

ASX Release: 29 March 2016

White Rock's Mt Carrington Updated Scoping Study Delivers Justification For Feasibility Study

ASX Code: WRM

Issued Securities

Shares: 310.7 million

Options: 7 million

Cash on hand (29 Feb 2016)

\$0.78M

Market Cap (28 March 2016)

\$3.7M at \$0.012 per share

Directors & Management

Brian Phillips

Non-Executive Chairman

Geoffrey Lowe

Non-Executive Director

Peter Lester

Non-Executive Director

Matthew Gill

Chief Executive Officer

Shane Turner

Company Secretary

Rohan Worland

Exploration Manager

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White Rock Minerals Ltd (ASX:WRM) has updated its September 2014 Scoping Study for the Mt Carrington gold-silver Project, following an independent review of the Project's cost inputs and the much improved Australian gold price.

The results deliver an outstanding investment proposition – a Project with a pre-tax NPV₁₀ of A\$60.6M and an IRR of over 100%, with A\$100M in free cash (undiscounted) delivered over its initial 7-year mine life.

The project's capital costs were reviewed and remain low at A\$24.2M, with a capital payback of less than one year. Operating cost inputs were also reviewed and revised down given current market conditions, with the Project's C1 cash cost projected to be under A\$800/oz gold.

This Scoping Study review and resulting economic uplift highlights the quality nature of the asset, and supports proceeding to a Feasibility Study followed by development.

CEO Matt Gill said "White Rock is wonderfully placed given the recent 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 these outstanding results from the updated Scoping Study providing further impetus for us to take the Project through to Feasibility Study.

We are also energised by our proposed acquisition of the Red Mountain zinc-silver-lead-gold VMS Project in Alaska (ASX Announcement 22 March 2016). When this acquisition is completed, this Project 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.

We believe both Projects provide 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".

Mt Carrington's Gold-Silver Project

In March 2016, given the softening in mining industry construction activity and labour costs, and the continuing strength in the A\$ gold price, White Rock engaged process engineering consultants Mincore to review and update the 2014 Scoping Study operating cost assumptions, and to consider the plant design and capital costs necessary to take the Project into production.

White Rock released a Scoping Study in 2014 with a focus on developing its gold-dominant resources, and staging its silver resources to follow (ASX Announcement 16 September 2014).

White Rock revisited this Study in mid-2015, to consider the more favourable A\$ gold price, and to recognise the value of its in-ground 23 million ounce silver resource (ASX Announcement 30 September 2015).

White Rock believes the current A\$ gold price, reaching and exceeding A\$1,600 per ounce, presents real upside to the Project, and especially when coupled to the development of its silver resources. This 2016 Update demonstrates a significant uplift in Project economics when new and relevant cost inputs and an improved A\$ gold price are used, and the silver resources added along with the gold-first production profile.

Of note:-

- ✓ The Project has excellent exposure to both gold and silver as revenue streams,
- ✓ The strategy of mining the Project's gold resources first provides the quick cash flow to pay back the initial capital within 12 months,
- ✓ Two of the gold resources have already had oxide material removed by historic mining, providing the Project with a walk-up start to mining once construction has been completed,
- ✓ The silver resources are mined from Year 3 on, potentially allowing time for the silver price to re-bound from its currently relatively low levels,
- ✓ The flow sheet considered in the Scoping Study allows the gold and silver to be concentrated by flotation. For the initial gold-dominant deposits, gold is then extracted in a standard CIL circuit. For the silver-dominant deposits, the silver-rich flotation concentrate is upgraded to a saleable precious metal concentrate. This strategy reduces the effects of copper in the ore, which was a major issue for the previous operators.
- ✓ The free cash generated (~A\$100M (undiscounted)) would underwrite further exploration on the Project's tenements, where at least six drill-ready targets are identified which could extend the initial 7-years mine life.
- ✓ Further, the significant free cash generated will allow White Rock to advance its highly prospective Red Mountain zinc-silver-lead-gold VMS Project in Alaska, and to continue to consider other merger and acquisition opportunities.

