

ASX and Media Release: 16 September 2014

Mt Carrington Gold Project Positive Scoping Study

White Rock Minerals Ltd (ASX:WRM) announces an updated gold-focused scoping study for the 100% owned Mt Carrington project in northern NSW. The study has highlighted robust economics for a start-up 30,000ozpa gold operation at a low capital cost of just \$20.6M generating strong cash flow, and a pre-tax internal rate of return of 51%.

The scoping study was designed to focus on open pit development and processing of the two gold-dominant resources at Strauss and Kylo, which contain approximately 60 percent of the total Indicated and Inferred gold resources of Mt Carrington. The remaining five gold and silver deposits were not considered in this review but earmarked for consideration in future stage 2 and 3 development scenarios. The study results support White Rock's aim to complete a feasibility study and obtain regulatory consents in 2015 and development targeted in 2015/16.

Study Summary at AUD\$1,400/oz gold price:

- Proposed stage 1 development of 2 gold pits
- 3 year open pit mining operation with production of 93,000oz gold
- 0.8Mtpa floatation and CIL processing circuit
- Average open pit strip ratio of 1.35 : 1
- Undiscounted project value of \$25.3M (pre-tax)
- \$15.5M NPV at a 10% discount rate (pre-tax)
- IRR of 51% (pre-tax)
- C1 cash cost of \$875/oz Au (after silver credit)
- Capital Costs of \$20.6M (potential for significant savings with second hand plant)
- Capital payback within 17 months

The pit optimisation study used a Mineral Resource made up of a combination of Indicated and Inferred Resource blocks. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The Mineral Resources used for the scoping study production target is presented in Table 2.

Project Highlights:

- **Granted Mining Leases with existing mining infrastructure, water supply and State power**
- **Gold mineralisation starts at surface in both deposits**
- **Strong potential for open pit development of second-stage gold deposits (Guy Bell, Red Rock) and third stage silver deposits (Lady Hampden, White Rock and Silver King)**
- **Capacity to utilise single floatation / CIL processing circuit for all future developments**
- **Strong upside from future discoveries within large near-mine exploration target portfolio, including robust copper targets at depth on the main Mining Leases**
- **Stable and known operating regime in NSW, with the Mt Carrington Conceptual Project Development Plan accepted by the NSW Government in 2013**

White Rock Managing Director Mr Geoff Lowe said today, *"We are very pleased with the results of the revised Scoping Study for Mt Carrington, and it provides confidence that we have the right ingredients to underpin the feasibility of an attractive and financially robust project. We have deliberately considered the development as a staged process in order minimise up front capital outlay, manage operating risk, and provide time for a rebound in the silver price. This approach provides the ability to develop the second stage gold deposits and third stage silver deposits in a structured manner which can take advantage of stage one cash flow, and the establishment of an efficient processing circuit.*

We also have the advantages of mining leases with high-value infrastructure already in place, and this is reflected in a modest capital expenditure estimate. The current gold Resource is amenable to open pit mining at very low strip ratios, and sighter metallurgical test work has provided confidence in the preferred processing route. We will now look to undertake a definitive feasibility study and progress the necessary regulatory approvals."

The scoping study referred to in this report is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised.

In discussing 'reasonable prospects for eventual extraction' in Clause 20, the JORC Code 2012 ('Code') requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource.

Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the process applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves. While initial mining and processing cases may have been developed during the Scoping Study, it must not be used to allow an Ore Reserve to be developed.

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Introduction

The Morro Verde Group Pty Ltd (“Morro Verde”) was engaged in July 2014 to undertake a technical review of the 2012 Mt Carrington scoping study of the gold and silver Resource base. A detailed summary of the 2012 Scoping Study was reported in a release by White Rock to the ASX on 31 July 2012 and this release can be viewed on the White Rock and ASX websites.

The objective of the 2014 review was to determine the technical and economic viability for a low cost open pit gold-only operation, with initial development focused on the Strauss and Kylo gold resources on a stand-alone Stage 1 basis. Subsequent stages to assess and develop the Guy Bell and Red Rock gold resources and the silver resources at Lady Hampden, White Rock and Silver King are intended to be undertaken as part of ongoing operations at the appropriate time in the future.

