



(ABN 64 142 809 970)

# Annual Report

## 30 June 2016

# White Rock Minerals Ltd

## Corporate Directory

### DIRECTORS

Brian Phillips (Chairperson)

Matthew Gill (Managing Director and Chief Executive Officer)

Geoffrey Lowe (Non-Executive Director)

Peter Lester (Non-Executive Director)

### COMPANY SECRETARY

Shane Turner

### PRINCIPAL & REGISTERED OFFICE

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Tel: 08 9315 2333

### AUDITORS

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Melbourne Victoria 3000

### BANKERS

ANZ Banking Group Limited

927 Sturt Street

Ballarat Victoria 3350

### LEGAL ADVISORS

Baker McKenzie

181 William Street

Melbourne Victoria 3000



Figure 1: Mt Carrington Project Location

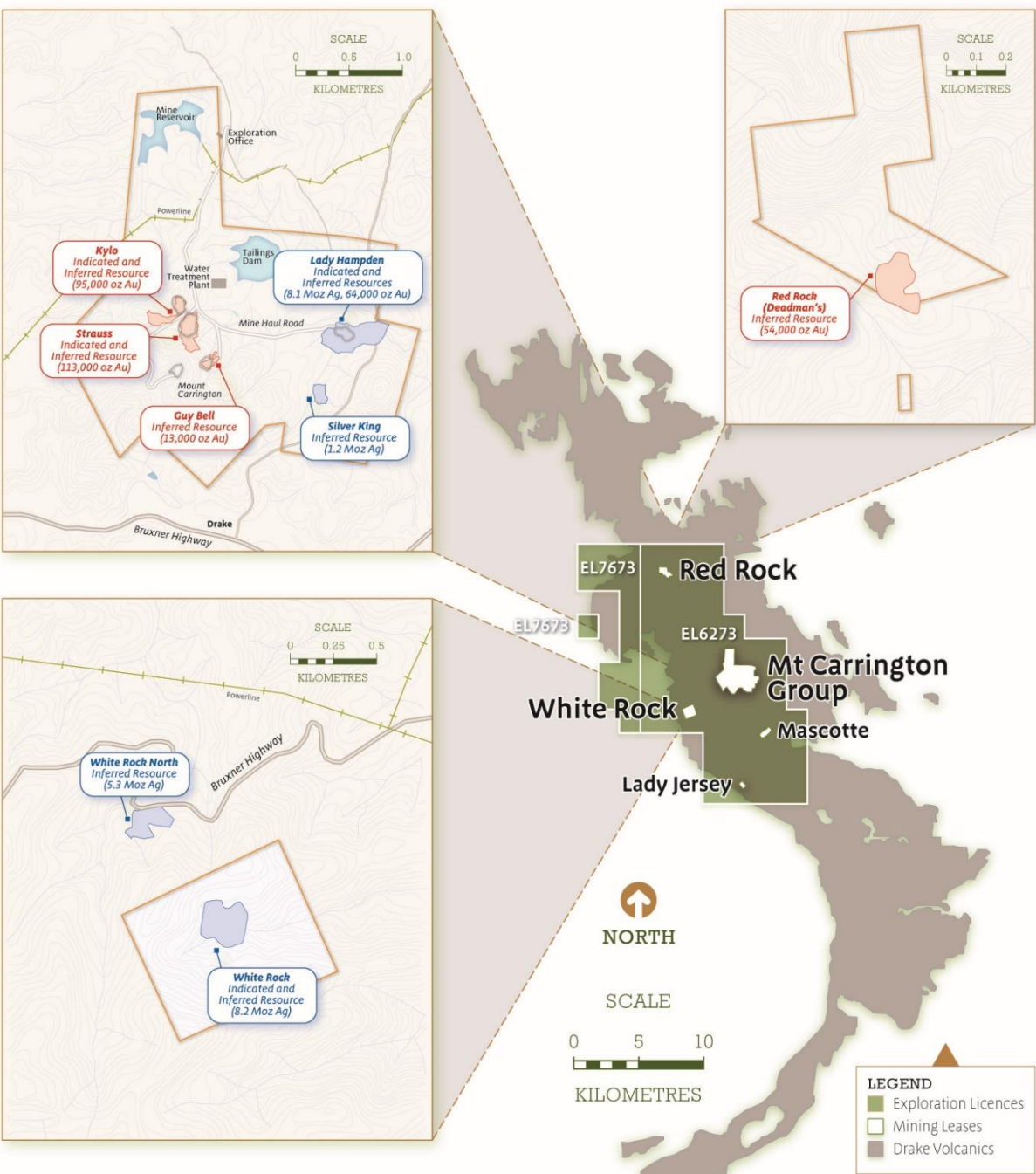
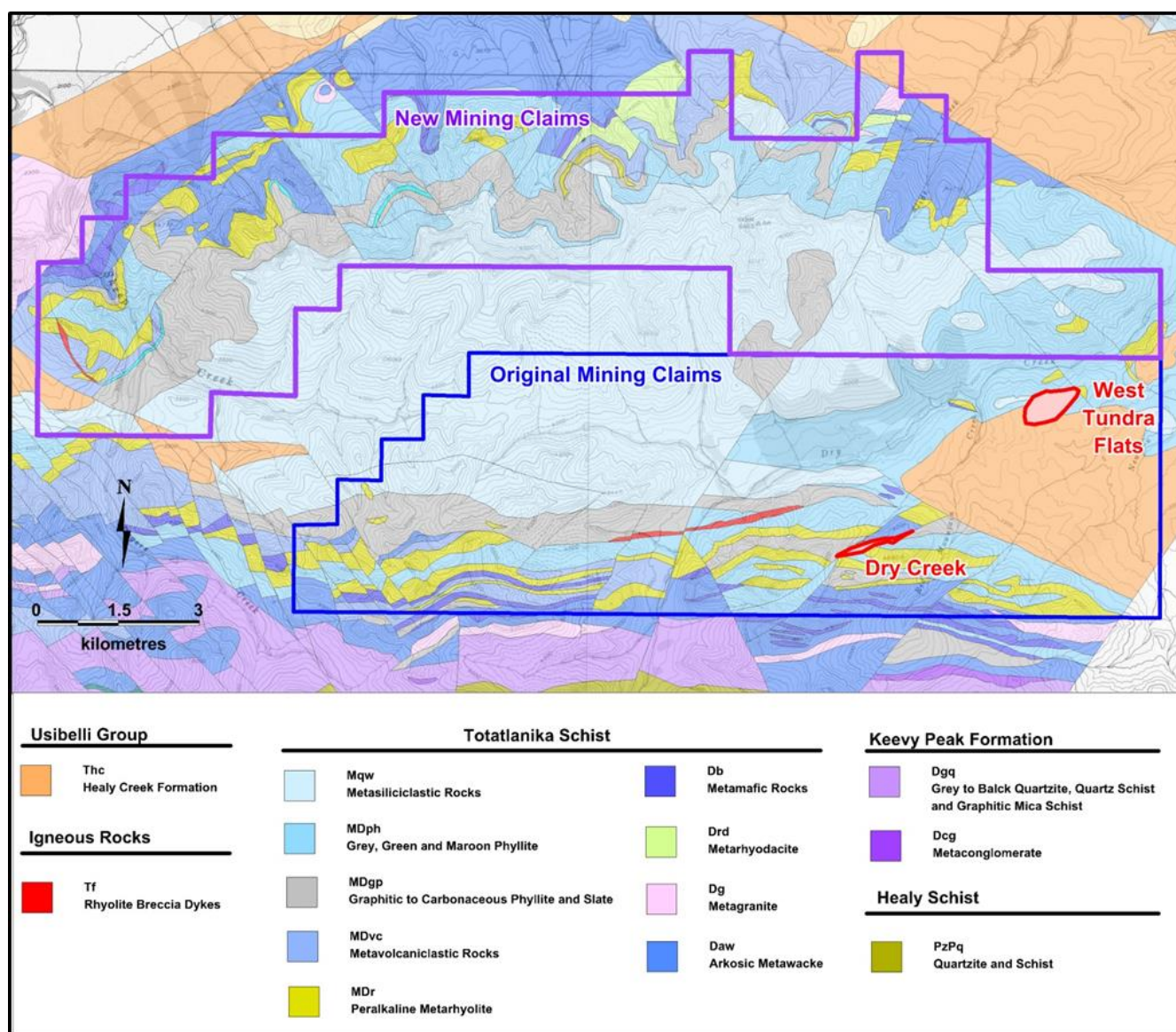


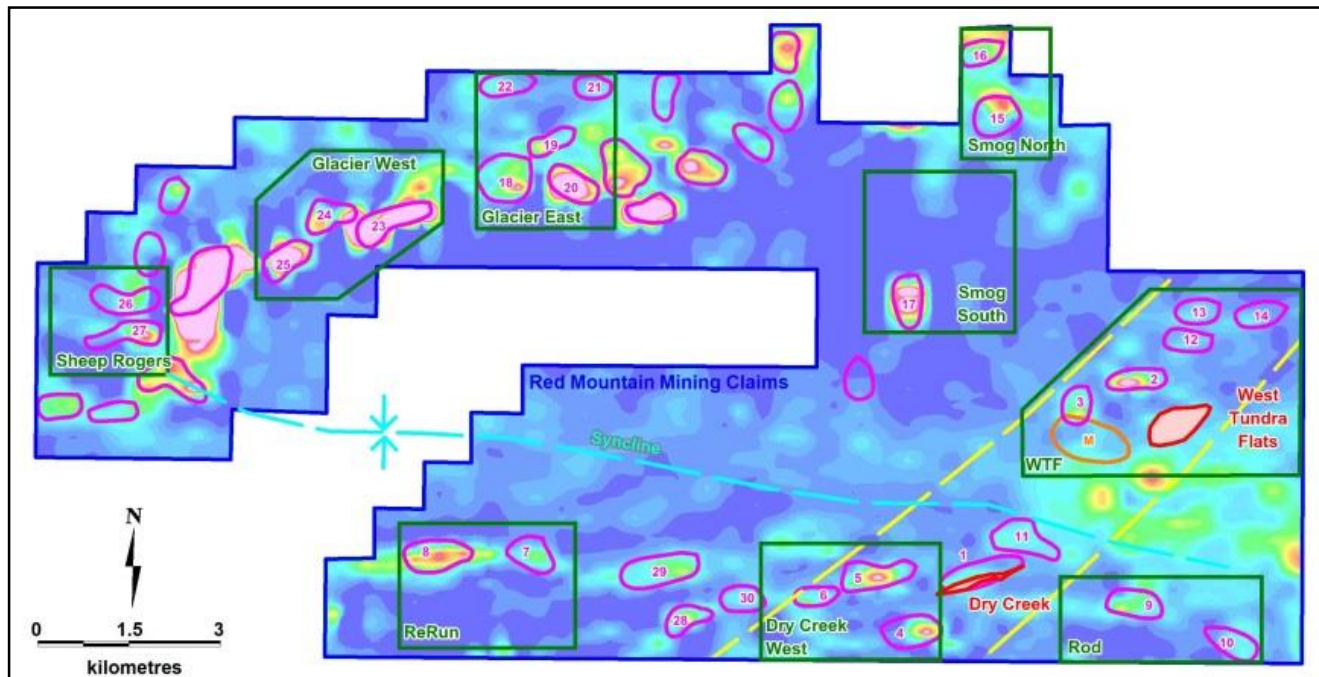
Figure 2: Mt Carrington Tenements



**Figure 3: Red Mountain Project Location**



**Figure 4:** Red Mountain project tenement outline on DGGs geology map (after Freeman et al., 2016) with locations for the Dry Creek and West Tundra Flats VMS deposits, and the geochemical target areas. The original mining claims are as at 30 June 2016 with the new mining claims being acquired subsequent to the end of 30 June 2016.



**Figure 5:** Red Mountain high priority conductors (pink) on a conductivity depth slice at 40m below surface from the 1D inversion of airborne electromagnetics. Locations for the Dry Creek and West Tundra Flats VMS deposits, and target areas (ReRun, Dry Creek West, Rod, WTF, Smog South, Smog North, Glacier East, Glacier West and Sheep Rogers) are defined by geochemical alteration (in green boxes), and the corridor of conductors along the northeast trend from Dry Creek to West Tundra Flats (dashed yellow line).

## White Rock Minerals Ltd

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# White Rock Minerals Ltd

## Introduction: Profile

### For the year ended 30 June 2016

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 and the Bonfield district in central Alaska.

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 refurbishing of the existing site infrastructure.

The current Mineral Resource inventory formed the basis for a scoping study which was updated late 2014 and again in 2016, the results of which are considered to be sufficiently positive to continue technical studies and data collection for preparation of an Environmental Impact Statement (EIS). 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.

Whilst exploration for shallow gold and silver deposits has been the Company's main focus to date, the potential for the Mt Carrington project to host significant intrusion related copper mineralisation has also been recognised. Recent work 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.

The Company took the opportunity in 2016 to acquire an advanced zinc-silver volcanogenic massive sulphide (VMS) exploration project in central Alaska. This asset, now 100% wholly owned by a White Rock US subsidiary, offers the potential for exploration success built around two existing deposits in a highly prospective field and with exposure to two commodities in demand - zinc and silver.

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 2016

**Exploration:** White Rock acquired the Red Mountain project, a quality advanced exploration project centred on an established VMS district in central Alaska. The Red Mountain project contains two deposits at Dry Creek and West Tundra Flats that are rich in zinc and silver. White Rock has subsequently completed work using historic surface geochemistry and electromagnetics data to identify a number of high priority conductors associated with zones of anomalous geochemistry that is indicative of proximal VMS mineralisation. The targeting underpins a belief that the Red Mountain project could be home to a new camp of high grade zinc-silver-gold VMS deposits

**Economic Studies:** The Mt Carrington scoping study was independently reviewed in 2016 and updated for improved gold and silver prices of A\$1,600/oz and A\$22/oz respectively, highlighting the robust economics for a start-up gold-silver operation with a production profile of 30,000ozpa gold equivalent over an initial 7 year mine life. Together with improved mining costs related to a softening construction and labour market, the Mt Carrington Project economics improved with free cash flow of A\$100M, a pre-tax internal rate of return of 103% and a capital cost of just \$24.2M. Encouragingly, the improved economics has attracted a financing proposal from Cartesian Royalty Holdings Pte Ltd ("CRH"), who have agreed to conditional funding of the construction of the Mt Carrington Project to full commercial production, subject to the satisfactory completion of the Definitive Feasibility Study (DFS), the submission of the Environmental Impact Statement (EIS) and receiving the necessary approvals and permits from the Government.

