

ASX Release: 28 July 2016

## Quarterly Activities Report - for the period ended 30 June 2016

**ASX Code: WRM**

**Issued Securities**

Shares: 440.2 million

Options: 33.2million

**Cash on hand (30 June 2016)**

\$0.26M

**Market Cap** (as at 27 July 2016)

\$9.7M at \$0.022 per share

**Directors & Management**

Brian Phillips

Non-Executive Chairman

Geoffrey Lowe

Non-Executive Director

Peter Lester

Non-Executive Director

Matthew Gill

Chief Executive Officer

Rohan Worland

Exploration Manager

Shane Turner

CFO & Company Secretary

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Matthew Gill or Shane Turner

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[www.whiterockminerals.com.au](http://www.whiterockminerals.com.au)

### QUARTERLY ACTIVITY SUMMARY

#### Mt Carrington Gold-Silver Project Transformational Financing Package

White Rock Minerals ("White Rock") announced (27 June 2016) a binding conditional Term Sheet on 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 assist it 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 (DFS) and Environmental Impact Statement (EIS) 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 construction of White Rock's Mt Carrington Project to reach commercial production (Phase II).

The streaming financing component (Phase II) for the construction of the Mt Carrington Project provides for repayments to be made from a percentage of future gold and silver production from Mt Carrington and hence Phase II repayments do not require White Rock to undertake future dilutive share issuances.

The finance package is intended to help White Rock achieve its strategic goal of becoming a cash-generative gold and silver producer.

Scoping studies (*ASX Announcements 29 March 2016, 30 September 2015, 16 September 2014 and 31 July 2012*) support the development of a gold-silver operation at Mt Carrington. Using A\$1,600/oz gold and A\$22/oz silver, the Mt Carrington Project forecasts:-

- ✓ production of 111,000 oz gold and 6.7Moz silver over a mine life of 7 years,
- ✓ a low capital cost of A\$24.2M,
- ✓ an NPV<sub>10</sub> of A\$60.6M and an IRR of 103%,
- ✓ free cash flow of A\$100M (undiscounted),
- ✓ a quick payback of 10 months, and
- ✓ a C1 cash cost of A\$754/oz gold and \$A10/oz silver.

#### Acquisition of the Red Mountain Zinc-Silver-Lead-Gold VMS Project

During the June Quarter, White Rock completed the acquisition of 100% of Atlas Resources Pty Ltd ("Atlas") following overwhelming support from shareholders at the EGM held 22 April 2016. White Rock then exercised the option held by Atlas to acquire 100% of the Red Mountain polymetallic volcanogenic massive sulphide (VMS) project in central Alaska.

Red Mountain provides White Rock with a high quality advanced exploration project centred in an established VMS district where there is significant potential to discover a new large zinc-silver-lead-gold-copper deposit in addition to the known zinc-silver-lead-gold deposits at Dry Creek and West Tundra Flats (ASX Announcement 15 February 2016). White Rock has commenced a compilation, interrogation and interpretation exercise using existing historical geochemical sampling and airborne EM and magnetics surveys to generate zinc-silver targets.

## **Mt Carrington Gold-Silver Project Development**

White Rock announced 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 (DFS) and Environmental Impact Statement (EIS) 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 construction 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, as set out in more detail below.

The streaming financing component (Phase II) for the construction of the Mt Carrington Project provides for repayments to be made from a percentage of future gold and silver production from Mt Carrington and hence Phase II repayments do not require White Rock to undertake future dilutive share issuances.

The finance package is intended to help White Rock achieve its strategic goal of becoming a cash-generative gold and silver producer.

It is intended that CRH will have board representation for as long as it has material involvement with White Rock. White Rock is confident that it will benefit from the breadth of CRH's strategic and financial experience.

## **FINANCING PACKAGE**

### **Phase I - Key Terms**

- Phase I is expected to raise A\$1,000,000 in two equal tranches of A\$500,000 (**Tranche 1** and **Tranche 2**, respectively).
- The consideration for the Phase I equity investment will be the issue of ordinary White Rock shares at A\$0.013 (1.3 cents) per share. For each share issued, CRH will also receive two unlisted options to subscribe for fully paid ordinary shares for no additional consideration. The options will consist of:
  - 1.5 options per share with an exercise price of A\$0.018 (1.8 cents) (**A Options**); and
  - 0.5 options per share with an exercise price of A\$0.023 (2.3 cents) (**B Options**),

all of which will have a five year term from their date of issue. It is intended that the option terms will 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 White Rock shares 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.