Morro Verde was assisted in this study by independent consultants from the Hatlar Group Pty Ltd (environmental and metallurgical,) MineComp Pty Ltd (Whittle pit optimisation modelling), Minero Consulting (conceptual mining) and internal White Rock personnel.

This 2014 scoping study focused on the optimum mining and processing scenarios for the gold resources defined by the previous 2012 scoping study, with updates for a simplified initial processing circuit focused on gold bullion production, along with updated cost estimates for mining and processing and a revised pit optimisation. The updated approach incorporates contractor-operated mining, with scheduled open pit mining of two of the eight deposits at Mt Carrington initially, and processing through a floatation circuit with intensive Carbon-In-Leach (‘CIL’) to produce gold bullion. A nominal throughput rate of 800,000tpa provides a Stage 1 mine life of 3.4 years, with total open pit production of 93k ounces of gold.

All cost and revenue estimates and gold and silver prices are reported in Australian dollars.

Infrastructure

The Mt Carrington Project is located 100km to the west of Lismore and 250km south of Brisbane. The project is centred on granted Mining Leases covering 1,000Ha conveniently located in close proximity to key regional infrastructure and utilities. The Mining Leases cover seven of the eight known gold and silver deposits and also contain considerable mining infrastructure, as shown in Plates 1 to 5.

The key regional infrastructure and site assets include:

- 1.5Mt tailings storage facility with capacity for expansion;
- 750ML freshwater dam;
- Site exploration / mine administration office;
- Water treatment plant with 0.8ML/day output capacity;
- Connection to the NSW State high voltage power grid which traverses directly through the Mining Leases.

White Rock considers that this asset base significantly de-risks the project and enhances the ability of the company to deliver on our near term development vision.

The project is located adjacent to the sealed Bruxner Highway, and is 80km west of the Sydney – Brisbane railhead at Casino, with a local workforce and suppliers in the nearby regional centres of Casino (population 11,000) and Tenterfield (population 4,000).



Figure 1- Mt Carrington Project location plan



Plate 1 - Mt Carrington Project site layout plan

Mineral Resources

The 2014 scoping study update was focused on evaluation of the gold resources at Strauss and Kylo. Mineral Resource estimates for Strauss and Kylo were most recently prepared by independent resource consultants Ravensgate Pty Ltd in 2012 and are summarised in Table 1. The global resource base for the eight gold and silver deposits at Mt Carrington is summarised at the end of this announcement.

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
	Sub-Total	2,830,000	1.3	116,000	3.1	286,000
Inferred	Strauss	1,260,000	1.4	56,000	2.6	104,000
	Kylo	760,000	1.5	35,000	1.8	43,000
	Sub-Total	2,020,000	1.4	91,000	2.3	147,000
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
	Total	4,850,000	1.4	208,000	2.8	433,000

Table 1: Mt Carrington – Strauss and Kylo Resource Summary

Mining

An updated Whittle open pit optimisation was completed on the Indicated and Inferred Resource block models for Strauss and Kylo to assess the optimal open pit design shell using a gold price of AUD\$1,400 per ounce and a silver price of AUD\$22 per ounce.

The pit optimisation demonstrated an overall average strip ratio for these two deposits is 1.35: 1. Mining recovery and ore dilution factors of 95% and 5% respectively were used to determine mined tonnes and grade.

The inclusion of Inferred Resource blocks and information pending to support other aspects of a mine plan means that the optimised pit quantities and grades for Strauss and Kylo cannot yet be regarded as an ore reserve. The total ounces and split between classifications for the Strauss and Kylo pit optimisation is detailed in the table below.

