



(ABN 64 142 809 970)

Annual Report 30 June 2015

White Rock Minerals Ltd

Corporate Directory

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Brian Phillips (Chairperson)

Geoffrey Lowe (Non-Executive Director)

Peter Lester (Non-Executive Director)

COMPANY SECRETARY

Shane Turner

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BANKERS

ANZ Banking Group Limited

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LEGAL ADVISORS

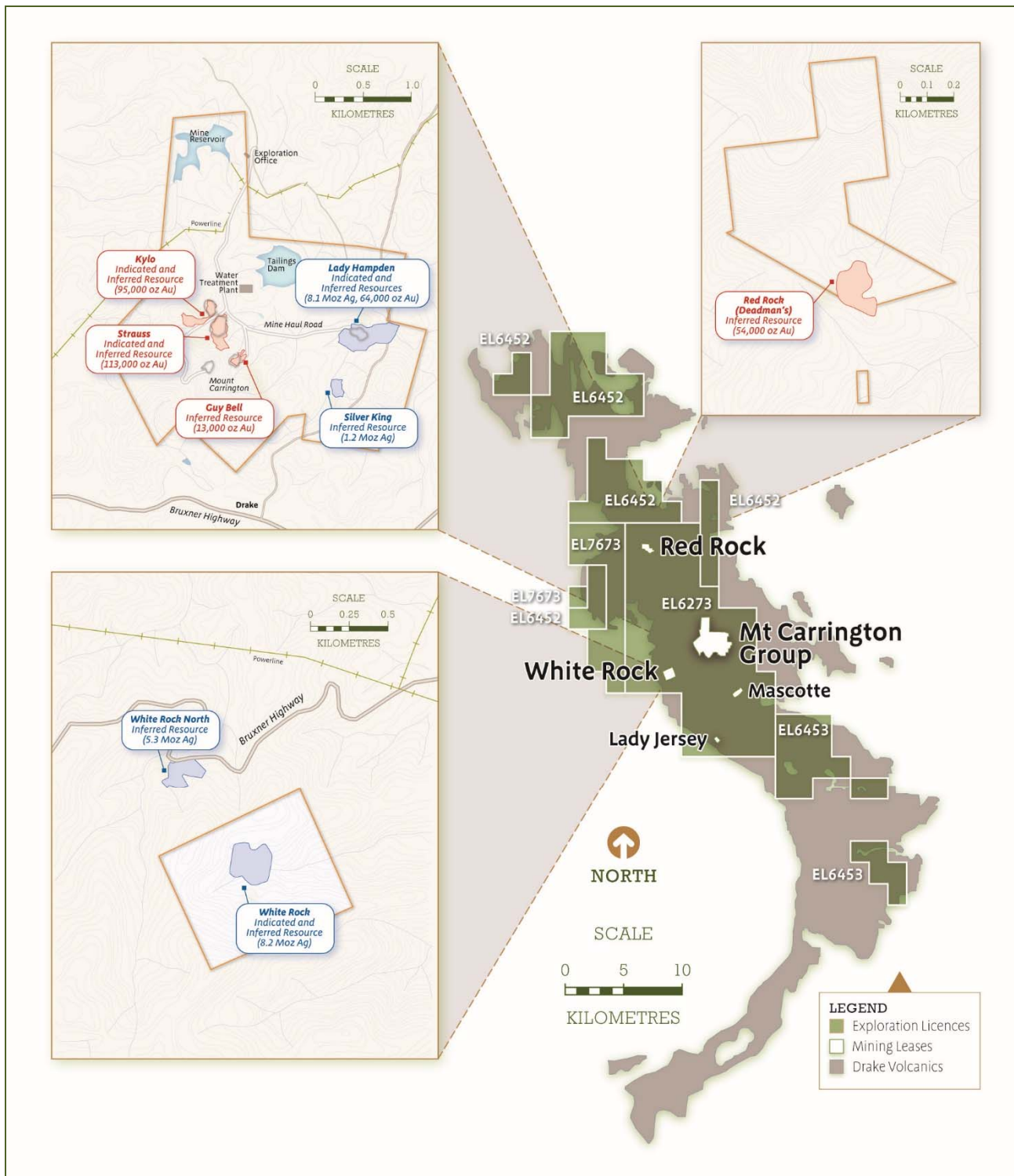
Baker McKenzie

181 William Street

Melbourne Victoria 3000



Figure 1 Project Location



White Rock Minerals Ltd

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White Rock Minerals Ltd

Introduction: Profile

For the year ended 30 June 2015

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.

White Rock owns the Mt Carrington project near Drake, 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 refurbished existing site infrastructure.

The current Mineral Resource inventory formed the basis for a scoping study which was updated late 2014, the results of which were considered to be sufficiently positive to continue technical studies and data collection for preparation of an Environmental Impact Statement (EIS) in 2015/16. The updated scoping study evaluated a staged approach with a focus 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 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 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. An initial drill program part funded by the NSW Government's New Frontiers program was completed in 2015. This program confirmed that the alteration system extends well beyond the previous known limits, and will require follow-up exploration to yield a discovery.

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 and corporate management.

Highlights For the year ended 30 June 2015

Exploration: A porphyry copper-gold exploration target was developed on the central mining tenements based on the zonation of mineral occurrences. Support from the NSW Government through a New Frontiers drilling grant resulted in a program of deep penetrating geophysics and additional surface geochemistry prior to completing an initial program of three drill holes that tested large robust chargeability anomalies. The drilling program successfully confirmed an extensive zone of sulphide alteration that encompasses the western copper-gold zone, paving the way for further exploration of these targets.

Economic Studies: An updated mining scoping study was completed late-2014, highlighting the robust economics for a start-up 30,000ozpa gold operation at a low capital cost of just \$20.6M generating strong cash flow with 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 earmarked for consideration in future stage 2 and 3 development scenarios. Ongoing studies include environmental baseline studies, pre-feasibility technical programs and the initiation of the permitting application process.

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: Initiatives to support and benefit the local Drake community continued, including site visits and fundraising support for several community organisations.

Equity Fundraising: Equity capital raisings during the year comprised a Placement to Institutional and Sophisticated Investors, a Placement to Directors of White Rock and a Share Purchase Plan for existing shareholders. Shares were also issued to White Rock's corporate advisor and drilling company in return for services provided. Approximately 38 million shares were issued to the value of \$912,604 before costs.

2016 Strategy

Development Studies: The Company intends to build on the revised 2014 scoping study and undertake pre-feasibility and definitive feasibility studies to determine optimal development strategies for the gold and silver Resources. The required regulatory approvals process will also be progressed with a view to securing development consent, subject to financing.

Exploration and Resource Enhancement: It is proposed to follow-up the results of the initial drilling that tested the porphyry copper-gold concept. Work will include scientific studies of the geology, alteration and pathfinder geochemistry to vector towards a large copper-gold source as well as potential discrete epithermal vein gold mineralisation. In addition, further deep penetrating electrical geophysics will be undertaken to map the extent of the alteration system.

Project Evaluation: The Company will continue to evaluate corporate and project opportunities aimed at providing funding necessary to progress the Mt Carrington project into feasibility studies, realise the existing project value, or identify additional projects which can add value to the Company's asset base.

White Rock Minerals Ltd
Letter from the Chairman
For the year ended 30 June 2015

Dear Fellow Shareholder,

This time last year there was some confidence that the small cap end of the Australian resource sector was about to commence attracting investor support, and that fresh funding would be secured to underpin exploration and development initiatives. The confidence was to a large extent misplaced.

Attracting investor support, and indeed maintaining any support has continued to be challenging for the small explorers. However, with a small focussed drilling program underpinned by the NSW Government's co-funding drilling initiative, White Rock was able to complete several drill holes on its Mt Carrington copper geophysical target zone. Each of the three holes intersected strong sulphide mineralisation, and analysis of assay and structural results has provided vector indicators that will allow siting of further drill holes when funding can be secured. White Rock is grateful for the support provided by the co-funding scheme. Further, several stakeholders including drilling specialist Titeline Drilling Pty Ltd and corporate advisor Lion Capital have shared the Company's vision (and the risks associated with exploration) by accepting payment for services in Company shares. These initiatives have allowed capital to be directed to support wages and statutory costs. We acknowledge the support provided by these organisations.

As well as launching the copper exploration initiative, work continued on refining the Mt Carrington gold only scoping study as well as managing environmental requirements. Despite heavy rain, the tailings dam was managed in accordance with licence requirements, and our local stakeholders were kept advised of the Company's activities.

In May, Geoff Lowe stepped down as Managing Director after some 5 years in the role, but has agreed to remain on the Board as a Non-Executive Director. As the founding Chief Executive of the Company, Geoff was instrumental in directing the exploration and study work that has already defined gold, silver and copper potential at Mt Carrington. Matthew Gill agreed to join the Company as Chief Operating Officer; with broad operating, corporate and executive experience in the Mining industry. Matt is ideally placed to lead the Company's development.

During the year White Rock worked with a number of mining and investor groups to identify opportunities for corporate initiatives, joint exploration, or project development. On 23 July 2015, White Rock announced that it had signed a Heads of Agreement with Silver Mines Limited to consider a corporate transaction. Silver Mines also committed to support White Rock's activities with two placements totalling \$200,000 and an unsecured, interest-free loan of a further \$300,000. White Rock and Silver Mines have now begun discussions and are undertaking the necessary due diligence, with both companies working towards a definitive agreement in relation to a Corporate Transaction. Both companies recognise the opportunity to create a leading silver focused resource company on the ASX. This is a great opportunity for both companies to realise the benefits of shared administration and technical activities, while working to assess the possibility of developing our respective NSW based silver (plus gold and copper) resources. Projects can be assessed for staged development that can be triggered as metal prices and exchange rates recover. We believe that a growing, silver resource based entity will be particularly attractive to investors.

I thank our small team at White Rock that has done a great job under Geoff Lowe's leadership, and look forward to Matt Gill leading the Company in the challenges ahead.

Yours sincerely,



Brian Phillips

White Rock Minerals Ltd

Review of operations

For the year ended 30 June 2015

Over the past 12 months White Rock continued to advance the Mt Carrington project towards development. Prefeasibility-related programs continued with the majority of baseline information required for the EIS now collected as a prelude to the permitting process. The updated scoping study shows a robust case for the initial development of the gold-dominant Resources at Kylo and Strauss at a gold price of \$AUD1,400/oz. Despite the persistent difficult capital markets White Rock is continuing to explore a number of funding solutions that will enable feasibility studies and permitting to be completed prior to an investment decision to begin construction.

The Company has also continued exploration with the past 12 months seeing the development of the copper gold porphyry concept, surface geophysics and geochemistry to refine targets and an initial drilling program that confirmed an extensive zone of sulphide alteration encompassing the western copper-gold zone, paving the way for further exploration of these targets in 2015/16.

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

September 2014	An updated gold-focused scoping study highlighted robust economics for a start-up 30,000ozpa gold operation at a low capital cost of just \$20.6M generating strong cash flow with a pre-tax internal rate of return of 51%.
September 2014	Awarded a grant of up to \$200,000 by the NSW Government to undertake drilling of the Company's porphyry copper-gold targets.
February 2015	A MIMDAS survey was completed over the porphyry copper-gold target with a number of new large and robust IP anomalies identified.
March 2015	A review of earlier regional stream geochemistry data highlighted a copper-gold anomaly coincident with the intense shallow IP chargeability anomaly discovered by the MIMDAS survey. Soil sampling over the coexistent IP and stream geochemical anomalies confirmed that copper anomalism closely mapped the vertical projection of the shallow chargeability anomaly.
April-May 2015	First pass drilling was completed on the geophysical IP anomalies. Drilling confirmed that an extensive zone of sulphide alteration encompasses the western copper-gold zone, paving the way for further exploration of these targets.
July 2014 – June 2015	A number of corporate and project level opportunities were generated and evaluated by the Company. Several opportunities continue to be assessed as at the end of June.

White Rock Minerals Ltd

Exploration projects

For the year ended 30 June 2015

New England Fold Belt

White Rock's exploration projects are located in the New England Fold Belt which straddles the eastern portion of the state border between New South Wales and Queensland and covers an area of approximately 320,000km².