**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:** White Rock continues to keep the local Drake community, Tenterfield Council and local stakeholders informed and are ready to re-engage once feasibility and permitting activities re-commence in late 2016 through community consultation, site visits and a commitment to supporting local community organisations.

**Equity Fundraising:** Equity capital raisings during the year comprised various Placements to Institutional and Sophisticated Investors and a Placement to Directors of White Rock for unpaid Directors' fees. In addition shares were issued in connection with the acquisition of Atlas Resources Pty Ltd. Shares were also issued to White Rock's corporate advisors in return for services provided. Approximately 175 million shares were issued to the value of \$2,907,992 before costs of which \$1,513,000 was received as cash injections.

### 2017 Strategy

**Development Studies:** The Company intends to commence feasibility studies in late 2016 to determine the optimal development strategy 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:** White Rock is now poised to advance an exploration portfolio whereby it can target near surface mineralisation with the potential to expand the Resource profile at Mt Carrington while development studies are underway, and target new discoveries of high grade zinc-silver mineralisation at the Red Mountain project to build an inventory capable of supporting a new start-up operation in the coming years.

**Project Evaluation:** The Company will continue to evaluate corporate and project opportunities aimed at realising the value of the existing projects, and 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 2016

Dear Fellow Shareholder,

White Rock has holdings in three metals which have recorded significant increase in price this year - gold, silver and zinc. Your Company's endowment of 675,000 ounces of gold equivalent, plus the recently acquired zinc-silver-lead asset, provide a strong base for future development.

The acquisition in May 2016 of the zinc-silver-lead Red Mountain VMS project in Alaska has given White Rock the opportunity to extend the existing known areas of mineralisation outlined by previous owner Atlas Resources, with the geological setting suggesting that the mineralised areas already defined are part of a "camp" or further mineralised zones. Subsequent to 30 June 2016, we have expanded the Company's interest to 224 tenement claims covering an area of 143 square kilometres.

Our silver/gold project at Mount Carrington in New South Wales was the main focus of our efforts during the year. On the basis of the updated Scoping Study released in March 2016, demonstrating the strong economic case for completing the Feasibility Study to support a development decision, the Company secured a finance streaming proposal from Cartesian Royalty Holdings Pte Ltd an affiliate of the USA-based Cartesian Capital Group. The proposed facility is structured to provide US\$19 million for the construction and commissioning of the mine, mill and infrastructure, and is conditional upon White Rock upgrading the project's Scoping Study to Feasibility standard. We are now moving to complete this study, and have recently announced a placement and rights issue to raise \$5.74 million to cover the study, environmental permitting and corporate costs.

On 1 August 2016, directors were delighted to announce that CEO Matthew Gill had agreed to join the Board as Managing Director. Matt's experience in project development and mine management are the ideal combination required to transition the Mt Carrington asset through the study, development and operating phases. With funding in place for the Feasibility Study and the subsequent development, Matt can also devote attention to the exploration and enhancement of the Red Mountain project and further corporate development opportunities as and when they might arise.

As is the case with many small-cap resource companies, White Rock has been challenged in securing support for its study and development work. However, with the support of new and long standing shareholders, we are now well structured to set the Company on the path to production. The gold, silver and zinc prices remain strong, and the low Australian dollar works in our favour.

Shareholders can be confident that their funds are well spent. White Rock operates from a low-cost base in Ballarat, Victoria; we have only two permanent employees, with technical and professional services secured on an as needed contract basis.

On behalf of the Board, I extend my thanks to the people who have worked with us this year, and to our shareholders who continue to support the Company. There is an exciting year ahead.

Yours sincerely,



Brian Phillips

## White Rock Minerals Ltd

### Review of operations

#### For the year ended 30 June 2016

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 \$AUD1,600/oz. On 27 June 2016, the Company announced an equity investment of \$1,000,000 and a future streaming financing proposal of USD\$19 million to fund working capital and construction of White Rock's Mt Carrington project to reach commercial production.

The Company announced on 22 March 2016 that it had executed a formal agreement to acquire a VMS project at Red Mountain, Alaska. This agreement was finalised with the issue of shares and options to acquire 100% of Atlas Resources Pty Ltd as approved at a general meeting of shareholders on 22 April 2016. The Company has also acquired adjoining tenements to the initial tenements that Atlas Resources Pty Ltd had claims to.

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

September 2015	The Mt Carrington scoping study was updated for improved gold and silver prices of A\$1,600/oz and A\$22/oz respectively, highlighting the robust economics for a start-up gold-silver operation with a production profile of 30,000ozpa gold equivalent over an initial 7 year mine life at a low capital cost of just \$25.4M generating strong cash flow of A\$74M with a pre-tax internal rate of return of 80%.
February 2016	Heads of Agreement to acquire the Red Mountain Project, a polymetallic zinc-silver volcanogenic massive sulphide ("VMS") located in central Alaska.
March 2016	The Mt Carrington scoping study was further updated by an independent consulting firm, Mincore Pty Ltd, for improved mining costs related to a softening construction and labour market. Using the same gold and silver prices of A\$1,600/oz and A\$22/oz respectively, the Mt Carrington Project economics improved with free cash flow of A\$100M, a pre-tax internal rate of return of 103% and a reduced capital cost of just \$24.2M.
May 2016	Completion of the acquisition of the Red Mountain Project, Alaska.
June 2016	WRM signed a binding conditional Term Sheet with Cartesian Royalty Holdings Pte Ltd, an affiliate of the US-based Cartesian Capital Group, in connection with a proposed two-phase financing package for White Rock to develop its Mt Carrington Project to full commercial production.
June 2016	At Red Mountain, compilation, modelling and interpretation of historic geochemistry, geology and geophysics was undertaken using leading global experts to generate a pipeline of priority zinc-silver targets.
July 2015 - June 2016	A number of corporate and project level opportunities were generated and evaluated by the Company. In particular, potential mergers with ASX-listed Silver Mines and the public unlisted E2 Metals were advanced but ultimately terminated. Several opportunities continue to be assessed as at the end of June.

# White Rock Minerals Ltd

## Exploration projects

For the year ended 30 June 2016

### 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 two Exploration Licences (“ELs”) and 22 mining leases covering a combined area of 228km<sup>2</sup> as at 30 June 2016 (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

In light of the improved Australian dollar gold and silver price as well as general softening of mining related costs over the past 12 – 24 months White Rock updated the previous 2014 Mt Carrington Scoping Study. White Rock engaged process engineering consultants Mincore Pty Ltd 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 believes the current A\$ gold price, reaching and exceeding A\$1,600 per ounce, along with an appreciating silver price, presents real upside to the Project, especially when coupled to the development of its silver resources. The 2016 Update (*ASX Announcement 29 March 2016*) demonstrates a significant uplift in Project economics when new and more relevant cost inputs and improved A\$ gold and silver prices 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 Project offers a low capital cost (~A\$24.2M) due to the utilisation of the existing infrastructure already in place (tailings dam, water dam, power supply and office) and using the existing plant site and footings (Figure 1), all of which underpins a substantial cost saving on upfront capital expenditure, estimated to be in the order of ~\$20M,
- ✓ 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 onwards, potentially allowing time for the silver price to re-bounce 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) and before financing costs) 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 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 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 positive cash flow generation from an initial focus on producing gold. This initial focus should provide a sound return on the capital invested, and unlock the value of the Project’s silver resources for subsequent development.

White Rock Minerals Ltd  
Exploration projects (continued)  
For the year ended 30 June 2016

Parameter	2014 Study Summary	2015 Study Summary	2016 Study Summary	Comment (from 2015)
A\$ Gold price	A\$1,400 / oz	A\$1,600 / oz	A\$1,600 / 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 <sup>1</sup>	111,000 <sup>1</sup>	0%
Production – Silver Ounces	87,000	6,700,000 <sup>2</sup>	6,700,000 <sup>2</sup>	0%
Life of Mine (years)	3.4	7	7	0%
Net Present Value (NPV <sub>10</sub> )	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/oz	A\$10/oz	-17%
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 1. 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 and silver price, with a A\$100/oz gold price movement equating to ~A\$7M change in the Project's NPV, and 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 month's work is required to take the Scoping Study to Feasibility Study level. This 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 completed, allowing permitting by way of receiving Development Consent from the regulatory authorities to be achieved within 18 months. Mincore estimates a 12-month design, construct and commission period (Chart 1).

With a binding conditional term sheet now in place with Cartesian Royalty Holdings Pte Ltd ("CRH") which proposes to fund development of the Mt Carrington Project to full commercial production, White Rock is well placed to begin feasibility studies, and regulatory permitting in late 2016.

*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.*

# White Rock Minerals Ltd

## Exploration projects (continued)

### For the year ended 30 June 2016

*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.*

### Mineral Resources

During 2015/16 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 2016						
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
	<b>Sub-Total</b>	<b>3,550,000</b>	<b>0.3</b>	<b>37,000</b>	<b>72</b>	<b>8,270,000</b>
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
	<b>Sub-Total</b>	<b>8,950,000</b>	<b>0.1</b>	<b>27,000</b>	<b>51</b>	<b>14,533,000</b>
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
	<b>Total</b>	<b>12,500,000</b>	<b>0.2</b>	<b>64,000</b>	<b>57</b>	<b>22,803,000</b>
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
	<b>Sub-Total</b>	<b>2,830,000</b>	<b>1.3</b>	<b>116,000</b>	<b>3.1</b>	<b>286,000</b>
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
	<b>Sub-Total</b>	<b>3,810,000</b>	<b>1.3</b>	<b>158,000</b>	<b>2.9</b>	<b>353,000</b>
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
	<b>Total</b>	<b>6,640,000</b>	<b>1.3</b>	<b>275,000</b>	<b>3.0</b>	<b>639,000</b>
Total Resources						
Category		Tonnes		Gold ounces		Silver ounces
Indicated		<b>6,380,000</b>		<b>153,000</b>		<b>8,556,000</b>
Inferred		<b>12,760,000</b>		<b>185,000</b>		<b>14,886,000</b>
Total		<b>19,140,000</b>		<b>338,000</b>		<b>23,442,000</b>

Table 1: Mt Carrington Mineral Resource Estimate Summary June 2016



## White Rock Minerals Ltd

### Exploration projects (continued)

#### For the year ended 30 June 2016

*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.*

#### 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. The sprinkler system was further upgraded in late 2015.

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.

#### Red Mountain Zinc-Silver Project, Alaska, USA

##### Background

The Red Mountain Project is located in central Alaska (Figure 3), 100km south of Fairbanks, in the Bonfield Mining District. The tenement package comprises 224 mining claims over a total area of ~143km<sup>2</sup>, covering the known Dry Creek and West Tundra Flats volcanogenic massive sulphide ("VMS") deposits.

VMS deposits typically occur as a cluster of deposits ("camps"). Typically, deposits are evenly spaced within a camp. Within almost all camps, deposit sizes are normally distributed. In mature camps this means one "giant" (> 40Mt of ore, 1.8Mt of total base metal: upper 10% of all VMS deposits), two large (>10Mt ore, 550,000 tonnes of base metals: upper 25% of all deposits) and 3-8 small (<3.3Mt ore, 150,000 tonnes of base metal, 50% of all deposits) deposits /occurrences. Typical VMS camps consist of 4-8 deposits, each spaced about 4 to 6 km apart.

The Red Mountain Project includes the Fosters, Discovery (together referred to as Dry Creek) and West Tundra Flats (WTF) deposits (Figure 4). These are the most prominent occurrences in the Bonfield District and can be considered a single VMS camp.

At the Dry Creek deposit, two horizons containing massive sulphide mineralisation have been found. The DC North Horizon hosts the majority of mineralisation defined to date, including the Fosters and Discovery deposits. The DC South Horizon occurs lower in the section. Both zones dip steeply north. The DC North Horizon can be traced for 4,500 metres. The central 1,400 metres (on the flanks of Red Mountain) host the Fosters and Discovery deposits. At Discovery, mineralisation occurs as massive to semi-massive zinc-lead-silver rich sulphides. At Fosters, the mineralisation comprises disseminations and wispy laminations of sulphides and zones of semi-massive to massive sulphides. Sulphides include pyrite, sphalerite, galena and chalcopyrite. Precious metals are typically enriched, especially in the footwall portion of the mineralization.

Mineralisation at Dry Creek pinches and swells along strike and down dip, as is typical of VMS deposits. True width intersections are up to 40 metres where there is evidence of growth faults, which typically act as feeders to the VMS system and can be important controls in localising thick ore accumulations. Identifying and targeting such growth faults along the VMS horizon will be an important part of exploration to expand and discover new deposits.

At the West Tundra Flats deposit, massive sulphide mineralisation is localised in a number of generally narrow exhalative units distinguished by semi-massive and massive sulphides including pyrite, sphalerite and galena. The massive sulphides are commonly rich in silver with erratic gold. The zone mineralisation extends at least 850 metres north-south and 850 m east-west. The horizon dips about 15° to the south, is 0.3 to 4.4 m thick and remains open down dip.

Previously, exploration on the Red Mountain project has comprised some 101 drill holes for 13,831m at Dry Creek and 26 drill holes for 5,349m at West Tundra Flats.

White Rock Minerals Ltd  
Exploration projects (continued)  
For the year ended 30 June 2016

Drill intersection highlights for Dry Creek and West Tundra Flats are presented in Table 2.