- It was intended that the Tranche 1 shares and Tranche 1 A Options will be issued upon CRH paying the initial subscription price of A\$500,000 under White Rock's existing placement capacity without shareholder approval being required. Shareholder approval will be required to issue the Tranche 1 B Options and all of the shares and options issued under Tranche 2. The Tranche 1 funds were received on 20 July 2016.

- Upon completion of the Phase I equity investment, it was intended that CRH would have a participation right to participate in any new issues of shares in White Rock on the same terms as other participants in that share issue, up to such additional number of equity securities as is sufficient to enable CRH to maintain its ownership percentage in White Rock (subject to ASX approval). The participation right application to the ASX was withdrawn in July.
- Upon completion of the Phase I equity investment, and for the duration of the Phase II streaming investment, it is intended that CRH will have a right to nominate a non-executive director to the White Rock Board of Directors.
- Phase I is subject to a number of conditions including:
  - in respect of Tranche 1, satisfactory completion of due diligence by CRH. This was satisfied in July, and the Tranche 1 funds were received on 20 July 2016.
  - in respect of Tranche 2, satisfactory completion of further due diligence by CRH and the announcement by White Rock that it has commenced DFS 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. In July, this ASX waiver application was withdrawn, and the ASX approved the Option Terms.
  - 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.

#### **Phase II - Key Terms**

- Phase II is expected to comprise streaming financing of US\$19 million to fund construction and commissioning of White Rock's Mt Carrington Project.
- The Phase II funding is currently expected to be provided in four tranches over a period of 6 to 12 months, subject to the satisfactory completion and outcome of the DFS, the obtaining of the necessary permits, Phase I equity investment and certain other conditions, as set out below.
- In exchange for the Phase II investment, 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 DFS. It is intended that White Rock will also grant CRH an NSR 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 DFS, EIS and full permitting;
  - White Rock decision to proceed with the construction of the Mt Carrington Project;
  - satisfactory completion of due diligence by CRH;

- acceptance of the mine plan and capital expenditure included in the DFS;
- access to grid power for 100% of the project power needs; and
- negotiation and execution of definitive documentation for the Phase II transactions.

#### **Other key terms of the Term Sheet**

- 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).
- For the duration of the Term Sheet, White Rock is subject to certain exclusivity obligations under which, subject to the White Rock Board's fiduciary or statutory obligations, it cannot directly or indirectly, initiate any discussions or undertake any other actions (including the provision of information) with any person relating to a direct or indirect investment in the Mt Carrington Project without the consent of CRH. It is intended that CRH will have a first right of refusal on White Rock project financing during Phase I and II.
- 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\$1.5 million 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% NSR on the Mt Carrington tenements.
- The parties have rights to terminate the Term Sheet in certain circumstances including if:
  - closing of the Phase II streaming Investment has not been completed by the date which is 46 days from the date of completion of the DFS and full permitting;
  - White Rock is unable to raise adequate funding to finance the completion of the DFS and full permitting within six months from the date of the Term Sheet; or
  - White Rock is unable to obtain shareholder approval of the Tranche 1 B Options and all Tranche 2 shares and options by 31 December 2016.

#### **About Cartesian Capital Group**

Cartesian Capital Group, LLC is a New York, USA-based global private equity firm with proven expertise in assisting closely-held companies develop into global market leaders. Cartesian manages more than US\$2.4 billion in capital and has offices in New York, Sao Paulo, Shanghai, Warsaw, and Bermuda.

*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. The material assumptions relating to the scoping study at Mt Carrington provided in the ASX Announcements dated 29 March 2016, 30 September 2015, 14 September 2014 and 31 July 2012 continue to apply and have not materially changed.*

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

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

### **Acquisition of the Red Mountain Zinc-Silver-Lead-Gold VMS Project**

During the June Quarter, White Rock completed the acquisition of 100% of Atlas Resources Pty Ltd ("Atlas") by way of a share for share exchange. On 22 April 2016 White Rock shareholders approved the issue 1.147 White Rock Shares for every Atlas share, and 1.147 White Rock 5 year options for every Atlas option, exercisable at 3.5 cents per option. Accordingly, White Rock issued a total of 63,843,587 new shares to Atlas shareholders and 6,384,359 options to Atlas option holders. White Rock then exercised the option held by Atlas to acquire 100% of the Red Mountain polymetallic volcanogenic massive sulphide (VMS) project in central Alaska.