The New England Fold Belt contains a number of significant historical and currently producing mineral deposits of diverse variety. In excess of 30M oz of gold has been produced from deposits within the belt, and White Rock considers the region to be highly prospective for intrusion related gold copper systems, epithermal gold silver systems and porphyry copper gold systems. Deposits in Queensland include the Mt Morgan copper gold deposit (production in excess of 7.6M oz gold), the high grade Gympie gold deposit (5M oz gold), and Mt Rawdon gold deposit (in excess of 2M oz gold). In New South Wales almost 6,000 metalliferous occurrences have been documented including the Hillgrove deposit (1.1M oz gold).

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 four Exploration Licences ("ELs") and 22 mining leases covering a combined area of 421km² as at 30 June 2015 (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 the area of the current ELs from 1994 until 2008. It is considered that potential within the ELs 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 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

An updated gold focused scoping study highlighted robust economics for a start-up 30,000ozpa gold operation at a low capital cost of \$20.6M generating strong cash flow with a pre-tax internal rate of return of 51%. The scoping study referred to in this report is insufficient to support the 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. 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 summary metrics at AUD\$1,400/oz gold price are:

- Proposed stage 1 development of 2 gold pits
- 3 year open pit mining operation with production of 93,000oz gold
- 0.8Mtpa flotation 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 remaining five gold and silver deposits were not considered in the updated scoping study, but are earmarked for consideration in future stage 2 and 3 development scenarios. The likely development scenario contemplated is summarised below.

Stage 1:

- Development of the Strauss and Kylo gold deposits.
- Developed on a standalone basis to ensure project success regardless of Stage 2 & 3.
- Standard milling and flotation with leach process to produce gold dore on site.

Stage 2:

- Development of the Guy Bell and Red Rock gold deposits.
- Processing circuit as per Stage 1.
- Permitting, resource upgrade and mine planning scheduled to proceed during Stage 1.

Stage 3:

- Development of the Lady Hampden, White Rock and Silver King silver deposits.

White Rock Minerals Ltd

Exploration projects (continued)

For the year ended 30 June 2015

Development Studies (continued)

- Minor upgrade of Stage 1 processing circuit to allow production of cleaner concentrate (high grade precious metal concentrate) for sale.
- Permitting, resource upgrade and mine planning scheduled to proceed during latter Stage 1 and Stage 2.
- Lead time of Stage 1 to allow competitive marketing of concentrate.
- Ability to begin production at short notice pending upside in silver price.

Stage 1 upfront capital cost of \$14.5M has been estimated for a proposed 0.8Mtpa floatation and CIL processing plant, and \$6.1M for the additional site infrastructure and pre-mining development.

	Stage 1	Stage 2
Processing Plant	~\$14.5M	~\$2.3M
Mine Pre-development	~\$1.2M	
Tailings Storage Facility upgrade	~\$1.8M	~\$1.1M
Site Infrastructure and first fills	~\$3.1M	~\$1.5M
Total	~\$20.6M	~\$4.8M

The current site infrastructure at Mt Carrington underpins a substantial cost saving on upfront capital expenditure, estimated to be in the order of ~\$20M. Discussions with plant suppliers indicate that significant cost savings could be realised in the current market through sourcing plant and equipment offshore, with savings in the order of 30%. In addition, second-hand plant availability could present further up-front capital savings for stage 1. Sensitivity analysis indicates a 20% reduction in capital costs up-front translates to a 24% increase in project NPV.

Subject to securing funding, White Rock is ready to begin feasibility studies, and regulatory permitting is underway with 2014/15 seeing the continuation of specialist environmental baseline studies including ongoing ground water and surface water monitoring and sampling, dust monitoring and meteorological observations.

White Rock Minerals Ltd
Exploration projects (continued)

For the year ended 30 June 2015

Mineral Resources

During 2014/15 no further Resource drilling was undertaken. The current Mineral Resource estimate for the Mt Carrington project is presented in Table 1.

MT CARRINGTON JORC (2004) MINERAL RESOURCES – JUNE 2015						
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
	Sub-Total	3,550,000	0.3	37,000	72	8,270,000
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
	Sub-Total	8,950,000	0.1	27,000	51	14,533,000
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
	Total	12,500,000	0.2	64,000	57	22,803,000
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
	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
	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
	Sub-Total	3,810,000	1.3	158,000	2.9	353,000
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
	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
	Total	6,640,000	1.3	275,000	3.0	639,000
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 2015

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.

White Rock Minerals Ltd

Exploration projects (continued)

For the year ended 30 June 2015

Porphyry Copper-Gold Exploration

The widespread occurrences of near surface copper mineralisation in the Drake Volcanic Caldera at Mt Carrington have been prospected and explored in the region for over a century. The concept of a deep seated porphyry copper system as the source of the near surface secondary copper has only recently been developed by White Rock in conjunction with external consultants. The shallow copper mineralisation at Mt Carrington displays a clear metal zonation and distinction from the adjacent gold and silver deposits. Importantly there are also strong indications that a primary intrusive mineralising source may exist at depth below the secondary copper 'leakage' observed at surface and in shallow drilling. There has been very limited previous drilling specifically targeting copper, and this has been restricted to less than 400 metres depth from surface, with the majority of historic holes less than 100 metres depth. A deep penetrating, electrical geophysics 'MIMDAS' survey was undertaken in February 2015 to better define the electrical response of alteration from 300m to 1,000m depth prior to finalising drill hole locations for testing the porphyry copper gold concept.

The MIMDAS survey was completed over 2 adjacent lines, 5km and 3km in length (Figure 3). The survey revealed a number of new large and robust IP anomalies. The data indicated a strong plausible link between the known near surface secondary copper mineralisation at the All Nations and Gladstone Prospects on the central Mining Leases, and the main chargeability anomaly to the west on the adjacent Exploration Licence. Several smaller discrete anomalous responses were also observed at shallow depths beneath Gladstone and All Nations and to the immediate west (Figure 4). These anomalous responses were interpreted to represent possible sulphide alteration outwards from a copper porphyry source.

The main anomaly is located 1.5km west of the known shallow copper mineralisation on the central Mining Leases and extends vertically from 150 metres depth to in excess of 1,000 metres depth. The anomaly has not been identified in previous geophysics nor tested by previous drilling (Figure 5).

Following receipt and interpretation of the MIMDAS survey results, White Rock conducted a review of earlier regional stream geochemistry data collected from the area. The review highlighted a copper-gold anomaly coincident with the intense shallow IP chargeability anomaly discovered by the MIMDAS survey.

Reconnaissance mapping and a soil geochemical program were completed over the coexistent IP and stream geochemical anomalies. The mapping revealed that the IP anomaly lay under shallow soil cover. No soil sampling had been carried out previously by White Rock in this area, with earlier sampling limited to the main area of gold-silver epithermal mineralisation further to the east on the central Mining Leases.

The results of the soil survey confirmed that copper anomalism closely maps the vertical projection of the shallow chargeability anomaly (Figure 5). The combined soil and chargeability anomalies were interpreted as potentially representative of an extensive alteration system associated with a large porphyry copper system.

First pass drilling was completed on the geophysical IP anomalies. Drilling confirmed that an extensive zone of sulphide alteration encompasses the western copper-gold zone, paving the way for further exploration of these targets.

The initial three drill hole program on a previously unidentified anomaly confirmed the validity of the deep penetrating IP technique (MIMDAS) with each drill hole intersecting extensive disseminated pyrite alteration of sufficient intensity and distribution to explain the chargeability response. Importantly, the alteration is interpreted to be part of a large halo of pyrite-illite-silica alteration that encompasses a number of high level intrusive volcanic bodies, including porphyries, within an extensive and significant hydrothermal system. This style of alteration is typically observed elsewhere within the outer and upper portions of a mineralised copper gold porphyry and/or intrusive related gold system. The alteration and chargeability anomalies are open to the north, west and south, and open at depth, presenting significant potential for future mineralisation discovery. The success of the IP technique provides confidence in further defining the system with follow up IP in conjunction with more detailed analytical studies on the drill core to help vector towards the source of mineralisation.

Drilling encountered a number of veins and fractures containing chalcopyrite (copper sulphide), but lacked the intensity to form economic mineralisation. Assay results returned minor enhanced copper mineralisation in line with these observations. Importantly, the first clear porphyry 'host rock' unit was intersected. Zones of gypsum pyrite veining and epithermal quartz veining were also intersected at depths that show the epithermal mineralisation range is likely to extend well beyond the shallow limits previously known. Prior to this program there had been no drilling into any of these targets, or of this depth on the project. These drill holes provide first hand evidence that what was already a large system is now shown to extend beyond 800m depth and over 1,000m further west than previously mapped.

White Rock plans to evaluate the drill core using techniques developed in recent years that will assist with establishing the potential of the hydrothermal system and provide vectors to help target mineralisation. These techniques include sulphur isotopes, white mica crystallinity and chlorite chemistry, each of which will aid in further understanding whether a copper gold porphyry system is driving the alteration. In addition, this information will also identify further epithermal gold targets at shallow levels that could augment the existing gold silver resource development plans now the focus of feasibility studies.

White Rock has held discussions to define complimentary Masters and PhD projects with leading Australian Universities that will assist in ensuring the latest techniques are executed in advancing the exploration of the whole mineralised system at Mt Carrington.

White Rock is pleased to acknowledge the NSW Government's co-funding drilling initiative program, from which the Company was entitled to be reimbursed approximately \$130,000 of direct drilling costs in early 2015/16.

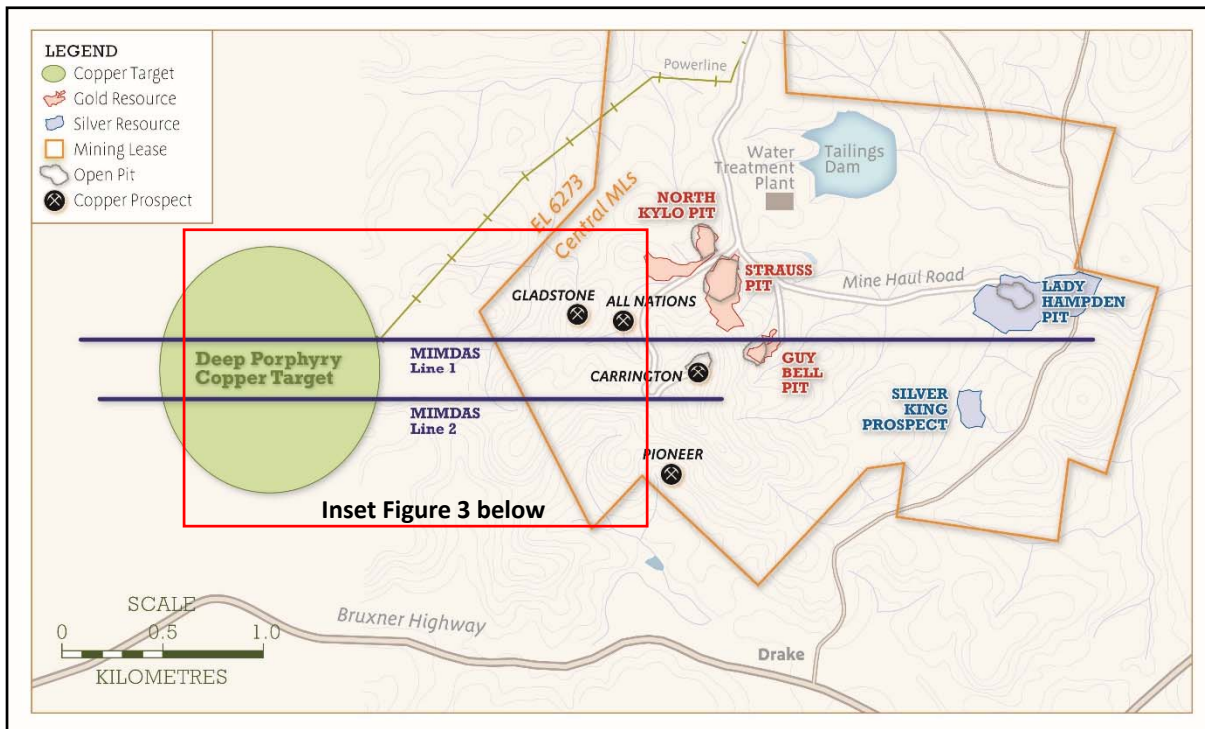


Figure 3: Location of MIMDAS survey lines and new chargeability anomaly relative to Mt Carrington gold/silver deposits and copper prospects.

