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**ASX Code: WRM**

WHITE ROCK Minerals Ltd
ACN 142 809 970

# High priority conductivity targets identified at White Rock's Red Mountain zinc-silver VMS Project

**ASX Code: WRM**

**Issued Securities**
Shares: 440.2 million
Options: 33.2 million

**Cash on hand (30 June 2016)**
$0.26M

**Market Cap (8 August 2016)**
$8.8M at $0.02 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

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**White Rock Minerals ("White Rock") is pleased to announce that a number of high priority conductivity exploration targets have been identified at the Red Mountain Project, 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*).**

**The high priority conductivity targets have been identified based on their similar electrical responses to the known mineralisation at Dry Creek and West Tundra Flats.**

**The conductors can be further prioritised by the coincidence with zinc-silver surface geochemical anomalism known from previous historical work, their proximity to favourable geological structures and their association with magnetic anomalies. Each priority conductor presents a sizeable discrete target with follow-up geophysical ground surveying to be planned prior to drill testing for new zinc-silver-lead-gold-copper mineralisation.**

CEO Matt Gill said "VMS deposits typically occur in clusters (VMS "camps"). We are excited that the processing and interpretation of airborne electromagnetics data has identified a number of discrete conductors that are look-alikes for the known mineralisation at Dry Creek and West Tundra Flats. The highest priority targets, some which have coincident base metal and precious metal surface anomalism, will be fast tracked for ground surveys to define targets for drill testing.

Elsewhere in the world, we have seen the rapid transition from a conductivity target to new mine development when direct detection exploration tools like electromagnetics works for the mineralisation style targeted. Given the scale of the discrete conductors, any one of these targets could realise additional deposits with which to build an inventory to support a new mine development.

The Red Mountain project brings commodity diversification with a leveraged exposure to zinc and silver, two commodities that are performing very well in 2016. Together with gold, we believe that this commodity diversification positions the Company well, given that its cornerstone asset at Mt Carrington in northern New South Wales contains JORC resources totalling some 338,000 ounces of gold and 23.5M ounces of silver.

The recent US$19.7M financing package announced with Cartesian Royalty Holdings (*ASX Announcement 27 June 2016*) puts the advanced Mt Carrington gold-silver project firmly on a pathway to completing its feasibility study and subsequent development."

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Red Mountain Exploration Target Generation

White Rock has now completed a multi-disciplinary compilation, interrogation and interpretation of all available data at the Red Mountain project. Dr Jim Franklin, a recognised global VMS expert, has completed modern vector analysis of the geochemical data. Condor Consulting, Inc., recognised experts in the field of airborne electromagnetics, has completed modelling and detailed interpretation of the electromagnetics and magnetics surveys. Together, White Rock has been able to integrate the interpretations to define a suite of high priority targets that include extensions along strike of known mineralisation at Dry Creek and West Tundra Flats, as well as several new discrete targets that could represent additional zinc – silver deposits in the Red Mountain VMS camp.

Modelling and interpretation of the airborne electromagnetics data has identified a number of high priority conductors (Figure 1). The identification of these targets is based on profiling of the EM responses associated with the two known significant deposits at Dry Creek and West Tundra Flats, and the context provided by mapped geology, structure and magnetic interpretations. Analysis of the responses at Dry Creek and West Tundra Flats provided a set of selection criteria based on conductivity geometry, amplitude and variability observed from the EM profiles and 1D conductivity inversion models.

At **Dry Creek**, there is a strong coincidence between mineralisation and conductivity. In Figure 1 the Dry Creek mineralisation is shown to be coincident with Conductor 1. Figure 2 is a 3D representation of the spatial correlation between modelled mineralisation (solid blue body) and conductivity shown on the 1D inversion model sections by the steep north dipping red zones. The Dry Creek conductivity model provides confidence in targeting similar shallow conductors that are associated with anomalous surface geochemistry, as identified at ReRun (Conductor 7 & 8), Dry Creek West (Conductor 4, 5, & 6) and Rod (Conductor 9 & 10). In addition, Conductor 11 provides a compelling target given a number of local vectors that point towards extensions north-east of Dry Creek. No previous drilling has tested any of the conductors apart from the southern margin of Conductor 11.

