

ASX Release: 30 January 2019

Quarterly Activities Report - for the Quarter ended 31 December 2018

ASX Code: WRM

Issued Securities

Shares: 1,636 million
Options: 570 million

Cash on hand (31 Dec 2018)
\$1.5M

Market Cap (as at 29 Jan 2019)
\$9.8M at \$0.006 per share

Directors & Management

Peter Lester
Non-Executive Chairman

Matthew Gill
Managing Director &
Chief Executive Officer

Ian Smith
Non-Executive Director

Jeremy Gray
Non-Executive Director

Stephen Gorenstein
Non-Executive Director

Rohan Worland
Exploration Manager

Shane Turner
CFO & Company Secretary

For further information contact:
Matthew Gill or Shane Turner
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Red Mountain high-grade zinc and precious metals project

Red Mountain is a 100% owned globally significant¹ zinc-rich volcanogenic massive sulphide ("VMS") project located in central Alaska, USA, with two already identified deposits (Dry Creek and West Tundra Flats) providing White Rock with a Maiden Resource² base of **16.7Mt at 8.9% ZnEq³** including a high-grade component of **9.1Mt @ 12.9% ZnEq³**, and newly discovered massive sulphide mineralisation at the Hunter prospect⁴.

During the Quarter, several significant events impacted positively on the future exploration potential for the Red Mountain Project. These included:

- Sandfire Resources NL (ASX:SFR) exercised its option to enter into a Joint Venture Agreement⁵ over the Red Mountain Project, which once signed, would see funds committed with Stage One of this JV being a minimum of A\$20M spent on the project over the first four years. For Year One (the 2019 field season), the funding requirement would be a minimum of A\$6M. This is a great endorsement of White Rock's view of the project's quality and potential.
- Expansion of the tenement package⁶ with an area of **475km²** now secured over the Bonnifield Mining District and additional prospective footwall stratigraphy, plus a number of additional historic VMS mineral occurrences not yet explored with modern techniques.
- Identification of 9 high priority geochemical anomalies⁷ from a detailed regional stream sediment program across the core area of prospectivity centred on the Bonnifield East syncline with particular emphasis on two distinct anomaly clusters; west of the known mineralisation at Dry Creek (the southern limb of the Bonnifield syncline) and in the Glacier Creek area with strong sulphide footwall alteration on the northern limb of the Bonnifield syncline. Strong base metal anomalism up to 1.1% zinc in streams indicates high prospectivity for outcropping massive sulphides.

Mt Carrington gold and silver project

Mt Carrington is a 100% owned advanced gold-silver epithermal project located in northern NSW, Australia, with a 2017 Pre-Feasibility Study (PFS) into the "Gold First" development stage declaring a Maiden Ore Reserve of 3.47 million tonnes at 1.4g/t gold for 159,000 ounces gold⁸ within a resource of 241,000 ounces of gold and 23 million ounces of silver⁹.

During the Quarter the Company continued to explore avenues to advance the Mt Carrington Project with interested parties.

Corporate

During the Quarter Mr Peter Lester was appointed Non-Executive Chairman following the resignation of Mr Brian Phillips. Mr Stephen Gorenstein was also appointed to the Board as a Non-Executive Director.

Red Mountain Zinc-Silver-Lead-Gold VMS Project

Sandfire Resources NL ("Sandfire") to Earn-In

During the Quarter, Sandfire exercised its option under the subscription agreement announced to ASX on 10 July 2018 (Subscription Agreement) to enter into a Joint Venture Agreement with White Rock (Joint Venture) regarding White Rock's Red Mountain Project in central Alaska.

White Rock commenced a strategic relationship with Sandfire in July 2018 in relation to its Red Mountain Project. In addition to the \$2.5 million equity contribution under the Subscription Agreement, Sandfire has also previously provided an unsecured \$1 million convertible loan to White Rock (*refer to White Rock's ASX announcement dated 22 August 2018*).

The Joint Venture will enable White Rock to benefit from Sandfire's significant technical expertise to develop the Red Mountain Project as well as further strategic support as the Company moves to unlock the potential from its large strategic land holding.

Under the terms of the Subscription Agreement, the parties must use their best endeavours to negotiate the terms of the Joint Venture within 3 months of exercising its option, using an AMPLA (Australian Mining and Petroleum Law Association) model document and the following as the guiding principles for the content of the Joint Venture:

Stage 1: Sandfire to fund a total of A\$20 million over four years to earn 51%, with a minimum expenditure by Sandfire of A\$6 million in Year One.