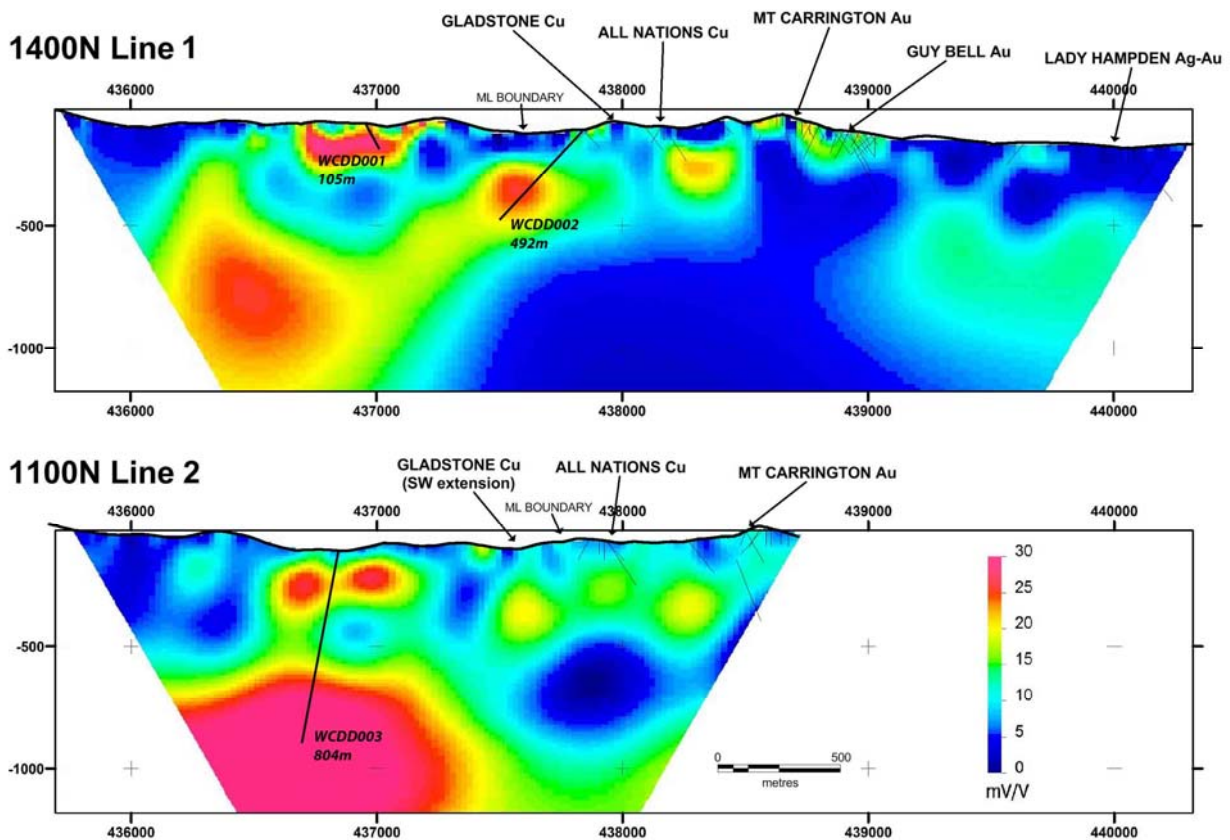


Figure 4: Projection of completed drill holes on MIMDAS IP chargeability cross sections - Line 1 (1400N) and Line 2 (1100N). High chargeable response in red, low response in blue.

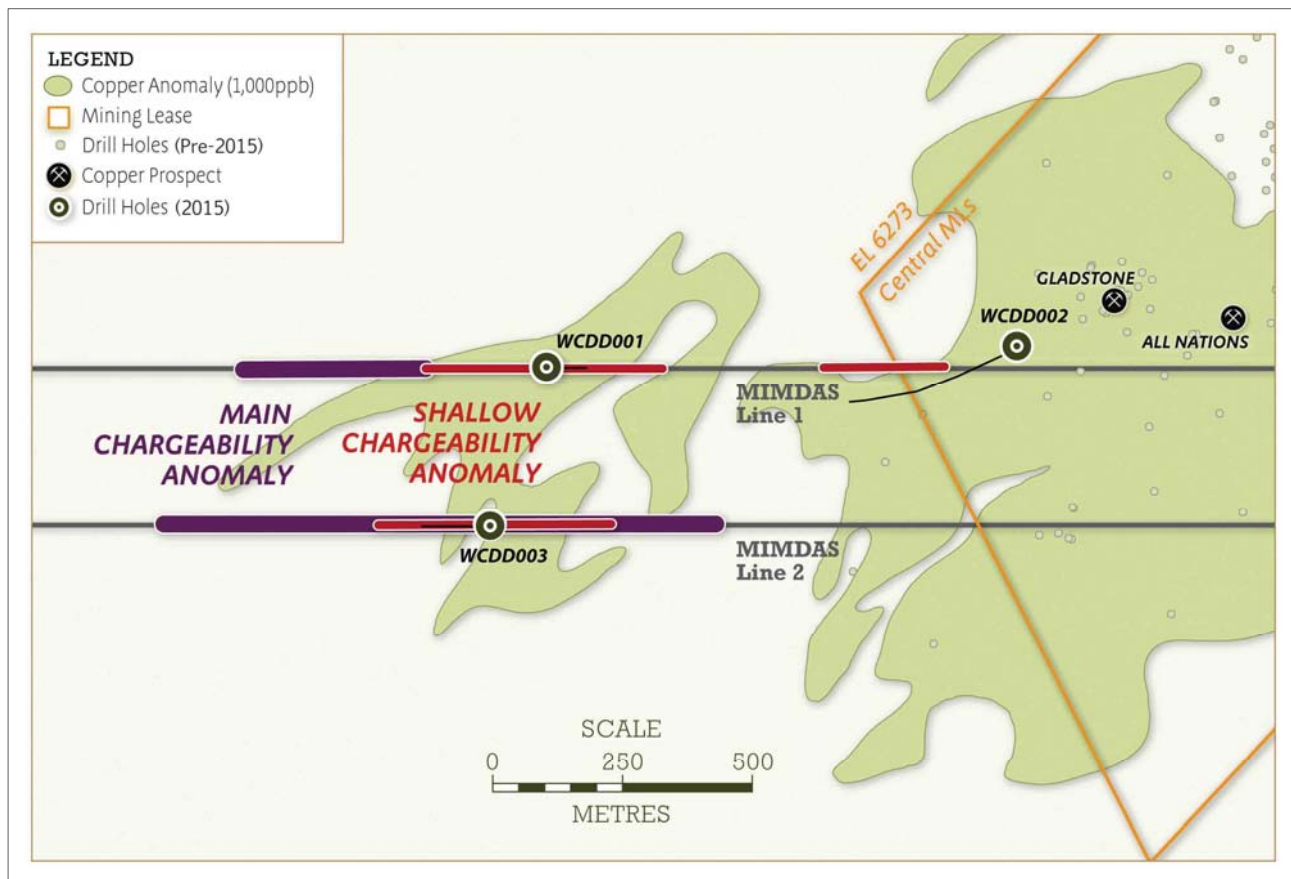


Figure 5: Plan location of recently completed drill holes (WCDD001, 002 and 003) with respect to copper soil anomalism and the chargeability anomalies located immediately west of the known Mt Carrington gold-silver deposits and copper prospects.

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. More recently in 2014 a sprinkler system was installed to assist in evaporation of water from the storage facility, supplementing the existing water treatment process.

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.

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 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.

White Rock Minerals Ltd

Exploration projects (continued)

For the year ended 30 June 2015

Risks to Company Strategy (continued)

Tenement title (continued)

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.

Environmental risks

The operations and proposed activities of the Company are subject to Australian 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

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 or copper, technological advancements, forward selling activities and other macro-economic factors. Furthermore, prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are 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.

***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.

Geophysical information in this report is based on exploration data compiled by Mr Terry Hoschke who is employed as a Consultant to the Company through the geophysical consultancy Alterrex Pty Ltd. Mr Hoschke is a member of the Australian Society of Exploration Geophysicists and the Australian Institute of Geoscientists with sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and activities undertaken, 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 Hoschke consents to the inclusion in the report of matters based on 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.

White Rock Minerals Ltd
Tenement schedule
For the year ended 30 June 2015

Tenement	Locality	Lease Status	Area Type	Current Area	Grant Date
EL6452	North Carrington	Granted ¹	km ²	136	21/07/2007
EL6273	Central Carrington	Granted	km ²	183	15/07/2004
EL6453	South Carrington	Granted ¹	km ²	57	21/7/2007
EL7673	Boorook	Granted	km ²	45	21/12/2010
MPL24	Mt Carrington	Granted	km ²	0.5119	2/04/1976
MPL256	Mt Carrington	Granted	km ²	0.5473	25/02/1987
MPL259	Mt Carrington	Granted	km ²	1.514	23/03/1988
SL409	Mt Carrington	Granted	km ²	0.4745	8/09/1967
SL471	Mt Carrington	Granted	km ²	0.5666	16/07/1969
SL492	Mt Carrington	Granted	km ²	0.0214	10/10/1969
ML1147	Mt Carrington	Granted	km ²	3.564	27/11/1985
ML1148	Mt Carrington	Granted	km ²	0.0315	27/11/1985
ML1149	Mt Carrington	Granted	km ²	0.5119	27/11/1985
ML1150	Mt Carrington	Granted	km ²	0.30	27/11/1985
ML1200	Mt Carrington	Granted	km ²	0.0875	23/03/1988
MPL1345	Mt Carrington	Granted	km ²	0.0081	26/10/1967
ML5444	Mt Carrington	Granted	km ²	0.0268	7/01/1955
GL5477	Mt Carrington	Granted	km ²	0.0247	8/10/1946
GL5478	Mt Carrington	Granted	km ²	0.0040	8/10/1946
ML5883	Mt Carrington	Granted	km ²	0.1133	4/06/1964
ML6004	Mt Carrington	Granted	km ²	0.1616	12/07/1965
ML6006	Mt Carrington	Granted	km ²	0.0809	29/06/1964
ML6242	Mt Carrington	Granted	km ²	0.1619	9/09/1970
ML6291	Mt Carrington	Granted	km ²	0.259	25/05/1971
ML6295	Mt Carrington	Granted	km ²	0.2388	24/05/1971
ML6335	Mt Carrington	Granted	km ²	0.1951	20/04/1972

¹. These licences expired in July 2015.

Table 2 Tenements schedule

White Rock Minerals Ltd

Directors' report

For the year ended 30 June 2015

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 2015 and the Independent Auditors' Report thereon.

