

# ASX and Media Release

Monday 6<sup>th</sup> April 2020



## White Rock Minerals Company Update

**ASX Code: WRM**

**Issued Securities**

Shares: 1,882 million

Options: 585 million

**Cash on hand** (31 Dec 2019)

\$1.76M

**Market Cap** (3 April 2020)

\$7.5M at \$0.004 per share

**Directors & Management**

Peter Lester

Non-Executive Chairman

Matthew Gill

Managing Director &  
Chief Executive Officer

Jeremy Gray

Non-Executive Director

Stephen Gorenstein

Non-Executive Director

Shane Turner

Company Secretary

Rohan Worland

Exploration Manager

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White Rock Minerals Ltd (the Company) provides Shareholders with the following update in response to the COVID-19 pandemic.

As a company operating internationally, we are extremely cognisant of the spread of the Coronavirus and the safety and wellbeing of our staff and contractors is our highest priority.

The Company has taken actions and preventative measures to minimize COVID-19 virus risks for both the business, its employees and all others interacting with the Company. Guidelines as recommended by the Federal and State Governments are implemented, with all non-essential travel and non-essential face-to-face meetings cancelled, working from home implemented where possible and virtual/online communications enacted. The Company had already closed its corporate office in Ballarat over a year ago and our staff and management are well adapted to working remotely across many time zones (Melbourne, Perth, London and Alaska).

With the very considerable uncertainty around activities due to the COVID-19 crisis, including increased tightness in funding for junior exploration companies, the Company advises that a number of cost saving initiatives have also been implemented to preserve cash reserves while still allowing work to continue on developing strategies to advance the Company's two assets.

As part of these measures, Directors and Management, including administration contractors, have agreed to an across the board 30% cut in fees effective immediately.

Given that the duration of the current market conditions is unknown, the Company will be continuously reviewing its cost base and considering ways to maximise the value of the Mount Carrington gold/silver project and the Red Mountain VMS and gold project.

**The Red Mountain high-grade zinc and precious metals VMS Project, Alaska.**

The Company completed its 2019 field season in October and demobilised from site prior to the commencement of winter in Alaska. The Company is investigating what opportunities there might be to conduct a focused exploration and drill program; testing the large, robust and we believe significant gold anomaly discovery called Last Chance<sup>3</sup> that we announced in January this year. This newly defined Last Chance gold prospect is located within the Tintina Gold Province, host to giant gold deposits including Donlin Creek (45 Moz Au), Pogo (10 Moz Au) and Fort Knox (13.5 Moz Au), which are all Intrusion Related Gold System ("IRGS") style of mineralisation.

In addition, the final drill hole from the 2019 field campaign<sup>4</sup>, a 200-metre plus down-dip step out at the Dry Creek VMS deposit, suggests considerable potential for the Mineral Resource to grow in size and tonnage along its entire 1,200 metre strike length.

Currently, the Company has not planned to conduct any 2020 field activities but, pending Local Government guidelines related to COVID-19, the Company feels well placed to implement a field program given the location of the project and the Company's reliance on local Alaskan consultants and contractors. White Rock has maintained a field camp with a drill rig remaining on site and available to test both The Last Chance gold target and extensions to the Mineral Resource at Dry Creek, through a controlled program that meets stringent safety and wellbeing requirements should the COVID-19 pandemic remain through 2020.

### **The advanced Mt Carrington Gold and Silver Project, New South Wales**

Our Mt Carrington Project is an advanced gold and silver project in Australia with JORC 2012 Mineral Resources<sup>6</sup> for the gold (341,000 ounces) and silver (23.2 million ounces), a JORC 2012 Ore Reserve and a Pre-Feasibility Study (PFS) for the gold<sup>5</sup>, the gold pits (separate to the silver pits) are pre-stripped and there is considerable existing infrastructure including a tailings storage facility. The PFS financial metrics for this project are robust, especially in this strong gold price environment, demonstrating a capital payback less than 1 year, an IRR greater than 80% and with free cash flow generated from the gold over its first 4 years of greater than A\$90M.

The Company is in discussions with various parties about this Project and is also conducting a strategic review of Mt Carrington in light of the very strong gold price environment.

### **Corporate**

The Company is cognisant of the turbulence and volatility in the market associated with COVID-19. Like everyone else, we are unsure as to how long the pandemic will continue and what it will mean for the resources sector in the short, medium and longer term.

