

ASX Release: 30 April 2019

## Quarterly Activities Report - for the Quarter ended 31 March 2019

**ASX Code: WRM**

**Issued Securities**

Shares: 1,636 million  
Options: 565 million

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

\$1.85M

**Market Cap** (as at 29 Apr 2019)

\$11.4M at \$0.007 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

Rohan Worland  
Exploration Manager

Shane Turner  
CFO & Company Secretary

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### During the first quarter of 2019, White Rock Minerals:

- Announced the signing of an Earn-In and Joint Venture Agreement with Sandfire Resources (SFR) to fund exploration at its high-grade zinc and precious metals VMS Red Mountain project in central Alaska; and
- Continues to explore avenues to develop its advanced Mt Carrington gold and silver project in NSW.

### Red Mountain high-grade zinc and precious metals VMS project

Red Mountain is a globally significant<sup>1</sup> zinc, lead and precious metals volcanogenic massive sulphide (“VMS”) project located in central Alaska, USA. Two identified deposits (Dry Creek and West Tundra Flats) have a maiden Resource<sup>2</sup> base of **16.7Mt at 8.9% ZnEq<sup>3</sup>** including a high-grade component of **9.1Mt @ 12.9% ZnEq<sup>3</sup>**, and with massive sulphide mineralisation at the Hunter prospect<sup>4</sup> recently discovered in 2018.

During the Quarter, several significant events impacted positively on the future exploration potential for the Red Mountain Project. These included:

- White Rock Minerals Limited (ASX:WRM) (**White Rock**) and Sandfire Resources NL (ASX:SFR) (**Sandfire**) signing an Earn-In and Joint Venture Agreement<sup>5</sup> (**JVA**) to permit Sandfire to farm-in to the Red Mountain Project. Stage One will see Sandfire **fund A\$20M in exploration** on the project over the first four years to earn 51%. For Year One (the 2019 field season), the funding requirement would be a minimum of A\$6M. This is a great endorsement of White Rock’s view on the project’s quality and potential.
- As a part of the JVA, White Rock and Sandfire formed a Management and Technical Committee, developed and **approved a A\$6,000,000 budget for a 2019 exploration program**. This program aims to conduct a comprehensive geochemical and geophysical testing program and drill test the maximum number of new targets possible within the strategic 475km<sup>2</sup> belt-scale regional tenement package<sup>6</sup>. Drilling is planned to commence late-May.
- Subsequent to the Quarter end, a 3,000 line kilometre SkyTEM airborne electromagnetics (AEM) survey commenced<sup>7</sup>.

### Mt Carrington gold and silver project

Mt Carrington is a 100% owned advanced gold-silver epithermal project located in northern NSW, Australia. A 2017 Pre-Feasibility Study (PFS) into the “Gold First” development stage declared a Maiden Ore Reserve of 3.47 million tonnes at 1.4g/t gold for 159,000 ounces gold<sup>8</sup> within a resource of 341,000 ounces of gold and 23 million ounces of silver<sup>9</sup>. The Stage One PFS confirmed Mt. Carrington as a viable gold first project (Gold First) with significant potential upside in subsequent silver production and future gold and silver exploration.

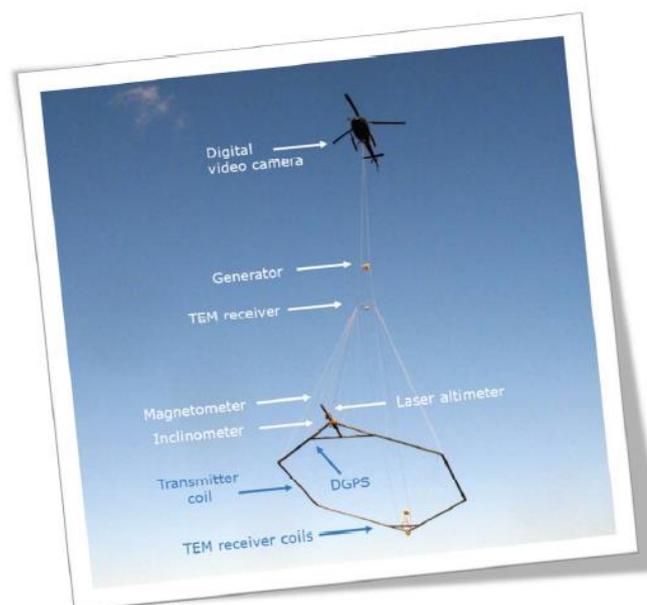
During the Quarter, strong Australian gold prices have encouraged the Company to continue to explore avenues to advance the Mt Carrington Project with interested parties and several corporate advisory groups.