Pit	Resource Category	Tonnes	Gold grade (g/t)	Gold ounces	Silver grade (g/t)	Silver ounces
Strauss	Indicated	1,083,083	1.45	50,497	3.87	134,776
	Inferred	546,433	1.42	24,950	2.50	43,925
	Sub-Total	1,629,516	1.44	75,552	3.41	178,812
Kylo	Indicated	817,166	1.17	30,742	2.53	66,477
	Inferred	286,649	1.73	15,945	1.60	14,747
	Sub-Total	1,103,815	1.32	46,706	2.29	81,263
Total	Indicated	1,900,249	1.33	81,240	3.29	201,253
	Inferred	833,082	1.53	40,895	2.19	58,673
	Total	2,733,331	1.39	122,135	2.96	259,925

Table 2: Mt Carrington – Strauss and Kylo In-Pit Resource Breakdown

The proposed layout of mining operations and location of site infrastructure on the Mining Leases is shown in Figure 2, and existing infrastructure also shown in Plates 2 - 5. The surface oxide portions of the Strauss deposit and the eastern Kylo deposit were both mined in the 1980's, leaving the current (sulphide) gold resources exposed at surface, as shown in Plate 2. The western resource at Kylo has not been mined previously but does commence at surface.

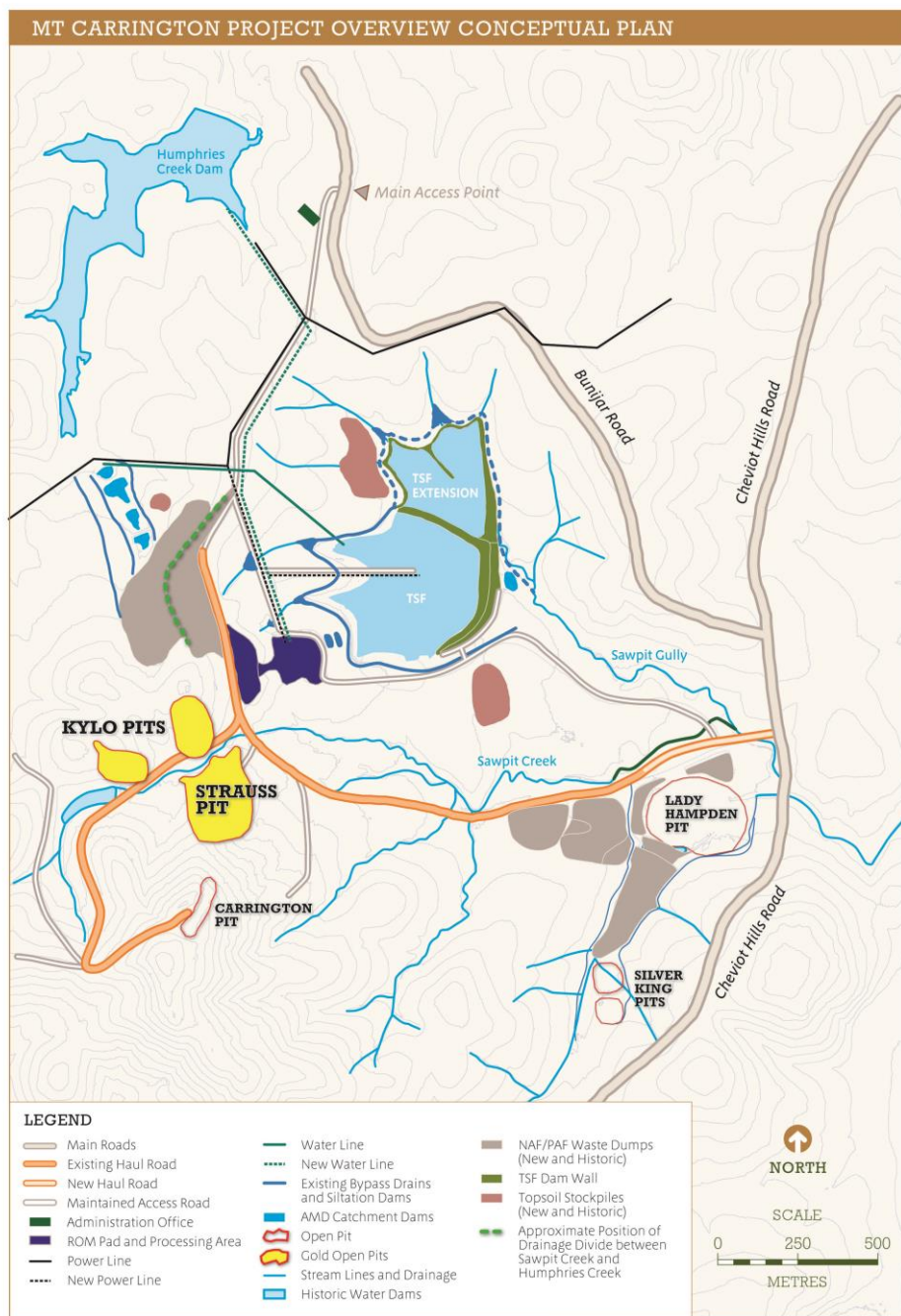


Figure 2: Mt Carrington Site Infrastructure Layout – Stage 1 Strauss and Kylo Development



Plate 2 – Kylo and Strauss open pits



Plate 3 - Tailings Storage Facility



Plate 4 – Humphries freshwater dam (350ML)

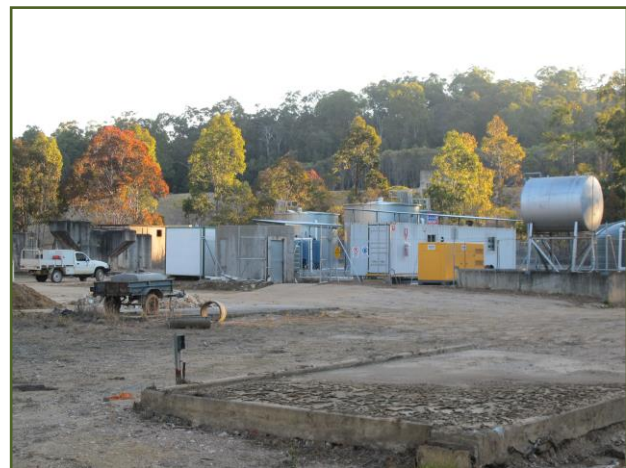


Plate 5 – Water desalination Plant

Processing Scenario and Metallurgical Test work

The Strauss and Kylo deposits comprise predominantly sulphide-hosted gold and silver mineralisation, which commences at surface at the base of the current (oxide) open pits. On the basis of the 2012 scoping study the processing route for the gold-dominant Resources has been selected and optimized to enable the most efficient recovery of gold during Stage 1 of production. The optimized pathway consists of a standard milling and floatation circuit producing a rougher concentrate which is subsequently reground and treated in an intensive leach process to recover the precious metals.

Electrowinning is proposed for extraction of the precious metals from the leach solutions and production of gold-silver bullion. Combined overall recoveries of 76% for gold and 34% for silver are assumed for this process. The silver recovery by this process is low, however the optimised silver grades for Strauss and Kylo are only 3.4g/t and 2.3g/t Ag respectively, which constitute an insignificant portion of the overall Resource.

The proposed processing flow sheet will be suitable for future development of the Guy Bell and Red Rock gold resources, and also allows for later modification to treat the silver resources from Lady Hampden, White Rock and Silver King with minimal additional capital outlay, as per the 2012 scoping study.