Red Mountain is a quality advanced exploration project centred on an established VMS district where there is significant potential to discover a new large zinc-silver-lead-gold-copper deposit in addition to the known zinc-silver-lead-gold deposits at Dry Creek and West Tundra Flats (ASX Announcement 15 February 2016).

Previous drilling highlights include:

#### **Dry Creek**

- 4.6m @ 23.5% Zn, 531g/t Ag, 8.5% Pb, 1.5g/t Au & 1.0% Cu from 6.1m
- 5.5m @ 25.9% Zn, 346g/t Ag, 11.7% Pb, 2.5g/t Au & 0.9% Cu from 69.5m
- 7.1m @ 15.1% Zn, 334g/t Ag, 6.8% Pb, 0.9g/t Au & 0.3% Cu from 39.1m

#### **West Tundra Flats**

- 1.3m @ 21.0% Zn, 796g/t Ag, 9.2% Pb, 10.2g/t Au & 0.6% Cu from 58.6m
- 3.0m @ 7.3% Zn, 796g/t Ag, 4.3% Pb, 1.1g/t Au & 0.2% Cu from 160.9m
- 1.7m @ 11.4% Zn, 372g/t Ag, 6.0% Pb, 1.7g/t Au & 0.2% Cu from 104.3m

Mineralisation occurs from surface, and is open along strike and down-dip. Preliminary metallurgical test work indicates good recoveries (>90% zinc, >70% lead, >80% gold, >70% silver).

Interpretation of the geologic setting indicates conditions that enhance the prospectivity for gold-rich mineralisation within the VMS system at Red Mountain. Gold mineralisation is usually found at the top of VMS base metal deposits or adjacent in the overlying sediments. Gold bearing host rocks are commonly not enriched in base metals and consequently often missed during early exploration sampling. This provides an intriguing opportunity for potential further discoveries at Red Mountain.

White Rock sees significant discovery potential, given the lack of modern day exploration at Red Mountain. This is further enhanced by the very nature of VMS clustering in camps, and the potentially large areas over which these can occur. In recognition of the highly prospective nature of this region, White Rock expanded the original 25 mining claims tenement package through the addition of 85 mining claims, with the total area now controlled exceeding 70km<sup>2</sup>.

Historical explorers and the Alaskan Division of Geological and Geophysical Surveys (DGGs) have completed numerous surface geochemical and geophysical surveys over the Red Mountain Project and throughout the district. Of note, the DGGs completed an airborne electromagnetics and magnetics survey in 2007, after previous explorers ceased work in 1999.