1. Board of Directors

The Board has three members, two 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
Mr Brian Phillips Independent Chairperson AWASM-Mining, C Eng, FAusIMM, MIMMM	Mr Phillips is a mining engineer with over 40 years' corporate and operating experience in the mining industry in Australia and overseas. Mr Phillips has been a Director since 2010 and is a member of the Audit Committee. He is the non-executive chairman of Panoramic Resources Limited, and retired as non-executive chairman of Indophil Resources NL in January 2015.
Mr Peter Lester Independent Non-Executive Director B.E (Mining), MAusIMM, MAICD	Mr Lester has over 35 years' experience in the mining industry, and has held senior executive positions with North Ltd, Newcrest Mining Limited, Oxiana 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 director of Doray Minerals Ltd and Nord Gold NV and a Director of Accessio Resources Pty Ltd. 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.
Mr Geoffrey Lowe Non-Executive Director B.Sc, MAusIMM	Mr Lowe is a geologist with over 26 years' experience in both greenfields and near mine exploration for gold and copper in Australia. 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 remains on the Board as a non-executive director.
Mr Steven Olsen Independent Non-Executive Director B.Sc.(Hons), M.Sc.(MinEx), Grad.Dip (F&I), MAusIMM	Mr Olsen has over 20 years' experience in the resources industry with a background of 15 years working as a mine geologist and exploration geologist, predominantly in Western Australia and Canada, on nickel and gold deposits. Mr Olsen has had continued exploration success for both nickel and gold mineralisation throughout his career. Mr Olsen's qualifications include a B.Sc. (Hons) University of Melbourne, a Masters in Mineral Exploration from Queens University, Ontario and a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia. He was the founding Managing Director of Rex Minerals Ltd. Mr Olsen was a White Rock Director since 2010 and resigned on 15 September 2014.

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

2. Company Secretary

Mr Andrew Dart commenced as Company Secretary in July 2013. Mr Dart is a CPA and was also the Chief Financial Officer for the Company, and has over 11 years' experience in both the public and private sectors. Prior to being appointed to the role of Chief Financial Officer and subsequently Company Secretary, Mr Dart previously held senior finance roles at Rex Minerals Ltd and Central Highlands Region Water Corporation. Mr Dart resigned from White Rock Minerals on 28 August 2015 and was replaced by Mr Shane Turner.

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	10	10	2	2
Mr Steven Olsen	3	3	1	1
Mr Geoffrey Lowe ¹	10	10	2	2
Mr Peter Lester	10	10	2	2

A – Number of meetings attended

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

¹ Mr Lowe was not a member of the Audit Committee. However, he was invited to, and attended meetings as appropriate.

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 incorporating the 2014 third edition amendments 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.

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 2015 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. 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 \$16,017,736 (2014 loss: \$1,211,903) for the year. The increase in loss was driven by impairments of \$16,365,553 on exploration and evaluation assets and property, plant and equipment. Normal operating expenditures decreased when compared to the comparative period due to reduced expenditure incurred on project development, marketing costs, and employee expenses. This was in line with the stated plans to minimise or cease discretionary expenditure on lower priority projects with the aim of focussing expenditure on the most prospective areas in line with the Company's strategic direction. As at 30 June 2015 the Group had a cash position of \$354,021 (2014: \$1,880,285). The cash position reduced by \$1,526,264 over the course of the financial year, with net proceeds from equity raising of \$493,000 before costs and receipt of New South Wales Government drilling funding under the 'New Frontiers' project of \$103,938, offset by cash outflows for further investment in exploration and evaluation activities and operating costs. The Group has no bank debt.

Additional information as to the review of business activities, likely developments for financial year 2016 and environmental regulation and management are included in the Introduction, Letter from the Chairman, Review of operations and Exploration projects sections which form part of the Directors report and are included earlier within the Annual Report.

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

7. Significant changes in the state of affairs

On 18 March 2015, White Rock announced an Equity Capital Raising comprising a Placement to Institutional Investors, Placement to Directors, and Share Purchase Plan for existing shareholders. This was completed in May 2015 with the Company receiving \$493,000 before costs.

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 2015.

8. 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.

9. Events subsequent to reporting date

On 23 July 2015, and as subsequently amended on 1 September 2015, White Rock announced a Heads of Agreement with Silver Mines Ltd, whereby Silver Mines will provide White Rock with funding as follows:

- \$50,000 which was received in August 2015 and a further \$75,000 which is expected to be received by 30 September which will give rise to the issue of 6,250,000 shares.
- \$75,000 which will lead to the issue of 3,750,000 shares by way of placement to Silver Mines Limited expected to occur on 6 October 2015.
- \$300,000 by way of an unsecured and interest-free loan to be provided by Silver Mines Limited under which White Rock will have the option, but not the obligation, to convert amounts drawn down into shares in the company during the 12 month period commencing from the date of the first draw down. The unsecured loan facility is expected to become available not earlier than 45 days after the 6th October 2015. The price of conversion will be 80% of the 5 day VWAP of the market price of WRM shares prior to conversion, subject to any applicable regulatory requirements.

In addition to the provision of funding referred to above, the Heads of Agreement provides that the parties will consider a corporate transaction including the possible merger, acquisition or other business combination of all or part of the businesses, assets or entities of the parties. If such a transaction were to occur this may, subject to shareholder approval, alter the ownership structure of White Rock Minerals and may result in Silver Mines obtaining control of the group, or White Rock obtaining control of Silver Mines Limited, which would alter both the future financial performance and position of White Rock should any transaction proceed.

On 27 July 2015, White Rock announced a placement with Malaysian based PHD Investments, issuing 5,000,000 shares on 28 July 2015 raising \$100,000.

On 28 July 2015, 2,102,121 shares to the value of \$45,000 were issued to Lion Capital Advisory in settlement of services provided in the April to June 2015 quarter.

On 23 September 2015, 2,068,207 shares to the value of \$30,000 were issued to Lion Capital Advisory in settlement of services provided during July and August 2015.

Tenements EL6452 and EL6453 which were due for renewal in July 2015 were relinquished by the Company. There is no impact on the financial statements as a result of the forfeiture of these tenements as previously capitalised exploration and evaluation expenditure relating to the tenements was written off during the year ended 30 June 2015 (refer note 9).

Further reporting was submitted to the New South Wales Government in July for drilling funding under the 'New Frontiers' project and the second funding instalment under the program of \$12,992 was received on 14 July 2015. White Rock submitted its final report to the New South Wales Government on 11 September 2015, and anticipates the final funding payment of \$12,992 to be received in early October 2015.

Andrew Dart resigned as Chief Financial Officer and Company Secretary effective 28 August 2015 and was replaced by Shane Turner.

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.

10. Likely developments

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

The Groups goals for 2016 are included in the Introduction, Letter from the Chairman, Review of operations and Exploration projects sections which form part of the Directors report and are included earlier within the Annual Report.

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

11. 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	2,473,264	-
Mr Peter Lester	2,101,852	-
Mr Geoffrey Lowe	1,204,430	2,500,000

12. Share options

12.1 Options granted to Directors and Officers of the Company

The Company has not granted any options during or since the end of the financial year to Directors and Officers of the Company as part of their remuneration.

12.2 Unissued shares under option

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of shares
31 May 2016	\$0.045	1,166,666
31 May 2017	\$0.050	1,166,667
31 May 2018	\$0.055	1,166,667
31 May 2016	\$0.037	833,333
31 May 2017	\$0.041	833,333
31 May 2018	\$0.045	833,334
30 March 2018	\$0.040	500,000
30 March 2019	\$0.045	500,000
Total		7,000,000

All options expire on the expiry date, unless the options have not been exercised and the holder leaves the Company in which case the options will lapse if they are not exercised within 60 days of departure 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.

12.3 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.

13. 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.

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

14. Non-audit services

During the prior year KPMG, the Group's auditor, performed certain other services which are listed in the table below in addition to the audit and review of the financial statements.

The Board has considered the non-audit services provided during the prior year by the auditor and is satisfied that the provision of those non-audit services by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001. The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

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

	2015 \$	2014 \$
KPMG Australia		
Audit and review of financial statements	40,000	40,000
Other services		
- Review of Research and Development Claim	-	60,000

15. 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
Non-Executive Directors		
Mr Brian Phillips	Chairperson	Appointed 26 March 2010
Mr Steven Olsen	Non-executive Director	Appointed 26 March 2010 / Resigned 15 September 2014
Mr Peter Lester	Non-executive Director	Appointed 12 April 2013
Mr Geoffrey Lowe ¹	Non-executive Director	Appointed 29 May 2015
Executive Director		
Mr Geoffrey Lowe ¹	Managing Director and Chief Executive Officer (MD&CEO) ¹	Appointed 26 March 2010 / Resigned 29 May 2015
Executives		
Mr Andrew Dart ²	Chief Financial Officer and Company Secretary	Appointed 1 April 2013
Mr Matthew Gill ³	Chief Operating Officer	Appointed 25 May 2015

1. Mr Lowe resigned as Managing Director and Chief Executive Officer effective 29 May 2015, and was immediately appointed as a non-executive director.

2. Mr Dart resigned as Chief Financial Officer and Company Secretary effective 28 August 2015 and was replaced by Mr Shane Turner.

3. Mr Gill was appointed as Chief Operating Officer on 25 May 2015, on a contract basis.

There have been no further changes to key management personnel between 1 July 2015 and the date of this report.

15.1 Principles of compensation

Remuneration is referred to as compensation through 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 2015 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.

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

15. Remuneration Report – audited (continued)

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.

15.1.1 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.

15.1.2 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.

15.1.3 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.

15.1.4 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, with the exception of options granted to a technical consultant during the year which have a vesting period. Options granted only 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. 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. The Board retains the right to vary the conditions associated with options granted under the LTI at its discretion. During 2015 the Board exercised its right to permit options granted to certain employees (including Mr Geoff Lowe who ceased as Managing Director and Chief Executive Officer) of the company to allow options previously granted to them to remain on foot beyond 60 days from departure. This did not impact the remuneration provided to the employees measured in accordance with Australian Accounting Standards as the modification was to a condition subsequent to the date the options initially vested.

15.1.5 Service agreements

It is the Group's policy that employment contracts for executives, excluding the Chief Executive Officer, are unlimited in term but capable of termination on three months' notice and that the Group retains the right to terminate the contract immediately, by making payment equal to three months' pay in lieu of notice. The Group has negotiated contracts with each executive, excluding the Chief Executive Officer, that are capable of termination on three months' notice. The Group retains the right to terminate a contract immediately by making payment equal to three months' pay in lieu of notice. The key management personnel are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. The Chief Operating Officer has a contractor agreement in place which has a termination date of 30 September 2015, the Group may terminate the contract with the Chief Operating Officer providing 1 months' notice and additional fees equal to twenty days fees.

The employment contracts outline the components of compensation paid to the key management personnel but do not prescribe how compensation levels are modified year to year. Compensation levels 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.

15.1.6 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 2015 financial year were \$40,000 per annum, whilst the Chairperson's base fee was \$65,000. In addition Non-Executive Directors are entitled to statutory superannuation benefits on base fees. There has been no change in directors' base fees over the last five years.

In light of the current market conditions, the Board resolved to reduce the Chairman's base fees to \$40,000 per annum, and Non-Executive Directors base fees to \$30,000 per annum beginning July 2015. It is the intention of the Board to take half of these fees as cash and the remainder in shares in the company.

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

15. Remuneration Report – audited (continued)

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

15.1.7 Services provided by remuneration consultants

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

15.1.8 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 indices in respect of the current financial year and previous financial years.

	2015	2014	2013	2012	2011
Net profit/(loss) attributable to equity holders of the parent	\$(16,017,736)	\$(1,211,903)	\$(364,820)	\$(1,468,940)	\$(1,341,287)
Closing share price at period end	\$0.023	\$0.015	\$0.035	\$0.09	\$0.23
Closing cash balance	\$354,021	\$1,880,285	\$2,886,881	\$2,617,429	\$5,299,693

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

15. Remuneration report - audited (continued)

15.2 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 ⁵	Share based payments	Termination Benefits	Total \$	Proportion of remuneration performance related %	Value of options as a proportion of remuneration %
		Salary & fees ⁴ \$	STI cash bonus \$ (B)	Total \$	Super-annuation benefits \$	\$	Fair Value Options/Shares (A) \$				
Directors											
Non-Executive Directors											
Mr Brian Phillips (Chairperson) ⁶	2015	65,000	-	65,000	6,175	-	-	-	71,175	-	-
	2014	65,000	-	65,000	6,012	-	-	-	71,012	-	-
Mr Steven Olsen ¹	2015	8,333	-	8,333	792	-	-	-	9,125	-	-
	2014	40,000	-	40,000	3,700	-	-	-	43,700	-	-
Mr Peter Lester ⁶	2015	40,000	-	40,000	3,800	-	-	-	43,800	-	-
	2014	40,000	-	40,000	3,700	-	-	-	43,700	-	-
Mr Geoffrey Lowe ²	2015	3,333	-	3,333	317	-	-	-	3,650	-	-
Executive Directors											
Mr Geoffrey Lowe – Managing Director and Chief Executive Officer ²	2015	240,532	-	240,532	23,511	(23,019)	-	-	241,024	-	-
	2014	281,004	-	281,004	24,960	5,396	27,417	-	338,777	8%	8%
Executives											
Mr Andrew Dart	2015	133,088	-	133,088	12,825	788	-	-	146,701	-	-
	2014	135,582	-	135,582	12,487	2,698	-	-	150,767	-	-
Matthew Gill - Chief Operating Officer ³	2015	16,032	-	16,032	1,656	-	-	-	17,688	-	-
Total	2015	506,318	-	506,318	49,076	(22,231)	-	-	533,163		
	2014	561,586	-	561,586	50,859	8,094	27,417	-	647,956		

1. Mr Olsen resigned as a non-executive director on 15 September 2014.

2. Mr Lowe resigned as Managing Director and Chief Executive Officer effective 29 May 2015, and was immediately appointed as a Non-Executive Director.