This significant improvement in project metrics adds further weight to White Rock's belief in the quality nature of the Mt Carrington asset, using its gold resource asset as the enabler to develop its silver resources, whilst also advancing its exploration activities near-mine, and also its Red Mountain asset in Alaska. This development strategy provides the optionality and opportunity to commence with a positive cash flow generation from an initial focus on producing gold. This initial focus would provide a sound return on the capital invested, and unlock the value of the Project's silver resources for subsequent development.

Mincore Process Engineering findings

Mincore was engaged to provide a review and update of White Rock's Mt Carrington 2014 Scoping Study.

The Project's NPV has improved by **~A\$16M** (38%) as a result of Mincore's review into the previous 2015 Study's assumptions on operating and capital costs.

Free cash flow generated over the 7-year mine life now exceeds A\$100M (undiscounted).

The Project's NPV improves a further **~A\$7M** (another 12%) if a gold price of A\$1,700/oz is assumed.

Parameter	2014 Study Summary	2015 Study Summary	2016 Study Summary	Comment (from 2015)
A\$ Gold price	A\$1400 / oz	A\$1600 / oz	A\$1600 / oz	Improved Australian gold price in 2016 not assumed here (see sensitivity below).
A\$ Silver price	A\$22 / oz	A\$22 / oz	A\$22 / oz	
Proposed development	Two gold dominant pits	Two gold dominant pits, and three silver dominant pits	Two gold dominant pits, and three silver dominant pits	Uses the Project's gold & silver JORC resources
Production – Gold Ounces	93,000	111,000 ¹	111,000	0%
Production – Silver Ounces	87,000	6,700,000 ²	6,700,000	0%
Life of Mine (years)	3.4	7	7	0%
Pre-tax Net Present Value (NPV ₁₀)	A\$15.5M	A\$43.9M	A\$60.6M	+38%
Internal Rate of Return (IRR)	51%	80%	103%	+29%
C1 Cash Cost (A\$/Oz Au Eq)	A\$883/oz	A\$881/oz	A\$754/oz	-14%
C1 Cash Cost (A\$/Oz Ag Eq)	N/A	A\$12.10/oz	A\$10.40/oz	-14%
Capital Cost	A\$20.6M	A\$25.4M	A\$24.2M	-5%
Free Cash Generated (A\$)	A\$25.3M	A\$74.3M	A\$100.2M	+36%
Initial Capital payback	17 months	14 months	10 months	-4 months

Table One. Mt Carrington Project Economics comparison between 2015 and 2016

¹ Gold dominant pits produce gold-silver dore

² Silver dominant pits produce a precious metal concentrate containing silver and gold

The project has leverage to the Australian gold price, with a A\$100/oz gold price movement equating to ~A\$7M change in the project's NPV.

The project also has leverage to the Australian silver price, with a A\$2/oz silver price movement equating to a ~A\$6M change in the project's NPV.

Process Plant	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
Award Contract	•											
Finalization of design criteria		•										
Decision to proceed with engineering			•									
Detailed engineering				•	•	•	•	•	•			
Procurement					•	•	•	•	•			
Contracts						•	•	•	•	•		
Construction							•	•	•	•	•	•
Practical Completion											•	
Commissioning												•
Pour Gold												•

White Rock estimates that approximately 12 months of work is required to take the Scoping Study to Feasibility Study level. This work would include process design test work and flow sheet optimisation, mine plan (pit) optimisation and further engineering design and costings. In parallel, the Environmental Impact Statement would be competed, allowing permitting by way of receiving Development Consent from the regulatory authorities to be achieved within 18 to 24 months. Mincore estimates a 12-month design, construct and commission period (Chart 1).