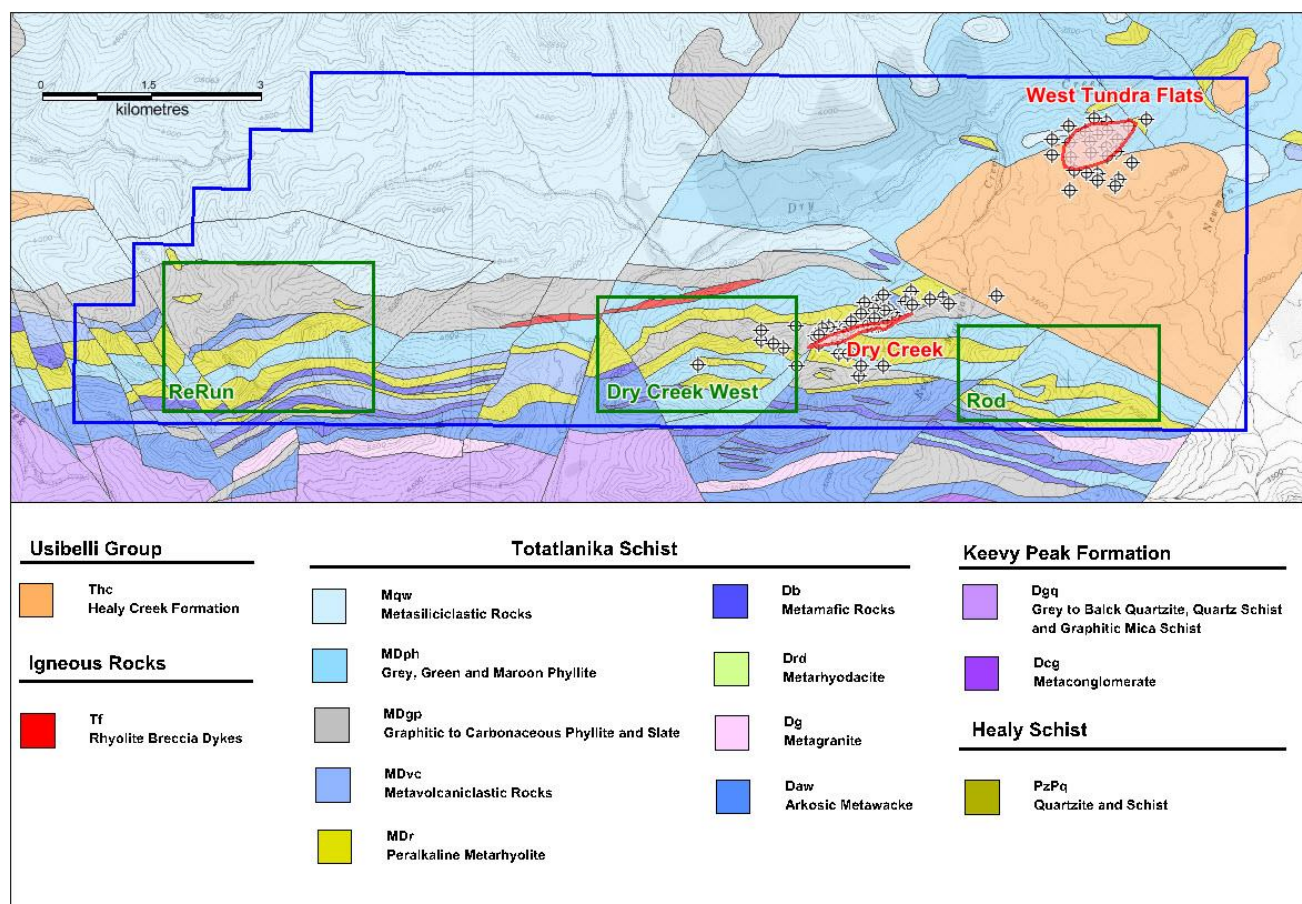
During the June quarter White Rock commenced the first multi-disciplinary compilation of all available data sources of this district, combined with an interrogation and interpretation of the data. This body of work will use the power of modern vector analysis and 3D processing and will be directed towards 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 the historical geochemical data in context with the geological mapping recently released by the Alaskan Division of Geological and Geophysical Surveys (DGGs). Based on alteration zonation patterns for local and global VMS deposits, the assessment was able to identify a number of high priority targets with high grade zinc-silver potential along strike of the mineralisation at Dry Creek, these being ReRun, Dry Creek West and Rod (Figure 1).

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.

This modern vector analysis of the geochemical data will be incorporated with the detailed interpretation of the electromagnetic and magnetic surveys currently being completed by Condor Consulting Inc., specialists in all aspects of airborne geophysics. When both the geochemical and geophysics interpretations are combined, White Rock anticipates that this work will provide a pipeline of prospective targets for field work in the coming months. In turn this work will define targets for drill testing.





**Figure 1:** DGGs geology map (after Freeman et al., 2016) with locations for the Alaskan Dry Creek and West Tundra Flats VMS deposits, historical drill collars and target areas (ReRun, Dry Creek West and Rod) defined by geochemical alteration.

## Outlook

White Rock is looking forward to commencing definitive feasibility studies ("DFS") in hand with the permitting process now that a financing package has been agreed with Cartesian Royalty Holdings. The innovative financing agreement provides White Rock with a long-term supportive strategic partner that recognises the cash generating potential of the Mt Carrington Project and who is prepared to financially support the project through construction, commissioning and commercial production, subject to the delivery of a successful DFS and obtaining the necessary permitting.

The continued strength in the Australian dollar gold price and the recent increase in silver prices is seen as a catalyst for investors to assess near-term production opportunities in the precious metal space. White Rock is well placed to take advantage of this improved sentiment.

In addition, the acquisition of the Red Mountain polymetallic VMS project in central Alaska provides a high quality advanced exploration project with exposure to a mix of commodities including zinc, silver, lead and gold. Expectations are that the interpretation of existing geochemical and geophysical data will provide targets for drill testing over the course of the feasibility, permitting and development activities at Mt Carrington.

## White Rock Minerals Ltd Tenement schedule for the quarter 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	229km <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: Mt Carrington Tenement 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.

The Red Mountain Project comprises 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.