### Red Mountain Zinc-Silver-Lead-Gold VMS Project

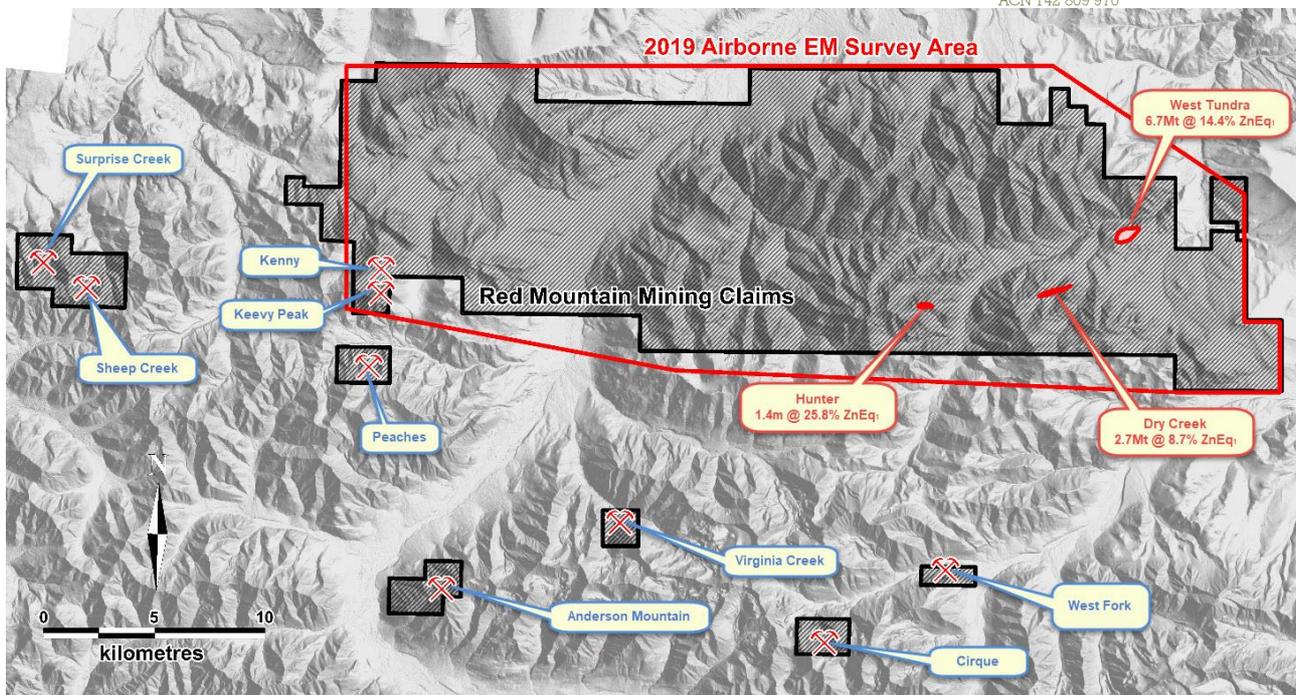
White Rock and Sandfire have developed and approved a A\$6,000,000 budget to conduct a comprehensive 2019 field exploration program that aims to drill test the maximum number of new targets possible within the strategic 475km<sup>2</sup> belt-scale regional tenement package.