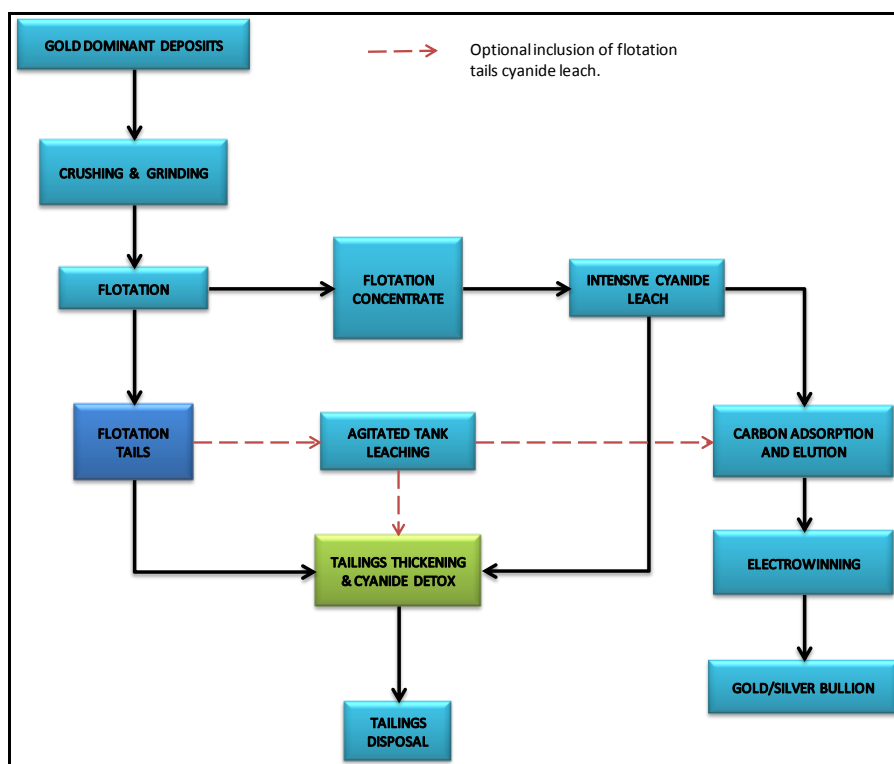


Figure 3: Floatation Concentrate Leach Flowsheet

Additional metallurgical test work at Strauss and Kylo has been completed subsequent to the 2012 scoping study to confirm previous results and progress preliminary stages of optimisation testwork towards feasibility. Testwork was undertaken by Ammtec Laboratories in Adelaide, using bulk drill core samples which were composited from each of Strauss and Kylo. The samples were designed to accurately represent specific metallurgical domains within the Resource block model. Results were in line with those used in the previous 2012 scoping study, and further test work is planned in the feasibility stage.

Capital Cost Estimates

An upfront capital cost of \$14.5M has been estimated by Morro Verde for a proposed 0.8Mtpa floatation and CIL processing plant, and \$6.1M for the additional site infrastructure and pre-mining development.

Processing Plant	~\$14.5M
Mine Pre-development	~\$1.2M
Tailings Storage Facility upgrade	~\$1.8M
Site Infrastructure and first fills	~\$3.1M

Total **~\$20.6M**

The current site infrastructure at Mt Carrington (as shown on Figure 2) underpins a substantial cost saving on upfront capital expenditure, estimated to be in the order of ~\$20M.

Opportunities exist for the acquisition of second hand plant, and/or purchase of new plant sourced from outside Australia, rather than the construction of new plant. Several recent published examples of acquisitions of plant of appropriate throughput are known, with agreed acquisition costs of the order of AUD\$2-3M. The sensitivity analysis for the current scoping study indicates a significant potential benefit of capital cost reduction, whereby a 20% reduction in capital costs generates a 24% increase in project NPV (at a 10% discount rate).

Operating Cost Estimates

The operating cost assumptions used in this study are -

The total C1 cash cost is estimated to be is \$30.52/tonne milled, or \$875/oz gold (including silver credits and excluding State Government royalties).

Mining	~\$10.00/t milled
Processing	~\$13.73/t milled
Administration	~\$2.11/t milled
Labour	~\$4.68/t milled

Total **~\$30.52/t milled**

It is envisaged that the project will be operating with contract mining, a workforce of approximately 40 personnel, and the cost benefit of drive-in / drive-out from the nearby residential centres of Casino and Tenterfield.

Project Economic Analysis Assumptions

The economic evaluation for the project was prepared by Morro Verde based on a pre-tax financial model incorporating a number of assumptions, with a view to identifying the key sensitivities to the project economics. This approach will then allow future feasibility studies to be directly focused on the key value and risk drivers for project development. The key assumptions used in the model and the subsequent outcomes are summarised below.

