

ASX and Media Release: 20 September 2016

ASX Code: WRM



Initial mining review demonstrates potential upside at Mt Carrington

ASX Code: WRM

Issued Securities

Shares: 441.3 million

Options: 100.5 million

Cash on hand (30 June 2016)

\$0.26M

Market Cap (19 September 2016)

\$7.5M at \$0.017 per share

Directors & Management

Brian Phillips

Non-Executive Chairman

Matthew Gill

Managing Director & Chief
Executive Officer

Geoffrey Lowe

Non-Executive Director

Peter Lester

Non-Executive Director

Shane Turner

Company Secretary

Rohan Worland

Exploration Manager

For further information, contact:

Matthew Gill or Shane Turner

Phone: 03 5331 4644

info@whiterockminerals.com.au

www.whiterockminerals.com.au

White Rock Minerals Ltd ("White Rock") is pleased to announce that preliminary review work on the mining section of the Mt Carrington Scoping Study¹ is underway, and has already highlighted potential areas for upside in mine life extension and / or production rates, and improved project economics.

Following on from the signing of a binding conditional term sheet which describes a financing package with Cartesian Royalty Holdings Pte Ltd ("Cartesian") to assist White Rock develop the Mt Carrington Project to full commercial production (*ASX Announcements 27 June 2016 and 19 July 2016*), White Rock has moved swiftly to identify key personnel and consulting groups to form the Feasibility Study team.

Initial work by the Feasibility Study team, led by MiningPlus, a fully integrated global mining consultancy, has seen a high level review of the detailed mining section of the Scoping Study. This work has advanced the project through the initial design of mine pits, site layout, waste dumps and mine scheduling (Figures 1 & 2).

Importantly, the review has highlighted a number of potential upside opportunities for the Feasibility Study to focus on to realise improved economic outputs that could further enhance what is already a compelling financial investment case.

Key opportunity areas include:

- ✓ Pit sequencing and Pit staging;
- ✓ Geotechnical slope design of fresh material;
- ✓ Re-optimisation of the pits;
- ✓ Reduced dilution;
- ✓ Fleet optimisation;
- ✓ Waste haulage optimisation;
- ✓ Upscaling throughput, and
- ✓ Mining Cost.

CEO and MD Matt Gill said "Following the signing of the proposed financing package with Cartesian, White Rock now has an opportunity to advance the feasibility and permitting work in time to take advantage of the prevailing favourable Australian gold and silver prices, and the cost competitive environment that the mining sector is currently experiencing. This timing has allowed White Rock to assemble a team of proven key technical personnel with a track record of delivering successful gold projects to the market. An initial review of the mining section of the Scoping Study has been able to identify a number of key upside opportunities in the mine design and scheduling of what will be a fairly straight forward and standard mining and milling operation with a low risk development profile. We are excited to begin the final stage of work that will culminate in a new gold-silver mine in eastern Australia."

¹ Refer to release to the ASX of 29 March 2016 – "White Rock's Mt Carrington Updated Scoping Study Delivers Justification For Feasibility Study", and to earlier related scoping study releases dated 30 September 2015, 16 September 2014 and 31 July 2012.

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.



Figure 1: Aerial view towards the south-west looking down on the preliminary pit designs for the Strauss and Kylo gold deposits, and showing their close proximity to the processing plant layout which will utilise the existing foundations and haul roads.

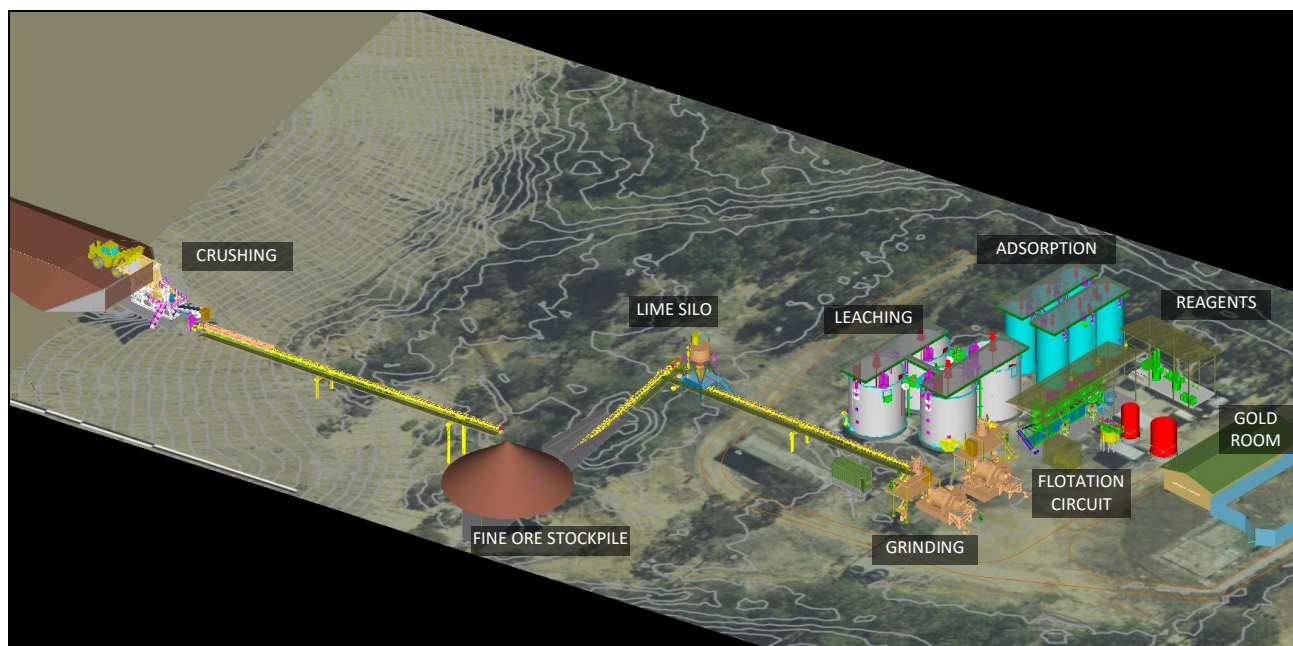


Figure 2: Aerial view looking towards the north and looking down on the preliminary processing plant layout utilising the former ROM pad and existing foundations (ASX Announcement “Updated Mt Carrington Scoping Study Justifies Feasibility” dated 29 March 2016).