All Red Mountain Project tenements were acquired during the quarter. No other mining or exploration tenements were acquired or disposed of during the quarter



### About Mount Carrington

- The Mt Carrington Project is located in northern NSW, near the township of Drake on the Bruxner Highway, 4 hour's drive south-west of Brisbane. The tenement package comprises 22 mining leases and two exploration licences over a total area of 229km<sup>2</sup>.
- The Mt Carrington Project contains gold-silver epithermal mineralisation associated with a large 250km<sup>2</sup> collapsed volcanic caldera structure. Gold was first discovered in the district in 1853. In 1988 a mining operation at Mt Carrington focussed on extracting open pit oxide gold and silver ore from the Strauss, Kylo, Guy Bell and Lady Hampden deposits. The oxide ore was depleted by 1990, and with metal prices at US\$370/oz gold and US\$5/oz silver, the small scale mine was closed.
- Since 2010, White Rock has successfully expanded the inventory at Mt Carrington. Indicated and Inferred Mineral Resources total 338,000oz gold and 23.5Moz silver. There are four gold dominant deposits (Strauss, Kylo, Guy Bell and Red Rock), one gold-silver deposit (Lady Hampden) and three silver dominant deposits (White Rock, Silver King and White Rock North). All of these deposits apart from White Rock North are amenable to open pit mining, with mineralisation extending from surface.
- Scoping studies (*ASX Announcement 29 March 2016, 30 September 2015, 16 September 2014 and 31 July 2012*) support the development of a gold-silver operation at Mt Carrington. Using A\$1,600/oz gold and A\$22/oz silver, the Mt Carrington Project forecasts:-
  - ✓ production of 111,000 oz gold and 6.7Moz silver over an initial mine life of 7 years,
  - ✓ a low capital cost of A\$24.2M,
  - ✓ an NPV<sub>10</sub> of A\$60.6M and an IRR of 103%,
  - ✓ free cash flow of A\$100M (undiscounted),
  - ✓ a quick payback of 10 months, and
  - ✓ a C1 cash cost of A\$754/oz gold and \$A10/oz silver.
- The scoping study contemplates a processing circuit capable of treating all ore types. For the gold dominant ore types the optimized pathway consists of a standard milling and flotation circuit producing a rougher concentrate which is subsequently reground and treated in an intensive leach process to recover the precious metals as dore. For the silver dominant ore types the flotation circuit would be upgraded to enable a cleaned concentrate to be produced. Production of a saleable silver concentrate is the most profitable processing pathway for the silver rich deposits.



- The low capital cost is augmented by the presence of already existing key infrastructure from the previous mining operation in the 1990s. This existing infrastructure includes granted mining leases, a 1.5 Mt tailings dam, a 750 mL freshwater dam, site office, the old plant footprint and foundations, a reverse osmosis water treatment plant and access to state grid power. The existing infrastructure has been valued at A\$20M in terms of the offset with respect to a greenfields development scenario.
- The positive results from the scoping studies strongly support the implementation of feasibility studies and future development of the Mt Carrington Project. A number of pre-development optimisation activities are underway in preparation for feasibility studies to be completed in 2017 with development targeted in 2018.
- The Mt Carrington Mining Leases are enveloped by a large portfolio of Exploration Licences with demonstrated potential for epithermal and intrusion-related gold, silver and copper mineralisation. White Rock has generated and refined an extensive exploration target portfolio at Mt Carrington for staged advancement and drill testing for gold and silver concurrent with the development of the current Resource base. In addition, more recent work has demonstrated the potential for the project to host significant intrusion-related (porphyry) copper mineralisation.

*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. The material assumptions relating to the scoping study at Mt Carrington provided in the ASX Announcements dated 29 March 2016, 30 September 2015, 14 September 2014 and 31 July 2012 continue to apply and have not materially changed.*

