Minerals Ltd  
Consolidated Statement of Comprehensive Income  
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
Net financing income	14	97,496	27,782
Administrative expenses		(429,614)	(548,130)
Depreciation expense	10	(9,774)	(18,452)
Contract labour expenses	15	(602,183)	(510,647)
Employee benefits expense	16	(119,652)	(120,997)
Marketing expense		(193,152)	(77,954)
Impairment of assets	9	(2,061,119)	(423,562)
Foreign exchange gain/(loss)		87,214	(29,398)
<b>Loss before tax</b>		<b>(3,230,784)</b>	<b>(1,701,358)</b>
Income tax (expense)/benefit	17	-	-
<b>Total loss for the period after tax</b>		<b>(3,230,784)</b>	<b>(1,701,358)</b>
<b>Total comprehensive loss attributable to members of White Rock Minerals Ltd</b>		<b>(3,230,784)</b>	<b>(1,701,358)</b>
<b>Loss per share attributable to members of White Rock Minerals Ltd</b>			
Basic and diluted loss per share (cents)	18	(0.47)	(0.59)

The notes on pages 34 to 58 are an integral part of these consolidated financial statements.

White Rock Minerals Ltd  
Consolidated Statement of Changes in Equity  
For the year ended 30 June 2017

	Attributable to equity holders of the Company			
	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2015	32,346,245	131,935	(22,047,375)	10,430,805
Issue of ordinary shares	2,907,992	(1,351,872)	-	1,556,120
Transaction costs on share issue, net of tax	(91,566)	-	-	(91,566)
Share based payments transactions	-	1,508,831	-	1,508,831
Transfers from share based payment reserve	-	(23,217)	23,217	-
Total comprehensive loss for the period	-	-	(1,701,358)	(1,701,358)
<b>Balance at 30 June 2016</b>	<b>35,162,671</b>	<b>265,677</b>	<b>(23,725,516)</b>	<b>11,702,832</b>
Balance at 1 July 2016	35,162,671	265,677	(23,725,516)	11,702,832
Issue of ordinary shares	6,862,589	-	-	6,862,589
Transaction costs on share issue, net of tax	(492,370)	-	-	(492,370)
Share based payments transactions	-	80,800	-	80,800
Transfers from share based payment reserve	20,000	(40,034)	20,034	-
Total comprehensive loss for the period	-	-	(3,230,784)	(3,230,784)
<b>Balance at 30 June 2017</b>	<b>41,552,890</b>	<b>306,443</b>	<b>(26,936,266)</b>	<b>14,923,067</b>

The notes on pages 34 to 58 are an integral part of these consolidated financial statements.

White Rock Minerals Ltd  
Consolidated Statement of Cash Flows  
For the year ended 30 June 2017

	Note	2017 \$	2016 \$
<b>Cash flows from operating activities</b>			
Cash paid to suppliers and employees		(1,332,049)	(1,086,389)
Interest received		52,443	28,241
<b>Net cash (used in) operating activities</b>	19	<b>(1,279,606)</b>	<b>(1,058,148)</b>
<b>Cash flows from investing activities</b>			
Exploration and evaluation payments		(1,394,563)	(348,236)
Acquisition of property, plant and equipment		(257,677)	(12,203)
Investment in Security Bonds		(112,000)	-
Proceeds from Government funding programs		-	25,984
<b>Net cash (used in) investing activities</b>		<b>(1,764,240)</b>	<b>(334,455)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		6,842,589	1,513,000
Transaction costs on issue of share capital		(432,370)	(58,446)
Red Mountain payments		(335,290)	(157,126)
<b>Net cash from financing activities</b>		<b>6,074,929</b>	<b>1,297,428</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>3,031,083</b>	<b>(95,175)</b>
Cash and cash equivalents at beginning of the year		258,846	354,021
<b>Cash and cash equivalents at year end</b>	6	<b>3,289,929</b>	<b>258,846</b>

The notes on pages 34 to 58 are an integral part of these consolidated financial statements.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements

For year ended 30 June 2017

### 1. Reporting entity

White Rock Minerals Ltd (the “Company”) is a Company domiciled in Australia. The address of the Company’s registered office is 24 Skipton Street, Ballarat, Victoria, 3350. The financial statements of the Company as at and for the year ended 30 June 2017 comprise the Company and its controlled entities (together referred to as the “Group”). The Group is a profit orientated entity and primarily is involved in minerals exploration and evaluation in Australia and Alaska.

### 2. Basis of preparation

#### (a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements of the Group comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 28 September 2017.

#### (b) Basis of measurement

The Group financial statements have been prepared on the historical cost basis except for the following items measured at fair value:

- Exploration and Evaluation Assets and Property Plant and Equipment where the historical cost has been written down in accordance with applicable accounting standard requirements
- Share based payments as described in accounting policy note 3(h) and note 20.

#### Going concern

The Group recorded a loss after tax of \$3,230,784, and net cash outflows from operating and investing activities of \$3,043,846 for the year ended 30 June 2017. The Group’s financial position as at 30 June 2017 was as follows:

- The Group had available cash reserves of \$3,289,929;
- The Group’s current assets (excluding restricted cash of \$866,000 and rehabilitation security bonds of \$112,000) of \$3,386,732 exceed current liabilities of \$622,111 by \$2,764,621;
- The Group is required to make significant future payments which relate to its 2016 acquisition of the Red Mountain project as described in note 11 over the periods set out in note 21 (iii). Given that these liabilities are payable in United States Dollars the Group also has cash flow exposure to movement in the United States Dollar against the Australia Dollar as described in note 21 (iv);
- The Group’s main activity is exploration and as such it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities; and
- Under the Cartesian Financing Package as announced on 27 June 2016 the Company may access, subject to conditions precedent, additional funding as set out in note 21 (iii).

Current forecasts indicate that cash on hand as at 30 June 2017 will not be sufficient to fully fund the planned exploration, Definitive Feasibility Study (DFS) and Environmental Impact Study (EIS) works and operational activities during the next twelve months. Accordingly, the Group will be required to secure additional funding in order to undertake the planned exploration, DFS and EIS works and operational activities.

The Group’s position as at 31 August 2017 was as follows:

- The Group had available cash reserves of \$2,574,445;
- The Group continued to have a positive working capital position; and
- There have been no material changes to the Group’s liabilities or non-cancellable commitments since 30 June 2017.

The Directors are confident that the Group will be able to secure sufficient funds to ensure that the Group can meet essential operational and expenditure commitments for at least the next twelve months. This includes advancing the Definitive Feasibility Study and Environmental Impact Study at Mount Carrington, conducting targeted exploration at Red Mountain and maintaining the Group’s tenements in good standing and paying its debts, as and when they fall due. Depending on the level of exploration, DFS and EIS activities in excess of minimum activities, additional funding will be required.



# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 2. Basis of preparation (continued)

#### (b) Basis of measurement (continued)

Accordingly, the financial statements for the year ended 30 June 2017 have been prepared on a going concern basis as, in the opinion of the Directors, the Group will be in a position to continue to meet its essential operating costs and pay its debts as and when they fall due for at least twelve months from the date of this report.

However, the Directors recognise that if further funding is required and is not subsequently secured, the outcome of which is uncertain until such funding is secured, there is a material uncertainty as to whether the going concern basis of accounting is appropriate. As a result, the Group may be required to relinquish title to certain tenements, significantly curtail further expenditures and may have to realise its assets and extinguish its liabilities other than in the ordinary course of business and at amounts different from those stated in the financial report.

#### (c) Functional and presentation currency

The Group financial statements are presented in Australian dollars, which is the functional currency of all entities in the Group.

#### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the related accounting policy and/or in the following notes:

- note 2(b) Basis of measurement
- note 9 Exploration and evaluation expenditure
- note 12 Provision for rehabilitation
- note 20 Share based payments

### 3. Significant accounting policies

#### (a) Changes in accounting policies

The Group has adopted all mandatory new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2016. The new, revised or amended standards or interpretations did not have a significant impact on the amounts or disclosures in the financial report.

