20 July 2023

ASX Announcement Company Update

Highlights:

- Morning Star Gold Mine has now been officially closed;
- Documents lodged to surrender mining tenements at Mt Carrington;
- White Rock has agreed to sell the Mt Carrington exploration tenement to Legacy Minerals (ASX:LGM);
- Red Mountain remains on Care and Maintenance;
- Half year accounts pending;
- Executive Director Simon Finnis moves to a non-executive role.

White Rock Minerals Limited ("WRM", or "The Company") provides the following update on activities.

Woods Point

On 21 March 2023 WRM announced that it had made the decision to place the Morning Star Gold Mine on Care and Maintenance and had, until recently, been maintaining the pumping program and other equipment that would be needed to reopen the mine.

During this time White Rock ran a process to divest the project but did not attract any suitable offers, so it has now decided to close the mine altogether, with the cost of dewatering and difficulty retaining employees the notable pressures.

To assist with a potential sale of the mine, and with finalising carrying values for the half-year accounts, independent valuations of the Tenements and the Plant and Equipment (separately) were carried out.

Various minor assets have been sold and further asset sales are anticipated as the mine site is cleared.

Mining licences and Exploration licences covering 660km² are being retained and remain in good standing.

Mt Carrington

On 21 March 2023, White Rock announced that Thomson Resources Ltd (Thomson) (ASX:TMZ) had withdrawn from the Joint Venture ("JV") over Mt Carrington. White Rock officially resumed operatorship on 17 May 2023.

Post the notification from Thomson, White Rock attempted to attract another partner to the project, either by way of a straight divestment, or by Joint Venture, but all attempts were unsuccessful. The Rehabilitation Bond ("Bond") was an insurmountable deterrent for potential new partners.

The Bond for Mt Carrington was increased in 2021 from the current level of \$968,000 to \$6,881,466 with the increased amounts to be paid incrementally over the course of the next 3 years.

Upon receipt of advice from Thomson that they intended to exit the JV, White Rock applied to Mining, Exploration and Geoscience, Department of Regional NSW ("MEG") to defer the increase in Rehabilitation

Bonds to give some time to either raise money to pay the increased Bond, or attract a partner, but that effort was unsuccessful with MEG rejecting the application.

Without the means to pay the Bond increase (stage 1 increase was due mid-June 2023 and was an amount of \$591,346) White Rock had no option other than to surrender its rights. Accordingly, White Rock has lodged documents with MEG to surrender all the Mining Leases, Mining Purposes Leases, Gold Leases and Special Leases that make up the Mt Carrington Project. All in all, 22 authorities were included in the surrender documentation.

White Rock retained an Exploration Licence (EL 6273) and has agreed to sell that tenement to Legacy Minerals Holding Limited (ASX:LGM) for a consideration of A\$200,000 cash. Under the binding Heads of Agreement there is a Condition Precedent that requires the relevant Minister's consent to transfer the tenement to Legacy. The payment schedule is by way of a deposit of \$30,000 within 14 days of execution, (refundable should the consent to transfer not be given) followed by the remainder of \$170,000 following receipt of Minister's consent.

For further details please refer to the ASX Announcement made by Legacy today.

Red Mountain & White Gold

The Red Mountain and White Gold projects in Alaska covering 860km² remain on Care and Maintenance and the tenements are in good standing.

The Company continues to hold the view that introducing a partner at Red Mountain is the best way to progress the assets at this time, and on that basis continues to hold discussions as, and when, the opportunity arises.

Half Year Accounts

Audited half year accounts are still a work in in progress but carrying values will need further amendment to reflect the activities above, at both Mt Carrington and Woods Point.

Board Change

Given the financial position of the Company, Mr Simon Finnis has stepped back from his executive role at White Rock but will remain as a Non-Executive Director.

This announcement has been authorised for release by the Board.

Contacts

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