

ASX and Media Release: 27 December 2018

ASX Code: WRM



Sandfire Exercises Option to Enter Joint Venture on Red Mountain

ASX Code: WRM

Issued Securities

Shares: 1,636 million

Options: 570 million

Cash on hand (30 Sep 2018)

\$2.6M

Market Cap (24 Dec 2018)

\$9.8M at \$0.006 per share

Directors & Management

Brian Phillips
Non-Executive Chairman

Matthew Gill
Managing Director &
Chief Executive Officer

Peter Lester
Non-Executive Director

Ian Smith
Non-Executive Director

Jeremy Gray
Non-Executive Director

Stephen Gorenstein
Non-Executive Director

Shane Turner
Company Secretary

Rohan Worland
Exploration Manager

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White Rock Minerals Limited (ASX:WRM) (**White Rock**) is pleased to announce that Sandfire Resources NL (ASX:SFR) (**Sandfire**) has exercised its option under the subscription agreement announced to ASX on 10 July 2018 (**Subscription Agreement**) to enter into a Joint Venture Agreement with White Rock (**Joint Venture**) regarding White Rock's globally significant high-grade zinc and precious metals VMS Red Mountain Project in central Alaska (**Red Mountain Project**).

White Rock commenced a strategic relationship with Sandfire in July 2018 in relation to White Rock's Red Mountain Project. In addition to the \$2.5 million equity contribution under the Subscription Agreement, Sandfire has also previously provided an unsecured \$1 million convertible loan to White Rock (*refer to White Rock's ASX announcement dated 22 August 2018*).

The Joint Venture will enable White Rock to benefit from Sandfire's significant technical expertise to develop the Red Mountain Project as well as further strategic support as the Company moves to unlock the potential from its large strategic land holding.

MD & CEO Matt Gill said "White Rock welcomes Sandfire as a Joint Venture partner that shares White Rock's vision for the exploration and development of the Red Mountain Project. Securing a high-quality partner with world leading expertise in the exploration and development of base metals projects is a strong endorsement to the quality and potential of White Rock's globally significant high-grade zinc VMS Red Mountain Project. White Rock looks forward to collaborating with Sandfire Resources as part of our strategic relationship and this JV agreement."

Under the terms of the Subscription Agreement, the parties must use their best endeavours to negotiate the terms of the Joint Venture within 3 months using an AMPLA (Australian Mining and Petroleum Law Association) model document and the following as the guiding principles for the content of the Joint Venture:

- **Stage 1:** Sandfire to fund a total of A\$20 million over four years to earn 51%, with a minimum expenditure by Sandfire of A\$6 million in Year One.
- **Stage 2:** Sandfire to fund a further A\$10 million and deliver a pre-feasibility study (**PFS**) over an additional two years to earn 70%, which may be extended by Sandfire for a further year in certain circumstances.
- **Stage 3:** White Rock may elect to contribute to the Joint Venture. If White Rock elects not to contribute, Sandfire can sole fund Stage 3 to earn 80% by completion of a definitive feasibility study.
- **Stage 4:** White Rock may elect to contribute to the Joint Venture. If White Rock elects not to contribute, Sandfire will earn 90% and White Rock's 10% interest will be earned from project cash flow.

- **Project Management:** White Rock is entitled to continue managing the project for at least the first year of the earn-in and to be paid a management fee equal to 10% above all project expenses, with 50% of the fee to be paid on signing of the Joint Venture and the balance to be paid in 3 equal instalments (each instalment representing 16.67% of the management fee) on a quarterly basis thereafter. Ongoing management responsibility of the project will be subject to annual review and after the first year will be at Sandfire's election.

The parties have commenced negotiation of the Joint Venture Agreement.

White Rock has also received confirmation from ASX that the entry into the Joint Venture does not require shareholder approval for the purposes of Listing Rule 10.1.