#### (b) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

#### (c) Financial instruments

The Group classifies non-derivative financial assets into the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity financial assets
- loans and receivables; and
- available-for-sale financial assets

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 3. Significant accounting policies (continued)

#### (c) Financial instruments (continued)

##### (i) Non-derivative financial assets and financial liabilities – recognition and de-recognition

The Group initially recognises loans and receivables and debt securities issued (if any) on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

##### (ii) Non-derivative financial assets – measurement

###### Held-to-maturity financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

###### Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

###### Cash and cash equivalents

Cash and cash equivalents comprise cash balance and call deposits with an original maturity of three months or less. Deposits with an original maturity of greater than three months are included within Trade and Other Receivables in the balance sheet.

##### (iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities include trade and other payables and are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Where a liability is due at a date which is beyond twelve months from balance date the future cash flows are discounted to present value using a discount rate appropriate for the underlying cash flows.

##### (iv) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 3. Significant accounting policies (continued)

#### (d) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Any gains and losses on disposal of an item of property, plant and equipment are recognised in profit or loss.

##### (ii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives for the current and comparative periods are as follows:

- buildings 20 years
- plant and equipment 2-20 years
- motor vehicles 4 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### (e) Exploration and evaluation

Exploration and evaluation expenditure, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Accounting for exploration and evaluation expenditures is assessed separately for each 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit. Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

- the expenditures are expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- the term of exploration license in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and a decision has been made to discontinue such activities in the specified area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest. In the event that an area of interest is abandoned or if the Directors consider the expenditure to be of reduced value, accumulated costs carried forward are written off in the period in which that assessment is made. Each area of interest is reviewed at the end of each accounting period and accumulated costs are written off to the extent that they are not expected to be recoverable in the future.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 3. Significant accounting policies (continued)

#### (f) Impairment

##### (i) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment.

##### Financial assets measured at amortised cost

The Group considers evidence of impairment for these assets measured at both an individual asset and a collective level. All individually significant assets are individually assessed for specific impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised impairment loss is reversed through profit or loss.

##### (ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The carrying amount of Exploration and Evaluation Assets is assessed for impairment in accordance with accounting policy note 3(e).

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to dispose. 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.

An asset or CGU's fair value less costs to dispose is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties less estimated costs of disposal. A fair value measurement of a non-financial asset takes into account a market participants ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (g) Employee benefits

##### (i) Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. Amounts recognised as a liability include related on-costs, such as superannuation, workers compensation, insurance and payroll tax.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 3. Significant accounting policies (continued)

#### (g) Employee benefits (continued)

##### (ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

##### (iii) Other long term benefits

Other long term benefits comprise the Groups obligation in respect of annual leave and long service leave and are measured as the present value of the future benefit expected to be paid to employees as a result of their service in the current and prior periods. In determining the amount recorded consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using a discount rate that reflects market yields at reporting date on prevailing bonds with terms of maturity that closely match the estimated future cash flows. The Group measures annual leave in respect of employees' service up to the reporting date at the amounts expected to be paid, inclusive of on costs, when the leave is expected to be taken.

#### (h) Share based payments

##### (i) Employee share based payments

Share based payments to employees and others providing similar services typically take the form of options to acquire ordinary shares in the Company. The fair value at grant date of share-based payment awards granted to employees and others providing similar services is recognised as an employee expense or capitalised as exploration and evaluation assets as appropriate, with a corresponding increase in equity, over the period that the holder for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

The fair value at grant date is independently determined using a binomial option pricing model or a Black-Scholes option pricing model that takes into account the exercise price, the term of the options, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

##### (ii) Non-employee share based payments

The Company may also issue securities by agreement to third party suppliers for the provision of services in lieu of cash. The fair value of any goods and services received by the Group under such arrangements is recognised as an increase in the share based payments reserve as the services are rendered or goods received where the Group, at its sole discretion, has the option to settle in equity instruments of the company and intends to do so at inception of the agreement.

On completion of the arrangement, when shares are issued, the fair value of goods received or services provided is transferred from the share based payments reserve to issued capital. Where options are issued, the fair value will remain in the share based payments reserve until such a time as the options are exercised or lapse, whichever occurs earlier. The fair value of goods and services is measured with reference to the value of goods and services the Group would otherwise be expected to pay in cash to the supplier for identical services and is typically measured with reference to market observable prices of similar goods or services adjusted for any matters specific to the arrangement. Where the fair value of the goods or services received cannot be estimated reliably, the fair value recognised is measured by reference to the fair value of the equity instruments granted.

#### (i) Revenue

Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred or services have been provided to the buyer, recovery of the consideration is probable, the associated costs and possible return can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenues are recognised at fair value of the consideration received or receivable net of the amount of GST. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenue.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 3. Significant accounting policies (continued)

#### (j) Tax

##### (i) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax impact is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future and the Group is able to control the timing of reversal. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

##### (ii) Tax consolidation

The Company and its wholly-owned Australian resident entities with the exception of Atlas Resources Pty Ltd form a tax-consolidated group. As a consequence all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is White Rock Minerals Ltd.

##### (iii) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the balance sheet.

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

#### (k) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

#### (l) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options over ordinary shares of the Company.



# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 3. Significant accounting policies (continued)

#### (m) Government grants

Government grants comprise assistance by the Government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the activities of the Group. Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which expenses are recognised for the related costs for which grants are intended to compensate. Grants related to compensation for expenditure which results in the recognition of an asset in the balance sheet are presented in the Statement of Financial Position by deducting the grant amount received or receivable from the gross amount of the expenditure incurred to arrive at the carrying amount of the asset.

#### (n) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in exploration activities which incurs expenses. An operating segment's expenditures are reviewed regularly by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

Segment expenditure that is reported to the Group's chief operating decision maker includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters) and head office expenses.

#### (o) Restoration and rehabilitation provision

The Group has obligations to restore and rehabilitate certain areas of property. A provision for rehabilitation and restoration is recognised in respect of the estimated cost of rehabilitation, decommissioning and restoration of areas of disturbance existing at reporting date, but not yet rehabilitated. Rehabilitation activities include dismantling infrastructure, removal and treatment of waste material, and land rehabilitation, including re-contouring, top-soiling and re-vegetation of the disturbed area. Provisions for the cost of the rehabilitation program are recognised at the time that environmental disturbance occurs (or is acquired). On an ongoing basis, additional disturbances will be recognised as a rehabilitation liability.

A corresponding asset is recognised in Property, Plant and Equipment or Exploration and Evaluation Assets only to the extent that it is probable that future economic benefits associated with the rehabilitation, will flow to the entity. Determining the cost of rehabilitation and restoration of the area of disturbance requires the use of significant estimates and assumptions, including the timing of the cash flows and expected life of the relevant area of interest, the application of relevant environmental legislation, and the future expected costs of rehabilitation, decommissioning and restoration. Changes in the estimates and assumptions used to determine the cost of rehabilitation, decommissioning and restoration could have a material impact on the carrying value of the site restoration provision and related asset. The provision is reviewed at each reporting date and updated based on the facts and circumstances available at the time.

#### (p) Presentation of financial statements

The Group applies revised AASB 101 Presentation of Financial Statements. The Group presents in the consolidated statement of changes in equity all owner changes in equity. All non-owner changes in equity are presented in the consolidated statement of comprehensive income.

#### (q) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2017. None of those standards are expected to have a material effect on the reported amounts and disclosures. The Group does not plan to adopt these standards early.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 4. Determination of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, both for financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of accounting standards, including the level in the fair value hierarchy in which such valuations should be classified

Significant valuation issues are reported to the Board of Directors.

When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1; quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2; inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3; inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair values of trade and other receivables are estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date

### 5. Segment reporting

The Group determines operating segments based on the information that internally is provided to the Chief Operating Decision Maker who is the Managing Director and Chief Executive Officer.

Operating segments are discrete components of the Group that engage in exploration activities and incur expenses. An operating segment's expenditures are reviewed regularly by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance.

Segment expenditure that is reported to the Managing Director and Chief Executive Officer includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily Company's headquarters) and head office expenditure.