Stage 2: Sandfire to fund a further A\$10 million and deliver a pre-feasibility study (**PFS**) over an additional two years to earn 70%, which may be extended by Sandfire for a further year in certain circumstances.

Stage 3: White Rock may elect to contribute to the Joint Venture. If White Rock elects not to contribute, Sandfire can sole fund Stage 3 to earn 80% by completion of a definitive feasibility study.

Stage 4: White Rock may elect to contribute to the Joint Venture. If White Rock elects not to contribute, Sandfire will earn 90% and White Rock's 10% interest will be earned from project cash flow.

Project Management: White Rock is entitled to continue managing the project for at least the first year of the earn-in and to be paid a management fee equal to 10% above all project expenses, with 50% of the fee to be paid on signing of the Joint Venture and the balance to be paid in 3 equal instalments (each instalment representing 16.67% of the management fee) on a quarterly basis thereafter. Ongoing management responsibility of the project will be subject to annual review and after the first year will be at Sandfire's election.

The parties have commenced negotiation of the Joint Venture Agreement.

White Rock has also received confirmation from ASX that the entry into the Joint Venture does not require shareholder approval for the purposes of Listing Rule 10.1.

Sandfire is a leading mid-tier Australian mining company focused on discovering, developing and operating high quality resource assets capable of delivering substantial returns for its shareholders. Sandfire is a leading Australian copper producer which operates the high-grade DeGrussa Copper-Gold Mine, 900 km north of Perth in Western Australia. Sandfire has a growing portfolio of exploration interests and joint ventures in highly prospective mineral provinces around Australia and overseas.

Tenement Expansion

During the Quarter White Rock more than tripled the area of its highly prospective Red Mountain project through the staking of an additional 524 new State of Alaska Mining Claims and Mineral Locations.

The expansion of the tenement package follows a successful first year of field activities for White Rock where drilling intersected multiple high-grade intervals of zinc-silver-lead-gold-copper mineralisation at Dry Creek, West Tundra and the newly discovered Hunter prospect (*ASX Announcements dated 18 June 2018, 4 July 2018 and 20 August 2018*). With some drill hole results returning in excess of **17% zinc, 6% lead, 1,000 g/t silver, 6 g/t gold and 1.5% copper**, the 2018 field season also saw three reconnaissance crews out in the field mapping and sampling. The culmination of this work encouraged White Rock to expand its strategic tenement holding to take in more of what has been identified as a highly prospective geological setting.

White Rock moved to secure the additional prospective areas in consultation with its strategic partner, Sandfire.

The majority of the expanded tenement area forms a contiguous block of mining claims that now extend the Red Mountain project over a larger area of the Bonnifield Mining district, to the west along strike and south into the prospective footwall stratigraphy identified as containing multiple VMS prospective time horizons. The new claim areas will allow White Rock to systematically explore what is now held to be a highly prospective regional stratigraphic setting capable of hosting multiple high-grade zinc-rich polymetallic VMS deposits.

White Rock also staked claims over a number of additional VMS mineral occurrences including at Anderson Mountain, Virginia Creek, West Fork, Peaches, Keevy Peak, Kenny, Sheep Creek and Surprise Creek. These prospects have been the subject of past exploration with VMS characteristics identified from mapping, rock chip sampling and in some cases drilling.

The Red Mountain project now comprises 760 State of Alaska Mining Claims and Mineral Locations, with the total area now controlled totalling 475km² (Figure 1).