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

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

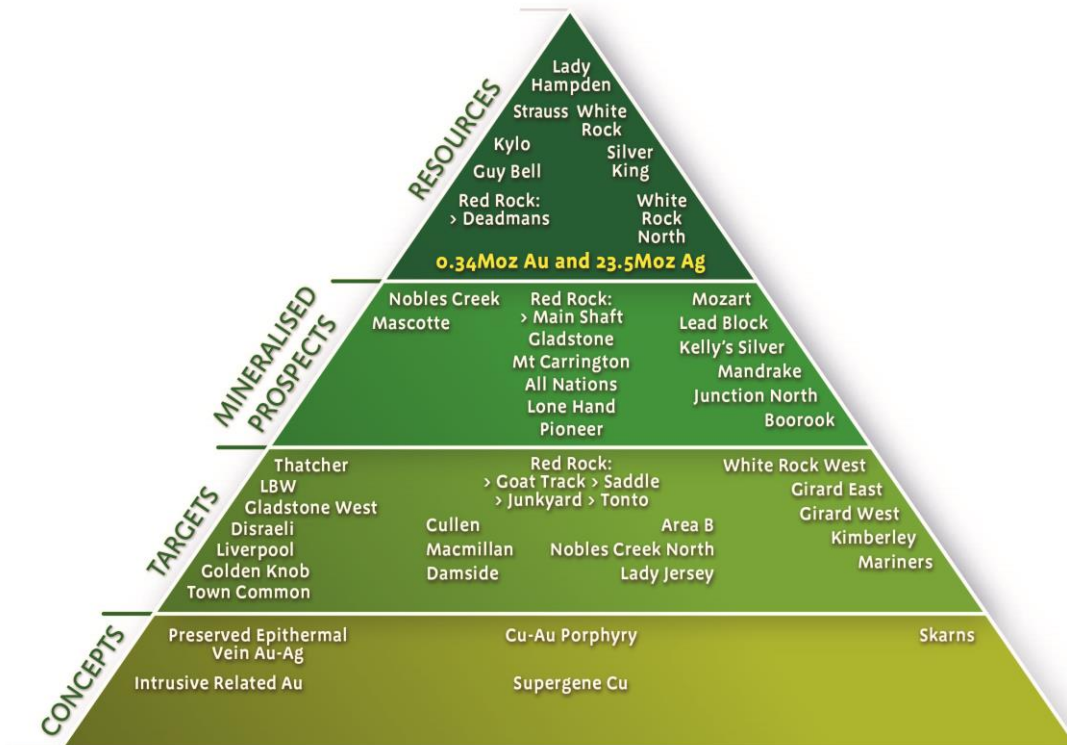
MT CARRINGTON INDICATED & INFERRED MINERAL RESOURCE SUMMARY					
Gold Dominant Resources					
Resource Category	Tonnes	Au (g/t)	Gold Oz	Ag (g/t)	Silver Oz
Indicated	2,830,000	1.3	116,000	3.1	286,000
Inferred	3,810,000	1.3	158,000	2.9	353,000
Indicated & Inferred	6,640,000	1.3	275,000	3.0	639,000
Silver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