The Group consists of two operating segments and operates in two geographic locations, Mt Carrington, New South Wales, Australia and Red Mountain, Bonnifield, Alaska, United States of America.

Note 9 contains details of exploration expenditure capitalised on each operating segment. With the exception of the write down of capitalised exploration during the year of \$2,061,119 which was attributable to the Mt Carrington segment (refer to note 9), foreign exchange gains of \$95,002 and gains on the reassessment of the discount rate of \$43,446 attributable to the Red Mountain segment, no income or expenses were incurred by the operating segments. All other income and expenses incurred by the Group relate to corporate activities and are therefore unallocated to the operating segments.

### 6. Cash and cash equivalents

	2017 \$	2016 \$
Bank balances	3,289,929	258,846
<b>Cash and cash equivalents</b>	<b>3,289,929</b>	<b>258,846</b>

All cash and cash equivalents are available for use by the Group.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 7. Trade and other receivables

	2017 \$	2016 \$
<b>Current</b>		
Other receivables (i)	161,143	22,751
Restricted cash (ii)	866,000	866,000
<b>Total current trade and other receivables</b>	<b>1,027,143</b>	<b>888,751</b>

(i) Other receivables includes \$112,000 of cash lodged with the New South Wales Government as security over the Group's performance of its environmental rehabilitation obligations.

(ii) Restricted cash is placed on deposit to secure bank guarantees in respect of obligations for environmental performance bonds issued in favour of the New South Wales Government. These deposits earn interest at an average rate of 2.0% per annum.

### 8. Prepayments

	2017 \$	2016 \$
Prepayments	47,660	18,390
<b>Total prepayments</b>	<b>47,660</b>	<b>18,390</b>

### 9. Exploration and evaluation assets

	2017 \$	2016 \$
<b>Mount Carrington:</b>		
<b>Carrying amounts</b>		
Balance at 1 July	9,876,686	9,843,424
Acquisitions	-	-
Additions	1,722,560	428,808
Relinquishment of tenement (i)	(135,000)	-
Government grants	-	(25,984)
Impairment of exploration assets (i)	(1,926,119)	(423,562)
Rehabilitation provision (released) / incurred	(10,000)	54,000
<b>Balance at 30 June</b>	<b>9,528,127</b>	<b>9,876,686</b>
<b>Red Mountain:</b>		
<b>Carrying amounts</b>		
Balance at 1 July	4,307,547	-
Acquisitions	39,333	4,307,547
Expenditure	295,957	157,126
Disposals	-	-
Application of expenditure against future payment obligations	(335,290)	(157,126)
<b>Balance at 30 June (ii)</b>	<b>4,307,547</b>	<b>4,307,547</b>
Total Exploration and evaluation expenditure at cost	32,056,668	30,479,108
Total Impairment losses	(18,220,994)	(16,294,875)
<b>Total Balance at 30 June</b>	<b>13,835,674</b>	<b>14,184,233</b>

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 9. Exploration and evaluation assets (continued)

- (i) The Group capitalises exploration and evaluation expenditure in accordance with accounting policy note 3(e). During the year ended 30 June 2017 the Group became aware of facts and circumstances that indicated the carrying value of capitalised exploration and evaluation could exceed the recoverable amount of the Mount Carrington Cash Generating Unit (CGU) and accordingly performed an impairment assessment resulting in a write down.

An impairment expense is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount of the Mount Carrington CGU was determined based on its Fair Value less Costs to Dispose (FVLCTD) using a level 2 valuation technique.

An impairment assessment was conducted as at 30 June 2017 which resulted in the write down of \$2,061,119 including \$1,926,119 attributable to the tenements retained by the Group and \$135,000 attributable to a tenement relinquished.

Following the write down the carrying value of the Mount Carrington CGU comprising capitalised exploration and evaluation expenditure and associated property, plant and equipment was \$10,015,000.

The Mount Carrington CGU contains shallow Indicated and Inferred Resources of gold and silver. Mount Carrington is located 5km from the township of Drake in northern NSW and comprises a footprint of granted Exploration Licences across 183 square kilometres and includes a tailings dam, freshwater dam, site office, water treatment plant and access to grid power.

The FVLCTD assessment was based on a review by the Group of information from a number of sources including previous valuations prepared for the Company. At 30 June 2017 a valuation was prepared by an independent expert on behalf of the Group which supported the Group's valuation adopted.

In estimating a value for the CGU, the Group focussed primarily on observable market transactions involving similar resources to those associated with the CGU, and the broader exploration footprint of tenements held by the Group, including identified exploration targets associated with the CGU.

The costs to dispose in respect of the FVLCTD assessment have been estimated based on prevailing market conditions, although would not be expected to be material in the context of the CGU's value.

The valuation includes a number of significant assumptions including commodity prices, foreign exchange rates, the confidence level of known mineralisation measured in accordance with the JORC code, and expectations regarding exploration potential which can change significantly over short periods of time, and which may have a significant impact on the valuation if there was a change in assumption or new information became available. As a result any variation in the key assumptions used to determine FVLCTD would result in a change of the assessed FVLCTD. If the variation in assumption had a negative impact on FVLCTD, it could in the absence of other factors indicate a requirement for additional impairment of non-current assets.

- (ii) The Company acquired Atlas Resources Pty Ltd on 22 April 2016, which held an option to acquire 100% interest in the Red Mountain project. Under the terms of the Share Purchase Agreement, the Company acquired all of the shares and options in Atlas. In return for the Atlas shares and options the Company in 2016 issued 63,843,587 shares to Atlas shareholders and 6,384,359 options to Atlas option holders.

In May 2016 the Group exercised the option to acquire Red Mountain tenements paying \$US40,000 and agreeing to make the following payments.

- US\$50,000 in each of years ended 31 December 2016 and 2017
- US\$100,000 in year ended 31 December 2018
- US\$200,000 in year ended 31 December 2019
- US\$550,000 in year ended 31 December 2020

In addition the Group is required to undertake exploration activities totalling US\$1,200,000 as follows:

- US\$100,000 in the year ended 31 December 2016
- US\$200,000 in the year ended 31 December 2017
- US\$300,000 in the year ended 31 December 2018
- US\$600,000 in the year ended 31 December 2019

Amounts spent in excess of the annual amount are allowed to be carried forward and applied against future years.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 9. Exploration and evaluation assets (continued)

If the Group does not make payments or undertake exploration expenditure as set out above the terms of the contract provide that the asset is required to be returned to the vendor.

The amount recognised on acquisition of the project is represented by:

- the total fair value of shares and options issued (\$1,350,931)
- an option payment (\$54,498)
- the present value of liabilities and obligations assumed (\$2,823,070); and
- other sundry items (\$79,048).

As payments are made for liabilities and obligations assumed, these amounts are applied against the related liability.

The terms of the agreement also provide that the vendor is entitled to a 2% Net Smelter Royalty (NSR) with the option to reduce to 1% by payment of US\$2,000,000. Any further obligations under the NSR are not required to be recognised as a liability as the Group is able to control whether or not amounts are paid.