HOLE ID	From (m)	To (m)	Interval (m)	Zn %	Ag g/t	Pb %	Au g/t	Cu %
DC76-02	38.6	50.3	11.6	5.29	112	2.16	NA	0.22
DC97-01	41.1	52.4	11.3	7.60	115	3.18	0.99	0.26
including	41.1	42.8	1.7	20.01	266	8.52	1.47	0.62
DC97-04	62.5	75.0	12.5	12.51	160	5.52	1.14	0.71
including	69.5	75.0	5.5	25.89	346	11.72	2.46	0.88
DC97-14	57.0	75.3	18.3	1.39	15	0.23	0.24	2.08
including	59.1	63.4	4.3	0.06	15	0.04	0.04	6.75
DC97-30	17.7	20.9	3.2	9.19	226	4.72	1.16	0.41
DC97-31	29.0	31.4	2.4	12.72	1,061	6.45	3.82	0.35
DC97-32	27.9	33.9	6.1	14.43	137	6.83	0.61	0.36
including	30.3	33.4	3.1	20.08	169	9.52	0.78	0.52
DC97-33	39.1	46.2	7.1	15.12	334	6.81	0.86	0.30
DC98-38	59.0	68.0	9.0	5.40	269	2.43	1.00	0.15
including	61.5	63.8	2.3	13.24	581	5.82	3.07	0.30
DC98-39	77.6	98.8	21.2	6.99	57	3.20	0.38	0.19
including	77.6	89.0	11.4	10.38	56	4.78	0.51	0.28
with	77.6	82.6	5.0	17.74	64	7.80	0.45	0.45
DC98-40	6.1	42.2	36.1	6.24	183	2.56	1.03	0.22
Including	6.1	10.7	4.6	23.54	531	8.45	1.53	1.02
including	21.3	24.5	3.1	14.65	211	6.65	0.53	0.25
DC98-60	17.6	86.5	68.9	4.02	58	1.88	0.36	0.10
including	53.8	58.8	4.9	10.17	86	4.96	0.39	0.28
WTF82-05	104.3	106.1	1.7	11.40	374	5.97	1.71	0.15
WTF82-08	160.9	164.0	3.0	7.28	796	4.27	1.12	0.17
WTF83-17	58.6	59.9	1.3	20.92	796	9.17	10.22	0.56

**Table 2: Assay highlights from Dry Creek and West Tundra Flats historical drilling.**

Historical preliminary metallurgical test work on a composite sample of drill core intersections showed that the ore responded well to a traditional flotation scheme producing a bulk lead concentrate and a separate zinc concentrate with excellent metal recoveries. Zinc recoveries were in excess of 98% of the available zinc. Lead recoveries were approximately 75-80% of the available lead. Silver, copper and gold reported to the lead concentrate. Recoveries of these metals were in the range of 70% to 80%.

The zinc concentrate produced was of very high quality with grades ranging from 58% to 62%. Lead-copper concentrate produced by the test work contained approximately 33% lead, with dilution being primarily due to zinc. An evaluation of this concentrate indicated that the mineralogical makeup of the concentrate was simple, and reagent optimization should be capable of upgrading this concentrate to approximately 50% lead. Results from analysis of the zinc concentrate showed low selenium content at <0.01% and typical cadmium values at 0.15%.

Access to the Red Mountain project is by a ~20 minute direct flight from Fairbanks via helicopter. Gravel roads extend to within 40 miles of the project area and winter trails can be used to supply freight to the area on a seasonal basis. Elevations range from 750 metres to 1,850 metres ASL over the claim area. The area has excellent infrastructure by Alaskan standards. The town of Healy is located 50 miles to the west on the Parks Highway and is home to a large 30 megawatt coal-fired power plant with rail transportation to ocean ports.

### Exploration Targeting

White Rock has chosen to focus exploration on the Bonnifield East area where the two most significant deposits of Dry Creek and West Tundra Flats are located on opposite limbs of a regional syncline (Figure 4). The syncline controls the distribution of the prospective VMS horizon with the upper metasiliciclastic rocks of the Totalanika Schist forming the hangingwall to VMS mineralisation throughout the district. The prospective footwall sequence dips steeply to the north along the southern limb (where the Dry Creek deposit is located) and shallow to the south along the northern limb (where the West Tundra Flats deposit is located).

# White Rock Minerals Ltd

## Exploration projects (continued)

### For the year ended 30 June 2016

During the June 2016 quarter White Rock commenced the first multi-disciplinary compilation of all available data sources of this district, combined with an interrogation and interpretation of the data. This body of work will use the power of modern vector analysis and 3D processing and will be directed towards defining a combination of targets, including specific extensions to the known mineralisation as well as district wide targets that could represent additional zinc–silver deposits in the Red Mountain VMS camp.

Dr Jim Franklin, a recognised global VMS expert, completed an assessment of compiled surface geochemical data. The study aimed to use modern vector analysis to identify new exploration targets from old data. Dr Franklin was able to use the known deposits at Dry Creek and West Tundra Flats to calibrate his assessment of the regional data. The resulting assessment prioritises the Dry Creek West, ReRun, West Tundra Flats, Smog and Glacier target areas as highly prospective for additional VMS deposits (Figure 5). Observations based on the zonation of geochemical alteration and detailed geological mapping provided by the DGGS suggest that each target area shows extensive lateral and vertical footwall alteration, and the potential for a number of mineralised horizons and indicators for proximal base metal (zinc-lead) and precious metal (gold-silver) mineralisation.

Condor Consulting, Inc., recognised experts in the field of airborne electromagnetics (“EM”), completed a detailed interpretation of the EM and magnetics survey flown by the Alaskan Division of Geological and Geophysical Surveys (“DGGS”) in 2007. Condor was able to use the known deposits at Dry Creek and West Tundra Flats to calibrate the assessment of the EM and magnetics data. A number of high priority conductors were identified as having the potential of being caused by massive sulphide mineralisation (Figure 5). The highest priority conductors are located within the identified geochemical target areas, some of which are coincident with strong base metal and precious metal anomalies from historic sampling (Conductors 1 to 30).

Subsequent to the end of 30 June 2016, White Rock expanded the Red Mountain tenement package to 143km<sup>2</sup>, which covers the best geochemical targets along both limbs of the syncline (Figure 4), including a significant area down dip of the exposed prospective VMS horizon. White Rock is now well positioned to advance exploration on the Red Mountain project with the two studies providing a pipeline of targets. Of the 30 conductors associated with geochemical anomalism, White Rock will aim to prioritise 5 of the best conductors for a campaign of follow-up field work that will culminate in drilling to test the best of these targets in addition to confirming the existing deposits at Dry Creek and West Tundra Flats.

## 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 and the United States of America (USA) 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.

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 and USA 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.

# White Rock Minerals Ltd

## Exploration projects (continued)

### For the year ended 30 June 2016

#### **Native title**

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

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 2016

Country/State	Project	Tenement ID	Area
Australia/NSW	Mt Carrington	EL6273, EL7673, MPL24, MPL256, MPL259, SL409, SL471, SL492, ML1147, ML1148, ML1149, ML1150, ML1200, MPL1345, ML5444, GL5477, GL5478, ML5883, ML6004, ML6006, ML6242, ML6291, ML6295, ML6335	228km <sup>2</sup>
USA/Alaska	Red Mountain	ADL611355, ADL611356, ADL611362, ADL611364, ADL611366, ADL611371, ADL721002-721010 (9), ADL721029-721038 (10), ADL721533-721615(83), ADL721624, ADL721625	71km <sup>2</sup>

**Table 2 Tenements schedule**

The Mt Carrington Project comprises 22 Mining Leases and two Exploration Licences. All tenements are held 100% by White Rock (MTC) Pty Ltd, a wholly owned subsidiary of White Rock Minerals Ltd. No farm-in or farm-out agreements are applicable.

As at 30 June 2016, the Red Mountain Project comprised 110 Mining Claims. All tenements are held 100% by White Rock (RM) Inc., a wholly owned subsidiary of White Rock Minerals Ltd. No farm-in or farm-out agreements are applicable. Subsequent to 30 June 2016 a further 114 Mining Claims have been acquired at the Red Mountain Project.



# White Rock Minerals Ltd

## Directors' report

### For the year ended 30 June 2016

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 2016 and the Independent Auditors' Report thereon.

#### 1. Board of Directors

The Board has four 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
<b>Mr Brian Phillips</b> <b>Independent Chairperson</b> AWASM-Mining, C Eng, FAusIMM, MIMMM	Mr Phillips is a mining engineer with over 45 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.
<b>Mr Matthew Gill</b> <b>Managing Director and Chief Executive Officer</b> B.E (Hons, Mining), M Eng Sc, FAusIMM, GAICD	Matthew Gill is a mining engineer with over 30 years' experience. He has a strong technical, operational and executive management background; having worked as an underground miner, mine planning engineer, supervisor, general manager and managing director in Australia, Papua New Guinea, India, Ghana and Bolivia. He holds three First Class Metalliferous Mine Manager's Certificates of Competency and has been instrumental in the successful development of three gold mines (Porgera, Beaconsfield and Ballarat). He is a three-time winner of the Australian Mine Manager of the Year Award and received the AusIMM Leadership Award in 2008. Previously, Group Chief Operating Officer for Singapore-listed LionGold Corp, he has also worked for Castlemaine Goldfields, Rio Tinto, WMC, Placer Pacific and Renison Goldfields.  Mr Gill held the role of Chief Operating Officer until 29 March 2016, and was appointed Chief Executive Officer on that date. On 1 August 2016 Mr Gill was appointed as Managing Director.
<b>Mr Peter Lester</b> <b>Independent Non-Executive Director</b> B.E (Mining), MAusIMM, MAICD	Mr Lester has over 40 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 chairman of Kidman Resource Ltd, non-executive chairman of Doray Minerals Ltd and non-executive director of 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.
<b>Mr Geoffrey Lowe</b> <b>Non-Executive Director</b> B.Sc, MAusIMM	Mr Lowe is a geologist with over 29 years' experience in both greenfields and near mine exploration for gold and copper in Australia, Myanmar and Spain. 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.

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2016

### 2. Company Secretary

Mr Shane Turner commenced as Company Secretary in August 2015 after the resignation of Andrew Dart on 28 August 2015. Mr Turner is a Chartered Accountant with 30 years experience. He has extensive experience in Business Advisory, Initial Public Offerings, ongoing compliance and Corporate Governance. Mr Turner is employed by RSM Australia and is a non-executive director and company secretary of MRG Metals Ltd.

### 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	18	18	2	2
Mr Matthew Gill <sup>1,2</sup>	3	3	2	2
Mr Geoffrey Lowe <sup>1</sup>	18	18	2	2
Mr Peter Lester	18	17	2	2

A – Number of meetings attended

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

1. Mr Gill and Mr Lowe were not members of the Audit Committee. However, they were invited to, and attended meetings as appropriate.
2. Mr Gill was not a director during the year. However was invited to and contributed at meetings of the board of directors.

### 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 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 2016 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 \$1,701,358 (2015 loss: \$16,017,736) for the year. The decrease in loss was driven by impairments of \$16,365,553 on exploration and evaluation assets and property, plant and equipment in 2015. As at 30 June 2016 the Group had a cash position of \$258,846 (2015: \$354,021). During 2016 the Group acquired Atlas Resources Pty Ltd (Atlas) by way of issue of shares and options and in turn, exercised the option held by Atlas to acquire the Red Mountain project by way of cash payment. The option exercise resulted in assumption of liabilities for future cash payments as well as obligations to perform future exploration activities. The amounts outstanding at 30 June 2016 totalled \$2,695,342 and will become due over the period to 2021. The acquisition transaction is reflected in the increase in exploration and evaluation assets and other payables. The Group has no bank debt. Additional information as to the review of business activities, likely developments for financial year 2017 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 2016

#### 7. Significant changes in the state of affairs

On 22 March 2016, White Rock announced that it had executed a formal agreement to acquire a VMS project at Red Mountain. This agreement was finalised with the issue of shares and options to acquire 100% of Atlas Resources Pty Ltd as approved at a general meeting of shareholders on 22 April 2016. The Company has also subsequent to 30 June 2016 acquired adjoining tenements to the initial tenements that Atlas Resources Pty Ltd had claims to.

On 27 June 2016 the Company announced that it had signed a binding conditional Term Sheet with Cartesian Royalty Holdings Pte Ltd (CRH), an affiliate of the US based Cartesian Capital Group, in connection with a proposed two phase financing package for White Rock to develop its Mt Carrington Project to full commercial production comprising:

- an equity investment of A\$1,000,000 in two equal tranches to fund White Rock's working capital requirements and to contribute funding for White Rock to progress its Definitive Feasibility Study and Environmental Impact Statement activities (Phase I); and
- a future streaming financing of US\$19 million in return for a share of gold and silver production to fund working capital and the construction and commissioning of White Rock's Mt Carrington project to reach commercial production (Phase II).

The transactions contemplated by the Term Sheet are subject to various conditions including completion of due diligence to the satisfaction of CRH, certain shareholder and ASX approvals, and the entry into definitive documentation for the transactions.

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 2016.

#### 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

##### *Placement and rights issue*

On 28 September 2016 the Company announced that it had received commitments to subscribe for 108,266,668 new ordinary shares in the Company in return for \$1,620,000 to be completed on 5 October 2016 ("Placement") and announced a 1 for 2 pro rata non-renounceable entitlement offer of fully paid ordinary shares to existing eligible shareholders to raise up to \$4,120,000 closing on 21 October 2016 ("Entitlement Offer").

In addition to being able to apply for new shares under the Entitlement Offer eligible shareholders will also have the opportunity to apply for additional new shares in excess of their entitlement that are not subscribed for by other eligible shareholders under the Entitlement Offer.

The directors have reserved the right to place any shortfall within three months of the close of the entitlement offer.