At **West Tundra Flats**, the zinc-silver rich mineralisation starts from ~50 metres below surface and extends down a shallow dip to the south beyond the limit of detection with this electromagnetics survey. Outside of the zinc-silver rich mineralisation the VMS horizon extends up dip where it grades into massive pyrite to the north. The VMS horizon is mapped at the surface to the north where it is exposed in the topographic depression along Dry Creek, and is coincident with discrete shallow south dipping conductors (Conductor 2, Figure 1). The clarity of coincidence between the known VMS horizon and strong bedrock conductor at surface provides additional confidence in the correlation of lower strength shallow conductors observed at the depth limitations of this electromagnetics survey (50-80m).

Based on the observations at West Tundra Flats, Conductor 3 to the west of Conductor 2 is an immediate target of interest since the southern dip extension of Conductor 3 coincides with one of the only discrete magnetic anomalies (Anomaly M, Figure 1) observed in what is otherwise a subdued magnetic zone throughout the area of interest.

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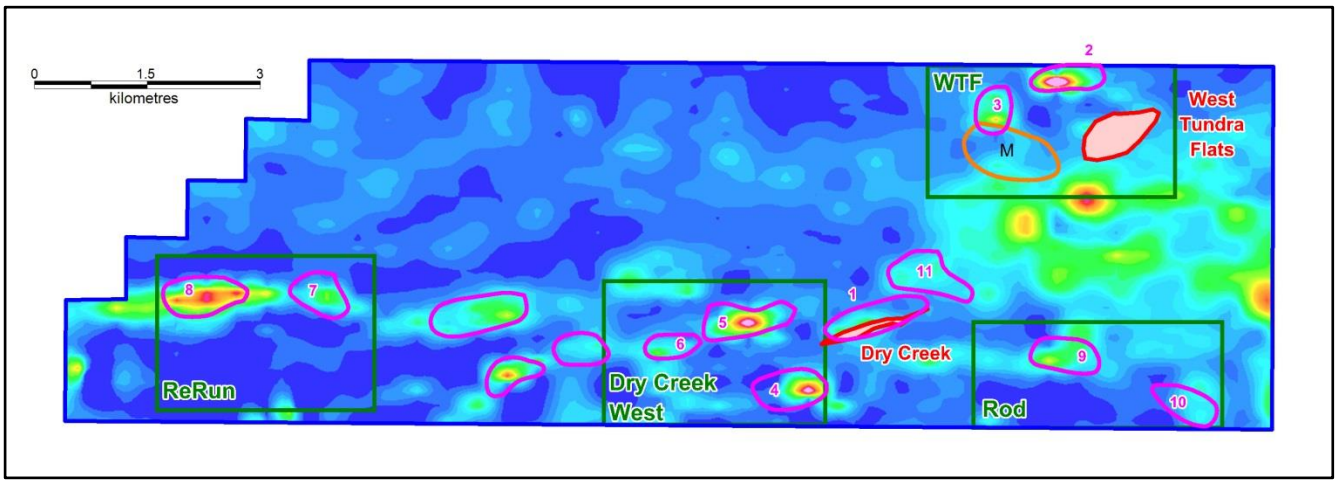


**Figure 1**: High priority conductors (pink) on a conductivity depth slice at 40m below surface from the 1D inversion of airborne electromagnetics.
The locations for the Dry Creek and West Tundra Flats VMS deposits, and target areas (ReRun, Dry Creek West, Rod and WTF) are defined by geochemical alteration (in green boxes).