### 10. Property, plant and equipment

	2017			
	Land	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance at 1 July 2016	29,044	1,204,929	74,954	1,308,927
Additions	-	257,677	-	257,677
Disposals	-	-	-	-
Balance at 30 June 2017	29,044	1,462,606	74,954	1,566,604
<b>Depreciation and impairment losses</b>				
Balance at 1 July 2016	18,002	937,508	66,151	1,021,661
Depreciation charged to the income statement	-	9,774	-	9,774
Depreciation capitalised to exploration projects	-	39,493	8,803	48,296
Disposals	-	-	-	-
Balance at 30 June 2017	18,002	986,775	74,954	1,079,731
<b>Carrying amounts</b>				
At 1 July 2016	11,042	267,421	8,803	287,266
<b>At 30 June 2017</b>	<b>11,042</b>	<b>475,831</b>	<b>-</b>	<b>486,873</b>

	2016			
	Land	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance at 1 July 2015	29,044	1,200,877	74,954	1,304,875
Additions	-	12,203	-	12,203
Disposals	-	(8,151)	-	(8,151)
Balance at 30 June 2016	29,044	1,204,929	74,954	1,308,927
<b>Depreciation and impairment losses</b>				
Balance at 1 July 2015	18,002	882,093	53,841	953,936
Depreciation charged to the income statement	-	18,452	-	18,452
Depreciation capitalised to exploration projects	-	45,114	12,310	57,424
Disposals	-	(8,151)	-	(8,151)
Balance at 30 June 2016	18,002	937,508	66,151	1,021,661
<b>Carrying amounts</b>				
At 1 July 2015	11,042	318,784	21,113	350,939
<b>At 30 June 2016</b>	<b>11,042</b>	<b>267,421</b>	<b>8,803</b>	<b>287,266</b>

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 11. Trade and other payables

	2017 \$	2016 \$
<b>Current</b>		
Trade payables	300,071	37,462
Accrued expenses	228,715	176,523
Other payables	4,029	11,823
Payments to settle acquisition of Red Mountain acquisition <sup>(1)</sup>	64,616	68,046
Payments for future exploration obligations <sup>(2)</sup>	-	-
	<b>597,431</b>	<b>293,854</b>
<b>Non Current</b>		
Payments to settle acquisition of Red Mountain acquisition <sup>(1)</sup>	1,054,180	1,171,573
Payments for future exploration obligations <sup>(2)</sup>	1,102,808	1,455,723
	<b>2,156,988</b>	<b>2,627,296</b>
<b>Total</b>	<b>2,754,419</b>	<b>2,921,150</b>

<sup>(1)</sup>As referred to in note 9 the Group is required to pay the following amounts at 30 June 2017:

- US\$50,000 in year ended 31 December 2017
- US\$100,000 in year ended 31 December 2018
- US\$200,000 in year ended 31 December 2019
- US\$550,000 in year ended 31 December 2020

<sup>(2)</sup> In addition the Group is required to undertake exploration activities totalling US\$872,201 at 30 June 2017:

- US\$272,201 in the year ended 31 December 2018
- US\$600,000 in the year ended 31 December 2019

The below table is a reconciliation of movements in the Red Mountain liabilities during the period ended 30 June 2017.

	Deferred consideration \$	Future exploration obligations \$	Total \$
Opening balance	1,239,619	1,455,723	2,695,342
Payments made	(68,418)	(266,872)	(335,290)
Foreign exchange gain	(38,823)	(56,179)	(95,002)
Reassessment of discount rate	(13,582)	(29,864)	(43,446)
<b>Total</b>	<b>1,118,796</b>	<b>1,102,808</b>	<b>2,221,604</b>
Current	64,616	-	64,616
Non-current	1,054,180	1,102,808	2,156,988
<b>Total</b>	<b>1,118,796</b>	<b>1,102,808</b>	<b>2,221,604</b>

### 12. Provision for environmental rehabilitation

	2017 \$	2016 \$
<b>Opening balance</b>	988,000	934,000
Provisions made during the year	-	112,000
Provisions released during the year	(10,000)	(58,000)
<b>Closing balance</b>	<b>978,000</b>	<b>988,000</b>

The amount of the provision relates to the Mt Carrington project and has been determined with reference to the NSW Department of Trade & Investment (Resources & Energy) bond required to be lodged, and is determined based on planned activities on the various tenements held by the Group.

The Group monitors environmental disturbance and updates its assessment where changes in planned rehabilitation techniques are identified or activities increase the size of the environmental footprint.



# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 13. Equity

	Date of issue	No of shares	Issue price (cents)	\$
<b>(i) Movements in issued capital:</b>				
<b>Opening balance at 1 July 2016</b>		<b>401,815,446</b>		<b>35,162,671</b>
Capital Raising – Placement funds received	21/07/2016	38,461,538	1.3	500,000
Issue of Ordinary Shares – Corporate Mandate	06/09/2016	1,064,079	1.8	20,000
Capital Raising – Placement funds received	06/10/2016	110,335,265	1.5	1,655,029
Capital Raising – Entitlement offer funds received	18/11/2016	47,653,128	1.5	714,797
Capital Raising – Placement funds received	12/12/2016	163,176,789	1.5	2,447,652
Capital Raising – Placement funds received	19/12/2016	3,000,000	1.5	45,000
Capital Raising – Placement funds received	21/12/2016	3,333,333	1.5	50,000
Issue of Ordinary Shares – Corporate Advisory	23/12/2016	1,333,333	1.5	20,000
Capital Raising – Placement funds received	03/02/2017	6,666,667	1.5	100,000
Capital Raising – Placement funds received	10/02/2017	55,341,580	1.5	830,123
Capital Raising – Placement funds received	28/02/2017	38,461,538	1.3	499,988
Less costs associated with Capital Raisings				(492,370)
<b>Closing balance at 30 June 2017</b>		<b>870,642,696</b>		<b>41,552,890</b>

	Date of issue	No of shares	Issue price (cents)	\$
<b>Opening balance at 1 July 2015</b>		<b>226,477,323</b>		<b>32,346,245</b>
Capital Raising – Placement funds received	28/07/2015	5,000,000	2.0	100,000
Issue of Ordinary Shares – Corporate Mandate	28/07/2015	2,102,121	2.1	45,000
Issue of Ordinary Shares – Corporate Mandate	23/09/2015	2,068,207	1.6	30,000
Capital Raising – Placement funds received	08/10/2015	10,000,000	2.0	200,000
Capital Raising – Placement funds received	13/11/2015	7,500,000	2.0	150,000
Issue of Ordinary Shares – Directors fees	08/12/2015	1,313,302	2.3	30,000
Capital Raising – Placement funds received	21/12/2015	17,500,000	2.0	350,000
Capital Raising – Placement funds received	23/02/2016	35,561,815	1.1	391,180
Capital Raising – Placement funds received	29/02/2016	3,220,000	1.1	35,420
Issue of Ordinary Shares – Acquisition of Atlas	22/04/2016	63,843,587	2.0	1,276,872
Capital Raising – Placement funds received	03/05/2016	27,229,091	1.1	299,520
Less costs associated with Capital Raisings				(91,566)
<b>Closing balance at 30 June 2016</b>		<b>401,815,446</b>		<b>35,162,671</b>

The Company does not have any franking credits available for utilisation.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 13. Equity (continued)

#### (ii) Options on issue:

2017	Date of issue	No. options 1 July 2016	Issued/ (lapsed)	No. options 30 June 2017	Exercise price (cents)	Expiry date
Issue of options employees/directors	20/06/2013	1,166,667	(1,166,667)	-	5.0	31/05/2017
Issue of options employees/directors	20/06/2013	1,166,667	-	1,166,667	5.5	31/05/2018
Issue of options director	29/11/2013	833,333	(833,333)	-	4.1	31/05/2017
Issue of options director	29/11/2013	833,334	-	833,334	4.5	31/05/2018
Issue of options - consultant	31/03/2015	500,000	-	500,000	4.0	30/03/2018
Issue of options - consultant	31/03/2015	500,000	-	500,000	4.5	30/03/2019
Issue of options - consultant	13/04/2016	1,400,000	-	1,400,000	2.5	30/09/2018
Issue of options - consultant	13/04/2016	1,400,000	-	1,400,000	3.0	30/09/2019
Issue of options - consultant	13/04/2016	1,400,000	-	1,400,000	3.5	30/09/2020
Issue of options – acquisition of Red Mountain project	22/04/2016	6,384,359	-	6,384,359	3.5	22/04/2021
Issue of options - placement	21/07/2016	-	17,610,778	17,610,778	1.8	21/07/2021
Issue of options - consultant	06/09/2016	-	8,000,000	8,000,000	2.5	30/04/2020
Issue of options - placement	06/09/2016	-	40,081,529	40,081,529	1.8	20/07/2021
Issue of options - placement	06/09/2016	-	19,230,769	19,230,769	2.3	20/07/2021
Issue of options - placement	28/02/2017	-	57,692,307	57,692,307	1.8	28/02/2022
Issue of options - placement	28/02/2017	-	19,230,769	19,230,769	2.3	28/02/2022
Issue of options - consultant	31/03/2017	-	3,000,000	3,000,000	3.0	31/03/2019
Issue of options - consultant	31/03/2017	-	3,000,000	3,000,000	6.0	31/03/2020
		<b>15,584,360</b>		<b>181,430,512</b>		