3. Mr Gill was appointed as Chief Operating Officer on 25 May 2015, and provides his services under a contractor agreement.

4. 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.

5. 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.

6. Director's remuneration includes amounts payable, inclusive of superannuation, to Brian Phillips of \$11,863 and to Peter Lester of \$7,300. The Directors have indicated they intend to accept the issue of shares in lieu of amounts payable to them at period end, subject to shareholder approval. The number of shares to be issued in settlement of the liability will be determined with reference to the volume weighted average price for the relevant period of service delivery and the amount accrued over the period of time.

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

15. 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 in the comparative period was calculated at the date of grant using the Black Scholes 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
29 November 2013	2.5 years	\$0.011	\$0.037	\$0.030	65%	2.84%
29 November 2013	3.25 years	\$0.012	\$0.041	\$0.030	65%	3.00%
29 November 2013	3.5 years	\$0.011	\$0.045	\$0.030	65%	3.08%

- 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 the year ended 30 June 2015, 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%.

15.3 Equity Instruments

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

15.3.1 Options over equity instruments granted as compensation

During the period, no options were granted as compensation to key management personnel, and no options have been granted since the end of the financial year.

15.3.2 Modification of terms of equity-settled share-based payment transactions

The terms of some equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been modified during the current period. Refer to section 15.1.4 for a description of the modification of the circumstances under which options previously granted as compensation which vested in prior periods would lapse if an employee left the company. As the modifications referred to in 15.1.4 are post vesting conditions for previously granted compensation, this does not impact the remuneration for any of the key management personnel during the year ended 30 June 2015.

15.3.3 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 2015

15. Remuneration report - audited (continued)

15.3.4 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:

2015	Note	Held at 1 July 2014 (A)	Lapsed during year	Granted as compensation	Vested during year	Held at 30 June 2015 (B)	Vested and exercisable at 30 June 2015 (C)
Directors							
Mr Brian Phillips		1,000,000	1,000,000	-	-	-	-
Mr Steven Olsen		1,000,000	1,000,000	-	-	-	-
Mr Geoffrey Lowe	(iii)	4,500,000	2,000,000	-	-	2,500,000	2,500,000
Mr Peter Lester		-	-	-	-	-	-
Executives							
Mr Matthew Gill		-	-	-	-	-	-
Mr Andrew Dart		600,000	-	-	-	600,000	600,000

2014	Note	Held at 1 July 2013 (A)	Lapsed during year	Granted as compensation	Vested during year	Held at 30 June 2014 (B)	Vested and exercisable at 30 June 2014 (C)
Directors							
Mr Brian Phillips	(i)	1,000,000	-	-	-	1,000,000	1,000,000
Mr Steven Olsen	(ii)	1,000,000	-	-	-	1,000,000	1,000,000
Mr Geoffrey Lowe	(iii)	2,000,000	-	2,500,000	2,500,000	4,500,000	4,500,000
Mr Peter Lester		-	-	-	-	-	-
Executives							
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 2014 or 30 June 2015.

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

(i) Held indirectly through Thylacine Pty Ltd as trustee for the Brian Phillips Superannuation Fund.

(ii) 500,000 held indirectly through S&S Olsen Pty Ltd as trustee for the Olsen Family Trust; and 500,000 held indirectly through SSO Super Pty Ltd as trustee for the SSO Super Fund.

(iii) 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 \$ (A)	Value of options exercised in year \$	Lapsed in year \$
Directors			
Mr Brian Phillips	-	-	140,000
Mr Steven Olsen	-	-	140,000
Mr Peter Lester	-	-	-
Mr Geoffrey Lowe	-	-	280,000
Executives			
Mr Matthew Gill	-	-	-
Mr Andrew Dart	-	-	-
	-	-	560,000

A. The fair value of the unlisted options granted was calculated at the date of grant using the Black Scholes option pricing model. As the options vest immediately the fair value of the grant is allocated to the reporting period in which the grant occurs.

White Rock Minerals Ltd

Directors' report (continued)

For the year ended 30 June 2015

15. Remuneration report - audited (continued)

15.3.5 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:

2015	Note	Held at 1 July 2014 (A)	Acquisitions	Sales	Held at 30 June 2015 (B)
Directors					
Mr Brian Phillips	(i)	621,412	1,851,852	-	2,473,264
Mr Steven Olsen	(ii)	2,900,001	-	-	2,900,001
Mr Geoffrey Lowe	(iii)	463,690	740,740	-	1,204,430
Mr Peter Lester	(iv)	250,000	1,851,852	-	2,101,852
Executives					
Mr Matthew Gill		-	-	-	-
Mr Andrew Dart		-	-	-	-

2014	Note	Held at 1 July 2013 (A)	Acquisitions	Sales	Held at 30 June 2014 (B)
Directors					
Mr Brian Phillips		310,706	310,706	-	621,412
Mr Steven Olsen		2,900,001	-	-	2,900,001
Mr Geoffrey Lowe		231,845	231,845	-	463,690
Mr Peter Lester		-	250,000	-	250,000
Executives					
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 are disclosed below.

- (i) 2,473,264 held indirectly through Thylacine Pty Ltd as trustee for the Brian Phillips Superannuation Fund.
- (ii) 2,750,001 held indirectly through S&S Olsen Pty Ltd as trustee for the Olsen Family Trust. 150,000 held indirectly through SSO Super Pty Ltd as trustee for the SSO Super Fund.
- (iii) 1,204,430 held indirectly by the Lowe Family Super Fund.
- (iv) 2,101,852 held indirectly through PNS (Holdings) Pty Ltd ATF PNS Super Fund.

15.4 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 2015

16. Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 57 and forms part of the Directors' report for the year ended 30 June 2015.

Dated at Ballarat this 28th day of September 2015.

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 2015

	Note	2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	6	354,021	1,880,285
Trade and other receivables	7	988,555	964,235
Prepayments	8	7,944	7,977
Total current assets		1,350,520	2,852,497
Non-current assets			
Exploration and evaluation assets	9	9,843,424	24,574,387
Property, plant and equipment	10	350,939	947,593
Total non-current assets		10,194,363	25,521,980
Total assets		11,544,883	28,374,477
Current Liabilities			
Trade and other payables	11	152,620	200,424
Employee benefits	12	20,886	78,222
Total current liabilities		173,506	278,646
Non-current liabilities			
Employee benefits	12	6,572	34,477
Provision for rehabilitation	13	934,000	954,000
Deferred tax liability	14	-	1,552,058
Total non-current liabilities		940,572	2,540,535
Total liabilities		1,114,078	2,819,181
Net assets		10,430,805	25,555,296
Equity			
Issued capital	15(i)	32,346,245	31,468,401
Reserves	15(iii)	131,935	963,534
Accumulated losses	15(iv)	(22,047,375)	(6,876,639)
Total equity		10,430,805	25,555,296

The notes on pages 33 to 55 are an integral part of these consolidated financial statements.

White Rock Minerals Ltd
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Finance income	16	51,181	101,306
Gain on disposal of fixed assets		17,773	21,565
Other income	17	31,910	-
Administrative expenses		(497,588)	(409,589)
Project development		(104,608)	(500,708)
Depreciation expense		(26,924)	(39,519)
Employee benefits expense	18	(571,243)	(707,692)
Marketing expense		(89,845)	(193,706)
Impairment of assets	9, 10	(16,365,553)	-
(Loss) before tax		(17,554,897)	(1,728,343)
Income tax (expense)/benefit	19	1,537,161	516,440
Total (loss) for the period after tax		(16,017,736)	(1,211,903)
Total comprehensive (loss) attributable to members of White Rock Minerals Ltd		(16,017,736)	(1,211,903)
(Loss) per share attributable to members of White Rock Minerals Ltd			
Basic and diluted (loss) per share (cents)	20	(8.09)	(0.68)

The notes on pages 33 to 55 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 2015

	Attributable to equity holders of the Company			
	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2013	29,139,160	1,177,657	(5,687,776)	24,629,041
Issue of ordinary shares	2,372,468	(463,000)	-	1,909,468
Transaction costs on share issue, net of tax	(43,227)	-	-	(43,227)
Share based payments transactions	-	271,917	-	271,917
Transfers from share based payments reserve	-	(23,040)	23,040	-
Total comprehensive loss for the period	-	-	(1,211,903)	(1,211,903)
Balance at 30 June 2014	31,468,401	963,534	(6,876,639)	25,555,296
Balance at 1 July 2014	31,468,401	963,534	(6,876,639)	25,555,296
Issue of ordinary shares	912,604	(419,604)	-	493,000
Transaction costs on share issue, net of tax	(34,760)	-	-	(34,760)
Share based payments transactions	-	435,005	-	435,005
Transfers from share based payment reserve	-	(847,000)	847,000	-
Total comprehensive loss for the period	-	-	(16,017,736)	(16,017,736)
Balance at 30 June 2015	32,346,245	131,935	(22,047,375)	10,430,805

The notes on pages 33 to 55 are an integral part of these consolidated financial statements.

White Rock Minerals Ltd
Consolidated Statement of Cash Flows
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,209,743)	(1,774,376)
Interest received		54,279	113,369
Proceeds from services		18,902	-
Net cash (used in) operating activities	21	(1,136,562)	(1,661,007)
Cash flows from investing activities			
Exploration and evaluation payments		(949,927)	(2,537,017)
Acquisition of property, plant and equipment		(4,829)	(83,702)
Proceeds from sale of fixed assets		17,773	24,035
Proceeds from Government funding programs		103,938	-
Proceeds from R&D tax incentive		-	1,403,381
Net cash (used in) investing activities		(833,045)	(1,193,303)
Cash flows from financing activities			
Proceeds from issue of share capital		493,000	1,909,468
Transaction costs on issue of share capital		(49,657)	(61,754)
Net cash from financing activities		443,343	1,847,714
Net increase / (decrease) in cash and cash equivalents		(1,526,264)	(1,006,596)
Cash and cash equivalents at beginning of the year		1,880,285	2,886,881
Cash and cash equivalents at year end	6	354,021	1,880,285

The notes on pages 33 to 55 are an integral part of these consolidated financial statements.

White Rock Minerals Ltd

Notes to the consolidated financial statements

For year ended 30 June 2015

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 2015 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.

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 2015.

(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 22.

Going concern

The Group recorded a loss after tax of \$16,017,736, and net cash outflows from operating and investing activities of \$1,969,607 for the year ended 30 June 2015. The Group’s position as at 30 June 2015 was as follows:

- The Group had available cash reserves of \$354,021;
- The Group’s current assets (excluding restricted cash of \$951,288 as detailed in note 7) of \$399,232 exceeded current liabilities of \$173,506 by \$225,726;
- 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.

Current forecasts indicate that cash on hand as at 30 June 2015 will not be sufficient to fund planned exploration and operational activities during the next twelve months and to maintain the Group’s tenements in good standing. Accordingly, the Group will be required to raise additional equity, restructure existing funding facilities, consider alternate funding options, enter into a corporate transaction or a combination of the foregoing.