As part of the Placement and Entitlement Offer White Rock has agreed to pay Sanlam Private Wealth Pty Ltd (as lead manager) a fee equal to 6% of funds raised by Sanlam Private Wealth Pty Ltd. White Rock has also agreed to issue to Sanlam Private Wealth Pty Ltd (or its nominee), subject to White Rock shareholder approval:

- 3,000,000 options with an exercise price of 3 cents each expiring 2 years from the date of issue
- 3,000,000 options with an exercise price of 6 cents each expiring 3 years from the date of issue

##### *Cartesian Royalty Financing Package*

On 19 July 2016 the Company formalised the two tranche placement (Phase I) with Cartesian Royalty Holdings Pte Ltd (CRH), an affiliate of the US-based Cartesian Capital Group following the announcement by the Company of a binding conditional term sheet on 27 June 2016. The financing package under the binding conditional term sheet comprised:

- Phase I: An equity investment of \$1,000,000 in two equal tranches to fund the Group's working capital requirements and to contribute funding for the Group to progress its Mount Carrington project; and
- Phase II: A future streaming finance facility of \$US19,000,000 in return for a share of the value of gold and silver production at Mount Carrington

Phase I Tranche 1 entitled CRH to the following equity instruments in the Company in return for \$500,000:

- 38,461,538 ordinary shares
- 57,692,307 options with an exercise price of 1.8 cents and a term of five years from issue (A Options)
- 19,230,769 options with an exercise price of 2.3 cents and a term of five years from issue (B Options)

## White Rock Minerals Ltd

### Directors' report (continued)

For the year ended 30 June 2016

#### 9. Events subsequent to reporting date (continued)

Phase I Tranche 2 entitled CRH to the following equity instruments in the Company in return for a further \$500,000:

- 38,461,538 ordinary shares
- 57,692,307 options with an exercise price of 1.8 cents and a term of five years from issue (A Options)
- 19,230,769 options with an exercise price of 2.3 cents and a term of five years from issue (B Options)

Options issued under Tranche 1 and 2 contain an optional cashless exercise mechanism. This mechanism allows CRH to either, at its election:

- i) exercise the options in the traditional manner by paying the exercise price; or
- ii) set off the exercise price and simply receive shares in the company to the value of the excess between the exercise price and the market value of White Rock shares at the time the options are exercised

Phase I Tranches 1 and 2 are subject to a number of conditions including:

- in respect of Tranche 1, satisfactory completion of due diligence by CRH;
- in respect of Tranche 2, satisfactory completion of further due diligence by CRH, successful completion by the Company of a capital raising for sufficient funds to conduct a definitive feasibility study and achieve full permitting, and the announcement by the Group that it has commenced definitive feasibility study work;
- ASX granting a waiver in respect of the participation (anti-dilution) right, and approval in respect of the cashless exercise mechanism for the options;
- White Rock shareholder approval in respect of the issue of the Tranche 1 B Options and all of the shares and options proposed to be issued in connection with Tranche 2. If shareholder approval is not obtained by 31 December 2016, White Rock has agreed to provide CRH with an irrevocable 1.0% net smelter return (NSR) royalty on White Rock's Mt Carrington tenements as well as a break fee of US\$50,000; and
- negotiation and execution of definitive documentation for the Phase I transactions.

Under Phase II, in exchange for \$US 19,000,000 it is intended that White Rock will deliver to CRH a gold stream of 20% of gold equivalent (cash, gold or gold credits, to be chosen at CRH's election) produced at the Mt Carrington Project over a period of 84 months, subject to a minimum delivery requirement of 40,000 ounces of gold equivalent. It is anticipated that the minimum delivery requirement may be adjusted on a pro-rata basis depending on whether a higher or lower stream investment is required pursuant to the definitive feasibility study.

It is intended that White Rock will also grant CRH a Net Smelter Return royalty of 1.75% of all gold and silver production from the Mt Carrington tenements once the Phase II gold delivery minimum of 40,000 ounces gold equivalent has been repaid.

Phase II is subject to a number of conditions including:

- successful completion of the definitive feasibility study on Mount Carrington, environmental impact statement and full permitting;
- White Rock decision to proceed with the construction of the Mt Carrington Project and draw on the Phase II streaming investment;
- satisfactory completion of due diligence by CRH;
- acceptance of the mine plan and capital expenditure included in the definitive feasibility study by CRH;
- White Rock securing access to grid power for 100% of the project power needs; and
- negotiation and execution of definitive documentation for the Phase II transactions.

If the Phase II investment proceeds, it is intended that:

- White Rock will agree to pay CRH an establishment fee of 3% of the total Phase II investment amount (which at White Rock's election may be satisfied by the issue of White Rock shares); and
- the Phase II investment will be secured against White Rock and its interests in the Mt Carrington Project for the duration of the streaming investment (subject to any ASX or other regulatory requirements or restrictions).

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2016

### 9. Events subsequent to reporting date (continued)

In the event that White Rock materially breaches its exclusivity obligations, or receives alternative funding for the construction of the Mt Carrington project, White Rock will be required to pay to CRH a break fee of US\$50,000 if this occurs after Phase I Tranche 1 has been funded, or US\$1,500,000 if this occurs after Phase I Tranche 2 has been funded.

If Phase I Tranche 1 has been funded and White Rock is unable to raise adequate funding to finance the DFS and full permitting within six months from the date of the Term Sheet, it is intended that White Rock will instead grant CRH a 1.0% Net Smelter Return Royalty on the Mt Carrington tenements.

Phase I of Tranche 1 was completed on receipt of \$500,000 by White Rock on 21 July 2016 and the issue of the following equity instruments to CRH:

- On 21 July 2016 38,461,538 fully paid ordinary shares and 17,610,779 options with an exercise price of 1.8 cents expiring on 20 July 2021
- On 6 September 2016 40,081,529 options with an exercise price of 1.8 cents and expiry date of 20 July 2021 and 19,230,769 options with an exercise price of 2.3 cents expiring on 20 July 2021.

#### *Grant of options for corporate advisory services*

On 6 September 2016 the following equity instruments were granted to corporate advisors in return for corporate advisory services

- 8,000,000 options with an exercise price of 2.5 cents and an expiry date of 30 April 2020 which were issued to Mentat Investments Pty Ltd (a Nominee of Waterhouse Investor Relations). The options issued were in settlement of services performed over the period from 1 April 2016.
- 1,064,079 fully paid ordinary shares to Alchemy Securities Pty Ltd (Subsidiary of RFC Ambrian) in settlement of services provided in April 2016.

#### *Acquisition of additional tenements*

On 15 August 2016, the Company announced it had acquired additional tenements adjoining its Red Mountain project at Alaska.

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 Group's goals for 2017 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.

### 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	3,136,398	-
Mr Matthew Gill	-	4,200,000
Mr Peter Lester	2,546,770	-
Mr Geoffrey Lowe	1,409,680	1,666,667



# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2016

### 12. Share options

#### 12.1 Options granted to Directors and Officers of the Company

The Company has granted the following options during or since the end of the financial year to Directors and Officers of the Company as part of their remuneration.

Expiry date	Exercise price	Number of shares
30 September 2018	\$0.025	1,400,000
30 September 2019	\$0.030	1,400,000
30 September 2020	\$0.035	1,400,000

#### 12.2 Unissued shares under option to Directors and Officers of the Company

At the date of this report unissued ordinary shares to Directors and Officers of the Company under option are:

Expiry date	Exercise price	Number of shares
31 May 2017	\$0.041	833,333
31 May 2018	\$0.045	833,334
30 September 2018	\$0.025	1,400,000
30 September 2019	\$0.030	1,400,000
30 September 2020	\$0.035	1,400,000
<b>Total</b>		<b>5,866,667</b>

All options expire on the expiry date. Options expiring in May 2017 and May 2018 will lapse if they are not exercised within 60 days of departure of the holder from the Company 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.

### 14. Non-audit services

During the current and comparative years KPMG, the Group's auditor did not undertake any other services in addition to the audit and review of the financial statements.

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

	2016 \$	2015 \$
<b>KPMG Australia</b>		
Audit and review of financial statements	30,000	40,000
Other services	-	-

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2016

### 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
<b>Non-Executive Directors</b>		
Mr Brian Phillips	Chairperson	Appointed 26 March 2010
Mr Peter Lester	Non-executive Director	Appointed 12 April 2013
Mr Geoffrey Lowe	Non-executive Director	Appointed 29 May 2015
<b>Executives</b>		
Mr Rohan Worland <sup>1</sup>	Exploration Manager	Appointed 1 February 2016
Mr Andrew Dart	Chief Financial Officer Company Secretary	Appointed 1 April 2013 & Ceased 28 August 2015
Mr Matthew Gill <sup>2</sup>	Chief Operating Officer Chief Executive Officer	Appointed 25 May 2015 Appointed 29 March 2016

1. Mr Worland was appointed KMP effective 1 February 2016 upon execution of a new contractor agreement.

2. Mr Gill was appointed as Chief Operating Officer on 25 May 2015 and appointed as Chief Executive Officer on 29 March 2016, on a contract basis.

Subsequent to 30 June 2016, on 1 August 2016, Mr Matthew Gill was appointed as Managing Director. There have been no further changes to key management personnel between 1 July 2016 and the date of this report.

#### 15.1 Principles of compensation

Remuneration is referred to as compensation throughout 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 2016 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.

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.

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2016

### 15. Remuneration Report – audited (continued)

#### 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. Options granted in 2016 will expire on the expiry date. Options granted to KMP prior to 2016 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 2016 the Board exercised its right to permit options granted to certain employees (including Mr Andrew Dart who ceased as Chief Financial Officer and Company Secretary) 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

Service agreements for executives are negotiated taking into consideration the funding position of the Group at the time of contract negotiations. The service agreements in place during the period for KMP executives included the following terms:

Exploration Manager – Independent contractor agreement, negotiated for short term periods between one and four months. The Group may terminate the contract providing four weeks' notice and additional fees equal to one month's retainer fee.

Chief Financial Officer and Company Secretary – Mr Andrew Dart's service terms were unlimited in term but capable of termination on three months' notice. The Group retained the right to terminate the contract immediately, by making payment equal to three months' pay in lieu of notice. Mr Andrew Dart resigned as Chief Financial Officer and Company Secretary effective 28 August 2015.

Chief Operating Officer – Independent contractor agreement, negotiated for short term periods between one and four months. The Group may terminate the contract providing one months' notice and additional fees equal to twenty days fees.

Chief Executive Officer – Independent contractor agreement, unlimited in term but capable of termination on three months' notice. The Group retains the right to terminate the contract immediately, by making payment for additional fees equal to sixty days fees.

The employment contracts outline the components of compensation and contractor fees paid to the key management personnel but do not prescribe how compensation levels are modified. Compensation levels for ongoing contracts 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. Compensation for short term independent contractor agreements are reviewed upon re-negotiation or extension to take into account these factors.

#### 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 2016 financial year were \$30,000 per annum, whilst the Chairperson's base fee was \$40,000. In addition Non-Executive Directors are entitled to statutory superannuation benefits on base fees. This is a reduction from 2015 fee which were Chairman's base fees of \$65,000 per annum and Non-Executive Directors base fees of \$40,000 per annum.

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.

White Rock Minerals Ltd  
 Directors' report (continued)  
 For the year ended 30 June 2016

**15. Remuneration Report – audited (continued)**

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 measures in respect of the current financial year and previous financial years.

	2016	2015	2014	2013	2012
Net profit/(loss) attributable to equity holders of the parent	\$(1,701,358)	\$(16,017,736)	\$(1,211,903)	\$(364,820)	\$(1,468,940)
Closing share price at period end	\$0.018	\$0.023	\$0.015	\$0.035	\$0.09
Closing cash balance	\$258,846	\$354,021	\$1,880,285	\$2,886,881	\$2,617,429

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2016

### 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 <sup>5</sup>	Share based payments	Termination Benefits	Total \$	Proportion of remuneration performance related %	Value of options as a proportion of remuneration %
		Salary & fees <sup>4</sup> \$	STI cash bonus \$ (B)	Total \$	Super-annuation benefits \$	\$	Fair Value Options/Shares \$ (A)				
<b>Directors</b>											
<b>Non-Executive Directors</b>											
Mr Brian Phillips (Chairperson)	2016	40,000	-	40,000	3,800	-	-	-	43,800	-	-
	2015	65,000	-	65,000	6,175	-	-	-	71,175	-	-
Mr Peter Lester	2016	30,000	-	30,000	2,850	-	-	-	32,850	-	-
	2015	40,000	-	40,000	3,800	-	-	-	43,800	-	-
Mr Geoffrey Lowe <sup>1</sup>	2016	30,000	-	30,000	2,850	-	-	-	32,850	-	-
	2015	3,333	-	3,333	317	-	-	-	3,650	-	-
<b>Executive Directors</b>											
Mr Geoffrey Lowe – Managing Director and Chief Executive Officer <sup>2</sup>	2016	-	-	-	-	-	-	-	-	-	-
	2015	240,532	-	240,532	23,511	(23,019)	-	-	241,024	-	-
<b>Executives</b>											
Mr Andrew Dart – Chief Financial Officer and Company Secretary <sup>2</sup>	2016	13,527	-	13,527	1,981	(4,151)	-	-	11,357	-	-
	2015	133,088	-	133,088	12,825	788	-	-	146,701	-	-
Mr Matthew Gill - Chief Operating Officer and Chief Executive Officer <sup>3</sup>	2016	211,895	-	211,895	21,781	-	45,500	-	279,176	16%	16%
	2015	16,032	-	16,032	1,656	-	-	-	17,688	-	-
Mr Rohan Worland – Exploration Manager <sup>6</sup>	2016	73,273	-	73,273	6,690	-	-	-	79,963	-	-
	2015	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	2016	398,695	-	398,695	39,952	(4,151)	45,500	-	479,996	-	-
	2015	497,985	-	497,985	48,284	(22,231)	-	-	524,038	-	-

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.

3. Mr Gill was appointed as Chief Operating Officer on 25 May 2015 and appointed as Chief Executive Officer on 29 March 2016 and provided 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. Fees of directors include fees which were payable in cash, however were settled through the issue of shares after shareholder approval was obtained. For Brian Phillips \$5,000 payable for FY16 fees was settled by issuance of 273,667 shares. For Peter Lester \$3,750 payable for FY16 fees was settled by issuance of 205,250 shares. For Geoffrey Lowe \$3,750 payable for FY16 fees was settled by issuance of 205,250 shares. Fees for Matthew Gill and Rohan Worland of \$28,128 and \$12,515 respectively were outstanding and payable as at 30 June 2016, these amounts are unsecured and will be settled in cash.

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. Mr Worland was appointed KMP effective 1 February 2016 upon execution of a new contractor agreement.



# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2016

### 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 during the year was calculated at the date of grant using the binomial 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
12 April 2016	2.33 years	\$0.0104	\$0.025	\$0.016	110%	2.09%
12 April 2016	3.33 years	\$0.0109	\$0.030	\$0.016	110%	2.09%
12 April 2016	4.33 years	\$0.0112	\$0.035	\$0.016	110%	2.09%

- 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 2016, 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

Details on options over ordinary shares in the Company that were granted and vested as compensation to each key management person during the part of the reporting period they were KMP are as follows:

	Number of options granted during the period	Grant and vesting date	Fair value per option at grant date	Exercise price per option	Expiry date	Number of options vested during the period
<b>Directors</b>						
Mr Brian Phillips	-	-	-	-	-	-
Mr Peter Lester	-	-	-	-	-	-
Mr Geoffrey Lowe	-	-	-	-	-	-
<b>Executives</b>						
Mr Matthew Gill	1,400,000	12/4/2016	\$0.0104	\$0.025	30/9/2018	1,400,000
	1,400,000	12/4/2016	\$0.0109	\$0.030	30/9/2019	1,400,000
	1,400,000	12/4/2016	\$0.0112	\$0.035	30/9/2020	1,400,000
Mr Rohan Worland	-	-	-	-	-	-
Mr Andrew Dart	-	-	-	-	-	-

Options granted in 2016 currently vest immediately and will expire on the expiry date. No options have been granted to KMP since the end of the financial year. The options were provided to the recipients in return for their services during the period.

#### 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 2016.

#### 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 2016

### 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:

2016	Note	Held at 1 July 2015 (A)	Lapsed during year (D)	Granted as compensation	Vested during year (E)	Held at 30 June 2016 (B)	Vested and exercisable at 30 June 2016 (B)(C)
<b>Directors</b>							
Mr Brian Phillips		-	-	-	-	-	-
Mr Geoffrey Lowe	(ii)	2,500,000	833,333	-	-	1,666,667	1,666,667
Mr Peter Lester		-	-	-	-	-	-
<b>Executives</b>							
Mr Matthew Gill		-	-	4,200,000	4,200,000	4,200,000	4,200,000
Mr Rohan Worland		2,750,000	583,333	-	-	2,166,667	2,166,667
Mr Andrew Dart		600,000	-	-	-	600,000	600,000
2015	Note	Held at 1 July 2014 (A)	Lapsed during year (D)	Granted as compensation	Vested during year (E)	Held at 30 June 2015 (B)	Vested and exercisable at 30 June 2015 (B)(C)
<b>Directors</b>							
Mr Brian Phillips	(i)	1,000,000	1,000,000	-	-	-	-
Mr Geoffrey Lowe	(ii)	4,500,000	2,000,000	-	-	2,500,000	2,500,000
Mr Peter Lester		-	-	-	-	-	-
<b>Executives</b>							
Mr Matthew Gill		-	-	-	-	-	-
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 2015 or 30 June 2016.

(D) Where the individual was not key management personnel at the end of the period, options lapsed reflects options which lapsed during the part of the reporting period they were KMP.

(E) Where the individual was not key management personnel at the beginning of the period, options vested reflects options which vested during the part of the reporting period they were KMP.

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) 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 \$ (B)
<b>Directors</b>			
Mr Brian Phillips	-	-	-
Mr Peter Lester	-	-	-
Mr Geoffrey Lowe	-	-	8,750
<b>Executives</b>			
Mr Matthew Gill	45,500	-	-
Mr Rohan Worland	-	-	7,233
Mr Andrew Dart	-	-	-
	<b>45,500</b>	<b>-</b>	<b>15,983</b>

A. The fair value of the unlisted options granted was calculated at the date of grant using the binomial 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.

B. Where the individual was not key management personnel at the end of the period, options lapsed reflects options which lapsed during the part of the reporting period they were KMP.

# White Rock Minerals Ltd

## Directors' report (continued)

For the year ended 30 June 2016

### 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:

2016	Note	Held at 1 July 2015 (A)	Acquisitions	Sales	Held at 30 June 2016 (B)
<b>Directors</b>					
Mr Brian Phillips	(i)	2,473,264	663,134	-	3,136,398
Mr Geoffrey Lowe	(ii)	1,204,430	205,250	-	1,409,680
Mr Peter Lester	(iii)	2,101,852	444,918	-	2,546,770
<b>Executives</b>					
Mr Matthew Gill		-	-	-	-
Mr Rohan Worland	(iv)	598,116	-	-	598,116
Mr Andrew Dart		-	-	-	-

2015		Held at 1 July 2014 (A)	Acquisitions	Sales	Held at 30 June 2015 (B)
<b>Directors</b>					
Mr Brian Phillips		621,412	1,851,852	-	2,473,264
Mr Geoffrey Lowe		463,690	740,740	-	1,204,430
Mr Peter Lester		250,000	1,851,852	-	2,101,852
<b>Executives</b>					
Mr Matthew Gill		-	-	-	-
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) 3,136,398 held indirectly through Thylacine Pty Ltd as trustee for the Brian Phillips Superannuation Fund.
- (ii) 1,409,680 held indirectly by the Lowe Family Super Fund.
- (iii) 2,546,770 held indirectly through PNS (Holdings) Pty Ltd ATF PNS Super Fund.
- (iv) 65,002 held indirectly through Worland Pty Ltd ATF Worland Super Fund. 66,002 held by Lynsey Jane Cuthbert.

#### 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 2016

**16. Lead Auditor's Independence Declaration**

The lead auditor's independence declaration is set out on page 64 and forms part of the Directors' report for the year ended 30 June 2016.

Dated at Ballarat this 30<sup>th</sup> day of September 2016.

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 2016

	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	6	258,846	354,021
Trade and other receivables	7	888,751	988,555
Prepayments	8	18,390	7,944
<b>Total current assets</b>		<b>1,165,987</b>	<b>1,350,520</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	9	14,184,233	9,843,424
Property, plant and equipment	10	287,266	350,939
<b>Total non-current assets</b>		<b>14,471,499</b>	<b>10,194,363</b>
<b>Total assets</b>		<b>15,637,486</b>	<b>11,544,883</b>
<b>Current Liabilities</b>			
Trade and other payables	11	293,854	152,620
Employee benefits		19,645	20,886
<b>Total current liabilities</b>		<b>313,499</b>	<b>173,506</b>
<b>Non-current liabilities</b>			
Trade and other payables	11	2,627,296	-
Employee benefits		5,859	6,572
Provision for rehabilitation	12	988,000	934,000
<b>Total non-current liabilities</b>		<b>3,621,155</b>	<b>940,572</b>
<b>Total liabilities</b>		<b>3,934,654</b>	<b>1,114,078</b>
<b>Net assets</b>		<b>11,702,832</b>	<b>10,430,805</b>
<b>Equity</b>			
Issued capital	13(i)	35,162,671	32,346,245
Reserves	13(iii)	265,677	131,935
Accumulated losses	13(iv)	(23,725,516)	(22,047,375)
<b>Total equity</b>		<b>11,702,832</b>	<b>10,430,805</b>

The notes on pages 37 to 62 are an integral part of these consolidated financial statements.

White Rock Minerals Ltd  
Consolidated Statement of Comprehensive Income  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Finance income	14	27,782	51,181
Gain on disposal of fixed assets		-	17,773
Other income		-	31,910
Administrative expenses		(548,130)	(602,196)
Depreciation expense	10	(18,452)	(26,924)
Contract labour expenses	15	(510,647)	-
Employee benefits expense	16	(120,997)	(571,243)
Marketing expense		(77,954)	(89,845)
Impairment of assets	9, 10	(423,562)	(16,365,553)
Foreign exchange loss		(29,398)	-
<b>(Loss) before tax</b>		<b>(1,701,358)</b>	<b>(17,554,897)</b>
Income tax (expense)/benefit	17	-	1,537,161
<b>Total (loss) for the period after tax</b>		<b>(1,701,358)</b>	<b>(16,017,736)</b>
<b>Total comprehensive (loss) attributable to members of White Rock Minerals Ltd</b>		<b>(1,701,358)</b>	<b>(16,017,736)</b>
<b>(Loss) per share attributable to members of White Rock Minerals Ltd</b>			
Basic and diluted (loss) per share (cents)	18	(0.59)	(8.09)

The notes on pages 37 to 62 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 2016

	Attributable to equity holders of the Company			
	Issued capital	Reserves	Accumulated losses	Total equity
	\$	\$	\$	\$
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)
<b>Balance at 30 June 2015</b>	<b>32,346,245</b>	<b>131,935</b>	<b>(22,047,375)</b>	<b>10,430,805</b>
Balance at 1 July 2015	32,346,245	131,935	(22,047,375)	10,430,805
Issue of ordinary shares	2,907,992	(1,351,872)	-	1,556,120
Transaction costs on share issue, net of tax	(91,566)	-	-	(91,566)
Share based payments transactions	-	1,508,831	-	1,508,831
Transfers from share based payment reserve	-	(23,217)	23,217	-
Total comprehensive loss for the period	-	-	(1,701,358)	(1,701,358)
<b>Balance at 30 June 2016</b>	<b>35,162,671</b>	<b>265,677</b>	<b>(23,725,516)</b>	<b>11,702,832</b>

The notes on pages 37 to 62 are an integral part of these consolidated financial statements.

White Rock Minerals Ltd  
Consolidated Statement of Cash Flows  
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Cash paid to suppliers and employees		(1,086,389)	(1,209,743)
Interest received		28,241	54,279
Proceeds from services		-	18,902
<b>Net cash (used in) operating activities</b>	19	<b>(1,058,148)</b>	<b>(1,136,562)</b>
<b>Cash flows from investing activities</b>			
Exploration and evaluation payments		(505,362)	(949,927)
Acquisition of property, plant and equipment		(12,203)	(4,829)
Proceeds from sale of fixed assets		-	17,773
Proceeds from Government funding programs		25,984	103,938
<b>Net cash (used in) investing activities</b>		<b>(491,581)</b>	<b>(833,045)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital		1,513,000	493,000
Transaction costs on issue of share capital		(58,446)	(49,657)
<b>Net cash from financing activities</b>		<b>1,454,554</b>	<b>443,343</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(95,175)</b>	<b>(1,526,264)</b>
Cash and cash equivalents at beginning of the year		354,021	1,880,285
<b>Cash and cash equivalents at year end</b>	6	<b>258,846</b>	<b>354,021</b>

The notes on pages 37 to 62 are an integral part of these consolidated financial statements.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements

For year ended 30 June 2016

### 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 2016 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 and Alaska.

### 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 30 September 2016.

#### (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 20.

#### Going concern

The Group recorded a loss after tax of \$1,701,358, and net cash outflows from operating and investing activities of \$1,549,729 for the year ended 30 June 2016. The Group’s financial position as at 30 June 2016 was as follows:

- The Group had available cash reserves of \$258,846;
- The Group’s current assets (excluding restricted cash of \$866,000 as detailed in note 7) of \$299,987 were less than current liabilities of \$313,499 by \$13,512;
- 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.
- Under the Cartesian Financing Package as announced on 27 June 2016 the Company may access, subject to conditions precedent, additional funding as set out in note 30.

The Group is required to make significant payments as described in note 11 over the periods set out in note 21(iii). The Group also has cash flow exposure to movements in the USD against the AUD as described in note 21(iv).

Cash on hand as at 30 June 2016 was not 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 is required to raise additional equity, restructure existing funding facilities, consider alternate funding options, or a combination of the foregoing.

Subsequent to 30 June 2016:

- On Completion of Tranche 1, Phase 1 of the Financing Package with Cartesian Royalty Holdings Pte Ltd (Cartesian), as set out in note 30, the Company received \$500,000.
- A further \$112,000 was lodged as a deposit with the New South Wales Department of Primary Industries to cover the Group’s obligations over environmental performance obligations. These funds are restricted and therefore are no longer available for use by the Group.
- On 28 September 2016 the Group announced that it had received commitments to subscribe for 108,266,668 new ordinary shares in the Company in return for \$1,620,000 to be completed on 5 October 2016 (“Placement”) and a 1 for 2 pro rata non-renounceable entitlement offer of fully paid ordinary shares to existing eligible shareholders to raise up to \$4,120,000 closing on 21 October 2016 (“Entitlement Offer”).

In addition to being able to apply for new shares under the Entitlement Offer eligible shareholders will also have the opportunity to apply for additional new shares in excess of their entitlement that are not subscribed for by other eligible shareholders under the Entitlement Offer.

The directors have reserved the right to place any shortfall within three months of the close of the entitlement offer.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 2. Basis of preparation (continued)

#### (b) Basis of measurement (continued)

The Directors are confident that the Group will receive funds committed under the Placement and expect to raise sufficient funds from the Entitlement Offer 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 Group's tenements in good standing and pay its debts, as and when they fall due.

The Group 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 2016 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 sufficient funds are not raised from the Placement and Entitlement Offer, 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 of accounting 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 12 Provision for rehabilitation
- note 20 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 2015.

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 2015. The new, revised or amended standards or interpretations did not have a significant impact on the amounts or disclosures in the financial report.

#### (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.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 3. Significant accounting policies (continued)

#### (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 de-recognition

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.

##### 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 Group's 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.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 3. Significant accounting policies (continued)

#### (c) Financial instruments (continued)

##### (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.

Where a liability is due at a date which is beyond twelve months from balance date the future cash flows are discounted to present value using a discount rate appropriate for the underlying cash flows.

##### (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 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;



# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 3. Significant accounting policies (continued)

#### (e) Exploration and evaluation (continued)

- 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.

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).

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 3. Significant accounting policies (continued)

#### (f) Impairment (continued)

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.

##### (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 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.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 3. Significant accounting policies (continued)

#### (h) Share based payments (continued)

The fair value at grant date is independently determined using a binomial option pricing model or 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 equity instruments of the company and intends to do so at inception of the agreement.

On completion of the arrangement, when shares are issued, the fair value of goods received or services provided is transferred from the share based payments reserve to issued capital. Where options are issued, the fair value will remain in the share based payments reserve until such a time as the options are exercised or lapse, whichever occurs earlier. 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. Where the fair value of the goods or services received cannot be estimated reliably, the fair value recognised is measured by reference to the fair value of the equity instruments granted.

#### (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.

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.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 3. Significant accounting policies (continued)

#### (j) Tax (continued)

##### (ii) Tax consolidation

The Company and its wholly-owned Australian resident entities with the exception of Atlas Resources Pty Ltd form 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 over ordinary shares 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.

#### (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 Group 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

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 3. Significant accounting policies (continued)

#### (o) Restoration and rehabilitation provision (continued)

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 Group applies revised AASB 101 Presentation of Financial Statements. The Group 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 2016. None of those standards are expected to have a material effect on the reported amounts and disclosures. The Group does not plan to adopt these standards early.

