

ASX and Media Release: 17 November 2015
ASX code: WRM

Chairman's Address - November 2015

Welcome to this 6th Annual General Meeting of White Rock Minerals shareholders. Thank you for your attendance and support in what has continued to be a challenging cycle in the junior mining space. Like the 12 months that preceded it, 2014-15 has been a challenging but eventful year. As stated in the Company's recently published annual report, we commenced the year with a program to drill the geophysical targets in the southern part of the Mt Carrington leases. Surface geochemistry, geophysics and a review of the mining history gave strong indications for potential sulphide copper mineralisation. While the drilling did not return significant results for copper mineralisation per se, analysis of the mineralisation and structural data has provided vectors for targeting future drilling. The potential for discovery of porphyry copper mineralisation so close to the already defined silver/gold resources places White Rock in a favourable position when exploration funding confidence recovers and we are able to continue the program.

While gold and silver prices have been relatively stable in US\$, the fall in the A\$ to the low 70 cents level (i.e. around A\$1.40 per US\$1.00) has resulted in a significant improvement to the indicated economics of the gold/ silver scoping study which was completed several years ago. The results of an updated study were released in September 2015, showing potential for a 7 year project that would produce 111,000oz gold and 6.7million oz silver at an indicative C1 cash cost of under A\$900. It is a sign of the difficult funding environment for the small explorer/ miner sector that a project with an estimated NPV of some \$44million and a 14 month payback of the initial \$25million capital cost has not yet been able to attract equity support to advance the project's final feasibility study.

In July, the Company announced that it had entered into a Heads of Agreement with Silver Mines Ltd (ASX:SVL) to consider a corporate transaction. The concept of combining the silver resources of the two companies to create a NSW mining hub utilising merged assets and management is recognised by both parties as an attractive investment option in an improving silver/gold environment, particularly as the weakening Australian dollar is enhancing local metal values. There are several elements to the Agreement, including the provision to the Company of \$500,000 in funding while due diligence is conducted prior to determining a possible basis for combining the two companies' NSW mining assets. By the end of September, the Company had issued 10 million WRM shares to SVL for a subscription of \$200,000, the first stage of the funding arrangement. The Agreement provides for a further \$300,000 unsecured loan to White Rock, to be drawn on to cover working capital requirements as the corporate transaction is developed.

While the Company has completed most of the work required to advance the process envisaged in the Heads of Agreement, SVL's engagement and input has been affected by its own fund raising efforts, so that the original timetable has been extended. The Company is continuing negotiations with SVL as it considers variations to the original Agreement terms, including treatment of the \$300,000 loan facility. The Company's focus remains on achieving an expanded, quality asset base that will attract funding support from both the equity and debt markets, so that shareholders can see their investment advance from explorer to producer.

The Company has advised details of the management changes that have occurred recently. Geoff Lowe agreed to join the board as a non-executive director after completing some five years as the Company's Managing Director. The Company's corporate and management duties are now handled by Matt Gill, who has been appointed as Chief Operating Officer. Since year-end, Shane Turner accepted the role of Company Secretary /Chief Financial Officer, following the departure of Andrew Dart.

Like all small-cap exploration companies, we have short, medium and long term objectives. In the **short term**, we must carefully conserve funds and maintain the assets that will be the basis for future growth and development. In the **medium term**, we must secure the support that allows completion of feasibility and de-risking studies that define the investment metrics and imperatives. These steps under-pin the **longer term**, when value can be created and returned to shareholders. On behalf of the Board, I thank our small management team, particularly Matt and Exploration Manager Rohan Worland, who are so competently maintaining the Company's activities.

Brian Phillips
Chairman