About Sandfire Resources NL:- Sandfire is a leading mid-tier Australian mining company focused on discovering, developing and operating high quality resource assets capable of delivering substantial returns for its shareholders. Sandfire is a leading Australian copper producer which operates the high-grade DeGrussa Copper-Gold Mine, 900 km north of Perth in Western Australia. Sandfire has a growing portfolio of exploration interests and joint ventures in highly prospective mineral provinces around Australia and overseas.

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

or contact:

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About Red Mountain (as more fully set out in the ASX Announcement dated 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 754 mining claims over a total area of 475km².
- The Red Mountain Project contains polymetallic VMS mineralisation rich in zinc, silver and lead, with potential for significant gold and copper.
- Mineralisation occurs from surface and is open along strike and down-dip.
- White Rock used historical drilling to determine a maiden JORC 2012 Mineral Resource estimate for the Dry Creek and West Tundra Flats deposits (ASX Announcement 26 April 2017). The Inferred Mineral Resource contains an impressive base metal and precious metal content with 678,000t zinc, 286,000t lead, 53.5 million ounces silver and 352,000 ounces gold.



Table 1 - Red Mountain April 2017 Inferred Mineral Resource Estimate*

Prospect	Cut-off	Tonnage Mt	ZnEq ¹ %	Zn %	Pb %	Ag g/t	Cu %	Au g/t	ZnEq	Zn	Pb	Ag	Cu	Au
									kt	kt	kt	Moz	kt	koz
Dry Creek Main	1% Zn	9.7	5.3	2.7	1.0	41	0.2	0.4	514	262	98	12.7	15	123
West Tundra Flats	3% Zn	6.7	14.4	6.2	2.8	189	0.1	1.1	964	416	188	40.8	7	229
Dry Creek Cu Zone	0.5% Cu	0.3	3.5	0.2	0.04	4.4	1.4	0.1	10	0.5	0.1	0.04	4	1
Total		16.7	8.9	4.1	1.7	99	0.2	0.7	1,488	678	286	53.5	26	352

Table 2 - Red Mountain April 2017 Inferred Mineral Resource Estimate* at a 3% Zn Cut-off (contained within Table 1, not additional)

Prospect	Cut-off	Tonnage Mt	ZnEq ¹ %	Zn %	Pb %	Ag g/t	Cu %	Au g/t	ZnEq	Zn	Pb	Ag	Cu	Au
									Kt	kt	kt	Moz	kt	koz
Dry Creek Main	3% Zn	2.4	8.7	4.7	1.9	69	0.2	0.4	211	115	46	5.3	5	32
West Tundra Flats	3% Zn	6.7	14.4	6.2	2.8	189	0.1	1.1	964	416	188	40.8	7	229
Total		9.1	12.9	5.8	2.6	157	0.1	0.9	1,176	531	234	46.1	12	260

* The Red Mountain Mineral Resource information was prepared and first disclosed under the JORC Code 2012 as per the ASX Announcement by White Rock Minerals Ltd on 26 April 2017.

¹ Zinc equivalent grades are estimated using long-term broker consensus estimates compiled by RFC Ambrian as at 20 March 2017 adjusted for recoveries derived from historical metallurgical testing work and calculated with the formula:

$$\text{ZnEq} = 100 \times \left[\frac{(\text{Zn}\% \times 2,206.7 \times 0.9) + (\text{Pb}\% \times 1,922 \times 0.75) + (\text{Cu}\% \times 6274 \times 0.70) + (\text{Ag g/t} \times (19.68/31.1035) \times 0.70) + (\text{Au g/t} \times (1,227/31.1035) \times 0.80)}{(2,206.7 \times 0.9)} \right]$$

White Rock is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.