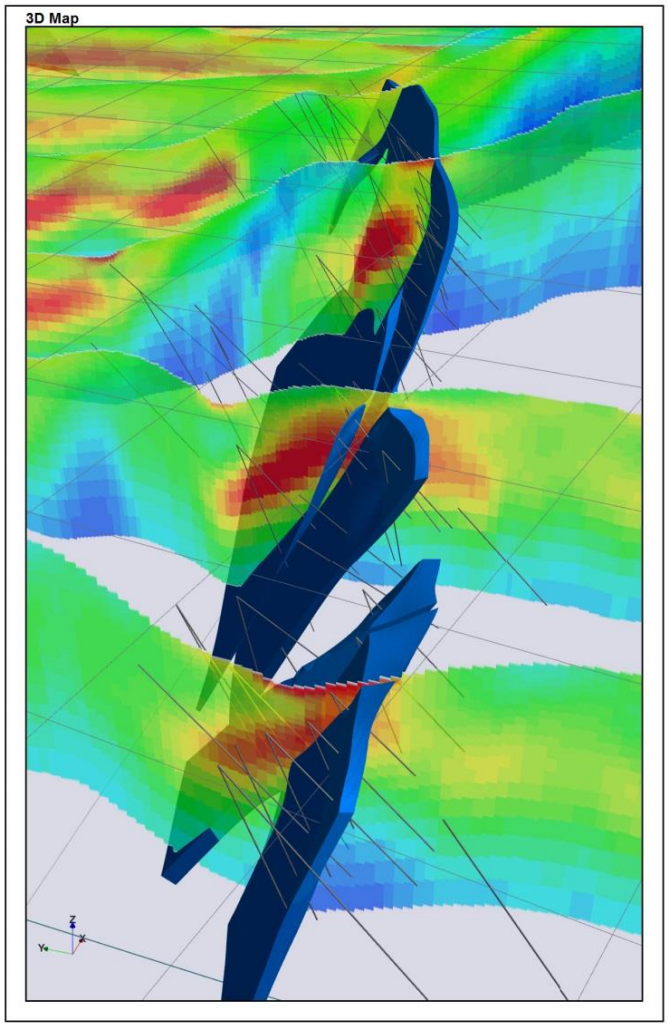


**Figure 2 (left).** 3D view to the ENE of Dry Creek mineralisation (solid blue body) and 1D conductivity inversion model sections showing conductivity (red).

Drill hole traces are shown in grey.
Grid spacing of 200 metres.

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*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 $NPV_{10}$ 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 base (Refer Figure 4: Mt Carrington exploration target pipeline). 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.