Chart 1: Estimated Project Schedule (Mincore, 2016)

Mincore Review of Operating Cost Input Assumptions

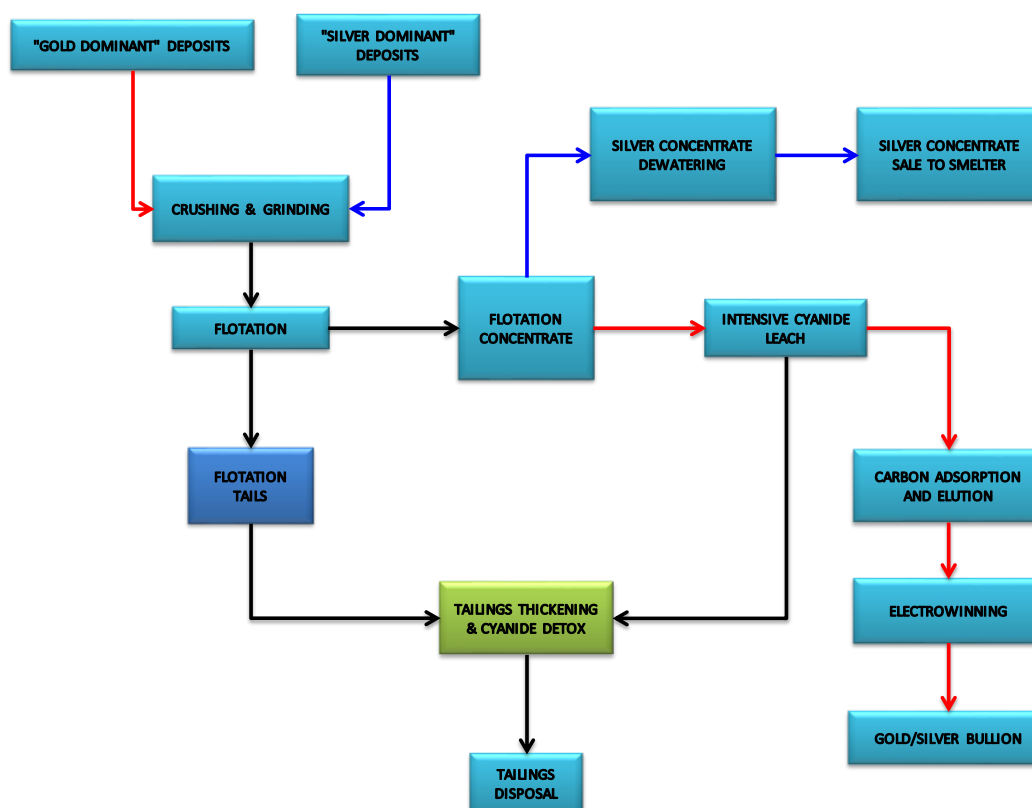
Operating cost assumptions were reviewed. Downward adjustments were made to labour costs (20%) given the softer market currently, and the Project's attractive location near to the towns of Casino and Tenterfield. Power demand was revised downwards after a consideration of the ore characteristics and flow sheet design was conducted. Mining contractor costs, consumables and reagent assumptions were also reviewed and considered appropriate for this level of study.

The net effect from this review has seen the operating cost per tonne milled, for the 800,000 tpa throughput, decrease from A\$32.1/t to A\$27.5/t (-14%). This results in a C1 cash cost of ~A\$750/oz, providing a healthy positive cash flow margin at the strong gold price of over A\$1,600/oz currently.

Mincore Review of the Capital Cost Assumptions

White Rock's original 2012 Scoping Study, updated in 2014, confirmed that the preferred processing flow sheet would consist of a conventional crushing and grinding circuit, followed by a flotation circuit to produce a concentrate that would then be subject to intensive cyanide leaching in a standard CIL circuit. Standard electrowinning and gold dore production would then follow. In Year Three, the silver-dominant pits are brought into the Mine Plan. Incremental capital is spent on the flotation circuit to include a cleaner step, dewatering and concentrate production facility. Labour is increased accordingly.

This flow sheet is represented below.



Proposed flow sheet for the Mt Carrington Project (WRM, 2014)

The flow sheet for the Mt Carrington Project considers the following:

- A central ROM Pad with ROM bin and primary crusher fed by a FEL,
- A coarse ore stockpile, with a re-claim conveyor,
- A lime addition silo on the conveyor feeding the grinding circuit,
- A grinding circuit with a requirement for approx. 1800kW of grinding power (to possibly consist of a SAG mill and ball mill), and a re-grind ball mill (200-250kw),
- A flotation circuit to concentrate the gold and silver sulphides,
- A cyanide leach and carbon adsorption (CIL) circuit,
- A standard elution and electro-winning circuit,
- Gold room, reagents area, small lab and workshop.