- Good preliminary metallurgical recoveries of >90% zinc, >75% lead, >80% gold, >70% silver and >70% copper.
- Previous drilling highlights (ASX Announcement 15 February 2016) 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

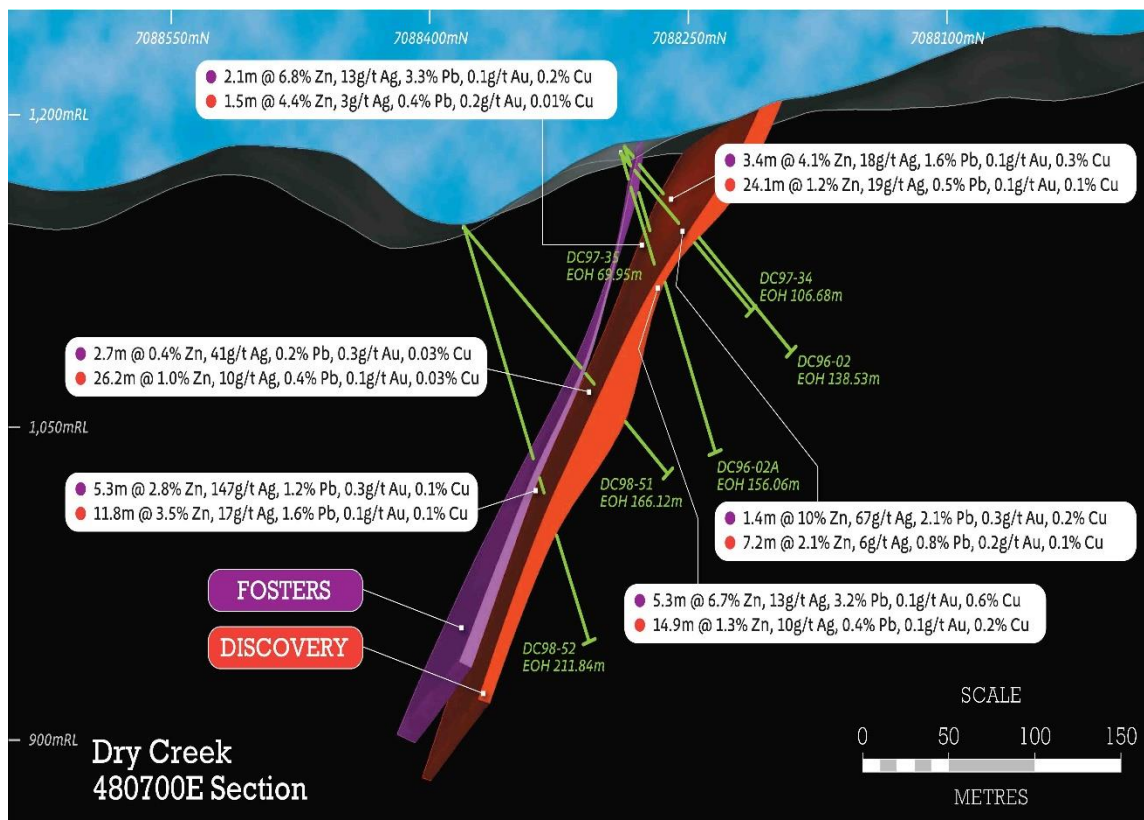


Figure 1: Cross-section 480,700E looking towards the east through the Dry Creek deposit showing the geometry of the Fosters and Discovery mineralised massive sulphide lenses and drill intercepts.

