

White Rock and Cartesian Royalty Holdings formalise A\$1,000,000 Two Tranche Equity Placement

ASX Code: WRM

Issued Securities

Shares: 401.8 million
Options: 15.5 million

Cash on hand (31 Mar 2016)
\$0.6M

Market Cap (18 July 2016)
\$10.4M at \$0.026 per share

Directors & Management

Brian Phillips
Non-Executive Chairman

Geoffrey Lowe
Non-Executive Director

Peter Lester
Non-Executive Director

Matthew Gill
Chief Executive Officer

Shane Turner
Company Secretary

Rohan Worland
Exploration Manager

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White Rock Minerals Ltd (ASX:WRM) is pleased to announce that it has entered into a subscription agreement with Cartesian Royalty Holdings Pte Ltd (CRH), an affiliate of the US-based Cartesian Capital Group, providing for a two-tranche A\$1,000,000 equity placement. This equity placement is in connection with a proposed two-phase conditional financing package to assist White Rock to develop its Mt Carrington Project through to full commercial production, as set out in more detail in its 27 June 2016 ASX announcement.

Details of the equity placement are as follows:

- **Tranche 1** - placement of 38,461,538 fully paid ordinary shares at \$0.013 (1.3 cents) per share to raise A\$500,000. CRH (or its nominee) will also receive the following unlisted options to subscribe for fully paid ordinary shares for no additional consideration:
 - 57,692,308 options with an exercise price of A\$0.018 (1.8 cents) and expiry date of 5 years from the date of issue (A Class Options); and
 - 19,230,769 options with an exercise price of A\$0.023 (2.3 cents) and expiry date of 5 years from the date of issue (B Class Options).The Tranche 1 shares and A Class Options will be issued under White Rock's existing placement capacity without shareholder approval on or about 20 July 2016. The issue of the B Class options is subject to White Rock shareholder approval under ASX Listing Rule 7.1. White Rock intends to convene a shareholders meeting around late August to seek approval of the issue of the above B Class Options, as well as refresh its placement capacity.
- **Tranche 2** - placement of 38,461,538 fully paid ordinary shares at \$0.013 (1.3 cents) per share to raise an additional A\$500,000. CRH (or its nominee) will also receive the following unlisted options to subscribe for fully paid ordinary shares for no additional consideration:
 - 57,692,308 options with an exercise price of A\$0.018 (1.8 cents) and expiry date of 5 years from the date of issue; and
 - 19,230,769 options with an exercise price of A\$0.023 (2.3 cents) and expiry date of 5 years from the date of issue.

Tranche 2 is subject to a number of conditions, including: (a) White Rock shareholder approval under ASX Listing Rule 7.1; (b) an announcement by White Rock that it has commenced its Definitive Feasibility Study work; and (c) completion of due diligence by CRH to its satisfaction.

The terms of issue of the Tranche 1 and Tranche 2 options contain an optional cashless exercise mechanism, which 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 difference between the exercise price and the market value of White Rock shares at the time the options are exercised.

As part of the arrangements relating to the equity placement:-

- if, after the Tranche 1 placement has occurred, White Rock is unable to raise adequate funding to finance the Definitive Feasibility Study and Environmental Impact Statement activities within six months from the date of the Term Sheet with CRH, it is intended that White Rock will instead grant CRH a 1.0% net smelter return royalty on the Mt Carrington tenements; and
- if adequate funding for the Definitive Feasibility Study and Environmental Impact Statement activities is achieved, and White Rock shareholder approval for the issue of the Tranche 2 securities is not obtained by 31 December 2016, White Rock has agreed to provide CRH with an irrevocable 1.0% net smelter return royalty on its Mt Carrington tenements as well as a break fee of US\$50,000.

CRH has agreed to waive the anti-dilution right condition referred to in the 27 June 2016 ASX announcement in respect of the equity placement.

Upon completion of the Tranche 2 placement, CRH will have the right to nominate a non-executive director to the White Rock Board of Directors.

White Rock intends to use the funds from the equity placement for working capital purposes and to contribute funding for White Rock to progress its Definitive Feasibility Study and Environmental Impact Statement activities.

CEO Matt Gill said “White Rock welcomes Cartesian Royalty Holdings onto its register as a strategic partner, who shares the same vision to develop the Mt Carrington gold and silver project in northern NSW to its full potential.

The financing package with Cartesian, announced on 27 June, provides White Rock with a proposal to assist to advance its Mt Carrington Project through feasibility and permitting, and then to move directly into construction, commissioning and commercial production, subject to the delivery of a successful DFS.

The compelling financial metrics from our recently updated scoping study give us great confidence that we now have the keys to unlock the significant potential of the Mt Carrington asset for all stakeholders”.

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