**Mt Carrington Project - Mineral Resource Summary.**

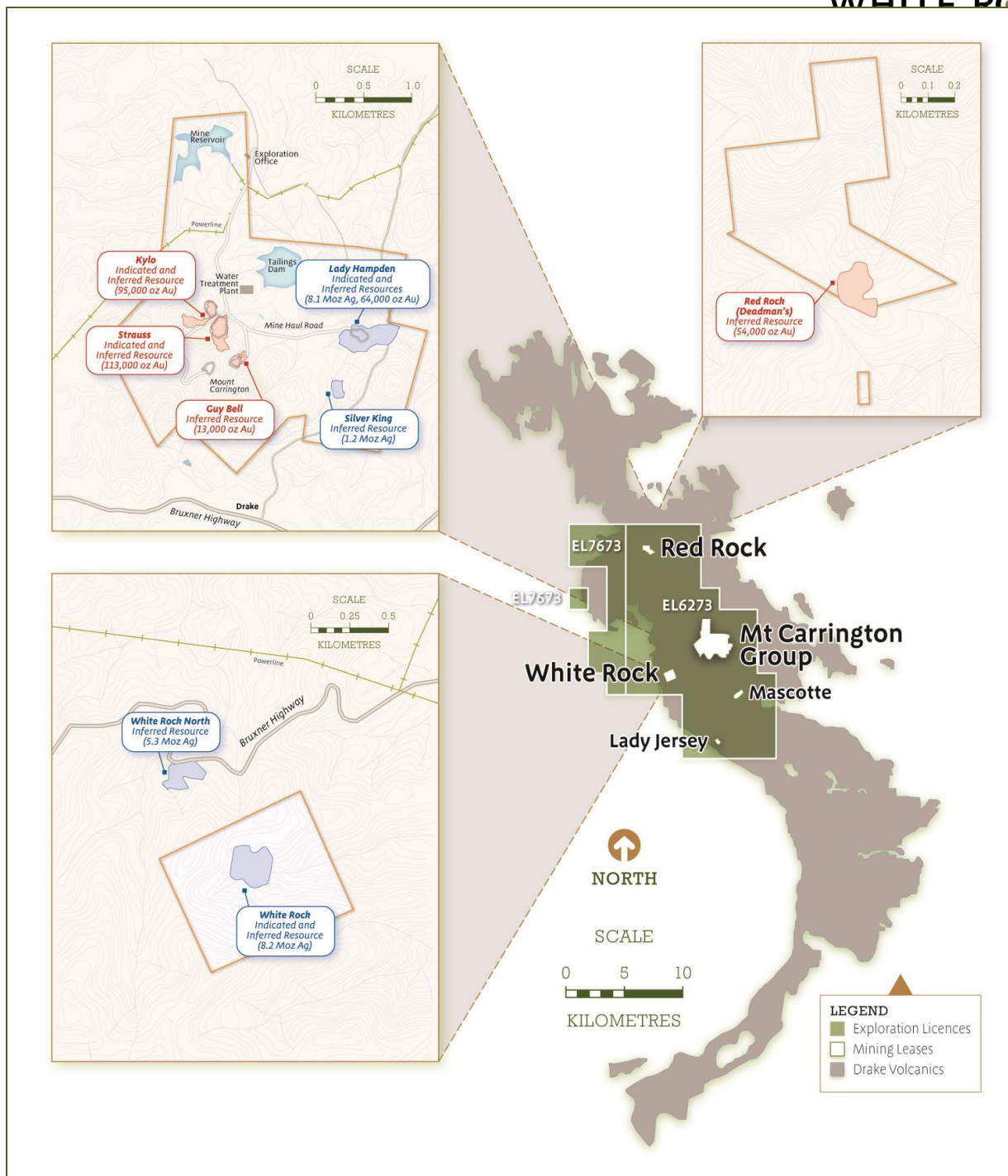
*Competent Persons Statement*

The gold and silver Resource figures for White Rock, Red Rock, Strauss, Kylo, Lady Hampden, Silver King and White Rock North have been taken from Resource estimates of February 2012, July 2013 and November 2013 prepared by Ravensgate Minerals Industry Consultants on behalf of White Rock Minerals Ltd and authored by Mr Don Maclean. Mr Maclean is a member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Maclean consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004 as per ASX releases by White Rock Minerals Ltd on 13 February 2012, 11 July 2013 and 20 November 2013. The Resources figures have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The gold and silver Resource figures for Guy Bell have been taken from the Resource estimate of October 2008 prepared by Mining One Pty Ltd on behalf of Rex Minerals Ltd and authored by Dr Chris Gee who is a professional geologist with more than 10 years' experience in resource estimation. Dr Gee is a Competent Person as defined by the JORC Code. Mr Gee consents to the inclusion in this report of the matters based on this information in the form and context in which it appears. This information was prepared and first disclosed under the JORC Code 2004 as per the ASX release by Rex Minerals Ltd on 10 December 2008. The Resources figures have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.



***Mt Carrington exploration target pipeline.***



**Mt Carrington Project Tenement and Resource Summary**



**About Red Mountain** (ASX Announcement 15 February 2016)

- The Red Mountain Project is located in central Alaska, 100km south of Fairbanks, in the Bonnyfield Mining District. The tenement package comprises 110 mining claims over a total area of 71km<sup>2</sup>.
- The Red Mountain Project contains polymetallic VMS mineralisation rich in zinc, silver and lead. Previous exploration has resulted in historical estimates of mineral resources at the two main prospects (Dry Creek and West Tundra Flats).
- Mineralisation occurs from surface, and is open along strike and down-dip.
- Previous drilling highlights include:



**Dry Creek**

- 4.6m @ 23.5% Zn, 531g/t Ag, 8.5% Pb, 1.5g/t Au & 1.0% Cu from 6.1m
- 5.5m @ 25.9% Zn, 346g/t Ag, 11.7% Pb, 2.5g/t Au & 0.9% Cu from 69.5m
- 7.1m @ 15.1% Zn, 334g/t Ag, 6.8% Pb, 0.9g/t Au & 0.3% Cu from 39.1m