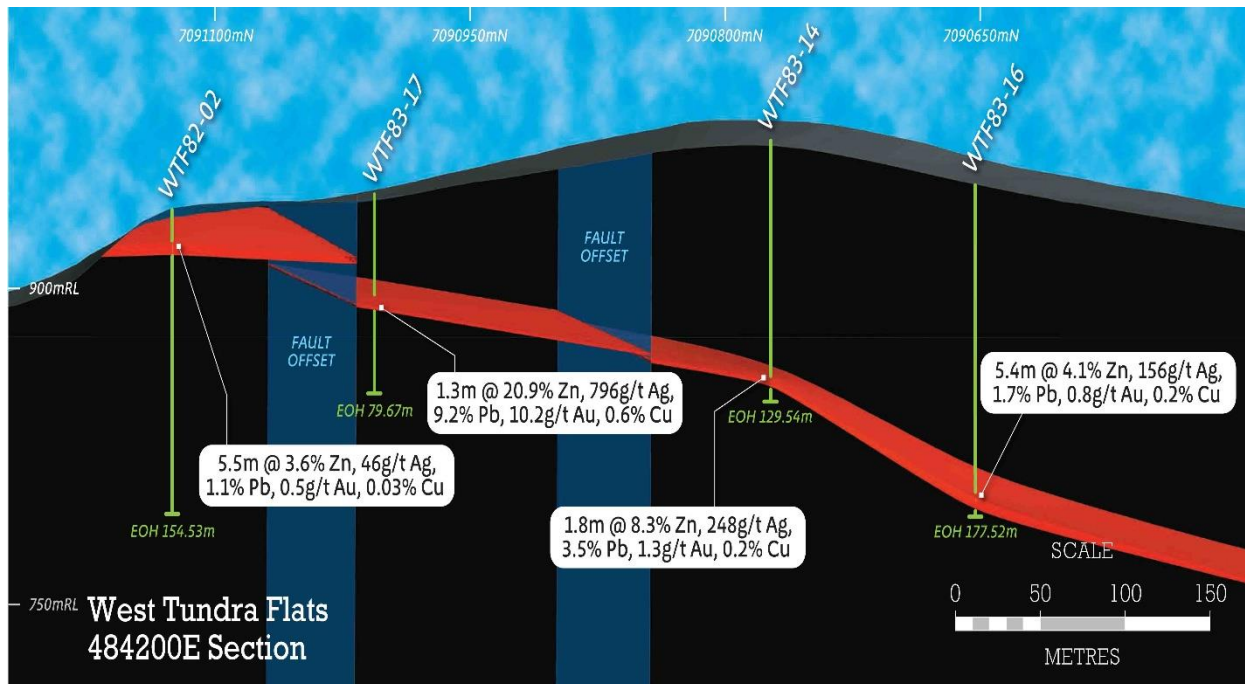


Figure 2: Cross-section 484,200E looking towards the east through the West Tundra Flats deposit showing the mineralised massive sulphide lens and drill intercepts.

- 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.
- 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.

Expanded tenement package.

The expansion of White Rock’s tenement package followed a successful first year of field activities for White Rock where drilling intersected multiple high-grade intervals of zinc-silver-lead-gold-copper mineralisation at Dry Creek, West Tundra and the newly discovered Hunter prospect (*refer ASX Announcements dated 18 June 2018, 4 July 2018 and 20 August 2018*). With some drill hole results returning in excess of **17% zinc, 6% lead, 1,000 g/t silver, 6 g/t gold and 1.5% copper**, the 2018 field season also saw three reconnaissance crews out in the field mapping and sampling. The culmination of this work has encouraged White Rock to expand its strategic tenement holding to take in more of what has been identified as a highly prospective geological setting (*refer ASX Announcement dated 21 November 2018*).

The majority of the expanded tenement area forms a contiguous block of mining claims that now extend the Red Mountain project over a larger area of the Bonnifield Mining district, to the west along strike and south into the prospective footwall stratigraphy identified as containing multiple VMS prospective time horizons. The new claim areas will allow White Rock to systematically explore what is now held to be a highly prospective regional stratigraphic setting capable of hosting multiple high-grade zinc-rich polymetallic VMS deposits.