For more information about White Rock and its Projects, please visit our website

www.whiterockminerals.com.au

or contact:

Matt Gill (Chief Executive Officer) or Shane Turner (Company Secretary)

Phone: +61 (0)3 5331 4644

Email: info@whiterockminerals.com.au

This announcement has been prepared for publication in Australia.

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other jurisdiction.

Competent Persons Statement

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

About Mount Carrington

- The Mt Carrington Project is located in northern NSW, near the township of Drake on the Bruxner Highway, 4 hours' drive south-west of Brisbane. The tenement package comprises 22 mining leases and two exploration licences over a total area of 229km² (Figure 3).
- The Mt Carrington Project contains gold-silver epithermal mineralisation associated with a large 250km² 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 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 NPV₁₀ of A\$60.6M and an IRR of 103%,
 - ✓ free cash flow of A\$100M (undiscounted),
 - ✓ a quick payback of 10 months, and
 - ✓ with 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 historic mining operation. 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. This existing infrastructure has been valued at A\$20M in terms of the savings 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. 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.

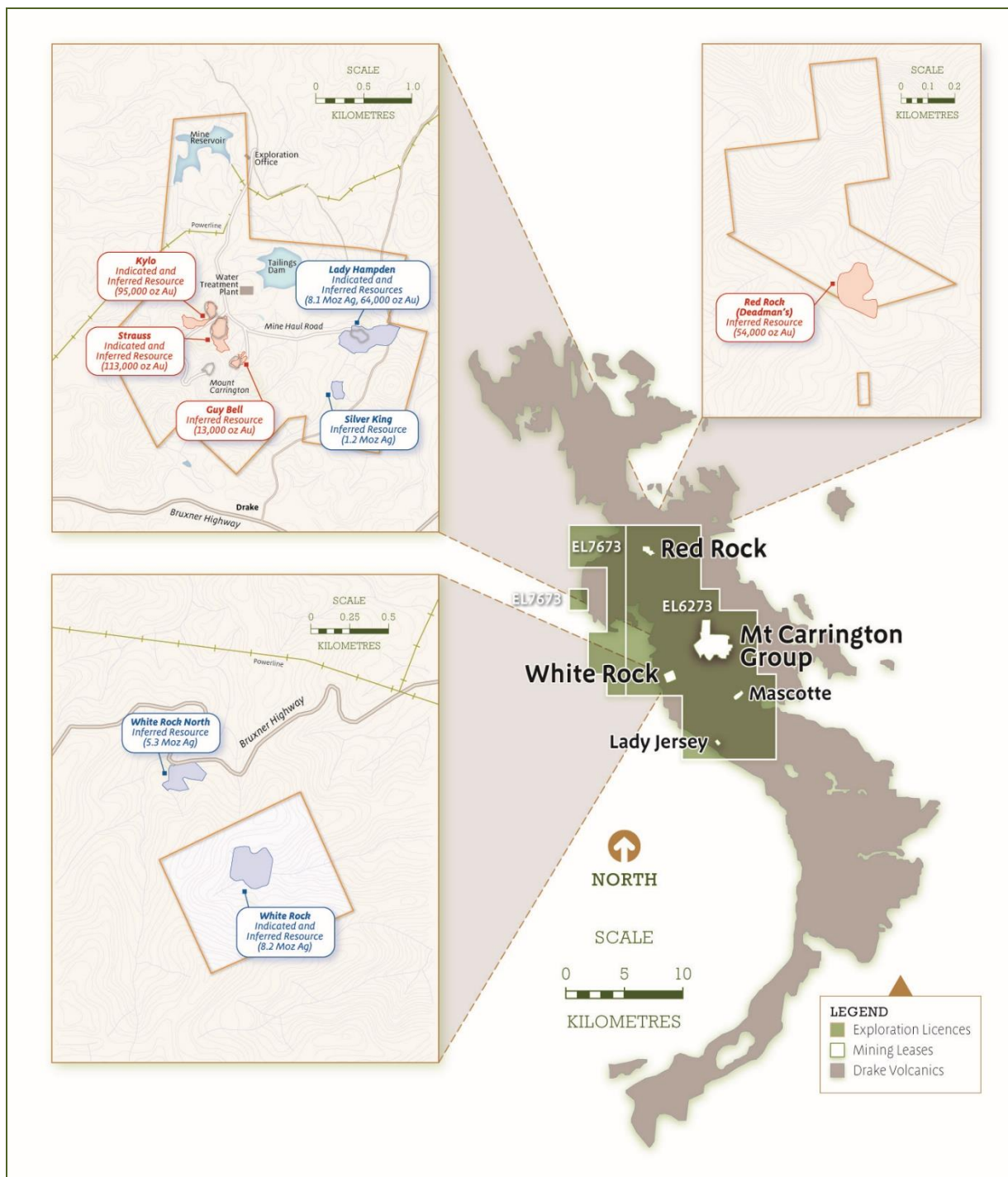


Figure 3 Mt Carrington Project Tenement and Resource Summary