2016	Date of issue	No. options 1 July 2015	Issued/ (lapsed)	No. options 30 June 2016	Exercise price (cents)	Expiry date
Issue of options employees/directors	20/06/2013	1,166,666	(1,166,666)	-	4.5	31/05/2016
Issue of options employees/directors	20/06/2013	1,166,667	-	1,166,667	5.0	31/05/2017
Issue of options employees/directors	20/06/2013	1,166,667	-	1,166,667	5.5	31/05/2018
Issue of options director	29/11/2013	833,333	(833,333)	-	3.7	31/05/2016
Issue of options director	29/11/2013	833,333	-	833,333	4.1	31/05/2017
Issue of options director	29/11/2013	833,334	-	833,334	4.5	31/05/2018
Issue of options - consultant	31/03/2015	500,000	-	500,000	4.0	30/03/2018
Issue of options - consultant	31/03/2015	500,000	-	500,000	4.5	30/03/2019
Issue of options - consultant	13/04/2016	-	1,400,000	1,400,000	2.5	30/09/2018
Issue of options - consultant	13/04/2016	-	1,400,000	1,400,000	3.0	30/09/2019
Issue of options - consultant	13/04/2016	-	1,400,000	1,400,000	3.5	30/09/2020
Issue of options – acquisition of Red Mountain project	22/04/2016	-	6,384,359	6,384,359	3.5	22/04/2021
		<b>7,000,000</b>		<b>15,584,360</b>		

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 13. Equity (continued)

#### (iii) Movements in share option reserve (continued):

	\$
<b>Opening balance at 1 July 2016</b>	265,677
Supplier share based payments	80,800
Transfer from share based payments to issued capital	(20,000)
Options lapsed during the period	(20,034)
<b>Closing balance at 30 June 2017</b>	<b>306,443</b>
<b>Opening balance at 1 July 2015</b>	131,935
Contractor share based payments	45,500
Options lapsed during the period	(23,217)
Share based payments for acquisition of Atlas Resources Pty Ltd	1,350,931
Transfers from share based payments to issued capital	(1,351,872)
Supplier share based payments	112,400
<b>Closing balance at 30 June 2016</b>	<b>265,677</b>

The share option reserve comprises amounts recognised on issue of options to suppliers, employees, Directors, or contractors for services rendered as well as assets acquired. Refer to note 20 for additional details in relation to share based payments.

### 14. Finance income and expense

	2017 \$	2016 \$
Finance income – interest income on bank deposits	54,050	27,782
Reassessment of discount rate on long term liabilities	43,446	-
<b>Net finance income</b>	<b>97,496</b>	<b>27,782</b>

The reassessment of the discount rate is in relation to the long term liabilities referred to in note 11.

### 15. Contract labour expenses

	2017 \$	2016 \$
Contract labour expenses incurred	777,234	662,923
Contract labour expenses capitalised to exploration	(175,071)	(197,776)
Share based payments expense	-	45,500
<b>Total contract labour expense</b>	<b>602,183</b>	<b>510,647</b>

### 16. Employee benefits expense

	2017 \$	2016 \$
Wages and salaries incurred	237,853	228,453
Employee benefits expenditure capitalised to exploration	(124,491)	(105,502)
Increase/(decrease) in liability for annual leave	5,036	(1,241)
Increase/(decrease) in liability for long service leave	1,254	(713)
<b>Total employee benefits expense</b>	<b>119,652</b>	<b>120,997</b>

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 17. Income taxes

<b>Income tax expense/(benefit) – Numerical reconciliation between tax expense and pre-tax accounting loss</b>	<b>2017 \$</b>	<b>2016 \$</b>
Loss before tax for the period	(3,230,784)	(1,701,358)
Income tax using the domestic corporation tax rate of 27.5% (2016: 30%)	(888,466)	(510,407)
Increase in income tax due to:		
Non-deductible expenses	5,720	32,376
Carried forward tax losses not recognised	882,746	478,031
<b>Total income tax expense/(benefit) on pre-tax net loss</b>	<b>-</b>	<b>-</b>

As discussed in accounting policy 3(j)(i), deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The Group is in a net tax loss position and accordingly, after making an assessment of the future ability to utilise deferred tax assets, no tax assets are recognised in the balance sheet.

### 18. Loss per share

	<b>2017 cents</b>	<b>2016 cents</b>
<b>Loss per share</b>		
Basic (loss) per share – cents	(0.47)	(0.59)
Diluted (loss) per share – cents	(0.47)	(0.59)

#### (a) Basic loss per share

The calculation of basic earnings/(loss) per share (EPS) at 30 June 2017 was based on the loss attributable to ordinary equity holders of \$3,230,784 (2016 loss: \$1,701,358) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2017 of 683,715,290 (2016: 286,546,246).

#### (b) Diluted loss per share

The calculation of diluted earnings/(loss) per share at 30 June 2017 and at 30 June 2016 is the same as basic earnings/(loss) per share. In accordance with *AASB133 – Earnings per share*, all options over issued capital of the Company have been excluded as it is not considered economic for holders to exercise their options during the current period based on the average market value of the Company's shares.

### 19. Reconciliation of cash flows from operating activities

	<b>2017 \$</b>	<b>2016 \$</b>
<b>Cash flows from operating activities</b>		
Loss before tax for the period	(3,230,784)	(1,701,358)
<i>Adjustments for non cash items:</i>		
Depreciation	9,774	18,452
Share based payments transactions (employees/contractors/suppliers)	20,800	150,400
Impairment of assets	2,061,119	423,562
Reassessment of discount rate on long term liabilities	(43,446)	-
Foreign exchange (gain)/loss	(87,214)	29,398
<b>Operating loss before changes in working capital and provisions</b>	<b>(1,269,751)</b>	<b>(1,079,546)</b>
(Increase) in trade and other receivables	(26,392)	(3,937)
(Increase) in prepayments	(21,468)	(10,446)
Increase in trade and other payables	31,715	44,830
Increase/(decrease) in employee benefits	6,290	(9,049)
<b>Net cash used in operating activities</b>	<b>(1,279,606)</b>	<b>(1,058,148)</b>

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 20. Share based payments

Share based payments for the year ended 30 June 2017 comprise share based payments to employees and others providing similar services and share based payments to suppliers for goods, including non-financial assets, or services received.

#### (a) Share based payments to employees and others providing similar services

	2017 \$	2016 \$
Share based payments recognised in the income statement (i)	-	45,500
<b>Total share based payments charge</b>	<b>-</b>	<b>45,500</b>

- (i) Share based payments recognised in the income statement represent the fair value of options granted to employees or others providing similar services measured by reference to the fair value of the equity instruments granted determined using the binomial option pricing model.

No options were granted during the financial year ending 30 June 2017.

The following options were granted to employees or contractors in return for their services during the financial year ending 30 June 2016:

	Grant date	Vesting period	No of options	Expiry date
Key management personnel (A)	12/04/2016	Vested on grant date	1,400,000	30/09/2018
Key management personnel (B)	12/04/2016	Vested on grant date	1,400,000	30/09/2019
Key management personnel (C)	12/04/2016	Vested on grant date	1,400,000	30/09/2020
<b>Total</b>			<b>4,200,000</b>	

Each option entitles the holder to subscribe for 1 ordinary share in the Company. All options vested during the year ended 30 June 2016 and are fully exercisable at balance date. These options do not entitle the holder to participate in any share issue of the Company.