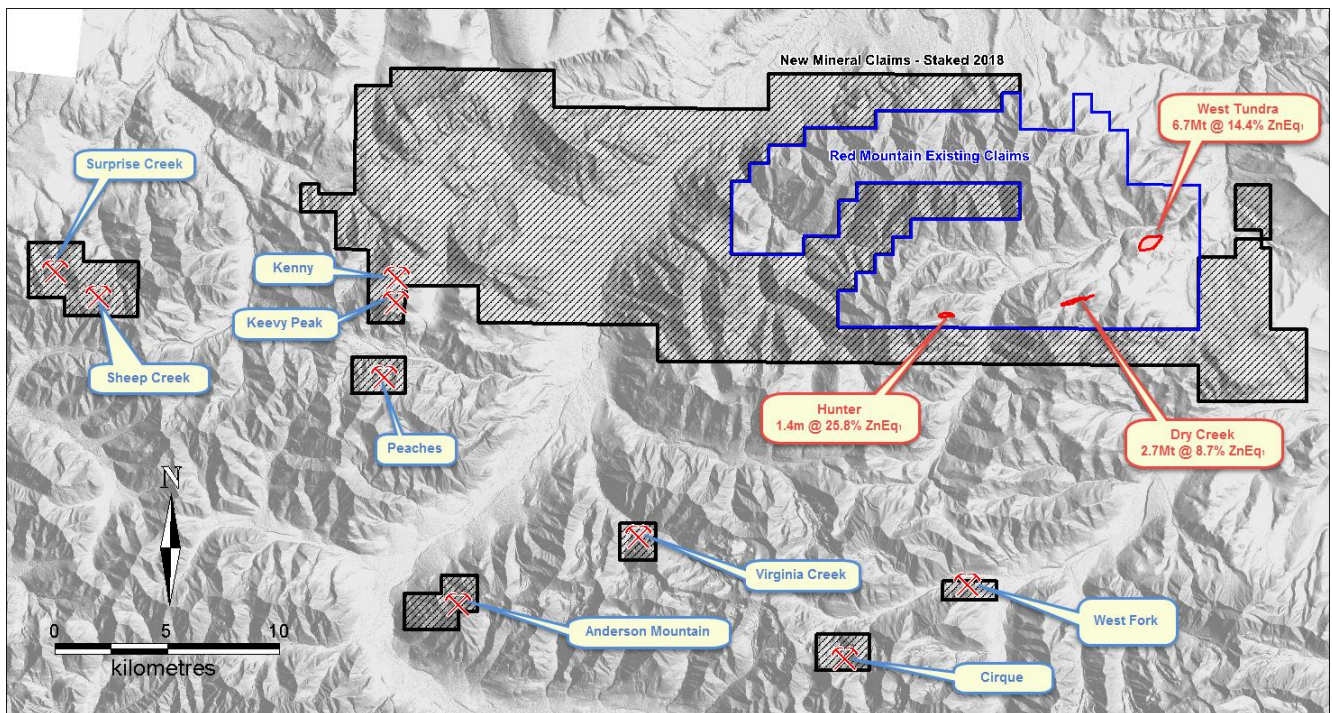


Figure 3: Red Mountain Project tenement outline on terrain map with locations for the Dry Creek and West Tundra Flats VMS deposit Mineral Resources*, the new discovery at the Hunter Prospect and outlier VMS prospects.

During the 2018 field season, White Rock also completed a detailed regional stream sediment program over prospective stratigraphy within the Red Mountain project area. This part of the comprehensive 2018 exploration program was optimised based on the geochem orientation survey completed across known mineralisation at Dry Creek. This “calibration” provided a geochemical signature of base metal and precious metal elements together with other pathfinders to use for future exploration of the VMS prospective stratigraphy on both the northern and southern limbs of the regional Bonnifield syncline.

This 2018 reconnaissance program identified a number of extensive alteration features for future exploration. Some of these extend on surface for several kilometres of strike. The results from the regional stream sampling program have successfully highlighted 8 priority anomalies within the area of alteration (Figure 4), providing areas for immediate focus through follow-up ground reconnaissance, surface sampling and the application of electrical geophysics prior to drill targeting (refer ASX Announcement dated 4 December 2018).