### 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 two operating segments and operates in two geographic locations, Mt Carrington, Australia and Red Mountain, Alaska. Note 9 contains details of exploration expenditure capitalised on the operating segments. With the exception of the write down of capitalised exploration during the year which was attributable to the Mt Carrington segment (refer to note 9) and foreign exchange loss of \$29,398 attributable to the Red Mountain segment, no income or expenses were incurred by the

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 5. Segment reporting (continued)

operating segments. All other income and expenses incurred by the Group relate to corporate activities and are therefore unallocated to the operating segments.

### 6. Cash and cash equivalents

	2016 \$	2015 \$
Bank balances	258,846	354,021
<b>Cash and cash equivalents</b>	<b>258,846</b>	<b>354,021</b>

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

### 7. Trade and other receivables

	2016 \$	2015 \$
<b>Current</b>		
Other receivables	22,751	37,267
Restricted cash (i)	866,000	951,288
<b>Total current trade and other receivables</b>	<b>888,751</b>	<b>988,555</b>

(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 2.40% per annum.

### 8. Prepayments

	2016 \$	2015 \$
Prepayments	18,390	7,944
<b>Total prepayments</b>	<b>18,390</b>	<b>7,944</b>

### 9. Exploration and evaluation assets

	2016 \$	2015 \$
<b>Mount Carrington:</b>		
<b>Carrying amounts</b>		
Balance at 1 July	9,843,424	24,574,387
Acquisitions	-	-
Additions	428,808	1,264,288
Disposals	-	-
Government grants (i)	(25,984)	(103,938)
Impairment charged to the income statement (ii)	(423,562)	(15,871,313)
Rehabilitation provision (released)	54,000	(20,000)
<b>Balance at 30 June</b>	<b>9,876,686</b>	<b>9,843,424</b>
<b>Red Mountain:</b>		
<b>Carrying amounts</b>		
Balance at 1 July	-	-
Acquisitions	4,307,547	-
Expenditure	157,126	-
Disposals	-	-
Application of expenditure against future payment obligations	(157,126)	-
<b>Balance at 30 June (iii)</b>	<b>4,307,547</b>	<b>-</b>
Total Exploration and evaluation expenditure at cost	30,479,108	25,714,737
Total Impairment losses	(16,294,875)	(15,871,313)
<b>Total Balance at 30 June</b>	<b>14,184,233</b>	<b>9,843,424</b>



# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 9. Exploration and evaluation assets (continued)

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 in financial year 2015 for reimbursement of direct drilling costs. The grant was conditional on the completion of the drilling program and subsequently the submission of a number of staged progress reports. During the year the final progress report was submitted resulting in receipt of \$25,984. 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, 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 resulting in a write down.

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 facts and circumstances which led to the impairment assessment in 2015 remained applicable at 30 June 2016. Accordingly an impairment assessment was conducted at 30 June 2016 which resulted in the write off of \$423,562 exploration expenditure capitalised during 2016. Following the write down the carrying value of the Mount Carrington CGU comprising capitalised exploration and evaluation expenditure and associated property plant and equipment was \$10,150,000 which remains unchanged from 30 June 2015.

The Mount Carrington CGU 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.

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 an independent external expert valuation report. 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.

- (iii) The Company acquired Atlas Resources Pty Ltd on 22 April 2016, which held an option to acquire 100% interest in the Red Mountain project. Under the terms of the Share Purchase Agreement, the Company acquired all of the shares and options in Atlas. In return for the Atlas shares and options the Company issued 63,843,587 shares to Atlas shareholders and 6,384,359 options to Atlas option holders.

In May 2016 the Group exercised the option to acquire Red Mountain tenements paying \$US40,000 and agreeing to make the following payments.

- US\$50,000 in each of years ended 2016 and 2017
- US\$100,000 in year ended 2018
- US\$200,000 in year ended 2019
- US\$550,000 in year ended 2020

In addition the Group was required to undertake exploration activities totalling US\$1,200,000 as follows:

- US\$100,000 in the year ended 31 December 2016
- US\$200,000 in the year ended 31 December 2017
- US\$300,000 in the year ended 31 December 2018
- US\$600,000 in the year ended 31 December 2019

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 9. Exploration and evaluation assets (continued)

The amount recognised on acquisition of the project is represented by:

- the total fair value of shares and options issued (\$1,350,931) - (refer note 20)
- an option payment (\$54,498)
- the present value of liabilities and obligations assumed (\$2,823,070); and
- other sundry items (\$79,048).

As payments are made for liabilities and obligations assumed, these amounts are applied against the related liability.

The terms of the agreement also provide that the vendor is entitled to a 2% Net Smelter Royalty (NSR) with the option to reduce to 1% by payment of US\$2,000,000. Any further obligations under the NSR are not required to be recognised as a liability as the Group is able to control whether or not amounts are paid.

The Group exercised judgement in determining the accounting treatment of the acquisition of Atlas Resources as an asset acquisition as compared to business combination and having regards to the status of exploration and limited operations of Atlas Resources concluded that the transaction did not represent a business combination.

### 10. Property, plant and equipment

	2016			
	Land	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
<b>Cost</b>				
Balance at 1 July 2015	29,044	1,200,877	74,954	1,304,875
Additions	-	12,203	-	12,203
Disposals	-	(8,151)	-	(8,151)
Balance at 30 June 2016	29,044	1,204,929	74,954	1,308,927
<b>Depreciation and impairment losses</b>				
Balance at 1 July 2015	18,002	882,093	53,841	953,936
Depreciation charged to the income statement	-	18,452	-	18,452
Depreciation capitalised to exploration projects	-	45,114	12,310	57,424
Disposals	-	(8,151)	-	(8,151)
Balance at 30 June 2016	18,002	937,508	66,151	1,021,661
<b>Carrying amounts</b>				
At 1 July 2015	11,042	318,784	21,113	350,939
<b>At 30 June 2016</b>	<b>11,042</b>	<b>267,421</b>	<b>8,803</b>	<b>287,266</b>

	2015			
	Land	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$	\$
<b>Cost</b>				
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
<b>Depreciation and impairment losses</b>				
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	18,002	476,238	-	494,240
Disposals	-	-	(46,868)	(46,868)
Balance at 30 June 2015	18,002	882,093	53,841	953,936
<b>Carrying amounts</b>				
At 1 July 2014	29,044	883,074	35,475	947,593
<b>At 30 June 2015</b>	<b>11,042</b>	<b>318,784</b>	<b>21,113</b>	<b>350,939</b>

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

### For year ended 30 June 2016

#### 10. Property, plant and equipment (continued)

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

	2016 \$	2015 \$
<b>Current</b>		
Trade payables	37,462	57,537
Accrued expenses	176,523	95,083
Other payables	11,823	-
Payments to settle acquisition of Red Mountain acquisition <sup>(1)</sup>	68,046	-
Payments for future exploration obligations <sup>(2)</sup>	-	-
	<b>293,854</b>	<b>152,620</b>
<b>Non Current</b>		
Payments to settle acquisition of Red Mountain acquisition <sup>(1)</sup>	1,171,573	-
Payments for future exploration obligations <sup>(2)</sup>	1,455,723	-
	<b>2,627,296</b>	
<b>Total</b>	<b>2,921,150</b>	<b>152,620</b>

<sup>(1)</sup>As referred to in note 9, the Group acquired the Red Mountain project, as a result of exercise of the option to acquire Red Mountain tenements the Group is required to pay the following amounts:

- US\$50,000 in each of years ended 2016 and 2017
- US\$100,000 in year ended 2018
- US\$200,000 in year ended 2019
- US\$550,000 in in year ended 2020

In accordance with accounting standards the discounted net present value (A\$1,239,618) of each of these amounts is recognised as a liability at 30 June 2016.

<sup>(2)</sup> In addition the Group was required to undertake exploration activities totalling US\$1,200,000 as follows:

- US\$100,000 in the year ended 31 December 2016
- US\$200,000 in the year ended 31 December 2017
- US\$300,000 in the year ended 31 December 2018
- US\$600,000 in the year ended 31 December 2019

Amounts in excess of the annual amount are allowed to be carried forward and applied against future years. In the financial year ended 30 June 2016 US\$116,063 (A\$157,126) was incurred as exploration related to the project and accordingly deducted from the liability.

In accordance with accounting standards the discounted net present value (A\$1,455,723) for expenditure which is required to be undertaken is recognised as a liability at 30 June 2016.

If the Group does not make payments or undertake exploration expenditure as set out in items (1) and (2) above the terms of the contract provide that the asset is required to be returned to the vendor.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 12. Provision for rehabilitation

	2016 \$	2015 \$
<b>Opening balance</b>	934,000	954,000
Provisions made during the year	112,000	-
Provisions released during the year	(58,000)	(20,000)
<b>Closing balance</b>	<b>988,000</b>	<b>934,000</b>

The amount of the provision relates to the Mt Carrington project and 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 held by the Group.

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.

### 13. Equity

(i) Movements in issued capital:	Date of issue	No of shares	Issue price \$	\$
<b>Opening balance at 1 July 2015</b>		<b>226,477,323</b>		<b>32,346,245</b>
Capital Raising – Placement funds received	28/07/2015	5,000,000	0.02	100,000
Issue of Ordinary Shares – Corporate Mandate	28/07/2015	2,102,121	0.02	45,000
Issue of Ordinary Shares – Corporate Mandate	23/09/2015	2,068,207	0.01	30,000
Capital Raising – Placement funds received	08/10/2015	10,000,000	0.02	200,000
Capital Raising – Placement funds received	13/11/2015	7,500,000	0.02	150,000
Issue of Ordinary Shares – Directors fees	08/12/2015	1,313,302	0.02	30,000
Capital Raising – Placement funds received	21/12/2015	17,500,000	0.02	350,000
Capital Raising – Placement funds received	23/02/2016	35,561,815	0.01	391,180
Capital Raising – Placement funds received	29/02/2016	3,220,000	0.01	35,420
Issue of Ordinary Shares – Acquisition of Atlas Resources Pty Ltd	22/04/2016	63,843,587	0.02	1,276,872
Capital Raising – Placement funds received	03/05/2016	27,229,091	0.01	299,520
Less costs associated with Capital Raisings				(91,566)
<b>Closing balance at 30 June 2016</b>		<b>401,815,446</b>		<b>35,162,671</b>

	Date of issue	No of shares	Issue price \$	\$
<b>Opening balance at 1 July 2014</b>		<b>188,233,908</b>		<b>31,468,401</b>
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
<b>Closing balance at 30 June 2015</b>		<b>226,477,323</b>		<b>32,346,245</b>

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 13. Equity (continued)

#### (ii) Movements in options on issue:

2016	Date of issue	No. options 1 July 2015	Issued/ (lapsed)	No. options 30 June 2016	Exercise price \$	Expiry date
Issue of options employees/directors	20/06/2013	1,166,666	(1,166,666)	-	0.045	31/05/2016
Issue of options employees/directors	20/06/2013	1,166,667	-	1,166,667	0.050	31/05/2017
Issue of options employees/directors	20/06/2013	1,166,667	-	1,166,667	0.055	31/05/2018
Issue of options director	29/11/2013	833,333	(833,333)	-	0.037	31/05/2016
Issue of options director	29/11/2013	833,333	-	833,333	0.041	31/05/2017
Issue of options director	29/11/2013	833,334	-	833,334	0.045	31/05/2018
Issue of options - consultant	31/03/2015	500,000	-	500,000	0.040	30/03/2018
Issue of options - consultant	31/03/2015	500,000	-	500,000	0.045	30/03/2019
Issue of options - consultant	13/04/2016	-	1,400,000	1,400,000	0.025	30/09/2018
Issue of options - consultant	13/04/2016	-	1,400,000	1,400,000	0.030	30/09/2019
Issue of options - consultant	13/04/2016	-	1,400,000	1,400,000	0.035	30/09/2020
Issue of options – acquisition of Red Mountain project	22/04/2016	-	6,384,359	6,384,359	0.035	22/04/2021
		<b>7,000,000</b>		<b>15,584,360</b>		

2015	Date of issue	No. options 1 July 2014	Issued/ (lapsed)	No. options 30 June 2015	Exercise price \$	Expiry date
Issue of options employees/directors	16/08/2010	6,050,000	(6,050,000)	-	0.038	01/08/2014
Issue of options employees/directors	20/06/2013	1,166,666	-	1,166,666	0.045	31/05/2016
Issue of options employees/directors	20/06/2013	1,166,667	-	1,166,667	0.050	31/05/2017
Issue of options employees/directors	20/06/2013	1,166,667	-	1,166,667	0.055	31/05/2018
Issue of options director	29/11/2013	833,333	-	833,333	0.037	31/05/2016
Issue of options director	29/11/2013	833,333	-	833,333	0.041	31/05/2017
Issue of options director	29/11/2013	833,334	-	833,334	0.045	31/05/2018
Issue of options - consultant	31/03/2015	-	500,000	500,000	0.040	30/03/2018
Issue of options - consultant	31/03/2015	-	500,000	500,000	0.045	30/03/2019
		<b>12,050,000</b>		<b>7,000,000</b>		

#### (iii) Movements in share based payment reserve:

	\$
<b>Opening balance at 1 July 2015</b>	131,935
Contractor share based payments	45,500
Options lapsed during the period	(23,217)
Share based payments for acquisition of Atlas Resources Pty Ltd	1,350,931
Transfers from share based payments to issued capital	(1,351,872)
Supplier share based payments	112,400
<b>Closing balance at 30 June 2016</b>	<b>265,677</b>
<b>Opening balance at 1 July 2014</b>	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
<b>Closing balance at 30 June 2015</b>	<b>131,935</b>

The share based payments reserve comprises amounts recognised on issue of share based payments to suppliers, employees, Directors, or contractors for services rendered as well as share based payments issued for assets acquired. Refer to note 20 for additional details in relation to share based payments.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 13. Equity (continued)

#### (iv) Movements in accumulated losses:

	\$
<b>Opening balance at 1 July 2015</b>	22,047,375
Loss for the period	1,701,358
Transfers in from share based payments reserve	(23,217)
<b>Closing balance at 30 June 2016</b>	<b>23,725,516</b>
<b>Opening balance at 1 July 2014</b>	6,876,639
Loss for the period	16,017,736
Transfers in from share based payments reserve	(847,000)
<b>Closing balance at 30 June 2015</b>	<b>22,047,375</b>

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

### 14. Finance income and expense

	2016 \$	2015 \$
Finance income – interest income on bank deposits	27,782	51,181
<b>Net finance income</b>	<b>27,782</b>	<b>51,181</b>

### 15. Contract labour expenses

	2016 \$	2015 \$
Contract labour expenses incurred	662,923	205,241
Contract labour expenses capitalised to exploration	(197,776)	(205,241)
Share based payments expense	45,500	-
<b>Total employee benefits expense</b>	<b>510,647</b>	<b>-</b>

### 16. Employee benefits expense

	2016 \$	2015 \$
Wages and salaries incurred	228,453	977,804
Employee benefits expenditure capitalised to exploration	(105,502)	(331,720)
Share based payments expense	-	10,400
Increase/(decrease) in liability for annual leave	(1,241)	(57,336)
Increase/(decrease) in liability for long service leave	(713)	(27,905)
<b>Total employee benefits expense</b>	<b>120,997</b>	<b>571,243</b>

### 17. Income taxes

<b>Income tax expense/(benefit) - Numerical reconciliation between tax expense and pre-tax accounting loss</b>	<b>2016 \$</b>	<b>2015 \$</b>
Loss before tax for the period	(1,701,358)	(17,554,897)
Income tax using the domestic corporation tax rate of 30% (2015: 30%)	(510,407)	(5,266,469)
Increase in income tax due to:		
Non-deductible expenses	32,376	62,964
Under/over adjustment prior year	-	(12,610)
Difference in tax value for shares issued for exploration activities	-	(13,589)
Carried forward tax losses not recognised	478,031	3,692,543
<b>Total income tax expense/(benefit) on pre-tax net loss</b>	<b>-</b>	<b>(1,537,161)</b>



# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 17. Income taxes (continued)

As discussed in accounting policy 3(j)(i), deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The Group is in a net tax loss position and accordingly, after making an assessment of the future ability to utilise deferred tax assets, no tax assets are recognised in the balance sheet.