Field exploration activities anticipated to be conducted during 2019 include:-

- A 3,000 line kilometre SkyTEM airborne electromagnetics (AEM) survey commencing mid-April (Figure 1). The new SkyTEM survey will be the first modern high-powered time domain EM survey at Red Mountain with the capability of identifying conductivity anomalies to depths of 300m that could fast-track a significant new discovery.
- Satellite spectral analysis including the assessment of hyperspectral data to identify and map alteration zonation ahead of field exploration.
- Regional whole rock litho-geochemical analysis of tenement-wide rock chip samples collected in 2018 and accessed from the Alaskan Geologic Survey to identify regional alteration zonation to assist in prioritising targets for detailed field exploration during 2019.
- Detailed on-ground geological reconnaissance and soil geochemical sampling across regional target areas using portable XRF analysers to deliver rapid target definition.
- Detailed electrical ground geophysics (CSAMT and MT) across the regional targets replicating the most rapid field acquisition electrical technique that successfully mapped conductivity associated with mineralisation at both the two existing deposits: Dry Creek and West Tundra.
- A diamond drill program commencing late-May to follow-up the successful discovery of new massive sulphide mineralisation at the Hunter prospect in 2018. This discovery, outcropping on surface and traceable for over 500 metres, and with just three drill holes to date, returning grades in excess of **17% zinc, 3% lead, 90 g/t silver and 1.5% copper**<sup>4</sup>, is also open down-dip.
- A diamond drill program to test the best of the regional targets defined by this multidisciplinary use of airborne EM, 2018 stream geochemical anomalies, new satellite defined alteration, whole rock litho-geochemical alteration, on ground soil & rock geochemistry and on ground electrical geophysics.
- Selective down hole electromagnetics surveys to identify off-hole conductivity anomalies for follow-up drill testing.



**Figure 1. Airborne EM equipment being flown from underneath a helicopter.**



**Figure 2:** Location of the airborne EM survey with respect to the tenement holdings, locations for the Dry Creek and West Tundra Flats VMS deposit Mineral Resources<sup>2</sup>, the new discovery at the Hunter Prospect and outlier VMS prospects on the terrain map.

## **CORPORATE**

On 14 January 2019 it was announced that a new Prospectus for the Kentgrove Equity Placement Facility was lodged as the previous Prospectus had ceased. The new Prospectus will expire on 13 February 2020.

On 22 February 2019 it was announced that Mr Ian Smith was resigning as a Non-Executive Director, effective 28 February 2019.

## **White Rock Minerals Ltd Tenement schedule for the quarter ended 31 March 2019**

Country/State	Project	Tenement ID	Area
Australia/NSW	Mt Carrington	EL6273, MPL24, MPL256, MPL259, SL409, SL471, SL492, ML1147, ML1148, ML1149, ML1150, ML1200, MPL1345, ML5444, GL5477, GL5478, ML5883, ML6004, ML6006, ML6242, ML6291, ML6295, ML6335	183km <sup>2</sup>
USA/Alaska	Red Mountain	ADL611355, ADL611356, ADL611362, ADL611364, ADL611366, ADL611371, ADL621625-621738 (114), ADL623325-623330 (6), ADL623337-623342 (6), ADL624104-624627 (524), ADL721002-721010 (9), ADL721029-721038 (10), ADL721533-721615 (83), ADL721624, ADL721625	475km <sup>2</sup>

**Table 1: Tenement Schedule**

The Mt Carrington Project comprises 22 Mining Leases and one Exploration Licence. 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 760 Mining Claims. All tenements are held 100% by White Rock (RM) Inc., a wholly owned subsidiary of White Rock Minerals Ltd. The Red Mountain Project is subject to an Earn-in and Joint Venture Option Agreement<sup>5</sup> with Sandfire Resources NL.

### **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, where it has an earn-in joint venture arrangement with Sandfire Resources. At Red Mountain, White Rock has identified high-grade polymetallic VMS mineralisation rich in zinc, silver, lead and gold. The Mt Carrington project, located near Drake, in Northern NSW, is a near-production precious metals asset with a resource of 341,000oz gold and 23.2Moz silver. White Rock Minerals is listed on the **ASX:WRM**.