The table below shows the key inputs used in the option pricing models to determine the fair value at grant date:

	(A)	(B)	(C)
Fair value at grant date	\$0.0104	\$0.0109	\$0.012
Share price at date of grant	\$0.016	\$0.016	\$0.016
Exercise price	\$0.025	\$0.030	\$0.035
Expected volatility	110%	110%	110%
Option life (years)	2.33	3.33	4.33
Risk free interest rate	2.09%	2.09%	2.09%
Expiry date	30/09/2018	30/09/2019	30/09/2020

#### (b) Share based payments to suppliers

	2017 \$	2016 \$
Share based payments to corporate advisors recognised in the income statement (i)	20,800	92,400
Share based payments to corporate advisors associated with capital raising recognised directly in equity (ii)	60,000	20,000
Share based payments capitalised to exploration and evaluation assets	-	1,350,931
<b>Total share based payments charge</b>	<b>80,800</b>	<b>1,463,331</b>

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 20. Share based payments (continued)

#### (b) Share based payments to suppliers (continued)

- (i) Share based payments to corporate advisors recognised in the income statement represent the equity portion of the fair value of corporate consulting services provided by Waterhouse IR.

The fair value recognised in respect of transactions with Waterhouse IR was measured by reference to the fair value of options expected to be issued on completion of the services. The total fair value is recognised progressively as the services are delivered. The service agreement commenced on 1 April 2016 and was completed during the year ended 30 June 2017.

The table below sets out the key inputs used in the binomial option pricing model to determine the fair value of options at grant date.

Grant date	1/04/2016
Number of options	8,000,000
Fair value at grant date	\$0.0104
Share price at date of grant	\$0.016
Exercise price	\$0.025
Expected volatility	110%
Option life (years)	4.08
Risk free interest rate	2.09%
Expiry date	30/04/2020

- (ii) Share based payments to corporate advisors associated with capital raising recognised directly in equity represent the equity portion of the fair value of corporate consulting services for capital raising activities provided by Sanlam Private Wealth.

The table below sets out the key inputs used in the binomial option pricing model to determine the fair value of options at grant date.

Grant date	05/04/2017	05/04/2017
Number of options	3,000,000	3,000,000
Fair value at grant date	\$0.01	\$0.01
Share price at date of grant	\$0.015	\$0.015
Exercise price	\$0.03	\$0.06
Expected volatility	110%	110%
Option life (years)	1.8	2.8
Risk free interest rate	2.17%	2.17%
Expiry date	31/3/2019	31/3/2020

As referred to in note 20 (a) and (b) above, the fair values of the unlisted share options granted during the year have been measured based on the binomial option pricing model. Measurement inputs to option pricing models include share price on grant date, exercise price of the instrument, expected volatility, weighted average expected life of the instruments, expected dividends, and the risk-free interest rate. The expected volatility is determined based on historical volatility of the Company's share price over a period of time determined with reference to the option life. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

### 21. Financial risk management and financial instruments

#### (i) Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, or issue new shares. The Group's focus has been to raise sufficient funds through equity to fund exploration and evaluation activities.

There were no changes in the Group's approach to capital management during the period. Risk management policies and procedures are established with regular monitoring and reporting.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.



# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 21. Financial risk management and financial instruments (continued)

#### (ii) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Group's receivables and cash balances. The Group manages credit risk by investing surplus cash with a reputable Australian bank.

Management monitors the exposure to credit risk on an ongoing basis. The Company does not require collateral in respect of financial assets.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	Carrying Amount	
	2017 \$	2016 \$
Cash and Cash equivalents	3,289,929	258,846
Restricted bank cash deposits classified as other receivables	866,000	866,000
Trade and other receivables	161,143	22,751
	<b>4,317,072</b>	<b>1,147,597</b>

#### (iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Liquidity risk is managed through regular reviews of the Groups cash position and forecast future expenditures.

The following are the contractual maturities of financial liabilities:

Financial liabilities Group	Carrying amount \$(1)	Contractual cash flows \$(1)	Less than one year	Amounts are due and payable			
				1-2 years	2-3 years	3-4 years	4-5 years
<b>2017</b>							
Trade and other payables	2,754,419	(2,836,768)	(597,431)	(483,881)	(1,040,042)	(715,414)	-
	<b>2,754,419</b>						
<b>2016</b>							
Trade and other payables	2,921,150	(2,965,463)	(293,854)	(315,024)	(538,648)	(1,077,296)	(740,641)
	<b>2,921,150</b>						

<sup>(1)</sup> The difference between the carrying amount and contractual cash flows is due to the impact of discounting contractual cash flows to present value. The majority of contractual cash flows are denominated in USD. Refer to note 21(iv) for details of foreign currency exposure.

#### Contingent funding arrangements

Under Phase II of the Cartesian Financing Package, in exchange for \$US 19,000,000 it is intended that White Rock will deliver to CRH a gold stream of 20% of gold equivalent (cash, gold or gold credits, to be chosen at CRH's election) produced at the Mt Carrington Project over a period of 84 months, subject to minimum delivery requirement of 40,000 ounces of gold equivalent. It is anticipated that the minimum delivery requirement may be adjusted on a pro-rata basis depending on whether a higher or lower stream investment is required pursuant to the definitive feasibility study.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 21. Financial risk management and financial instruments (continued)

#### (iii) Liquidity risk (continued)

It is intended that White Rock will also grant CRH a Net Smelter Return royalty of 1.75% of all gold and silver production from the Mt Carrington tenements once the Phase II gold delivery minimum of 40,000 ounces gold equivalent has been repaid.

Phase II is subject to a number of conditions including:

- successful completion of the definitive feasibility study on Mt Carrington, environmental impact statement and full permitting;
- White Rocks decision to proceed with the construction of the Mt Carrington Project and draw on the Phase II streaming investment;
- satisfactory completion of due diligence by CRH;
- acceptance of mine plan and capital expenditure included in the definitive feasibility study by CRH;
- White Rock securing access to grid power for 100% of the project power needs; and
- negotiation and execution of definitive documentation for the Phase II transactions.

If the Phase II investment proceeds, it is intended that:

- White Rock will agree to pay CRH an establishment fee of 3% of the total Phase II investment amount (which at White Rocks election may be satisfied by the issue of White Rock shares); and
- the Phase II investment will be secured against White Rock and its interests in the Mt Carrington Project for the duration of the streaming investment (subject to any ASX or other regulatory requirements or restrictions).

In the event that White Rock materially breaches its exclusivity obligations, or receives alternative funding for the construction of the Mt Carrington project, White Rock will be required to pay CRH a break fee of US \$1,500,000.

#### (iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or amounts to be paid or received arising from its financial obligations. The Group's objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group's exposure to market risk relates primarily to foreign exchange rates applicable to the Group's foreign currency denominated obligations recognised in the balance sheet.

Foreign exchange risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The primary foreign currency exposure is to the USD.

The Group manages its exposure in respect of US dollar denominated liabilities in the short to medium term by holding cash in US dollars. Long term obligations denominated in US dollars remain fully exposed to movements in the AUD against USD.

Management monitors the exposure to foreign exchange risk on an ongoing basis by regularly reviewing forward foreign exchange rates applicable to its foreign currency denominated obligations.

The Group's exposure to assets and liabilities to US dollars at 30 June 2017 is set out below (Australian dollar equivalents):

	30 June 2017	30 June 2016
Reported exchange rate	0.77	0.74
Cash	325,013	-
Trade and other receivables	-	-
Trade and other payables	(2,221,604)	(2,695,342)
<b>Total exposure</b>	<b>(1,896,591)</b>	<b>(2,695,342)</b>

The table below shows the effect on profit after income tax expense and total equity from USD currency exposures, had the rates been 10% higher or lower than the year end rate. Whilst directors cannot predict movements in foreign exchange rates, a sensitivity of 10% is considered reasonable taking in to account the current level of exchange rates and the volatility observed on a historical basis.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 21. Financial risk management and financial instruments (continued)

#### (iv) Market risk (continued)

	30 June 2017		30 June 2016	
	Increase/(Decrease) in profit after income tax	Increase/(Decrease) in Equity	Increase/(Decrease) in profit after income tax	Increase/(Decrease) in Equity
Foreign exchange rates - 10%	(210,732)	(210,732)	(299,482)	(299,482)
Foreign exchange rates + 10%	172,417	172,417	245,031	245,031

The Group also has exposure to market risk relating to interest rates applicable to the Group's cash and cash equivalents and restricted deposits. The Group's restricted deposits are held in term deposits which mature in less than 6 months with fixed interest rates. The term deposits are recognised at amortised cost and therefore not subject to interest rate risk. The effect of changes in interest rates at 30 June 2017 would not have a significant impact on the Group's financial results as largely all cash deposits have fixed interest rate terms.