Mincore reviewed the capital cost estimates associated with constructing a plant with this flow sheet. Its review confirmed previous estimates of ~A\$25M.

This capital cost is low by industry standards. The Mt Carrington Project is the beneficiary of the previous operation. Already on site, and contained within the approved Mining Leases, there exists:

- ✓ 1.5Mt Tailings Dam
- ✓ 750ML Freshwater Dam
- ✓ Site Office,
- ✓ Water treatment (reverse osmosis) plant with a capacity of 0.8ML per day, and
- ✓ Access to State grid power.

Independent estimates value the existing infrastructure at approximately ~A\$20M. This existing infrastructure provides a significant head-start when considering the timeframes and costs associated to build and commission a greenfields operation. It is to be noted that the proposed plant sits within the existing original plant footprint, adding further cost saving benefits.

A 3-D conceptual layout has been developed by Mincore to reflect this flow sheet (Plant Layout Figures 1 and 2).

Cautionary Statement

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

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

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

Note:- Plant layout designed to utilise the exiting footprint



Figure One Plant Layout

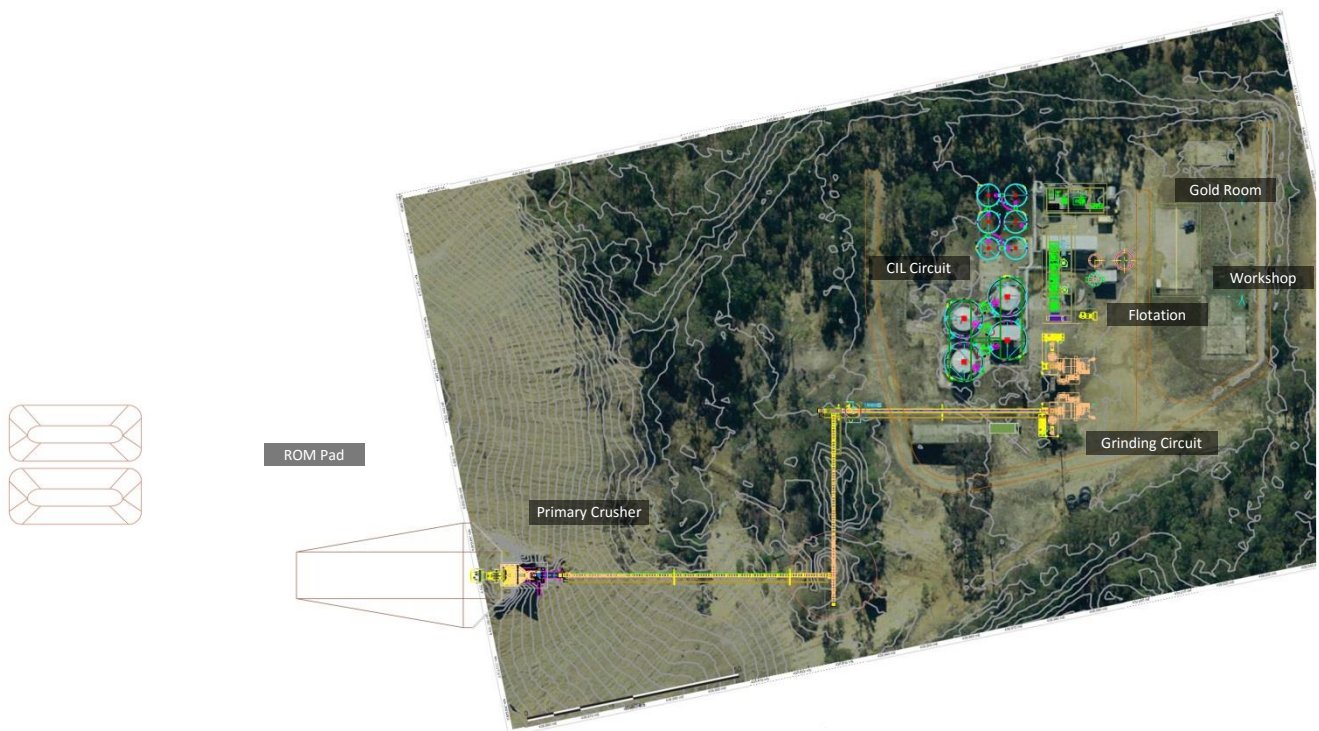


Figure Two Plant Layout superimposed on the original plant site

About the Red Mountain Project (ASX Announcement 15 February 2016)

- The Red Mountain Project is located in central Alaska, 100km south of Fairbanks, in the Bonnifield Mining District. The tenement package comprises 110 mining claims over a total area of 71km².
- 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.

About White Rock Minerals

White Rock is an Australian minerals exploration company focussed on the discovery and development of shallow gold, silver and copper deposits in the New England Fold Belt, northern NSW. White Rock's cornerstone asset is the 100% owned Mt Carrington project, located within a tenement area of 228km² covering the under-explored Drake Volcanics, 5 km from the township of Drake in northern NSW, 4 hour's drive SW of Brisbane and 2 hours west from Ballina.

White Rock is also in the process of acquiring the highly prospective zinc-silver-lead-copper-gold VMS Red Mountain Project in Alaska.

The Mt Carrington Project hosts shallow Indicated and Inferred Mineral Resources totalling 338,000oz gold and 23.5Moz silver on granted Mining Leases with significant mining infrastructure in place.

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 for staged advancement and drill testing for gold and silver concurrent with the development of the current Resource. In addition, more recent work in 2015 has demonstrated the potential for the project to host significant intrusion-related (porphyry) copper mineralisation.