While this uncertainty prevails, we have been investigating ways to manage and limit expenditures wherever possible. While travel and direct field exploration is not being undertaken, we are also looking at other measures to manage and preserve cash.

In this regard, the Board and Management team has agreed to a uniform 30% reduction in fees during the pandemic, with reviews of this initiative to be undertaken throughout the year.

### **Commentary**

White Rock's Managing Director, Matt Gill, said that these are unprecedented and volatile times in the market with the vast majority of events outside of the Company's control.

*"For the areas that we can control, we are focused on continuing to deliver value for our Shareholders. As an exploration company, we understand what it is like to operate in uncertain times with uncertain outcomes. Work is still progressing and we are prepared to come out the other side in a strong position within a good industry sector and able to take advantage of any opportunities that may arise. Our view on the gold sector remains bullish and there will be a flight to quality by investors seeking a secure investment at a time of low interest rates. White Rock Minerals believes it will meet those criteria.*

*"We do not believe it is smart or responsible to our Shareholders to simply shut down or stop and wait until it blows over. We need to be in a position to hit the ground running and present ourselves as an investment of choice once market conditions improve.*

*"I can reassure you that the Board is heavily committed to ensuring that we get the best possible outcome for Shareholders and work is not slowing, notwithstanding any potential issues that may arise from the pandemic. The Company's fundamentals are sound, the outlook for gold appears very strong and we are in a reasonable cash position.*

*"Thank you for your forbearance and we look forward to your continued support."*

For more information about White Rock and its Projects, please visit [www.whiterockminerals.com.au](http://www.whiterockminerals.com.au)

*This announcement has been authorised for release by the Board.*

**For further information, contact:**

*Matthew Gill or Shane Turner*

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### **About White Rock Minerals**

White Rock Minerals is a diversified explorer and near-stage producer, headquartered in Ballarat, Victoria. The Company's flagship exploration project is Red Mountain in central Alaska. At Red Mountain, there are already two high grade deposits, with an Inferred Mineral Resource<sup>1</sup> of **9.1 million tonnes @ 12.9% ZnEq<sup>2</sup>** for 1.1 million tonnes of contained zinc equivalent.

The Mt Carrington project, located near Drake, in Northern NSW, is a near-production precious metals asset with a resource of 341,000 ounces of gold and 23.2 million ounces of silver.

White Rock Minerals is listed on the **ASX:WRM**.

<sup>1</sup> Refer ASX Announcement 26<sup>th</sup> April 2017 "Maiden JORC Mineral Resource, Red Mountain".

<sup>2</sup> ZnEq = Zinc equivalent grades are estimated using long-term broker consensus estimates compiled by RFC Ambrian as at 20 March 2017 adjusted for recoveries from historical metallurgical test work and calculated with the formula:  $ZnEq = 100 \times [(Zn\% \times 2,206.7 \times 0.9) + (Pb\% \times 1,922 \times 0.75) + (Cu\% \times 6,274 \times 0.70) + (Ag \text{ g/t} \times (19.68/31.1035) \times 0.70) + (Au \text{ g/t} \times (1,227/31.1035) \times 0.80)] / (2,206.7 \times 0.9)$ . White Rock is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.

<sup>3</sup> Refer ASX Announcement 28<sup>th</sup> January 2020 "Large Gold Anomaly Discovered, Tintina Gold Province, Alaska".

<sup>4</sup> Refer ASX Announcement 4<sup>th</sup> November 2019 "Red Mountain – 21.6% Zinc Equivalent Grade intersected in 200m Depth Extension".

<sup>5</sup> Refer ASX Announcement 27<sup>th</sup> December 2017 "Mt Carrington gold & silver Project Pre-feasibility Study confirms a financially robust Gold First Stage project".

<sup>6</sup> Refer ASX Announcement 9<sup>th</sup> October 2017 "Improved Gold Resources at Mt Carrington Gold-Silver Project."

### **No New Information or Data**

This announcement contains references to exploration results, Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, all of which have been cross-referenced to previous market announcements by the Company. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements. In the case of Mineral Resource estimates, Ore Reserve estimates, production targets and forecast financial information derived from the production targets, all material assumptions and technical parameters underpinning the estimates, production targets and forecast financial information derived from the production targets contained in the relevant market announcement continue to apply and have not materially changed.