The Company is actively assessing potential partners including the corporate transaction as announced on 23 July 2015 involving the possible merger, acquisition or other business combination presently under discussion with Silver Mines Limited.

The Group’s position as at 31 August 2015 was as follows:

- The Group has available cash reserves of \$269,566;
- The Group continues to have a positive working capital position.

As at the date of this report the Group has access to the following additional committed sources of funding from Silver Mines Limited:

- In addition to \$50,000 that was received in August 2015, a further \$75,000 is expected to be received by 30 September which will give rise to the issue of 6,250,000 shares. These funds are in accordance with the subscription agreement dated 22 July 2015 and as subsequently amended by a deed of variation on 30 August 2015.
- \$75,000 which will lead to the issue of 3,750,000 shares by way of a placement to Silver Mines Limited expected to occur on 6 October 2015. These funds are in accordance with the subscription agreement dated 22 July 2015 and as subsequently amended by a deed of variation on 30 August 2015.
- \$300,000 under the heads of agreement announced on 23 July 2015 and subsequently amended by a deed of variation on 30 August 2015 by way of an unsecured and interest-free loan to be provided by Silver Mines Limited under which White Rock will have the option, but not the obligation, to elect to convert any loan amounts drawn down into White Rock shares at any time during the 12 month period commencing from the date of first draw down. The unsecured loan facility is expected to become available no sooner than 45 days after 6 October 2015. The price of conversion will be 80% of the 5 day VWAP of the market price of White Rock shares prior to conversion, subject to any applicable regulatory requirements.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

2. Basis of preparation (continued)

The Directors are confident that the Group will either complete the proposed corporate transaction with Silver Mines Limited or will find other means to ensure that the Group can meet essential operational expenditure commitments for at least the next twelve months, maintain the Company's tenements in good standing and pay its debts, as and when they fall due. The Group has ceased discretionary expenditure pending further funding and the Company has previously been successful in raising cash through equity raisings as and when required to support the Group's activities. The Directors believe they can obtain the continued support of the Company's shareholders and a number of brokers that have supported the Company's previous capital raisings.

Accordingly, the financial statements for the year ended 30 June 2015 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 the possible corporate transaction with Silver Mines Limited does not complete in a timely manner, or that sufficient additional funding is not raised from the issue of capital or through alternative funding sources, the outcome of which is uncertain until such funding is secured, there is a material uncertainty as to whether the going concern basis 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 13 Provision for rehabilitation
- note 22 Share based payments

3. Significant accounting policies

(a) Changes in accounting policies

Except as described below, the accounting policies applied in these financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2014.

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 2014. New, revised or amended standards or interpretations that are relevant to the Group are listed and described below:

- *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities*. The amendments clarify the requirements relating to the offsetting of financial assets and financial liabilities. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.
- *AASB 2012-3 Amendments to AASB 136 Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*. Introduces additional disclosure requirements of fair value key assumptions applicable when the recoverable amount of an asset or a cash-generating unit (CGU) is measured at fair value less costs of disposal. The amendments also remove the requirement to disclose the recoverable amount of a CGU to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

3. Significant accounting policies (continued)

- AASB 2014-1 *Amendments to Australian Accounting Standards – Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles*. The amendments include clarifying share based payment vesting and non-vesting conditions, operating segment asset disclosures, and classification of KMP.
- AASB 2013-9 *Amendments to Australian Accounting Standards – Part B Materiality*. Provides for consequential editorial amendments to standards.
- IFRIC 21 – *Levies*. Provides direction on how to account for different levy arrangements and outlines the obligating event that gives rise to a liability, being the activity that triggers the levy.

The application of new standards, amendments and interpretations did not have a material impact on the amounts recorded in the Groups financial statements, and had some impact on the disclosures associated with the write down of assets described in note 9.

(b) Basis of consolidation

(i) Subsidiaries

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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(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.

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

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

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any dividend income, are recognised in profit or loss.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

3. Significant accounting policies (continued)

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. In the statement of cash flows, cash and cash equivalents include bank overdrafts that are repayable on demand and form an integral part of the Groups cash management. Deposits with an original maturity of greater than three months are included within Trade and Other Receivables in the balance sheet.

Available-for-sale financial assets

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss in equity is reclassified to profit or loss.

(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.

(iv) Share capital

Ordinary shares - 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.

(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 (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) are recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) 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

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

3. Significant accounting policies (continued)

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.

(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.

Objective evidence that financial assets are impaired includes:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indication that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measureable decrease in expected cash flows from a group of financial assets.

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.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

3. Significant accounting policies (continued)

(f) Impairment (continued)

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"). Any goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

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 are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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.

(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.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

3. Significant accounting policies (continued)

(g) Employee benefits (continued)

(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 payment 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 becomes unconditionally entitled to the awards. The amount recognised is adjusted to reflect the number of awards 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 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 shares and intends to do so at inception of the agreement. On completion of the arrangement shares are issued and the amount transferred from the share based payments reserve to issued capital based on the fair value of goods received or services provided. 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.

(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.

(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.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

3. Significant accounting policies (continued)

(j) Tax (continued)

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 are part of 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 granted to employees of the Company.

(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.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

3. Significant accounting policies (continued)

(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 consolidated entity 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 consolidated entity applies revised AASB 101 Presentation of Financial Statements. The consolidated entity 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 2015. Those which may be relevant to the group are set out below. The group does not plan to adopt these standards early.

- AASB 9 *Financial Instruments and Amendments to Australian Accounting Standards arising from AASB 9* (AASB 2009-11, AASB 2010-7, AASB 2014-7, AASB 2014-8). The new standard and amendments which become mandatory for the Group's 2019 financial statements could change the classification and measurement of financial assets and financial liabilities. The new standards are not expected to have significant impact on the financial statements.
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*. The amendments relate to IFRS 5, IFRS 7, IAS 19 and IAS 34. The amendments are mandatory for application from 1 January 2016 and are not expected to have a significant impact on the Group's financial statements.
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*. The amendments are intended to ensure entities are able to use judgement when applying a standard in determining what information to disclose in their financial statements. The amendments apply for periods beginning on or after 1 January 2016. The amendments are not expected to have a significant impact on the Group's financial statements.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

3. Significant accounting policies (continued)

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

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality*. The amendments affect the withdrawal of AASB 1031 and are applicable for the period beginning on or after 1 July 2015. The amendments are not expected to have a significant impact on the Group's financial statements.
- AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations Amendments*. The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that meet the definition of a business. The amendments will become mandatory for the Group's 2017 financial statements and are not expected to have significant impact on the financial statements.
- AASB 15 *Revenue from Contracts with Customers* and AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*. AASB 15 applies to contracts with customers and presents two approaches to revenue recognition as well as enhanced disclosure requirements. Application of AASB 15 will be mandatory for years beginning on or after 1 July 2017. The new standard is not expected to have significant impact on the financial statements unless the Group commences operations which may result in customer contracts.
- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* clarifies that a revenue basis for depreciating property plant and equipment cannot be used and introduces a rebuttable presumption that use of revenue based amortisation methods for intangible assets is inappropriate. Amendments have an effective date of 1 January 2016 and are not expected to have a significant impact on the Group's financial statements.

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 consists of one operating segment and operates in one geographic location, Mt Carrington, Australia. Note 9 contains details of exploration expenditure capitalised on the operating segment. With the exception of the write down of capitalised exploration during the year (refer to note 9) no income or expenses were incurred by the operating segment. All other income and expenses incurred by the group relate to corporate activities and are therefore unallocated to the operating segment.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

6. Cash and cash equivalents

	2015 \$	2014 \$
Bank balances	354,021	1,880,285
Cash and cash equivalents	354,021	1,880,285

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

7. Trade and other receivables

	2015 \$	2014 \$
Current		
Other receivables	37,267	12,947
Restricted cash (i)	951,288	951,288
Total current trade and other receivables	988,555	964,235

(i) Restricted cash is placed on deposit to secure bank guarantees in respect of obligations for environmental performance bonds issued in favour of the NSW Minister for Mineral Resources. These deposits earn interest at an average rate of 3.31% per annum.

8. Prepayments

	2015 \$	2014 \$
Prepayments	7,944	7,977
Total prepayments	7,944	7,977

9. Exploration and evaluation assets

	2015 \$	2014 \$
Carrying amounts		
Balance at 1 July	24,574,387	22,037,445
Acquisitions	-	-
Additions	1,264,288	2,536,942
Disposals	-	-
Government grants (i)	(103,938)	-
Impairment charged to the income statement (ii)	(15,871,313)	-
Rehabilitation provision released	(20,000)	-
Balance at 30 June	9,843,424	24,574,387

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.

- (i) The Group was awarded a government grant during the period for reimbursement of direct drilling costs. The grant was conditional on the completion of the drilling program as specified by the grant application and subsequently the submission of a number of staged progress reports. As at balance date \$103,938 had been received with the remaining amounts contingent on additional reports being lodged. In accordance with accounting policy note 3(m) funds received were applied to reduce the net amount of expenditure capitalised.
- (ii) The group capitalises exploration and evaluation expenditure in accordance with accounting policy note 3(e). During the year ended 30 June 2015 in addition to relinquishing title to two tenements, 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.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

9. Exploration and evaluation assets (continued)

The Mount Carrington CGU which is also the groups only operating segment 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 228 square kilometres and includes a tailings dam, freshwater dam, site office, water treatment plant and access to grid power.

As a result of the impairment assessment, an impairment write down was recorded to reduce the value of the CGU comprising capitalised exploration and evaluation expenditure and associated property plant and equipment to \$10,150,000. The impairment write down was allocated to Exploration and Evaluation assets of \$15,871,313, and Property Plant and Equipment related to Mount Carrington of \$494,240.

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.

The FVLCTD assessment was based on a review by directors of information from a number of sources including previous valuations prepared for the Company and work presently underway by external experts. In estimating a value for the CGU, these valuation sources focus primarily on observable market transactions involving similar resources to those associated with the CGU, and the broader exploration foot print 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.

10. Property, plant and equipment

	2015			
	Land	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Cost				
Balance at 1 July 2014	29,044	1,196,048	121,822	1,346,914
Additions	-	4,829	-	4,829
Disposals	-	-	(46,868)	(46,868)
Balance at 30 June 2015	29,044	1,200,877	74,954	1,304,875
Depreciation and impairment losses				
Balance at 1 July 2014	-	312,974	86,347	399,321
Depreciation charged to the income statement	-	26,924	-	26,924
Depreciation capitalised to exploration projects	-	65,957	14,362	80,319
Impairment charge to the income statement 9 (ii)	18,002	476,238	-	494,240
Disposals	-	-	(46,868)	(46,868)
Balance at 30 June 2015	18,002	882,093	53,841	953,936
Carrying amounts				
At 1 July 2014	29,044	883,074	35,475	947,593
At 30 June 2015	11,042	318,784	21,113	350,939

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

10. Property, plant and equipment (continued)

	2014			
	Land	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Cost				
Balance at 1 July 2013	29,044	1,163,914	92,156	1,285,114
Additions	-	27,496	49,240	76,736
Disposals	-	(2,953)	(30,999)	(33,952)
Adjustments	-	7,591	11,425	19,016
Balance at 30 June 2014	29,044	1,196,048	121,822	1,346,914
Depreciation and impairment losses				
Balance at 1 July 2013	-	212,599	78,982	291,581
Depreciation charged to the income statement	-	39,519	-	39,519
Depreciation capitalised to exploration projects	-	56,218	24,516	80,734
Disposals	-	(2,953)	(28,576)	(31,529)
Adjustments	-	7,591	11,425	19,016
Balance at 30 June 2014	-	312,974	86,347	399,321
Carrying amounts				
At 1 July 2013	29,044	951,315	13,174	993,533
At 30 June 2014	29,044	883,074	35,475	947,593

During the year ended 30 June 2015 an impairment assessment was undertaken in relation to the Mount Carrington CGU. As a result of the impairment assessment an impairment write down of \$494,240 was allocated to the Property Plant and Equipment of the Mount Carrington CGU. Refer to note 9 for details of the impairment assessment performed.