Resources: The Mineral Resource inventory for Mt Carrington is contained in 8 separate gold and silver deposits (Figure 3) - Kylo, Strauss, Guy Bell, Red Rock, Lady Hampden, Silver King, White Rock and White Rock North deposits. The Resource estimate for all deposits at the Mt Carrington Project totals 0.34Moz Au and 23.5Moz Ag.



MT CARRINGTON INDICATED & INFERRRED MINERAL RESOURCE SUMMARY					
Gold Dominant Resources					
Resource Category	Tonnes	Au (g/t)	Gold Oz	Ag (g/t)	Silver Oz
Indicated	2,830,000	1.3	116,000	3.1	286,000
Inferred	3,810,000	1.3	158,000	2.9	353,000
Indicated & Inferred	6,640,000	1.3	275,000	3.0	639,000
Silver Dominant Resources					
Resource Category	Tonnes	Au (g/t)	Gold Oz	Ag (g/t)	Silver Oz
Indicated	3,550,000	0.3	37,000	72	8,270,000
Inferred	8,950,000	0.1	27,000	51	14,533,000
Indicated & Inferred	12,500,000	0.2	64,000	57	22,803,000
Total Resources					
Total	19,140,000		338,000		23,442,000

Mt Carrington Project - Mineral Resource Summary.

Competent Persons Report

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

The gold and silver Resource figures for White Rock, Red Rock, Strauss, Kylo, Lady Hampden, Silver King and White Rock North have been taken from Resource estimates of February 2012, July 2013 and November 2013 prepared by Ravensgate Minerals Industry Consultants on behalf of White Rock Minerals Ltd and authored by Mr Don Maclean. Mr Maclean is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Maclean consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. 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 who is a professional geologist with more than 10 years' experience in resource estimation. Dr Gee is a Competent Person as defined by the JORC Code. Mr Gee consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. 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.

No New Information or Data

This announcement contains references to exploration results and Mineral Resource estimates, all of which have been cross-referenced to previous market announcements by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Forward Looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward looking statements. Such risks include but are not limited to metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion on such risks and other factors, see the Company's Annual Reports, as well as the Company's other filings. The Company does not undertake any obligation to release publically any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as maybe required under applicable securities laws.