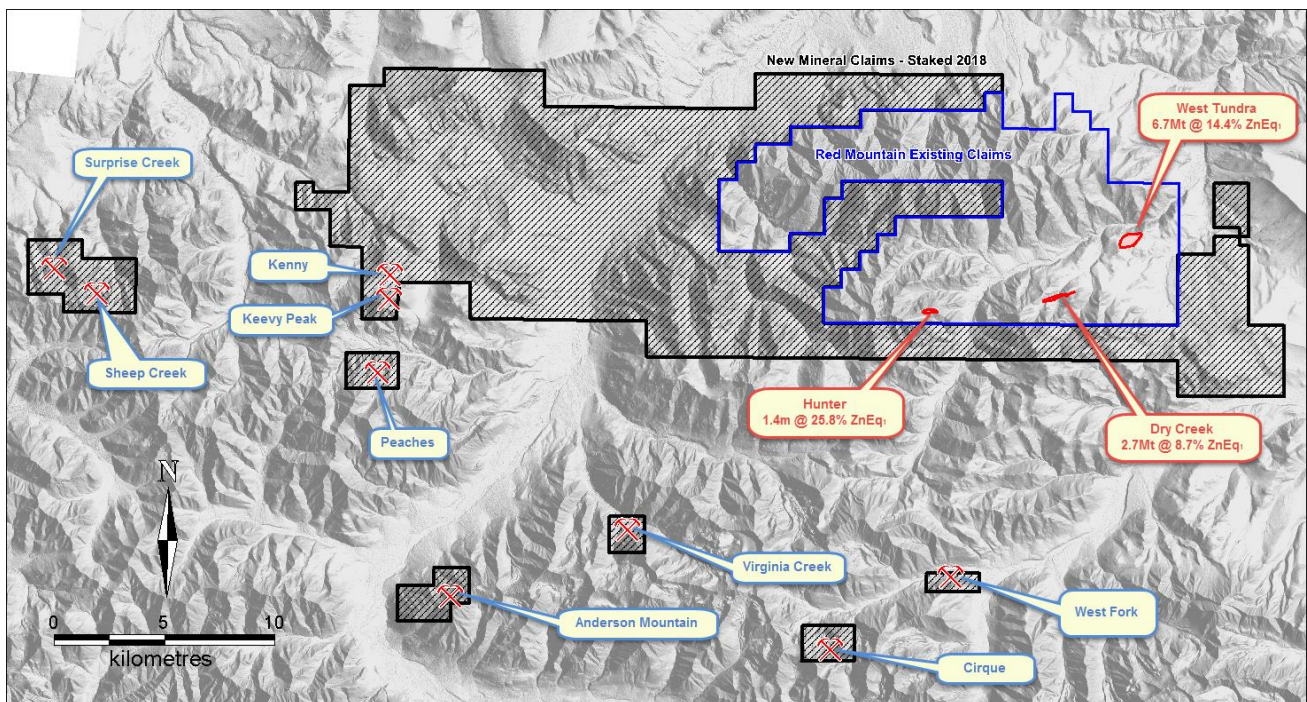


Figure 1: Red Mountain Project tenement outline on terrain map with locations for the Dry Creek and West Tundra Flats VMS deposit Mineral Resources², the new discovery at the Hunter Prospect and outlier VMS prospects.

Highly Prospective Stream Geochemical Anomalies

During the Quarter, White Rock announced that it had identified a number of high priority geochemical anomalies within the Red Mountain Project area.

White Rock completed a detailed regional stream sediment program over prospective stratigraphy within the Red Mountain project area. This part of the comprehensive 2018 exploration program was optimised based on the geochemical orientation survey completed across known mineralisation at Dry Creek. This “calibration” provided a geochemical signature of base metal and precious metal elements together with other pathfinders to use for future exploration of the VMS prospective stratigraphy on both the northern and southern limbs of the regional Bonnifield syncline.

This 2018 reconnaissance program identified a number of extensive alteration features for future exploration. Some of these extend on surface for several kilometres of strike. The results from the regional stream sampling program have successfully highlighted 9 priority anomalies within the area of alteration (Figure 2), providing areas for immediate focus through follow-up ground reconnaissance, surface sampling and the application of electrical geophysics prior to drill targeting.

The significance of some of the geochemical anomalies is illustrated by the tenor of anomalism with one stream sample returning 1.1% Zn in an area towards the top of the VMS prospective stratigraphy to the west of the Dry Creek deposit. No previous exploration has prospected the immediate catchment area indicating how prospective the immediate surrounds remain.

In addition, the area of the northern limb known as Glacier Creek displays footwall sulphide alteration that extends for over 10km of strike. The stream sediment survey has identified 4 discrete high priority targets within the area of alteration. Follow-up work will now be able to focus on these discrete areas of anomalism to enable rapid advancement to drill testing in 2019.