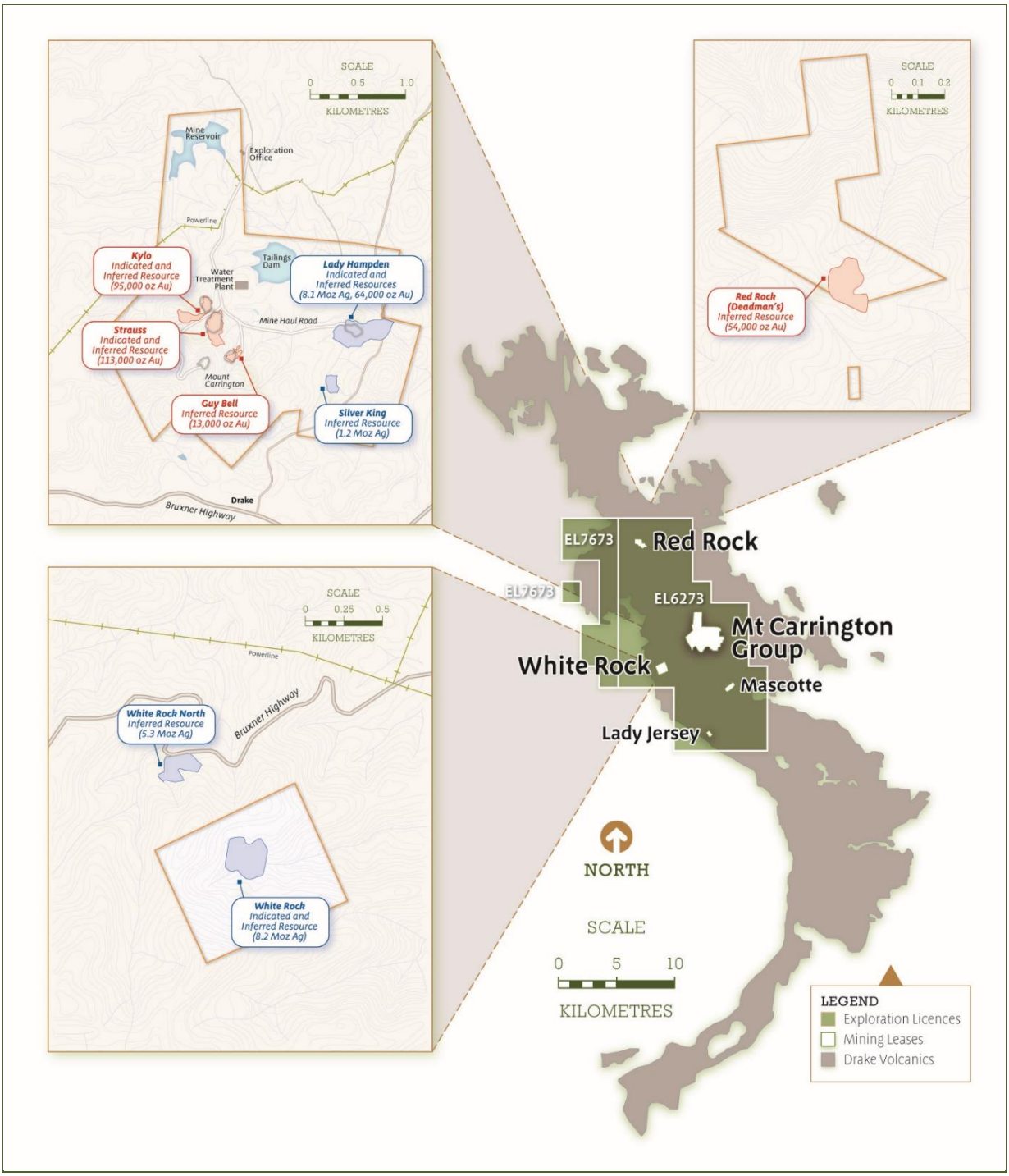


***Figure 3: Mt Carrington Project Tenement and Resource Summary***

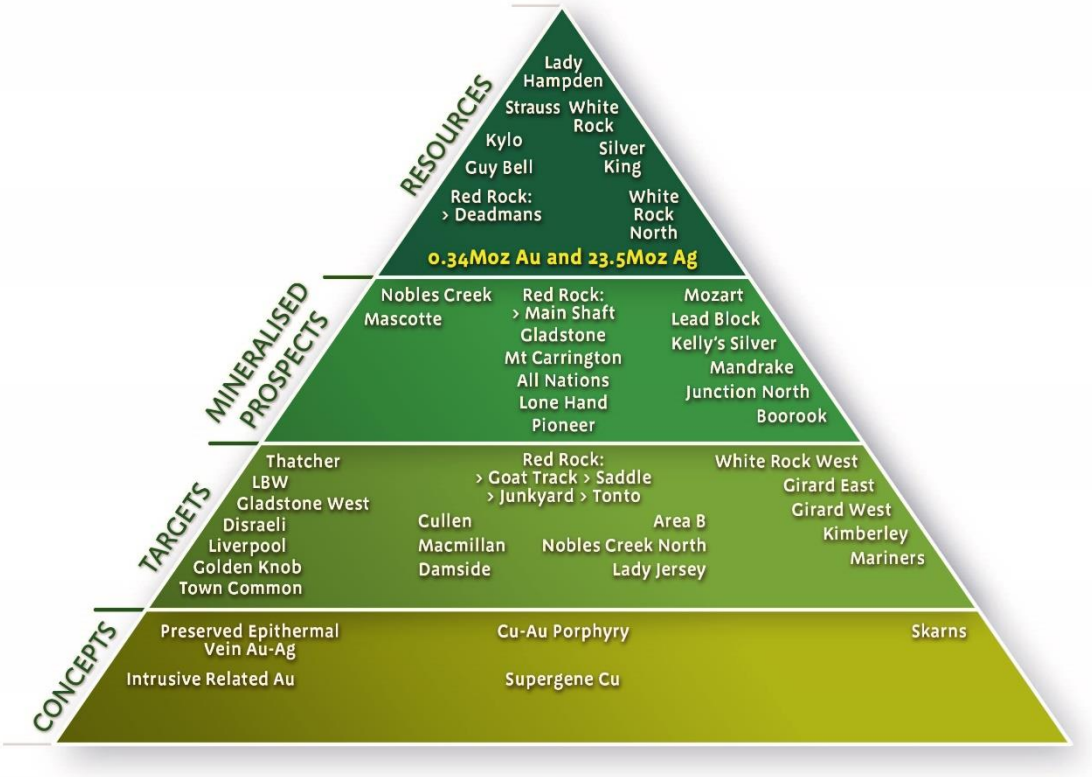


***Figure 4: Mt Carrington exploration target pipeline.***

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


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

- The Red Mountain Project contains polymetallic VMS mineralisation rich in zinc, silver and lead. Previous exploration has defined mineralisation at the two main prospects (Dry Creek and West Tundra Flats).

- 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 from39.1m

**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 from160.9m
  - 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.

- 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 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.

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