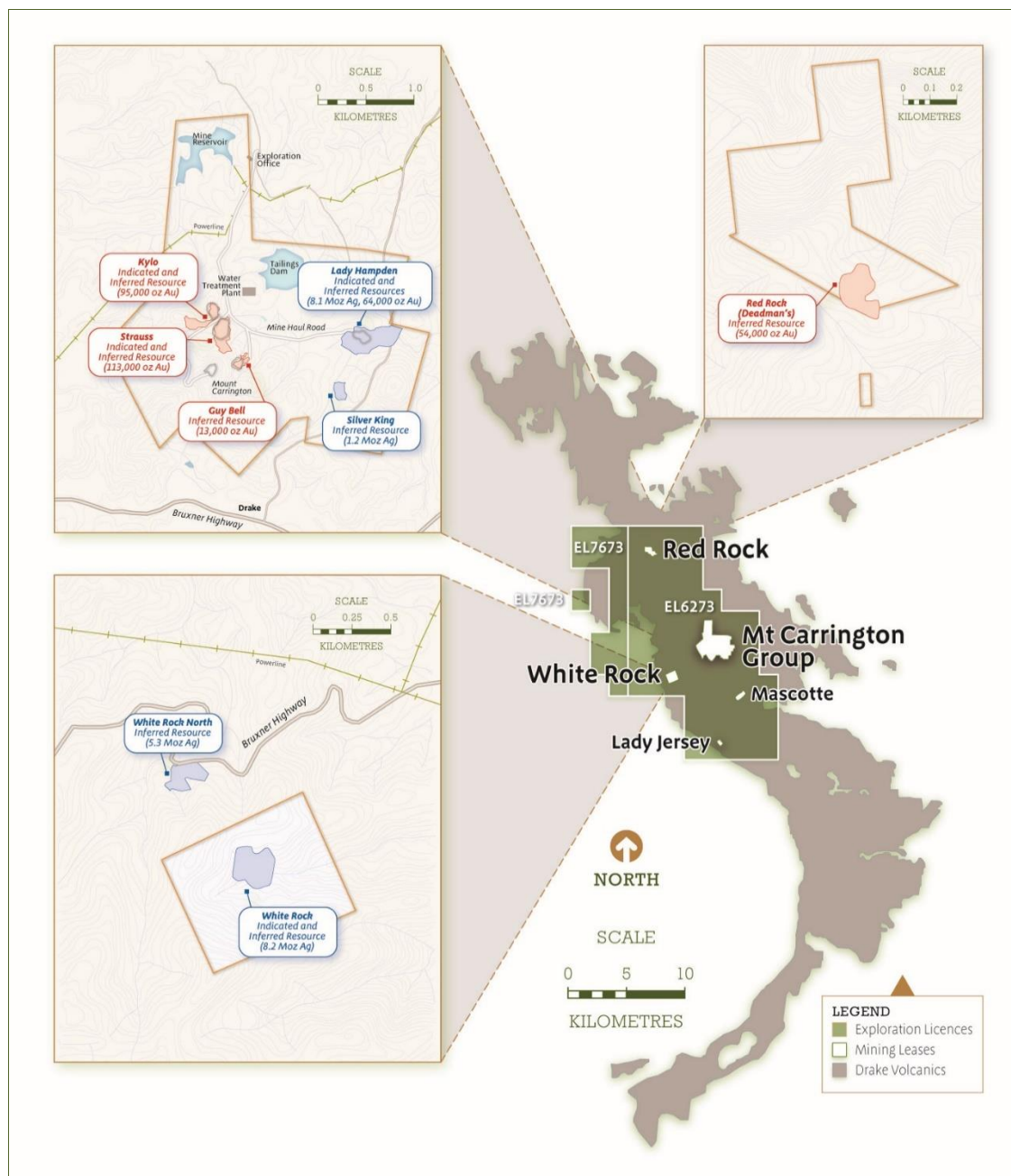


Figure 3: Mt Carrington Project Tenement and Resource Summary