### 18. Loss per share

	2016 cents	2015 cents
<b>Loss per share</b>		
Basic (loss) per share – cents	(0.59)	(8.09)
Diluted (loss) per share – cents	(0.59)	(8.09)

#### (a) Basic loss per share

The calculation of basic earnings/(loss) per share (EPS) at 30 June 2016 was based on the loss attributable to ordinary equity holders of \$1,701,358 (2015 loss: \$16,017,736) and a weighted average number of ordinary shares outstanding during the period ended 30 June 2016 of 286,546,246 (2015: 197,946,019).

#### (b) Diluted loss per share

The calculation of diluted earnings/(loss) per share at 30 June 2016 and at 30 June 2015 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.

### 19. Reconciliation of cash flows from operating activities

	2016 \$	2015 \$
<b>Cash flows from operating activities</b>		
Loss before tax for the period	(1,701,358)	(17,554,897)
<i>Adjustments for non cash items:</i>		
Depreciation	18,452	26,924
Share based payments transactions (employees/contractors/suppliers)	150,400	190,401
(Profit)/loss on disposal of property plant and equipment	-	(17,773)
Impairment of assets	423,562	16,365,553
Foreign exchange loss	29,398	
<b>Operating loss before changes in working capital and provisions</b>	<b>(1,079,546)</b>	<b>(989,792)</b>
(Increase)/decrease in trade and other receivables	(3,937)	(43,659)
(Increase)/decrease in prepayments	(10,446)	33
(Decrease)/increase in trade and other payables	44,830	(39,027)
(Decrease)/increase in employee benefits	(9,049)	(64,117)
<b>Net cash (used in)/from operating activities</b>	<b>(1,058,148)</b>	<b>(1,136,562)</b>

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 20. Share based payments

Share based payments for the year ended 30 June 2016 comprise share based payments to employees and others providing similar services and share based payments to suppliers and others for goods, including non-financial assets, or services received.

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

	2016 \$	2015 \$
Share based payments recognised in the income statement (i)	45,500	10,400
Share based payments capitalised to exploration	-	-
<b>Total share based payments charge</b>	<b>45,500</b>	<b>10,400</b>

- (i) Share based payments recognised in the income statement represent the fair value of options granted to employees or others providing similar services measured by reference to the fair value of the equity instruments granted determined using the binomial option pricing model (30 June 2015: Black Scholes option pricing model).

The following options were granted to employees or contractors in return for their services during the financial year ending 30 June 2016:

	Grant date	Vesting period	No of options	Expiry date
Key management personnel (C)	12/04/2016	Vested on grant date	1,400,000	30/09/2018
Key management personnel (D)	12/04/2016	Vested on grant date	1,400,000	30/09/2019
Key management personnel (E)	12/04/2016	Vested on grant date	1,400,000	30/09/2020
<b>Total</b>			<b>4,200,000</b>	

The following options were granted 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
<b>Total</b>			<b>1,000,000</b>	

The options granted in 2016 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.

Each option entitles the holder to subscribe for 1 ordinary share in the Company. All options are vested and fully exercisable at balance date. These options do not entitle the holder to participate in any share issue of the Company or any other related entity.

The table below shows the key inputs used in the option pricing models to determine the fair value at grant date:

	(A)	(B)	(C)	(D)	(E)
Fair value at grant date	\$0.0098	\$0.011	\$0.0104	\$0.0109	\$0.012
Share price at date of grant	\$0.025	\$0.025	\$0.016	\$0.016	\$0.016
Exercise price	\$0.040	\$0.045	\$0.025	\$0.030	\$0.035
Expected volatility	85%	85%	110%	110%	110%
Option life (years)	2.5	3.25	2.33	3.33	4.33
Risk free interest rate	1.69%	1.70%	2.09%	2.09%	2.09%
Expiry date	30/03/2018	30/03/2019	30/09/2018	30/09/2019	30/09/2020

#### (b) Share based payments to suppliers and others

	2016 \$	2015 \$
Share based payments to corporate advisors recognised in the income statement (i)	92,400	180,001
Share based payments to corporate advisors associated with capital raising recognised directly in equity (ii)	20,000	
Share based payments capitalised to exploration and evaluation assets (iii)	1,350,931	244,604
<b>Total share based payments charge</b>	<b>1,463,331</b>	<b>424,605</b>

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 20. Share based payments (continued)

- (i) Share based payments to corporate advisors recognised in the income statement represent the equity portion of the fair value of corporate consulting services provided by Lion Capital Advisory Pty Ltd (\$30,000) and Waterhouse IR (\$62,400) respectively.

The fair value recognised in respect of transactions with Lion Capital Advisory Pty Ltd 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.

The fair value recognised in respect of transactions with Waterhouse IR was measured by reference to the fair value of options expected to be issued on completion of the services. The total fair value is recognised progressively as the services are delivered. The service agreement commenced on 1 April 2016 and was expected to be completed by the end of July 2016. The table below sets out the key inputs used in the binomial option pricing model to determine the fair value of the options expected to be issued on completion of the services:

Grant date	1/04/2016
Number of options	8,000,000
Fair value at grant date	\$0.0104
Share price at date of grant	\$0.016
Exercise price	\$0.025
Expected volatility	110%
Option life (years)	4.08
Risk free interest rate	2.09%
Expiry date	30/04/2020

Refer to note 30 for information regarding the issue of options subsequent to period end.

- (ii) Share based payments to corporate advisors associated with capital raising recognised directly in equity represent the equity portion of the fair value of corporate consulting services for capital raising activities provided by RFC Ambrian Ltd (\$20,000).

The fair value recognised in respect of transactions with RCF Ambrian Ltd 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.

- (iii) Amounts capitalised to exploration and evaluation assets in 2016 represent the fair value of shares and options issued in connection with the Company's acquisition of the Red Mountain project in Alaska (refer to note 9).

The fair value of shares issued for the acquisition of \$1,276,872 was determined based on the share price on 22 April 2016 for 63,843,587 shares issued to shareholders of Atlas Resources Pt Ltd.

The fair value of options issued for the acquisition of \$74,059 was determined using the binomial option pricing model. The table below shows key inputs used in the option pricing model:

Grant date	22/04/2016
Number of options	6,384,359
Fair value at grant date	\$0.0116
Share price at date of grant	\$0.02
Exercise price	\$0.035
Expected volatility	110%
Option life (years)	5
Risk free interest rate	2.17%
Expiry date	22/04/2021

Each option entitles the holder to subscribe for 1 ordinary share in the Company. All options are vested and fully exercisable at balance date. These options do not entitle the holder to participate in any share issue of the Company or any other related entity.

As referred to in note 20 (a) and (b) above, the fair values of the unlisted share options granted during the year have been measured based on the binomial option pricing model (30 June 2015: Black Scholes option pricing model). Measurement inputs to option pricing models 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). The expected volatility is determined based on historical volatility of the Company's share price over a period of time determined with reference to the option life. 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 2016

### 21. Financial risk management and financial instruments (continued)

#### (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.

In the current period the Group incurred certain liabilities in respect of future payments to be made for the acquisition of the Red Mountain project and future expenditure required on the Red Mountain project to retain the right to the asset. The liabilities incurred become due and payable over the period to 2020. The Group expects to raise equity in order to fund liabilities as they become due and payable.

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.

#### (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. Credit risk 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	
	2016 \$	2015 \$
Cash and Cash equivalents	258,846	354,021
Restricted bank cash deposits classified as other receivables	866,000	951,288
Trade and other receivables	22,751	37,267
	<b>1,147,597</b>	<b>1,342,576</b>

#### (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				
Financial liabilities Group	Carrying amount \$(1)	Contractual cash flows \$(1)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years
<b>2016</b>							
Trade and other payables	2,921,150	(2,965,463)	(293,854)	(315,024)	(538,648)	(1,077,296)	(740,641)
	<b>2,921,150</b>						

Financial liabilities Group	Carrying amount \$(1)	Contractual cash flows \$(1)	Less than one year	1-2 years	2-3 years	3-4 years	4-5 years
<b>2015</b>							
Trade and other payables	152,620	(152,620)	(152,620)	-	-	-	-
	<b>152,620</b>	<b>(152,620)</b>	-	-	-	-	-

<sup>(1)</sup>The difference between the carrying amount and contractual cash flows is due to the impact of discounting contractual cash flows to present value. The majority of contractual cash flows are in USD. Refer to note 21(iv) for details of foreign currency exposure.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 21. Financial risk management and financial instruments (continued)

#### (iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or amounts to be paid or received arising from its financial obligations. The Group's 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 foreign exchange rates applicable to the Group's foreign currency denominated obligations recognised in the balance sheet.

Foreign exchange risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The primary foreign currency exposure is to the USD.

The Group does not undertake hedging of foreign currency cash flows and is fully exposed to movements in the AUD against the USD for its USD denominated cash flow obligations.

Management monitors the exposure to foreign exchange risk on an ongoing basis by regularly reviewing forward foreign exchange rates applicable to its foreign currency denominated obligations.

The Group's exposure to assets and liabilities to USD currency at 30 June 2016 is set out below (Australian dollar equivalents):

	30 June 2016	30 June 2015
Reported exchange rate	0.74	0.77
Cash	-	-
Trade and other receivables	-	-
Trade and other payables	2,695,342	-
<b>Total exposure</b>	<b>2,695,342</b>	<b>-</b>

The table below shows the effect on profit after income tax expense and total equity from USD currency exposures, had the rates been 10% higher or lower than the year end rate. Whilst directors cannot predict movements in foreign exchange rates, a sensitivity of 10% is considered reasonable taking in to account the current level of exchange rates and the volatility observed on a historical basis.

	30 June 2016		30 June 2015	
	Increase/(Decrease) in profit after income tax	Increase/(Decrease) in Equity	Increase/(Decrease) in profit after income tax	Increase/(Decrease) in Equity
Foreign exchange rates - 10%	(299,482)	(299,482)	-	-
Foreign exchange rates + 10%	245,031	245,031	-	-

The Group also has exposure to market risk relating 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 6 months with fixed interest rates. The term deposits are recognised at amortised cost and therefore not subject to interest rate risk. The effect of changes in interest rates at 30 June 2016 would not have a significant impact on the Group's financial results 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. The fair value of financial liabilities is determined using a discounted cash flow.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 22. 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.

	2016 \$	2015 \$
<b>Exploration expenditure commitments</b>		
<b>Mount Carrington</b>		
Not later than one year	818,500	818,500
Later than one year but not later than five years	3,274,000	3,274,000

In addition to the Mt Carrington commitments disclosed above, the Group has minimum expenditure requirements in respect of the Red Mountain tenements acquired during the year. As at 30 June 2016 the Group has recorded a liability associated with future exploration expenditure obligations at Red Mountain which arose as a result of the terms of the acquisition (refer to note 9 and 11). The liability recorded is in excess of the minimum expenditure required by the Alaska Department of Natural Resources and thus no commitment in excess of this amount is recognised.

#### (ii) Capital commitments

The Group does not have any material commitments to acquire property, plant and equipment at balance date.

#### (iii) Operating lease commitments

The Group leases office facilities under an operating lease, the lease agreement currently runs for a period of one year. The current lease agreement runs until June 2017.

	2016 \$	2015 \$
<b>Future minimum lease payments</b>		
Less than one year	29,557	29,064
Between one and five years	-	-
More than five years	-	-

### 23. 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 \$866,000 (2015: \$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 \$866,000 as at 30 June 2016 (2015: \$951,288). Provision for such environmental rehabilitation activities recorded by the Group are set out in note 12.

### 24. Key management personnel disclosures

The key management personnel compensation included in "Employee Benefits Expenses" (see note 16), "Contactor Labour Expenses" (see note 15) and "Exploration and Evaluation" (see note 9) are as follows:

	2016 \$	2015 \$
Short term employee benefits	398,695	506,318
Post employment benefits	39,952	49,076
Options/Share based payments	45,500	-
Termination benefits	-	-
Other long term benefits	(4,151)	(22,231)
	<b>479,996</b>	<b>533,163</b>

#### (a) Key management personnel compensation disclosures

Information regarding individual Directors and Executives compensation and some equity instrument disclosures are permitted by Corporation Regulations 2M.3.03 are provided in the Remuneration Report section of the Directors' Report on pages 25 to 31. 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.