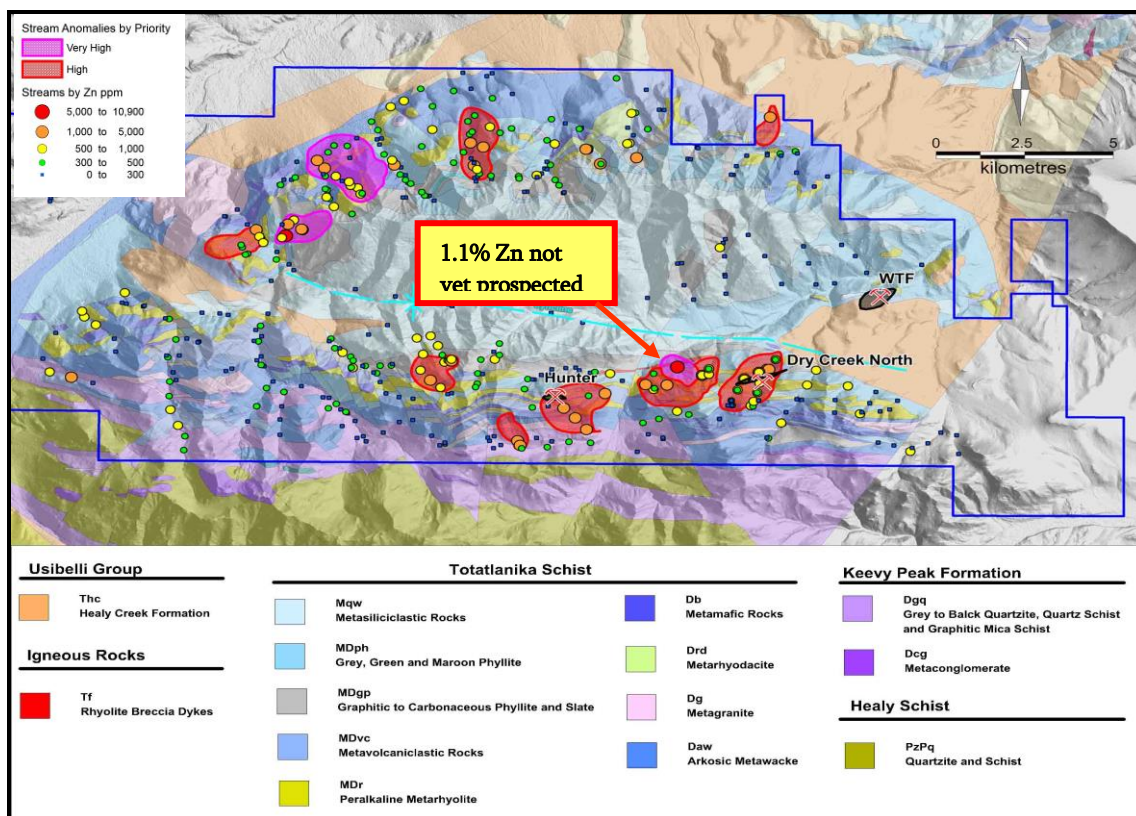


Figure 2: Location of high priority stream sediment geochemical anomalies on the DGGS geology map (after Freeman et al., 2016) and terrain surface with locations for the Dry Creek and West Tundra Flats VMS deposits, and the recent Hunter VMS discovery.

Mt. Carrington Gold – Silver Project Pre-Feasibility Study

The Company reported the key outcomes from the Pre-Feasibility Study (PFS) into the “Gold First” development of its 100% owned Mt Carrington gold and silver project, located in northern New South Wales in late December 2017. This included the reporting of a maiden JORC Reserve for the Gold First part of the mine plan.

The PFS confirmed the technical and financial viability of the initial project development and provides a very strong rationale to advance the project through a Definitive Feasibility Study (DFS) towards development.

The silver dominant Mineral Resource, containing some 8.3M ounces in the Indicated category (*refer ASX announcements 13 February 2012 & 20 November 2013*) is to be the subject of further mineralogy studies, metallurgical test work and concentrate sales discussions. Mining of these silver resources constitutes Stage Two of the Mt Carrington project.

The Company continued to collect the necessary environmental baseline data during the quarter and conducted its regular environmental management tasks necessary to keep the tenements in good standing and the site’s environmental management and security obligations met.

The Company has received several enquiries from parties interested in possible participation in advancing the Mt Carrington project. Site visits and access to our on-line data room have been arranged for interested parties.

CORPORATE

On 9 November 2018 it was announced that Mr Brian Phillips was intending to step down as Chairman by the end of the calendar year and he would be replaced by Mr Peter Lester. This change occurred on 31 December 2018.

On 17 December 2018 the appointment of Mr Stephen Gorenstein as a Non-Executive Director was announced. Mr Gorenstein has more than 15 years in capital markets including equity analyst roles at both Goldman Sachs JB Were and Bank of America Merrill Lynch. He also has extensive experience in mining business development and mergers and acquisitions. He serves as a Director and Partner of Jindalee Partners and has been a Non-Executive Director of Parazero Ltd since October 2018.