<sup>1</sup> Refer ASX Announcement dated 26 September 2017 "White Rock Minerals Independent Research Report".

<sup>2</sup> Refer ASX Announcement 26<sup>th</sup> April 2017 "Maiden JORC Mineral Resource, Red Mountain".

<sup>3</sup>  $ZnEq = \text{Zinc equivalent grades are estimated using long-term broker consensus estimates compiled by RFC Ambrian as at 20 March 2017 adjusted for recoveries from historical metallurgical test work and calculated with the formula: } ZnEq = 100 \times [(Zn\% \times 2,206.7 \times 0.9) + (Pb\% \times 1,922 \times 0.75) + (Cu\% \times 6,274 \times 0.70) + (Ag \text{ g/t} \times (19.68/31.1035) \times 0.70) + (Au \text{ g/t} \times (1,227/31.1035) \times 0.80)] / (2,206.7 \times 0.9)$ . White Rock is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.

<sup>4</sup> Refer ASX Announcement 20<sup>th</sup> August 2018 "High Grade Zinc Discovery at the Hunter Prospect, Red Mountain".

<sup>5</sup> Refer ASX Announcement 25<sup>th</sup> March 2019 "Joint Venture Agreement signed with Sandfire Resources".

<sup>6</sup> Refer ASX Announcement 21<sup>st</sup> November 2018 "Expanded Land Holding with Additional High-Grade VMS Prospects, Red Mountain".

<sup>7</sup> Refer ASX Announcement 26<sup>th</sup> April 2019 "First modern-day high-powered airborne geophysics survey commences at the Red Mountain Project in Alaska".

<sup>8</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>9</sup> Refer ASX Announcement 9<sup>th</sup> October 2017 "Improved Gold Resources at Mt Carrington Gold-Silver Project."

### **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 this information in the form and context in which it appears.

### **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.

## Appendix 5B

# Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

**Name of entity**

WHITE ROCK MINERALS LTD

**ABN**

64 142 809 970

**Quarter ended ("current quarter")**

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(215)	(4,556)
(b) development	(11)	(33)
(c) production		
(d) staff costs	(142)	(426)
(e) administration and corporate costs	(339)	(1,045)
1.3 Dividends received (see note 3)		
1.4 Interest received	20	45
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(687)</b>	<b>(6,015)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(10)	(71)
(b) tenements (see item 10)	0	(101)
(c) investments/government bonds		
(d) other non-current assets		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (Red Mountain Project Earn In & Joint Venture Contribution)	1,002	1,002
<b>2.6 Net cash from / (used in) investing activities</b>	<b>992</b>	<b>830</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	0	4,214
3.2 Proceeds from issue of convertible notes	0	1,000
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	0	(158)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>0</b>	<b>5,056</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,546	1,980
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(687)	(6,015)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	992	830
4.4 Net cash from / (used in) financing activities (item 3.10 above)	0	5,056
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of period</b>	<b>1,851</b>	<b>1,851</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,851	1,546
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,851</b>	<b>1,546</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	133
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Remuneration to Directors

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	Nil
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	Nil	Nil
8.2 Credit standby arrangements	Nil	Nil
8.3 Other (please specify)	Nil	Nil
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The Unsecured Convertible Loan from Sandfire Resources NL was converted to an Earn In contribution upon signing the Red Mountain Project Earn In & JV Agreement – refer ASX announcement 25 March 2019.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	2,270
9.2 Development	20
9.3 Production	
9.4 Staff costs	126
9.5 Administration and corporate costs	250
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>2,666</b>

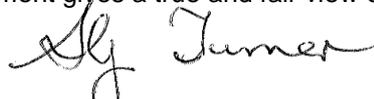
Exploration to be funded by Sandfire Resources NL Earn In & JV contributions.

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

  
(Company secretary)

Date: 30 APRIL 2019

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.