Assumptions	
Gold price (AUD\$/oz)	1,400
Silver price (AUD\$/oz)	22
Treatment Rate (Mtpa)	0.8
Ore milled (Mt)	2.7
Average open pit strip ratio	1.35 : 1
Mine Life (years)	3.4
Recoveries - Au/Ag (bullion %)	76 / 34
Bullion Produced – Au (Koz)	93
Bullion Produced – Ag (Koz)	87
Au Payability - bullion (%)	99.9
Ag Payability - bullion (%)	99.5
Royalty (%)	4
Tax (%)	30
Discount Rate	10%

Table 3: Mt Carrington 2014 Scoping Study Assumptions Summary

Financial Summary pre-tax	
NPV (pre-tax) (\$M)	15.5
IRR (pre-tax %)	51
Undiscounted Cash Flow (pre-tax \$M)	25.3
Net Revenue (\$M)	132.2
Total Capital Cost (\$M)	20.6
Total Operating Cost (\$M)	83.4
Payback (years)	1.4
Mine Life (years) – Stage 1	3.4
C1 Cash Cost (\$/oz Au) (including Ag credit; ex royalties)	875

Table 4: Mt Carrington 2014 Financial Outcomes Summary

Next Steps

The positive results for the 2014 scoping study strongly support the implementation of Feasibility Studies and future development of the Mt Carrington project. The Company is continuing with a number of development activities designed to de-risk technical issues, add value to the Resource base in preparation for feasibility studies, and determine environmental benchmarks for EIS preparation. It is anticipated that there will be sufficient baseline data to submit an EIS in 2015 with feasibility studies and regulatory consents in 2015 and development targeted in 2015/16.

In late 2013 the Company prepared and submitted a detailed Conceptual Project Development Plan ('CPDP') to the NSW Department of Trade and Infrastructure (Resources and Energy Division), which outlined the proposed development and mining parameters for the project. The CPDP was approved in December 2013 by the Department of Trade and Infrastructure, which represents the first step in the regulatory process for project development consent, and opens the door for the Company to liaise with the NSW Department of Planning in the preparation of an Environmental Impact Statement.

Project Funding

The Company will consider a number of alternatives to fund the feasibility studies, EIS preparation and development of the Mt Carrington gold project. The sound economics demonstrated in this scoping study are an improvement on the 2012 study in terms of C1 cash cost, bullion production and average pit strip ratio, at a lower gold price.

Forward Looking Statement

The Mt Carrington Scoping Study announcement contains “forward-looking statements”. All statements other than those of historical facts included in this announcement are forward-looking statements. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to, gold and other metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks and governmental regulation and judicial outcomes. The Company does not undertake any obligation to release publicly any revisions to any “forward-looking statement”.

Competent Persons Report

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. Mr Worland is engaged by White Rock Minerals Ltd as a technical consultant. 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 his information in the form and context in which it appears.

The gold and silver Resource figures for White Rock, Red Rock, Strauss, Kylo, Lady Hampden, Silver King and White Rock North have been taken from Resource estimates of February 2012, July 2013 and November 2013 prepared by Ravensgate Minerals Industry Consultants on behalf of White Rock Minerals Ltd and authored by Mr Don Maclean. This information was prepared and first disclosed under the JORC Code 2004 as per ASX releases by White Rock Minerals Ltd on 13 February 2012, 11 July 2013 and 20 November 2013. 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.

The gold and silver Resource figures for Guy Bell have been taken from the Resource estimate of October 2008 prepared by Mining One Pty Ltd on behalf of Rex Minerals Ltd and authored by Dr Chris Gee. This information was prepared and first disclosed under the JORC Code 2004 as per the ASX release 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.

The pit optimisation study used a Mineral Resource made up of a combination of Indicated and Inferred Resource blocks. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

About White Rock Minerals

White Rock is an Australian minerals exploration company focussed on the discovery and development of shallow gold, silver and copper deposits in the New England Fold Belt, northern NSW. The Company is targeting deposit styles similar to those at Cracow, Mt Rawdon and Mt Carlton.

White Rock's cornerstone asset is the 100% owned Mt Carrington project where shallow Indicated and Inferred Mineral Resources totalling 338,000oz gold and 23.5Moz silver have been defined. Exploration drilling at Mt Carrington is in progress with the aim of extending the shallow Resource base, and to test a number of prospective regional and near-mine targets within a tenement area of 470km² over the under-explored Drake Volcanics.