11. Trade and other payables

	2015 \$	2014 \$
Current		
Trade payables	57,537	65,739
Accrued expenses	95,083	134,685
Total trade and other payables	152,620	200,424

12. Employee benefits

	2015 \$	2014 \$
Current – Liability for Annual Leave		
Opening balance	78,222	103,684
Liability accrued	64,627	87,970
Liability paid	(121,963)	(113,432)
Closing balance	20,886	78,222
Non-current– Liability for Long Service Leave		
Opening balance	34,477	50,377
Liability accrued	13,470	21,720
Liability released	(41,375)	(37,620)
Closing balance	6,572	34,477
Total employee benefits liabilities at 30 June	27,458	112,699

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

13. Provision for rehabilitation

	2015 \$	2014 \$
Opening balance	954,000	951,000
Provisions made during the year	-	3,000
Provisions released during the year	(20,000)	-
Closing balance	934,000	954,000

The amount of the provision 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 and actual activity on the various tenements interests. An independent assessment of the rehabilitation obligation associated with mining leases representing the primary element of the rehabilitation provision was undertaken by an external consultant in 2009. The group monitors environmental disturbance and updates its assessment where material changes in planned rehabilitation techniques are identified or activities increase the size of the environmental footprint.

14. Deferred tax liabilities

	2015 \$	2014 \$
Tax losses	2,531,736	5,457,605
Exploration deductions and other timing differences	(2,531,736)	(7,009,663)
Total deferred tax (liabilities)	-	(1,552,058)

In addition to the tax losses recognised in the table above \$3,692,543 of tax losses remain unrecognised at 30 June 2015.

15. Equity

	Date of issue	No of shares	Issue price \$	\$
(i) Movements in issued capital:				
Opening balance at 1 July 2014		188,233,908		31,468,401
Issue of Ordinary Shares – Corporate Mandate	11/07/2014	2,366,194	0.02	40,000
Issue of Ordinary Shares – Corporate Mandate	02/10/2014	2,944,195	0.02	45,000
Capital Raising – Placement funds received	23/03/2015	5,555,555	0.03	150,000
Issue of Ordinary Shares – Corporate Mandate	23/03/2015	3,287,947	0.02	45,000
Capital Raising – Share Purchase Plan	29/04/2015	8,259,251	0.03	223,000
Capital Raising – Placement funds received (Directors)	04/05/2015	4,444,444	0.03	120,000
Issue of Ordinary Shares – Corporate Mandate	04/05/2015	2,326,425	0.03	45,000
Issue of Ordinary Shares – Drilling agreement	15/06/2015	9,059,404	0.03	244,604
Less costs associated with Capital Raisings				(49,657)
Deferred tax credit recognised in equity				14,897
Closing balance at 30 June 2015		226,477,323		32,346,245

	Date of issue	No of shares	Issue price \$	\$
Opening balance at 1 July 2013		134,055,531		29,139,160
Issue of Ordinary Shares – Drilling agreement	02/07/2013	2,566,667	0.12	308,000
Capital Raising – Rights issue	09/09/2013	47,736,710	0.04	1,909,468
Less costs associated with Rights issue				(61,754)
Issue of Ordinary Shares – Drilling agreement	29/11/2013	3,875,000	0.04	155,000
Deferred tax credit recognised in equity				18,527
Closing balance at 30 June 2014		188,233,908		31,468,401

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

15. Equity (continued)

	Date of issue	No of options	Exercise price	Expiry date
(ii) Movements in options on issue:			\$	
Opening balance as at 1 July 2014		12,050,000		
Issue of Options - consultant	31/03/2015	500,000	0.040	30/03/2018
Issue of Options - consultant	31/03/2015	500,000	0.045	30/03/2019
Lapse of Options – employees/directors		(6,050,000)		01/08/2014
Closing balance as at 30 June 2015		7,000,000		

	Date of issue	No of options	Exercise price	Expiry date
			\$	
Opening balance as at 1 July 2013		9,910,000		
Issue of Options - director	29/11/2013	833,333	0.037	31/05/2016
Issue of Options - director	29/11/2013	833,333	0.041	31/05/2017
Issue of Options - director	29/11/2013	833,334	0.045	31/05/2018
Lapse of Options - employee		(360,000)		30/04/2014
Closing balance as at 30 June 2014		12,050,000		

	\$
(iii) Movements in share based payment reserve:	
Opening balance at 1 July 2014	963,534
Technical Consultant share based payments	10,400
Employee options lapsed during the period	(847,000)
Transfers from share based payments to issued capital	(419,604)
Supplier share based payments	424,605
Closing balance at 30 June 2015	131,935
Opening balance at 1 July 2013	1,177,657
Employee share based payments	27,417
Employee options lapsed during the period	(23,040)
Transfers from share based payments to issued capital	(463,000)
Supplier share based payments	244,500
Closing balance at 30 June 2014	963,534

The share based payments reserve comprises amounts recognised on issue of share based payments to suppliers, employees, Directors, or contractors for services rendered. Refer to note 22 for additional details in relation to share based payments.

	\$
(iv) Movements in accumulated losses:	
Opening balance at 1 July 2014	6,876,639
Loss for the period	16,017,736
Transfers in from share based payments reserve	(847,000)
Closing balance at 30 June 2015	22,047,375
Opening balance at 1 July 2013	5,687,776
Loss for the period	1,211,903
Transfers in from share based payments reserve	(23,040)
Closing balance at 30 June 2014	6,876,639

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

16. Finance income and expense

	2015	2014
	\$	\$
Finance income – interest income on bank deposits	51,181	101,306
Finance expense	-	-
Net finance income	51,181	101,306

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

17. Other income

Other income in the current period comprises income received for services performed by White Rock Minerals employees for other parties. The income earned is directly offset by the employee wages paid by the Group.

18. Employee benefits expense

	2015 \$	2014 \$
Wages and salaries incurred	977,804	1,685,846
Employee benefits expenditure capitalised to exploration	(331,720)	(964,209)
Share based payments expense	10,400	27,417
Increase/(decrease) in liability for annual leave	(57,336)	(25,462)
Increase/(decrease) in liability for long service leave	(27,905)	(15,900)
Total employee benefits expense	571,243	707,692

19. Income tax expense/(benefit) - Numerical reconciliation between tax expense and pre-tax accounting loss

	2015 \$	2014 \$
Loss before tax for the period	(17,554,897)	(1,728,343)
Income tax using the domestic corporation tax rate of 30% (2014: 30%)	(5,266,469)	(518,503)
Increase in income tax due to:		
Non-deductible expenses	62,964	20,633
Under/over adjustment prior year	(12,610)	36,825
Difference in tax value for shares issued for exploration activities	(13,589)	84,225
Benefit of refundable R&D Offset	-	(139,620)
Carried forward tax losses de-recognised	3,692,543	-
Total income tax expense/(benefit) on pre-tax net loss	(1,537,161)	(516,440)

20. Loss per share

	2015 cents	2014 cents
Loss per share		
Basic (loss) per share – cents	(8.09)	(0.68)
Diluted (loss) per share – cents	(8.09)	(0.68)

(a) Basic loss per share

The calculation of basic earnings/(loss) per share (EPS) at 30 June 2015 was based on the loss attributable to ordinary equity holders of \$16,017,736 (2014 loss: \$1,211,903) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2015 of 197,946,019 (2014: 177,320,374).

(b) Diluted loss per share

The calculation of diluted earnings/(loss) per share at 30 June 2015 and at 30 June 2014 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.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

21. Reconciliation of cash flows from operating activities

	2015 \$	2014 \$
Cash flows from operating activities		
Loss before tax for the period	(17,554,897)	(1,728,343)
<i>Adjustments for non cash items:</i>		
Depreciation	26,924	39,519
Share based payments transactions (employees/contractors)	190,401	67,417
(Profit)/loss on disposal of property plant and equipment	(17,773)	(21,565)
Impairment of assets	16,365,553	-
Operating loss before changes in working capital and provisions	(989,792)	(1,642,972)
(Increase)/decrease in trade and other receivables	(43,659)	51,033
(Increase)/decrease in prepayments	33	259
(Decrease)/increase in trade and other payables	(39,027)	(93,879)
(Decrease)/increase in employee benefits	(64,117)	24,552
Net cash (used in)/from operating activities	(1,136,562)	(1,661,007)

During the financial year, the Group had the following non-cash investing and financing activities which are not reflected in the statement of cash flows (refer note 15):

- On 15 June 2015 the company issued shares to the value of \$244,604 as part consideration for drilling services performed between April and May 2015.

22. Share based payments

The following options were granted to employees or contractors in return for their services during the financial year ending 30 June 2015.

	Grant date	Vesting period	No of options	Expiry date
Technical Consultant (A)	31/03/2015	31/03/2015 to 01/07/2015	500,000	30/03/2018
Technical Consultant (B)	31/03/2015	31/03/2015 to 01/10/2015	500,000	30/03/2019
Total			1,000,000	

The following options were granted during the financial year ending 30 June 2014.

	Grant date	Vesting period	No of options	Expiry date
Key management personnel (C)	29/11/2013	Vested on grant date	833,333	31/05/2016
Key management personnel (D)	29/11/2013	Vested on grant date	833,333	31/05/2017
Key management personnel (E)	29/11/2013	Vested on grant date	833,334	31/05/2018
Total			2,500,000	

Each option entitles the holder to subscribe for 1 ordinary share in the Company. All options are vested and fully exercisable at balance date with the exception of 1,000,000 options issued to a technical consultant during the year which are subject to the vesting period per the above table.

Options expire on the expiry date, unless the options have not been exercised and the holder leaves the Company, in which case the options will lapse if they are not exercised within 60 days of departure or the Board exercises its discretion to vary the terms of these options. These options do not entitle the holder to participate in any share issue of the Company or any other related entity.

(a) Fair value of share options and assumptions

The fair value of the unlisted share options is determined at the date of the grant using the Black Scholes option pricing model. Measurement inputs 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 (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

22. Share based payments (continued)

With the exception of 1,000,000 options issued to technical consultant during the year which are subject to the vesting period per the above table, the options vest immediately upon being granted, as a result the fair value of the options is allocated to the reporting period in which they are granted.

The table below shows the key inputs used in the Black Scholes option pricing model to determine the fair value at grant date and therefore the amount recognised as an expense.

	(A)	(B)	(C)	(D)	(E)
Fair value at grant date	\$0.0098	\$0.011	\$0.011	\$0.012	\$0.011
Share price at date of grant	\$0.025	\$0.025	\$0.030	\$0.030	\$0.030
Exercise price	\$0.040	\$0.045	\$0.037	\$0.041	\$0.045
Expected volatility	85%	85%	65%	65%	65%
Option life (years)	2.5	3.25	2.5	3.25	3.5
Risk free interest rate	1.69%	1.70%	2.84%	3.00%	3.08%
Expiry date	30/03/2018	30/03/2019	31/05/2016	31/05/2017	31/05/2018

The common method for valuing options is the Black Scholes option pricing model. The Black Scholes option pricing model looks at the past share price as an indicator of the future share price. The Black Scholes option pricing model assumes that high volatility in the share prices is an indicator for a higher valuation as there is a greater chance of the share price moving significantly (upwards or downwards). The model also assumes that the options are exercised at or near the expiry date of the options.

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

	2015 \$	2014 \$
Share based payments granted and recognised in the income statement	10,400	27,417
Share based payments capitalised to exploration	-	-
Total share based payments charge	10,400	27,417

Share based payments to employees, directors, or contractors are transactions with employees or others providing similar services and measured at fair value by reference to the fair value of the equity instruments granted. The fair value of share options are determined based on the assumptions disclosed at note 22 (a).

(c) Share based payment recognised to suppliers

	2015 \$	2014 \$
Share based payments to corporate advisors recognised in the income statement	180,001	40,000
Share based payments to drilling service providers capitalised to exploration	244,604	463,000
Total share based payments charge	424,605	503,000

Supplier share based payments represent the equity portion of the fair value of drilling services and corporate consulting services provided by Titleline Drilling Pty Ltd and Lion Capital Advisory Pty Ltd respectively. The fair value recognised in respect of these transactions was based on supplier agreed rates which are consistent with rates that could be achieved for comparable services that are not settled by way of share based payment. Refer to note 15 for details of shares issued.