At balance date, the Group has no financial liabilities exposed to variable interest rate risks.

#### (v) Impairment losses

None of the Group's receivables are past due.

#### (vi) Fair value

The financial assets and financial liabilities included in assets and liabilities approximate their fair values. The fair value of financial liabilities is determined using a discounted cash flow.

### 22. Commitments

#### (i) Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet minimum expenditure requirements associated with maintaining right to tenure. These obligations are expected to be fulfilled in the normal course of operations. Mining interests may be relinquished or joint ventured to reduce this amount. The various State governments have the authority to defer, waive or amend the minimum expenditure requirements.

Exploration expenditure commitments	2017 \$	2016 \$
<b>Mount Carrington</b>		
Not later than one year	773,500	818,500
Later than one year but not later than five years	3,094,000	3,274,000

In addition to the Mt Carrington commitments disclosed above, the Group has minimum expenditure requirements in respect of the Red Mountain tenements acquired during the year. As at 30 June 2017 the Group has recorded a liability associated with future exploration expenditure obligations at Red Mountain which arose as a result of the terms of the acquisition (refer to note 9 and 11). The liability recorded is in excess of the minimum expenditure required by the Alaska Department of Natural Resources and thus no commitment in excess of this amount is recognised.

#### (ii) Capital commitments

The Group does not have any material commitments to acquire property, plant and equipment at balance date.

#### (iii) Operating lease commitments

The Group leases office facilities under an operating lease, the lease agreement currently runs for a period of one year. The current lease agreement runs until June 2018.

Future minimum lease payments	2017 \$	2016 \$
Less than one year	29,557	29,557
Between one and five years	-	-
More than five years	-	-

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 23. Contingencies

The Directors are of the opinion that there are no matters for which further provision is required in relation to any contingencies, as it is not probable that a future sacrifice of economic benefit will be required or the amount is not capable of reliable measurement.

The Group's bankers have provided guarantees amounting to \$866,000 (2016: \$866,000) to certain government bodies as security over the Group's performance of rehabilitation obligations on certain tenements. Under the agreement, the Group has indemnified the bank in relation to these guarantees. The guarantees are backed by collateral deposits amounting to \$866,000 as at 30 June 2017 (2016: \$866,000). Provision for such environmental rehabilitation activities recorded by the Group are set out in note 12.

### 24. Key management personnel disclosures

The key management personnel compensation included in "Employee Benefits Expenses" (see note 16), "Contactor Labour Expenses" (see note 15) and "Exploration and Evaluation" (see note 9) are as follows:

	2017 \$	2016 \$
Short term employee benefits	646,682	398,695
Post-employment benefits	60,101	39,952
Options/Share based payments	-	45,500
Other long term benefits	-	(4,151)
	<b>706,783</b>	<b>479,996</b>

#### (a) Key management personnel compensation disclosures

Information regarding individual Directors and Executives compensation and some equity instrument disclosures as permitted by Corporation Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report on pages 23 to 28.

### 25. Related parties

#### (a) Identity of related parties

The Company has a related party relationship with its subsidiaries (see note 26) and with its key management personnel (see note 24).

#### (b) Key management personnel and director transactions

A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or joint control over these companies.

A number of these companies transacted with the Group during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related companies on an arm's length basis.

At 30 June 2017 the Company had the following outstanding balances payable for fees for services provided by key management personnel during the year ended 30 June 2017:

- Mr Matthew Gill \$32,850
- Mr Rohan Worland \$26,370

The outstanding balances are not secured and will be settled in cash.

Jeremy Gray was appointed as a Non-Executive Director on 5 May 2017. Jeremy is also the Managing Partner of Cartesian Royalty Holdings Pte Ltd and was involved in the Cartesian Royalty Financing Package agreement entered into on 19 July 2016 referred to in note 21(iii). The agreement was on an arm's length basis and there have been no further transactions with Cartesian Royalty Holdings Pte Ltd since Jeremy was appointed as a Non-Executive Director of White Rock Minerals Ltd.

### 26. Group entities

	Country of Incorporation	Ownership Interest	
		2017	2016
<b>Parent entity</b>			
White Rock Minerals Ltd	Australia		
<b>Subsidiaries</b>			
White Rock (MTC) Pty Ltd	Australia	100%	100%
White Rock (New England) Pty Ltd	Australia	100%	100%
Atlas Resources Pty Ltd	Australia	100%	100%
White Rock (RM) Inc	United States of America	100%	100%

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 27. Parent entity disclosures

As at, and throughout, the year ending 30 June 2017 the parent company of the Group was White Rock Minerals Ltd.

	2017 \$	2016 \$
<b>Result of the parent entity</b>		
Loss for the period	(3,696,734)	(1,671,960)
Other comprehensive income	-	-
Total comprehensive loss for the period	(3,696,734)	(1,671,960)
<b>Financial position of the parent entity at year end</b>		
Current assets	4,364,732	1,165,987
<b>Total assets</b>	<b>13,401,732</b>	<b>10,327,960</b>
Current liabilities	552,492	236,152
<b>Total liabilities</b>	<b>559,605</b>	<b>242,011</b>
<b>Total equity of the parent entity comprising of:</b>		
Share capital	41,552,890	35,162,671
Reserves	306,443	265,677
Accumulated losses	(29,017,206)	(25,342,399)
<b>Total equity</b>	<b>12,842,127</b>	<b>10,085,949</b>

Loss for the 2017 period of the parent Company of the Group includes write-down of investments in and loans to subsidiaries of \$2,395,527 (2016: \$423,652).

Loans are made by the Company to its wholly owned subsidiaries. Loans outstanding between the Company and its subsidiaries have no fixed date of repayment but are repayable at call, and are non-interest bearing. As at 30 June 2017, such loans totalled \$14,434,758 (2016: \$11,743,177). At 30 June 2017 the parent Company of the Group has recorded a provision of \$13,981,588 (2016: \$11,586,061) against loans outstanding from its subsidiaries.

#### Parent entity contingent liabilities

The Directors of the Company are of the opinion that there are no matters for which provision is required in the books of the Company in relation to any contingencies, as it is not probable that a future sacrifice of economic benefit will be required. Note 23 contains details of Group contingent liabilities.

#### Parent entity commitments

The Company does not have any commitments outstanding for capital expenditure at period end.

### 28. Deed of cross guarantee

On 1 June 2016 the Company entered into a Deed of Cross Guarantee with its 100% owned Australian subsidiary White Rock (MTC) Pty Ltd. The Deed of Cross Guarantee when effected provides a guarantee by the Company over the liabilities of the White Rock (MTC) Pty Ltd. The Deed of Cross Guarantee was not in effect as at 30 June 2017 and does not take effect until the Deed is submitted by the Holding Entity (White Rock Minerals Ltd) to the Australian Securities and Investments Commission (ASIC). Subsequent to 30 June 2017 and up to the date of this report the Deed of Cross Guarantee together with other required certificates have not been lodged with ASIC.

### 29. Auditors' remuneration

	2017 \$	2016 \$
<b>Auditors of the company - KPMG Australia</b>		
Audit and review of financial statements	32,500	30,000
Other services	-	-

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2017

### 30. Subsequent events

#### *Proposed issue of options to Managing Director and Chief Executive Officer*

The Board of White Rock announced on 11 July 2017 that it had determined, subject to Shareholder approval, to issue the following unlisted Options to its Managing Director and Chief Executive Officer, Mr Matthew Gill.

The terms of the Options are as follows:

- 1,500,000 vesting immediately, with an exercise price of \$0.02, expiring 5 June 2020;
- 1,500,000 vesting 1 June 2018, with an exercise price of \$0.02, expiring 31 May 2021; and
- 1,500,000 vesting 1 June 2019, with an exercise price of \$0.02, expiring 31 May 2022.

