

White Rock Minerals executes formal Agreement to Acquire the Red Mountain VMS Project in Alaska

White Rock Minerals ("White Rock") is pleased to announce that it has executed a formal Share Purchase Agreement to acquire Atlas Resources Pty Ltd giving effect to the proposed acquisition of the Red Mountain polymetallic volcanogenic massive sulphide (VMS) project in central Alaska (ASX Announcement 15 February 2016).

This proposed acquisition, when completed, will provide White Rock with a high quality advanced exploration project centred in an established VMS district where there is significant potential to discover a new large zinc-silver-lead-gold-copper deposit in addition to the known zinc-silver-lead-gold deposits at Dry Creek and West Tundra Flats.

Highlights

- White Rock has executed a Share Purchase Agreement to acquire 100% of the issued capital of Atlas Resources Pty Ltd ("Atlas"), a company that holds the rights to acquire a 100% interest in the Red Mountain Project, by way of a share for share exchange.
- The Red Mountain Project contains polymetallic VMS mineralisation rich in zinc, silver and lead. Previous exploration has resulted in historical estimates of mineral resources at the two main prospects (Dry Creek and West Tundra Flats).
- Mineralisation occurs from surface, and is open along strike and down-dip.
- Previous drilling highlights include:
 - Dry Creek**
 - 4.6m @ 23.5% Zn, 531g/t Ag, 8.5% Pb, 1.5g/t Au & 1.0% Cu from 6.1m
 - 5.5m @ 25.9% Zn, 346g/t Ag, 11.7% Pb, 2.5g/t Au & 0.9% Cu from 69.5m
 - 7.1m @ 15.1% Zn, 334g/t Ag, 6.8% Pb, 0.9g/t Au & 0.3% Cu from 39.1m
 - West Tundra Flats**
 - 1.3m @ 21.0% Zn, 796g/t Ag, 9.2% Pb, 10.2g/t Au & 0.6% Cu from 58.6m
 - 3.0m @ 7.3% Zn, 796g/t Ag, 4.3% Pb, 1.1g/t Au & 0.2% Cu from 160.9m
 - 1.7m @ 11.4% Zn, 372g/t Ag, 6.0% Pb, 1.7g/t Au & 0.2% Cu from 104.3m
- Good preliminary metallurgical recoveries of >90% zinc, >70% lead, >80% gold, >70% silver.
- VMS deposits typically occur in clusters ("VMS camps"). Deposit sizes within camps typically follow a log normal distribution, and deposits within camps typically occur at regular spacing. The known deposits at Dry Creek and West Tundra Flats provide valuable information with which to vector and target additional new deposits within the Red Mountain camp. Statistical analysis suggests the camp has the potential for a large 10-15Mt VMS deposit similarly rich in zinc, silver and lead.

- Interpretation of the geologic setting indicates conditions that enhance the prospectivity for gold-rich mineralisation within the VMS system at Red Mountain. Gold mineralisation is usually found at the top of VMS base metal deposits or adjacent in the overlying sediments. Gold bearing host rocks are commonly not enriched in base metals and consequently often missed during early exploration sampling. This provides an exciting opportunity for potential further discoveries at Red Mountain.
- White Rock sees significant discovery potential, given the lack of modern day exploration at Red Mountain. This is further enhanced by the very nature of VMS clustering in camps, and the potentially large areas over which these can occur.
- On completion of the proposed transaction with Atlas, White Rock will have an enhanced asset portfolio in commodities (gold, silver and zinc) located in New South Wales and Alaska.
- COO Matt Gill said “White Rock is wonderfully placed given the rise in the Australian gold price to five-year highs. Our Mt Carrington gold – silver project in northern NSW has great leverage to the Australian gold and silver prices, with a Scoping Study indicating a 7-year mine life, a payback of just 14 months, and over \$70M in free cash flow generated (refer ASX Release 30 September 2015).

Commentators are forecasting a rise in the zinc price due to the closures of the large Century and Lisheen mines. This timely proposed acquisition of Atlas’ Red Mountain zinc – silver VMS project, together with the improving Australian gold price, provides the building blocks on which we can seek to increase shareholder value. It is an exciting time to be building a company with exposure to gold and silver, and in a potential supply-constrained zinc market”.

For more information about White Rock and its Projects, please visit our website www.whiterockminerals.com.au or contact:

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Share Purchase Agreement

Under the terms of the Share Purchase Agreement, White Rock will acquire all of the shares and options in Atlas. The consideration for the acquisition is the issue of 1.147 White Rock Shares for every Atlas share, and 1.147 White Rock 5 year options for every Atlas option, exercisable at 3.5 cents per option. Accordingly, if the proposed acquisition proceeds, White Rock will issue a total of 63,843,587 new shares to Atlas shareholders and 6,384,359 options to Atlas option holders.

Completion of the transaction is subject to the satisfaction of certain conditions, including White Rock shareholder approval of the issue of the consideration shares. A notice of meeting will be sent to White Rock shareholders shortly. It is anticipated that completion will take place within 5 business days of shareholder approval.

Competent Persons Statement

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