White Rock Minerals Ltd Tenement schedule for the quarter ended 31 December 2018

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 ²
USA/Alaska	Red Mountain	ADL611355, ADL611356, ADL611362, ADL611364, ADL611366, ADL611371, ADL621625-621738 (114), ADL623325-623330 (6), ADL623337-623342 (6), ADL624104-624627 (524), ADL721002-721010 (9), ADL721029-721038 (10), ADL721533-721615 (83), ADL721624, ADL721625	475km ²

Table 1: Tenement 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 comprises 760 Mining Claims. All tenements are held 100% by White Rock (RM) Inc., a wholly owned subsidiary of White Rock Minerals Ltd. The Red Mountain Project is subject to an Option for Earn-in and Joint Venture Agreement with Sandfire Resources NL (refer ASX Announcement 10th July 2018).

At Red Mountain 530 Mining Claims were acquired during the quarter. No other mining or exploration tenements were acquired or disposed of during the quarter.

¹ Refer ASX Announcement dated 26 September 2017 "White Rock Minerals Independent Research Report".

² Refer ASX Announcement 26th April 2017 "Maiden JORC Mineral Resource, Red Mountain".

³ $ZnEq = \text{Zinc equivalent grades are estimated using long-term broker consensus estimates compiled by RFC Ambrian as at 20 March 2017 adjusted for recoveries from historical metallurgical test work and calculated with the formula: } ZnEq = 100 \times [(Zn\% \times 2,206.7 \times 0.9) + (Pb\% \times 1,922 \times 0.75) + (Cu\% \times 6,274 \times 0.70) + (Ag \text{ g/t} \times (19.68/31.1035) \times 0.70) + (Au \text{ g/t} \times (1,227/31.1035) \times 0.80)] / (2,206.7 \times 0.9)$. White Rock is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.

⁴ Refer ASX Announcement 20th August 2018 "High Grade Zinc Discovery at the Hunter Prospect, Red Mountain".

⁵ Refer ASX Announcement 27th December 2018 "Sandfire Exercises Option to Enter Joint Venture on Red Mountain".

⁶ Refer ASX Announcement 21st November 2018 "Expanded Land Holding with Additional High-Grade VMS Prospects, Red Mountain".

⁷ Refer ASX Announcement 4th December 2018 "New Geochemical Anomalies Associated with VMS Alteration, Red Mountain".

⁸ Refer ASX Announcement 27th December 2017 "White Rock's Mt Carrington gold - silver Project Pre-Feasibility Study Stage One".

⁹ Refer ASX Announcement 9th October 2017 "Improved Gold Resources at Mt Carrington Gold-Silver Project."

REFERENCES

Freeman, L. K., Newberry, R. J., Werdon, M. B., Szumigala, D. J., Andrew, J. E. & Athey, J. E., 2016. Preliminary Digital Bedrock Geological Map Data of the Eastern Bonfield Mining District, Fairbanks and Healy Quadrangles, Alaska. Alaska Division of Geological & Geophysical Surveys Preliminary Interpretative Report 2016-03, 8p.

Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Mr Rohan Worland who is a Member of the Australian Institute of Geoscientists and is a consultant to White Rock Minerals Ltd. Mr Worland has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Worland consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

No New Information or Data

This announcement contains references to exploration results, Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, 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. In the case of Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, all material assumptions and technical parameters underpinning the estimates, production targets and forecast financial information derived from the production targets contained in the relevant market announcement continue to apply and have not materially changed.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

WHITE ROCK MINERALS LTD

ABN

64 142 809 970

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(440)	(4,341)
(b) development	(10)	(22)
(c) production		
(d) staff costs	(136)	(284)
(e) administration and corporate costs	(374)	(706)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	25
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(946)	(5,328)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(40)	(61)
(b) tenements (see item 10)	(101)	(101)
(c) investments/government bonds		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(141)	(162)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		4,214
3.2	Proceeds from issue of convertible notes		1,000
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		(158)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	0	5,056

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,633	1,980
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(946)	(5,328)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(141)	(162)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	0	5,056
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,546	1,546

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,546	2,633
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,546	2,633

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
136
Nil

Remuneration to Directors

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
Nil
Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,000	1,000
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Unsecured Convertible Loan from Sandfire Resources NL – refer ASX announcement 22 August 2018.


9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	190
9.2 Development	20
9.3 Production	
9.4 Staff costs	140
9.5 Administration and corporate costs	250
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	600

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	ADL624104 To ADL624627	Red Mountain Project Alaska, United States of America 524 Mining Claims	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:


(Company secretary)

Date: 30 JANUARY 2019

Print name: SHANE TURNER

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.