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 25. Related parties

#### (a) Identity of related parties

The Company has a related party relationship with its subsidiaries (see note 26) and with its key management personnel (see note 24).

#### (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.

At 30 June 2016 the Company had the following outstanding balances payable for fees for services provided by key management personnel during the year ended 30 June 2016:

- Mr Matthew Gill \$28,128
- Mr Rohan Worland \$12,515

The outstanding balances are not secured and will be settled in cash.

### 26. Group entities

	Country of Incorporation	Ownership Interest	
		2016	2015
<b>Parent entity</b>			
White Rock Minerals Ltd	Australia		
<b>Subsidiaries</b>			
White Rock (MTC) Pty Ltd	Australia	100%	100%
White Rock (New England) Pty Ltd	Australia	100%	100%
Atlas Resources Pty Ltd	Australia	100%	Nil
White Rock (RM) Inc	United States of America	100%	Nil

### 27. Parent entity disclosures

As at, and throughout, the year ending 30 June 2016 the parent company of the Group was White Rock Minerals Ltd.

	2016 \$	2015 \$
<b>Result of the parent entity</b>		
Loss for the period	(1,671,960)	(16,017,736)
Other comprehensive income	-	-
Total comprehensive loss for the period	(1,671,960)	(16,017,736)
<b>Financial position of the parent entity at year end</b>		
Current assets	1,165,987	1,350,520
<b>Total assets</b>	<b>11,974,251</b>	<b>10,603,982</b>
Current liabilities	236,152	166,595
<b>Total liabilities</b>	<b>242,011</b>	<b>173,167</b>
<b>Total equity of the parent entity comprising of:</b>		
Share capital	35,162,671	32,346,245
Reserves	265,677	131,935
Accumulated losses	(23,696,108)	(22,047,365)
<b>Total equity</b>	<b>11,732,240</b>	<b>10,430,815</b>

Loss for the 2016 period of the parent Company of the Group includes write-down of investments in and loans to subsidiaries of \$423,562 (2015: \$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 2016, such loans totalled \$11,743,177 (2015: \$11,218,889). At 30 June 2016 the parent Company of the Group has recorded a provision of \$11,586,061 (2015: \$11,218,889) against loans outstanding from its subsidiaries.



# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 27. Parent entity disclosures (continued)

#### 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 the Company 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 23 contains details of Group contingent liabilities.

#### Parent entity contingent liabilities

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

### 28. Deed of cross guarantee

On 1 June 2016 the Company entered into a Deed of Cross Guarantee with its 100% owned Australian subsidiary White Rock (MTC) Pty Ltd. The Deed of Cross Guarantee when effected provides a guarantee by the Company over the liabilities of the White Rock (MTC) Pty Ltd. The Deed of Cross Guarantee was not in effect as at 30 June 2016 and does not take effect until the Deed is submitted by the Holding Entity (White Rock Minerals Ltd) to the Australian Securities and Investments Commission (ASIC). Subsequent to 30 June 2016 and up to the date of this report the Deed of Cross Guarantee together with other required certificates have not been lodged with ASIC.

### 29. Auditors' remuneration

	2016 \$	2015 \$
<b>Auditors of the company - KPMG Australia</b>		
Audit and review of financial statements	30,000	40,000
Other services	-	-

### 30. Subsequent events

#### Placement and rights issue

On 28 September 2016 the Company announced that it had received commitments to subscribe for 108,266,668 new ordinary shares in the Company in return for \$1,620,000 to be completed on 5 October 2016 ("Placement") and announced a 1 for 2 pro rata non-renounceable entitlement offer of fully paid ordinary shares to existing eligible shareholders to raise up to \$4,120,000 closing on 21 October 2016 ("Entitlement Offer").

In addition to being able to apply for new shares under the Entitlement Offer eligible shareholders will also have the opportunity to apply for additional new shares in excess of their entitlement that are not subscribed for by other eligible shareholders under the Entitlement Offer.

The directors have reserved the right to place any shortfall within three months of the close of the entitlement offer.

As part of the Placement and Entitlement Offer White Rock has agreed to pay Sanlam Private Wealth Pty Ltd (as lead manager) a fee equal to 6% of funds raised by Sanlam Private Wealth Pty Ltd. White Rock has also agreed to issue to Sanlam Private Wealth Pty Ltd (or its nominee), subject to White Rock shareholder approval:

- 3,000,000 options with an exercise price of 3 cents each expiring 2 years from the date of issue
- 3,000,000 options with an exercise price of 6 cents each expiring 3 years from the date of issue

#### Cartesian Royalty Financing Package

On 19 July 2016 the Company formalised the two tranche placement (Phase I) with Cartesian Royalty Holdings Pte Ltd (CRH), an affiliate of the US-based Cartesian Capital Group following the announcement by the Company of a binding conditional term sheet on 27 June 2016. The financing package under the binding conditional term sheet comprised:

- Phase I: An equity investment of \$1,000,000 in two equal tranches to fund the Group's working capital requirements and to contribute funding for the Group to progress its Mount Carrington project; and
- Phase II: A future streaming finance facility of \$US19,000,000 in return for a share of the value of gold and silver production at Mount Carrington

Phase I Tranche 1 entitled CRH to the following equity instruments in the Company in return for \$500,000:

- 38,461,538 ordinary shares
- 57,692,307 options with an exercise price of 1.8 cents and a term of five years from issue (A Options)
- 19,230,769 options with an exercise price of 2.3 cents and a term of five years from issue (B Options)

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 30. Subsequent events (continued)

#### *Cartesian Royalty Financing Package (continued)*

Phase I Tranche 2 entitled CRH to the following equity instruments in the Company in return for a further \$500,000:

- 38,461,538 ordinary shares
- 57,692,307 options with an exercise price of 1.8 cents and a term of five years from issue (A Options)
- 19,230,769 options with an exercise price of 2.3 cents and a term of five years from issue (B Options)

Options issued under Tranche 1 and 2 contain an optional cashless exercise mechanism. This mechanism allows CRH to either, at its election:

- a) exercise the options in the traditional manner by paying the exercise price; or
- b) set off the exercise price and simply receive shares in the company to the value of the excess between the exercise price and the market value of White Rock shares at the time the options are exercised

Phase I Tranches 1 and 2 are subject to a number of conditions including:

- in respect of Tranche 1, satisfactory completion of due diligence by CRH;
- in respect of Tranche 2, satisfactory completion of further due diligence by CRH, successful completion by the Company of a capital raising for sufficient funds to conduct a definitive feasibility study and achieve full permitting, and the announcement by the Group that it has commenced definitive feasibility study work;
- ASX granting a waiver in respect of the participation (anti-dilution) right, and approval in respect of the cashless exercise mechanism for the options;
- White Rock shareholder approval in respect of the issue of the Tranche 1 B Options and all of the shares and options proposed to be issued in connection with Tranche 2. If shareholder approval is not obtained by 31 December 2016, White Rock has agreed to provide CRH with an irrevocable 1.0% net smelter return (NSR) royalty on White Rock's Mt Carrington tenements as well as a break fee of US\$50,000; and
- negotiation and execution of definitive documentation for the Phase I transactions.

Under Phase II, in exchange for \$US 19,000,000 it is intended that White Rock will deliver to CRH a gold stream of 20% of gold equivalent (cash, gold or gold credits, to be chosen at CRH's election) produced at the Mt Carrington Project over a period of 84 months, subject to a minimum delivery requirement of 40,000 ounces of gold equivalent. It is anticipated that the minimum delivery requirement may be adjusted on a pro-rata basis depending on whether a higher or lower stream investment is required pursuant to the definitive feasibility study.

It is intended that White Rock will also grant CRH a Net Smelter Return royalty of 1.75% of all gold and silver production from the Mt Carrington tenements once the Phase II gold delivery minimum of 40,000 ounces gold equivalent has been repaid.

Phase II is subject to a number of conditions including:

- successful completion of the definitive feasibility study on Mount Carrington, environmental impact statement and full permitting;
- White Rock decision to proceed with the construction of the Mt Carrington Project and draw on the Phase II streaming investment;
- satisfactory completion of due diligence by CRH;
- acceptance of the mine plan and capital expenditure included in the definitive feasibility study by CRH;
- White Rock securing access to grid power for 100% of the project power needs; and
- negotiation and execution of definitive documentation for the Phase II transactions.

If the Phase II investment proceeds, it is intended that:

- White Rock will agree to pay CRH an establishment fee of 3% of the total Phase II investment amount (which at White Rock's election may be satisfied by the issue of White Rock shares); and
- the Phase II investment will be secured against White Rock and its interests in the Mt Carrington Project for the duration of the streaming investment (subject to any ASX or other regulatory requirements or restrictions).

# White Rock Minerals Ltd

## Notes to the consolidated financial statements (continued)

For year ended 30 June 2016

### 30. Subsequent events (continued)

#### *Cartesian Royalty Financing Package (continued)*

In the event that White Rock materially breaches its exclusivity obligations, or receives alternative funding for the construction of the Mt Carrington project, White Rock will be required to pay to CRH a break fee of US\$50,000 if this occurs after Phase I Tranche 1 has been funded, or US\$1,500,000 if this occurs after Phase I Tranche 2 has been funded.

If Phase I Tranche 1 has been funded and White Rock is unable to raise adequate funding to finance the DFS and full permitting within six months from the date of the Term Sheet, it is intended that White Rock will instead grant CRH a 1.0% Net Smelter Return Royalty on the Mt Carrington tenements.

Phase I of Tranche 1 was completed on receipt of \$500,000 by White Rock on 21 July 2016 and the issue of the following equity instruments to CRH:

- On 21 July 2016 38,461,538 fully paid ordinary shares and 17,610,779 options with an exercise price of 1.8 cents expiring on 20 July 2021
- On 6 September 2016 40,081,529 options with an exercise price of 1.8 cents and expiry date of 20 July 2021 and 19,230,769 options with an exercise price of 2.3 cents expiring on 20 July 2021.

#### *Grant of options for corporate advisory services*

On 6 September 2016 the following equity instruments were granted to corporate advisors in return for corporate advisory services

- 8,000,000 options with an exercise price of 2.5 cents and an expiry date of 30 April 2020 which were issued to Mentat Investments Pty Ltd (a Nominee of Waterhouse Investor Relations). The options issued were in settlement of services performed over the period from 1 April 2016.
- 1,064,079 fully paid ordinary shares to Alchemy Securities Pty Ltd (Subsidiary of RFC Ambrian) in settlement of services provided in April 2016.

#### *Acquisition of additional tenements*

On 15 August 2016, the Company announced it had acquired additional tenements adjoining its Red Mountain project at Alaska.

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 2016 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 2016.
- 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 30<sup>th</sup> day of September 2016

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 Limited*

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2016 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

Gordon Sangster  
*Partner*  
Melbourne  
30 September 2016



## **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 2016, and the 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 30 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.

#### *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 the financial report of White Rock Minerals Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

*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 cash on hand as at 30 June 2016 will not be sufficient to fund planned exploration and operation activities during the next twelve months and to maintain the Group's tenements in good standing.

Subsequent to 30 June 2016, the Company received \$500,000 on placement of shares. Further, on 28 September 2016, the Company announced it had commitments for a further \$1,620,000 via a placement to be completed by 5<sup>th</sup> October 2016 and a 1 for 2 pro rata non renounceable entitlement offer of fully paid ordinary shares to raise up to \$4,120,000 closing 21 October 2016.

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 stated in the financial report.

**Report on the remuneration report**

We have audited the Remuneration Report included in pages 25 to 31 of the directors' report for the year ended 30 June 2016. 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 2016, complies with Section 300A of the Corporations Act 2001.

KPMG

Gordon Sangster  
Partner  
Melbourne  
30 September 2016



## 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 31 August 2016

Name of Ordinary Shareholder	Number of Shares	% of Shares Held
Avalon Ventures Corporation	80,000,000	18.17%
CRH Mezzanine Pte	38,461,538	8.74%
Greenstone Property Pty Ltd	31,196,968	7.09%
Suetone PL	26,922,000	6.11%
Vanmar Holdings PL	26,543,441	6.03%

#### b) Listing of 20 largest shareholders as at 31 August 2016

Rank	Name	Designation	Number of Shares Held	% of Issued Capital
1	Avalon Ventures Corporation		80,000,000	18.17%
2	CRH Mezzanine Pte		38,461,538	8.74%
3	Greenstone Property Pty Ltd		31,196,968	7.09%
4	Suetone PL	AK Shadforth Family	26,922,000	6.11%
5	Vanmar Holdings PL	Vanmar Fam A/C	26,543,441	6.03%
6	Martin Alan + Spuy MV	Van Der Spuy S/F A/C	15,235,000	3.46%
7	Lion Capital Advisory Pty Ltd		15,095,089	3.43%
8	Alchemy Sec PL		14,211,732	3.23%
9	HSBC Custody Nom Aust Ltd		7,028,336	1.60%
10	Titeline Services P/L		6,000,000	1.36%
11	May Sandy Tan Siew		5,300,000	1.20%
12	Nepean Eng Super Fund P/L		5,236,842	1.19%
13	Whitehouse D + Shadforth	AK Shadforth Inv	4,545,454	1.03%
14	Stirhill Inv PL		4,545,454	1.03%
15	Alchemy Sec PL		3,334,545	0.76%
16	Thylacine PL	Brian Phillips SF	3,136,398	0.71%
17	Grand South Development Limited		3,033,334	0.69%
18	S & S Olsen PL		2,750,001	0.62%
19	RH Adamson PL	Adamson Fam S/F A/C	2,701,279	0.61%
20	PNS Holdings PL	PNS S/F A/C	2,546,770	0.58%
<b>Total</b>			<b>297,824,181</b>	<b>67.64%</b>

#### c) Distribution of shareholders as at 31 August 2016

Range	Total Holders	Units	% of Issued Capital
1-1,000	426	186,519	0.04%
1,001-5,000	438	1,109,406	0.25%
5,001-10,000	215	1,689,502	0.38%
10,001-100,000	574	22,258,393	5.06%
100,001 - over	277	415,033,164	94.27%
<b>Total</b>	<b>1,930</b>	<b>440,276,984</b>	<b>100.00%</b>

#### d) Number of shareholders holding less than a marketable parcel as at 31 August 2016

1,353

#### 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.