23. 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. The Group currently has no external borrowings.

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 2015

23. 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, and 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.

At reporting date, cash and restricted bank deposits are held with a reputable financial institution. The maximum exposure to credit risk at the end of the reporting period is as follows:

	Carrying Amount	
	2015 \$	2014 \$
Cash and Cash equivalents	354,021	1,880,285
Restricted bank cash deposits classified as other receivables	951,288	951,288
Trade and other Receivables	37,267	12,947
	1,342,576	2,844,520

(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.

			Amounts are due and payable	
			3 months or less \$	More than 3 months \$
Financial liabilities Group	Carrying amount \$	Contractual cash flows \$		
2015				
Trade and other payables	152,620	(152,620)	(152,620)	-
	152,620	(152,620)	(152,620)	-

			Amounts are due and payable	
			3 months or less \$	More than 3 months \$
Financial liabilities Group	Carrying amount \$	Contractual cash flows \$		
2014				
Trade and other payables	200,424	(200,424)	(200,424)	-
	200,424	(200,424)	(200,424)	-

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The 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 interest rates applicable to the Group's cash and cash equivalents and restricted deposits. The Group's restricted deposits are carried in term deposits which mature in less than six months with fixed interest rates. The term deposits are recognised at amortised cost and therefore not

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

23. Financial risk management and financial instruments (continued)

subject to interest rate risk. The effect of a change in rates at 30 June 2015 would not have a significant impact on the Group's financial result 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.

24. 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.

	2015	2014
Exploration expenditure commitments	\$	\$
Not later than one year	818,500	957,500
Later than one year but not later than five years	3,274,000	3,830,000

(ii) Capital commitments

The Group does not have any material commitments to acquire PP&E at balance date.

(iii) Operating lease commitments

The Group leases office facilities under an operating lease, the lease agreements typically run for a period of two years with options to renew the lease after that date. The current lease agreement runs until June 2016.

	2015	2014
Future minimum lease payments	\$	\$
Less than one year	29,064	28,765
Between one and five years	-	28,765
More than five years	-	-

25. 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 \$954,000 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 \$951,288 as at 30 June 2015 (2014: \$951,000). Provision for such environmental rehabilitation activities recorded by the group are set out in note 13.

26. Key management personnel disclosures

The key management personnel compensation included in "Employee Benefits Expenses" (see note 18) and "Exploration and Evaluation" (see note 9) are as follows:

	2015	2014
	\$	\$
Short term employee benefits	506,318	701,696
Post employment benefits	49,076	66,663
Options/Share based payments	-	27,417
Termination benefits	-	55,250
Other long term benefits	(22,231)	(5,157)
	533,163	845,869

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

26. Key management personnel disclosures (continued)

(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 21 to 27. No member of key management personnel has entered into any other contract or related party transactions with the Group since the end of the previous financial year and there were no contracts involving Directors' interests existing at year end.

27. Related parties

(a) Identity of related parties

The Company has a related party relationship with its subsidiaries (see note 28) and with its key management personnel (see note 26).

(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.

During the year ended 30 June 2015 the group was provided services to the value of \$225,000 by Cedar River Services Pty Ltd, a related entity of Mr Steven Olsen. The agreed services related to those provided by Mr Worland to White Rock Minerals Ltd in his ongoing capacity as an exploration consultant, all services were provided under normal commercial terms.

At 30 June 2015 the Company had the following outstanding balances to Directors in relation to Directors fees; Brian Phillips \$11,863 and Peter Lester \$7,300. The Directors have indicated they intend to accept the issue of shares in lieu of amounts payable to them at period end, subject to shareholder approval. The number of shares to be issued in settlement of the liability will be determined with reference to the volume weighted average price for the relevant period of service delivery and the amount accrued over the period of time.

28. Group entities

	Country of Incorporation	Ownership Interest	
		2015	2014
Parent entity			
White Rock Minerals Ltd	Australia		
Subsidiaries			
White Rock (MTC) Pty Ltd	Australia	100%	100%
White Rock (New England) Pty Ltd	Australia	100%	100%

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

29. Parent entity disclosures

As at, and throughout, the year ending 30 June 2015 the parent company of the Group was White Rock Minerals Ltd.

	2015 \$	2014 \$
Result of the parent entity		
Loss for the period	(16,017,736)	(1,211,903)
Other comprehensive income	-	-
Total comprehensive loss for the period	(16,017,736)	(1,211,903)
Financial position of the parent entity at year end		
Current assets	1,350,520	2,852,496
Total assets	10,603,982	27,396,595
Current liabilities	166,595	254,755
Total liabilities	173,167	1,841,289
Total equity of the parent entity comprising of:		
Share capital	32,346,245	31,468,401
Reserves	131,935	963,534
Accumulated losses	(22,047,365)	(6,876,629)
Total equity	10,430,815	25,555,306

Loss for the period of the parent Company of the Group includes write-down of investments in and loans to subsidiaries of \$16,365,553.

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 2015, such loans totalled \$9,982,433 (2014: \$10,117,048). At 30 June 2015 the parent Company of the Group has recorded a provision of \$9,982,433 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 White Rock Minerals Ltd 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. Note 25 contains details of group contingent liabilities.

Parent entity contingent liabilities

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

30. Auditors' remuneration

	2015 \$	2014 \$
Auditors of the company - KPMG Australia		
Audit and review of financial statements	40,000	40,000
Other services (i)	-	60,000

- (i) During the comparative period KPMG, the Company's auditor, provided non-audit services to the Group in the form of review of the Group's research and development claim.

White Rock Minerals Ltd

Notes to the consolidated financial statements (continued)

For year ended 30 June 2015

31. Subsequent events

On 23 July 2015, and as subsequently amended on 1 September 2015, White Rock announced a Heads of Agreement with Silver Mines Ltd, whereby Silver Mines will provide White Rock with funding as follows:

- \$50,000 which was received in August 2015 and a further \$75,000 which is expected to be received by 30 September which will give rise to the issue of 6,250,000 shares.
- \$75,000 which will lead to the issue of 3,750,000 shares by way of placement to Silver Mines Limited expected to occur on 6 October 2015.
- \$300,000 by way of an unsecured and interest-free loan to be provided by Silver Mines Limited under which White Rock will have the option, but not the obligation, to convert amounts drawn down into shares in the company during the 12 month period commencing from the date of the first draw down. The unsecured loan facility is expected to become available not earlier than 45 days after the 6th October 2015. The price of conversion will be 80% of the 5 day VWAP of the market price of WRM shares prior to conversion, subject to any applicable regulatory requirements.

In addition to the provision of funding referred to above, the Heads of Agreement provides that the parties will consider a corporate transaction including the possible merger, acquisition or other business combination of all or part of the businesses, assets or entities of the parties. If such a transaction were to occur this may, subject to shareholder approval, alter the ownership structure of White Rock Minerals and may result in Silver Mines obtaining control of the group, or White Rock obtaining control of Silver Mines Limited, which would alter both the future financial performance and position of White Rock should any transaction proceed.

On 27 July 2015, White Rock announced a placement with Malaysian based PHD Investments, issuing 5,000,000 shares on 28 July 2015 raising \$100,000.

On 28 July 2015, 2,102,121 shares to the value of \$45,000 were issued to Lion Capital Advisory in settlement of services provided in the April to June 2015 quarter.

On 23 September 2015, 2,068,207 shares to the value of \$30,000 were issued to Lion Capital Advisory in settlement of services provided during July and August 2015.

Tenements EL6452 and EL6453 which were due for renewal in July 2015 were relinquished by the Company. There is no impact on the financial statements as a result of the forfeiture of these tenements as previously capitalised exploration and evaluation expenditure relating to the tenements was written off during the year ended 30 June 2015 (refer note 9).

Further reporting was submitted to the New South Wales Government in July for drilling funding under the 'New Frontiers' project and the second funding instalment under the program of \$12,992 was received on 14 July 2015. White Rock submitted its final report to the New South Wales Government on 11 September 2015, and anticipates the final funding payment of \$12,992 to be received in early October 2015.

Andrew Dart resigned as Chief Financial Officer and Company Secretary effective 28 August 2015 and was replaced by Shane Turner.

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 2015 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 2015.
- 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 Ballarat this 28th day of September 2015

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 for the financial year ended 30 June 2015 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


Alison Kitchen
Partner

Melbourne
28 September 2015



Independent auditor's report to the members of White Rock Minerals Ltd

Report on the financial report

We have audited the accompanying financial report of White Rock Minerals Ltd (the company), which comprises the consolidated statement of financial position as at 30 June 2015, and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 31 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



Auditor's opinion

In our opinion:

- (a) the financial report of the Group is 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 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

Material uncertainty regarding continuation as a going concern.

Without modifying our opinion, we draw attention to note 2(b) to the financial statements, which states that current forecasts indicate that the cash on hand as at 30 June 2015 will not be sufficient to fund planned exploration and operational activities during the next twelve months and to maintain the Group's tenements in good standing. Accordingly the Group will be required to raise additional equity, restructure existing funding, consider alternate funding sources, enter into a corporate transaction or a combination of the foregoing, which is materially uncertain until secured.

These conditions, as set forth in note 2(b) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. If the Group is unable to continue as a going concern, it may relinquish title to certain tenements and be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts other than as stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in pages 21 to 27 of the directors' report for the year ended 30 June 2015. 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 responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of White Rock Minerals Ltd for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.



KPMG



Alison Kitchen
Partner

Melbourne
28 September 2015

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 22 September 2015

Name of Ordinary Shareholder	Number of Shares	% of Shares Held
Avalon Ventures Corporation	80,000,000	34.25%
Greenstone Property Pty Ltd	31,457,563	13.47%
Lion Capital Advisory Pty Ltd	13,026,882	5.58%

b) Listing of 20 largest shareholders as at 22 September 2015

Rank	Name	Designation	Number of Shares Held	% of Issued Capital
1	Avalon Ventures Corporation		80,000,000	34.25%
2	Greenstone Property Pty Ltd		31,457,563	13.47%
3	Lion Capital Advisory Pty Ltd		13,026,882	5.58%
4	Titeline Services P/L		6,000,000	2.57%
5	PHD Investments Ltd		5,000,000	2.14%
6	Grand South Development Limited		3,033,334	1.30%
7	S & S Olsen PL		2,750,001	1.18%
8	Suetone PL	AK Shadforth Family	2,500,000	1.07%
9	Thylacine PL	Brian Phillips SF	2,473,264	1.06%
10	PNS Holdings PL	PNS S/F A/C	2,101,852	0.90%
11	Esther Erlich C + DI	Esther Erlich S/F	2,100,000	0.90%
12	Exwere Inv P/L		1,980,512	0.85%
13	James Selkirk R + VG	J & V Selkirk S/F	1,700,000	0.73%
14	Banlona PL		1,672,000	0.72%
15	Leslie Kent		1,356,720	0.58%
16	Natalie Laufmann		1,287,501	0.55%
17	Geoffrey Lowe M & VM	Lowe Family S/F A/C	1,204,430	0.52%
18	Stone Poneys Nominees PL	Chapman S/F A/C	1,094,999	0.47%
19	David & Bronwyn Sanders	Super Fund A/C	1,072,009	0.46%
20	Anthony Keith Shadforth	Timothy K Shadforth	1,000,000	0.43%
Total			162,811,067	69.73%

c) Distribution of shareholders as at 22 September 2015

Range	Total Holders	Units	% of Issued Capital
1-1,000	415	183,126	0.08%
1,001-5,000	431	1,092,670	0.47%
5,001-10,000	215	1,699,446	0.73%
10,001-100,000	511	18,467,549	7.91%
100,001 - over	187	212,136,653	90.81%
Total	1,760	233,579,444	100.00%

d) Number of shareholders holding less than a marketable parcel as at 22 September 2015

1,391

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.