#### *Proposed issue of options to Corporate and Financial Advisory Services Consultant*

The Group of White Rock entered into a mandate with a Corporate and Financial Advisory Services Consultant on 28 July 2017, which includes, subject to Shareholder approval, an issue of unlisted options.

The terms of the Options are as follows:

- 3,000,000 vesting immediately, with an exercise price of \$0.04, expiring 2 years from issue; and
- 3,000,000 vesting immediately, with an exercise price of \$0.06, expiring 3 years from issue.

The issue of the above Options is conditional on the approval of Shareholders, with such approval to be obtained at the next annual general meeting of the Company.

Other than the events described above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

## White Rock Minerals Ltd

### Directors' declaration

- 1 In the opinion of the directors of White Rock Minerals Ltd ("the Company"):
  - (a) the consolidated financial statements and notes and the Remuneration report, identified within the Directors' report, are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
  - (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.
- 2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2017.
- 3 The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Dated at Melbourne this 28<sup>th</sup> day of September 2017

Signed in accordance with a resolution of the Directors:



Brian Phillips  
Chairman





## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of White Rock Minerals Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of White Rock Minerals Ltd for the financial year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Gordon Sangster  
*Partner*  
Melbourne  
28 September 2017



# Independent Auditor's Report

To the shareholders of White Rock Minerals Ltd,

## Report on the audit of the Financial Report

### Opinion

We have audited the **Financial Report** of White Rock Minerals Ltd (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

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

The **Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2017;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with the Code.

### Material uncertainty related to going concern

We draw attention to Note 2(b), "Basis of measurement" in the Financial Report.

The conditions set forth in Note 2(b) indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Financial Report. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- reading minutes of meetings of the board of Directors and correspondence with the Group's advisors and potential investors to evaluate the feasibility, quantum and timing of additional fund raising opportunities in particular with reference to Group's history of raising funds;
- evaluating the underlying data used to generate the cash flow projections for consistency with other information tested by us and our understanding of the Group's intentions;
- analysing cash flow projections by assessing planned levels of expenditure for consistency of relationships and trends to the Group's historical results, results since year end, the Group's planned activities and our understanding of the business, industry and economic conditions impacting the Group;
- comparing the forecast minimum expenditure levels for the Group to maintain operations in the event funding referred to in Note 2(b) does not eventuate to cash balances at period end and subsequent to period end up to the date of the Auditor's Report; and
- evaluating the Group's going concern disclosures in the Financial Report by comparing them to our understanding of the circumstances, the events or conditions incorporated into the cash flow projection assessment, the Group's plan to address those conditions, and accounting standard requirements. We specifically focused on the principle matters giving rise to the material uncertainty.

## 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 matter described below to be the Key Audit Matter.

### Carrying value of exploration and evaluation assets at Mount Carrington \$9,528,127 (2016: \$9,876,686)

Refer to Note 9 to the Financial Report

The Key Audit Matter	How the matter was addressed in our audit
<p>The carrying value of exploration and evaluation assets for the Mount Carrington area of interest is a Key Audit Matter due to:</p> <ul style="list-style-type: none"> <li>• the significance of the activity to the Group's business and the carrying value being approximately 50% of total Group assets;</li> <li>• the judgement applied by the Group in applying the fair value less costs to dispose valuation technique to estimate the value of the Mount Carrington area of interest. In particular the judgement we exercised in evaluating the consistency of this valuation technique to industry practice and techniques required by accounting standards; and</li> <li>• the judgement we applied in evaluating the other sources of information relevant to valuation of the area of interest including the Group's internal valuations, broker valuations and previous offers to purchase the area of interest.</li> </ul>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• evaluating the scope, objectivity and competence of the Group's external expert engaged to value the area of interest;</li> <li>• reading the Group's external expert's report to check consistency of the valuation technique applied with accounting standards and industry practice;</li> <li>• challenging the Group's valuation of the Mount Carrington area of interest for consistency with: <ul style="list-style-type: none"> <li>◦ the range of valuations ascribed for Mount Carrington by brokers from publicly available brokers report's;</li> <li>◦ previous offers to purchase the asset and our understanding of industry trends since, previous valuation reports prepared for the Group by its external valuation experts; and</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ internal cash flow models prepared by the Group under a number of scenarios.</li> <li>● recalculating the impairment charge against the recorded amounts disclosed and comparing to the Group's accounting policy; and</li> <li>● assessing the disclosures in the Financial Report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.</li> </ul>
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## Other Information

Other Information is financial and non-financial information in White Rock Minerals Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 objective is:

- 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. They 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.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_files/ar2.pdf](http://www.auasb.gov.au/auditors_files/ar2.pdf). This description forms part of our Auditor's Report.

## Report on the Remuneration Report

### Opinion

In our opinion, the Remuneration Report of White Rock Minerals Ltd for the year ended 30 June 2017, complies with *Section 300A* of the *Corporations Act 2001*.

### Directors' 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 responsibilities

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2017.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Gordon Sangster  
Partner  
Melbourne  
28 September 2017

## White Rock Minerals Ltd

### Additional shareholder information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below.

#### a) Substantial shareholders of the Company as at 13 September 2017

Name of Ordinary Shareholder	Number of Shares	% of Shares Held
HSBC Custody Nom Aust Ltd	128,916,712	14.81%
Avalon Ventures Corporation	80,000,000	9.19%
Citicorp Nom Pty Ltd	70,024,273	8.04%
Suetone Pty Ltd	46,488,043	5.34%

#### b) Listing of 20 largest shareholders as at 13 September 2017

Rank	Name	Designation	Number of Shares Held	% of Issued Capital
1	HSBC Custody Nom Aust Ltd		128,916,712	14.81%
2	Avalon Ventures Corporation		80,000,000	9.19%
3	Citicorp Nom Pty Ltd		70,024,273	8.04%
4	Suetone Pty Ltd	AK Shadforth Fam A/C	46,488,043	5.34%
5	Greenstone Property Pty Ltd		31,196,968	3.58%
6	Vanmar Holdings PL	Vanmar Fam A/C	25,543,441	2.93%
7	Lion Capital Advisory Pty Ltd		15,095,089	1.73%
8	Danny Stephens Inv Pty Ltd	Danny Stephens Fam A	13,333,333	1.53%
9	Sancoast Pty Ltd		11,000,000	1.26%
10	Martin Alan + Spuy MV	Van Der Spuy S/F A/C	9,655,588	1.11%
11	Shadsuper Pty Ltd	Shad S/F A/C	9,150,000	1.05%
12	Whitehouse D + Shadforth	AK Shadforth Inv	8,200,000	0.94%
13	Krisami Inv Pty Ltd		8,000,000	0.92%
14	Superfos Pty Ltd	Foster Fam S/F A/C	8,000,000	0.92%
15	Stirhill Inv Pty Ltd	Stirhill Inv A/C	6,818,181	0.78%
16	Anamas Nom Holdings Pty Ltd	Anamas Fam A/C	6,666,667	0.77%
17	Boman Asset Pty Ltd		6,666,666	0.77%
18	G & J Romaniotis		6,031,268	0.69%
19	Titeline Services P/L		6,000,000	0.69%
20	Nepean Eng Super Fund P/L		5,236,842	0.60%
<b>Total</b>			<b>502,023,071</b>	<b>57.65%</b>

#### c) Distribution of shareholders as at 13 September 2017

Range	Total Holders	Units	% of Issued Capital
1-1,000	467	180,339	0.02%
1,001-5,000	421	1,064,938	0.12%
5,001-10,000	197	1,530,143	0.18%
10,001-100,000	675	29,966,149	3.44%
100,001 - over	493	837,901,127	96.24%
<b>Total</b>	<b>2,253</b>	<b>870,642,696</b>	<b>100.00%</b>

#### d) Number of shareholders holding less than a marketable parcel as at 13 September 2017

695

#### e) Voting rights

On a show of hands every shareholder of fully paid ordinary shares present in person or by proxy shall have one vote and upon a poll, each share shall have one vote.

#### f) Stock exchange listing

White Rock Minerals Ltd is listed on the Australian Stock Exchange. The Company's ASX code is WRM.