Market Capitalisation: A\$3.8m @ A\$0.02/share

Issued Capital: 190m Ordinary shares, 6m Unlisted options (August 2014)

Balance Sheet: \$1.88M, no debt (June 2014)

Shareholders

• Avalon Ventures Corporation	41.97%
• Greenstone Property Pty Ltd	8.11%
• Titeline Services Pty Ltd	3.15%
• Silverstone Investment Holdings Pty Ltd	2.73%
• Board and Management	2.53%
• TOP 20	70%

Board and Management

- Brian Phillips – Non-Executive Chairman
- Geoffrey Lowe - Managing Director
- Peter Lester – Non-Executive Director
- Andrew Dart - Company Secretary & CFO
- Rohan Worland - Exploration Manager

About Mt Carrington, New South Wales



- **Location:** Mt Carrington is 5 km from the township of Drake in northern NSW. It is located on the Bruxner Highways 4 hour's drive SW of Brisbane and 2 hours west from Ballina.

- **History:** Gold was first discovered in the district in 1853 with a number of small prospects worked over the next 25 years. In 1886 gold and silver were found at Drake, Mt Carrington, White Rock and Red Rock. Prospecting and small-scale mining continued into the 1920s. During 1974 to 1976 Mt Carrington Mines Ltd extracted a small tonnage of high grade Ag and Au from the Lady Hampden open pit. In 1998 a new mining campaign focussed on extracting open pit oxide Au/Ag ore from the Strauss, Kylo, Guy Bell and Lady Hampden deposits. The oxide ore was depleted by 1990, and with metal prices at US\$370/oz Au and US\$5/oz Ag, and secondary copper zones in the pits resulting in processing issues in the CIP plant, the small scale mine was closed.

- **The new Mt Carrington:** In April 2008 Rex Minerals Ltd acquired Mt Carrington and completed 2 years of exploration and Resource definition. The project was demerged in June 2010 with the formation of White Rock Minerals to undertake extensive exploration, Resource definition and development studies with the aim of defining a new viable open pit mining operation, underpinned by existing Mining Lease tenure, site infrastructure, and ready access to power and water.
- **Volcanic Caldera:** In the early 1990s CRA Exploration focused on exploring for 'a large polymetallic mineralised system in a Pacific Rim-type environment'. Detailed mapping and reconstruction of the volcanic architecture was undertaken by White Rock in 2011-2012, which established a large 400 square km collapsed volcanic caldera structure. This setting has been demonstrated to contain a number of epithermal-style precious metal targets, many of which will be drill tested in 2013. Up to 2010 no systematic regional exploration had been undertaken on the project for more than 16 years.

- **Resources:** In February 2012 an upgraded and updated Resource estimate was published, with a total of 0.28Moz Au and 23.3Moz Ag at the Kylo, Strauss, Lady Hampden, Silver King, White Rock and White Rock North deposits. For more detail refer to WRM's announcement to the ASX of 13 February 2012. In July 2013 a maiden Resource estimate for Red Rock was published. For more detail refer to WRM's announcement to the ASX of 11 July 2013. The updated Resource estimate for all deposits at the Mt Carrington Project totals 0.34Moz Au and 23.5Moz Ag.

MT CARRINGTON INDICATED & INFERRED MINERAL RESOURCE SUMMARY					
Deposits	Tonnes	Au (g/t)	Gold Oz	Ag (g/t)	Silver Oz
Gold Dominant	6,640,000	1.3	275,000	3.0	639,000
Silver Dominant	12,210,000	0.2	64,000	58	22,805,000
Total Resources					
Indicated	4,670,000		153,000		4,342,000
Inferred	14,180,000		185,000		19,102,000
Total	18,850,000		338,000		23,444,000

Table 3: Mt Carrington Project Mineral Resource Summary.

- **Exploration Portfolio:** The Mt Carrington Mining Leases are enveloped by a large portfolio of Exploration Licences 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. A number of regional and near-mine targets have been tested, and new shallow gold-silver Mineral Resources were defined at the Red Rock Prospect in 2013. Whilst exploration for shallow gold and silver deposits has been the Company's main focus to date, the potential for the project to host significant intrusion-related (porphyry) copper mineralisation has also been recognised. Recent work has focussed on characterising this potential, and has resulted in the definition of a number of targets for drilling in 2014/15.