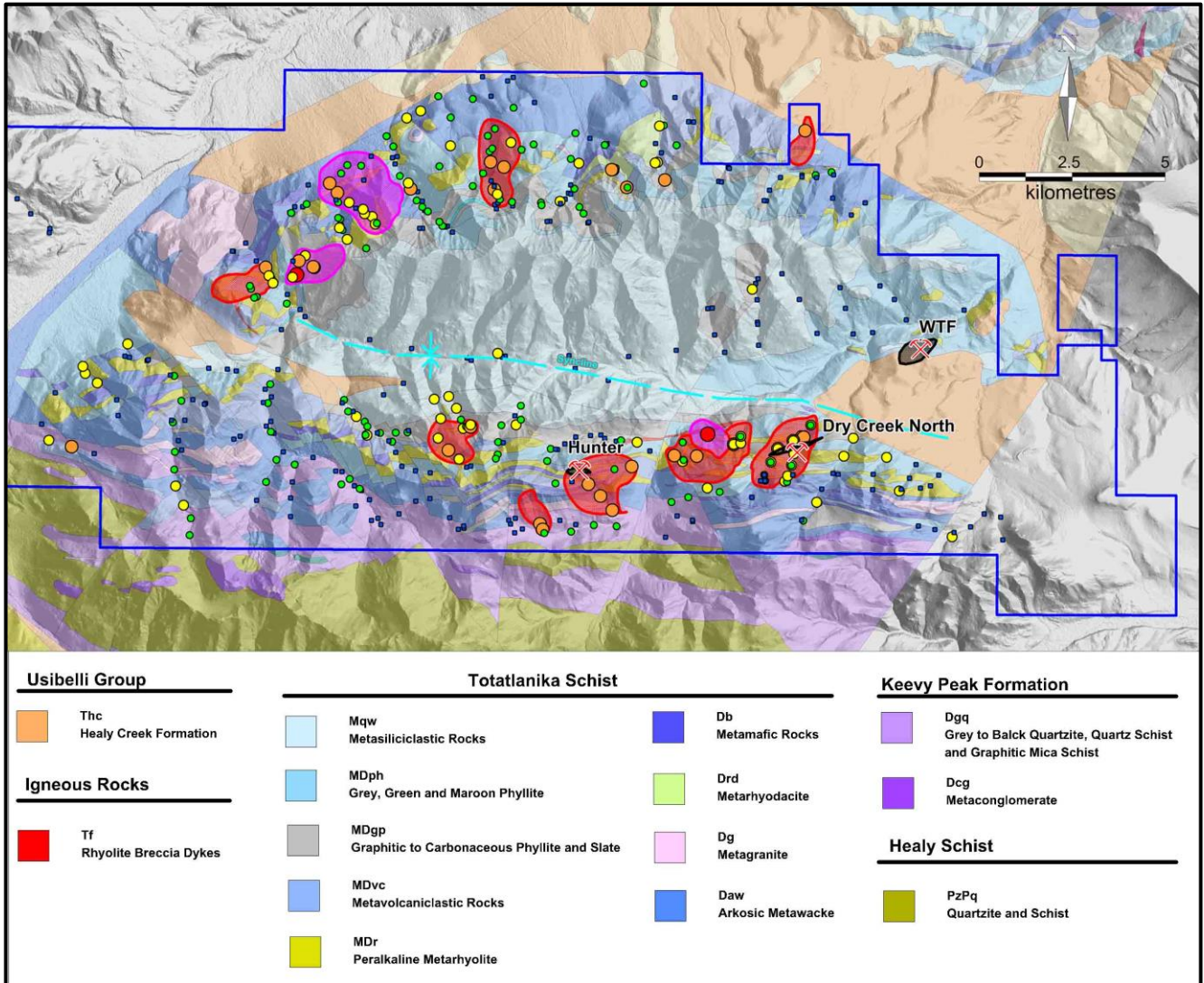


Figure 4: Location of high priority stream sediment geochemical anomalies on the DGGS geology map (after Freeman et al., 2016) and terrain surface with locations for the Dry Creek and West Tundra Flats VMS deposits, and the recent Hunter VMS discovery.

No New Information or Data

This announcement contains references to exploration results, Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, 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. In the case of Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, all material assumptions and technical parameters underpinning the estimates, production targets and forecast financial information derived from the production targets contained in the relevant market announcement continue to apply and have not materially changed.