**West Tundra Flats**

- 1.3m @ 21.0% Zn, 796g/t Ag, 9.2% Pb, 10.2g/t Au & 0.6% Cu from 58.6m
- 3.0m @ 7.3% Zn, 796g/t Ag, 4.3% Pb, 1.1g/t Au & 0.2% Cu from 160.9m
- 1.7m @ 11.4% Zn, 372g/t Ag, 6.0% Pb, 1.7g/t Au & 0.2% Cu from 104.3m
- Good preliminary metallurgical recoveries of >90% zinc, >70% lead, >80% gold, >70% silver.
- VMS deposits typically occur in clusters ("VMS camps"). Deposit sizes within camps typically follow a log normal distribution, and deposits within camps typically occur at regular spacing. The known deposits at Dry Creek and West Tundra Flats provide valuable information with which to vector and target additional new deposits within the Red Mountain camp.
- Interpretation of the geologic setting indicates conditions that enhance the prospectivity for gold-rich mineralisation within the VMS system at Red Mountain. Gold mineralisation is usually found at the top of VMS base metal deposits or adjacent in the overlying sediments. Gold bearing host rocks are commonly not enriched in base metals and consequently often missed during early exploration sampling. This provides an exciting opportunity for potential further discoveries at Red Mountain.
- White Rock sees significant discovery potential, given the lack of modern day exploration at Red Mountain. This is further enhanced by the very nature of VMS clustering in camps, and the potentially large areas over which these can occur.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

WHITE ROCK MINERALS LTD

ABN

64 142 809 970

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 Months) \$A'000
1.1	Receipts from product sales and related debtors	0	12
1.2	Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(139)   (347)	(518)   (1,130)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	9	28
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other – Govt Drilling Grant	0	26
<b>Net Operating Cash Flows</b>		<b>(477)</b>	<b>(1,582)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(55)  0	(96)  (20)
1.9	Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (refund Govt Bond)	0	68
<b>Net investing cash flows</b>		<b>(55)</b>	<b>(48)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(532)</b>	<b>(1,630)</b>

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1.13	Total operating and investing cash flows (brought forward)	(532)	(1,630)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	169	1,526
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	0	15
1.17	Repayment of borrowings	(3)	(6)
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	166	1,535
	<b>Net increase (decrease) in cash held</b>	(366)	(95)
1.20	Cash at beginning of quarter/year to date	625	354
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	259	259

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	27
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Director Fees

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

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## Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	
3.2 Credit standby arrangements	Nil	

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	NIL
4.3 Production	NIL
4.4 Administration	300
<b>Total</b>	<b>400</b>

*Note:- WRM received \$500,000 on 20 July 2016 from Cartesian Royalty Holdings as part of a two phased financing package (ASX Announcement dated 27 June 2016).*

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	259	625
5.2 Deposits at call	NIL	NIL
5.3 Bank overdraft	NIL	NIL
5.4 Other (provide details)	NIL	NIL
<b>Total: cash at end of quarter (item 1.22)</b>	<b>259</b>	<b>625</b>

## Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	<p>Red Mountain Project Alaska, United States of America</p> <p>ADL611355, Mining Claims ADL611356, Mining Claims ADL611362, Mining Claims ADL611364, Mining Claims ADL611366, Mining Claims ADL611371, Mining Claims ADL721002 – Mining Claims ADL721010(9), Mining Claims ADL721029 – Mining Claims ADL721038(10), Mining Claims ADL721533 – Mining Claims ADL721615(83), Mining Claims ADL721624, Mining Claims ADL721625 Mining Claims</p>	<p>0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0% 0%</p>	<p>100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%</p>

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	NIL	NIL		
7.2				
7.3	401,815,446	401,815,446		

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7.4	Changes during quarter (a) Increases through issue  (b) Decreases	91,072,678	91,072,678	\$0.011	\$0.011
7.5	<b>*Convertible debt securities</b> (description)	NIL	NIL		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> (description and conversion factor)	1,166,667 833,333 500,000 1,166,667 833,334 1,400,000 500,000 1,400,000 1,400,000 6,384,359 <hr/> 15,584,360		<i>Exercise price</i>  <b>\$0.050</b> <b>\$0.041</b> <b>\$0.040</b> <b>\$0.055</b> <b>\$0.045</b> <b>\$0.025</b> <b>\$0.045</b> <b>\$0.030</b> <b>\$0.035</b> <b>\$0.035</b>	<i>Expiry date</i>  31/05/2017 31/05/2017 30/03/2018 31/05/2018 31/05/2018 30/09/2018 30/03/2019 30/09/2019 30/09/2020 22/04/2021
7.8	Issued during quarter	1,400,000 1,400,000 1,400,000 6,384,359 <hr/> 10,584,359			
7.9	Exercised during quarter				
7.10	Expired during quarter	1,999,999			
7.11	<b>Debentures</b> (totals only)	NIL	NIL		

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7.12	<b>Unsecured notes</b> (totals only)	NIL	NIL
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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
(Company secretary)

Date: 28 July 2016

Print name: SHANE TURNER

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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