

29 October 2014



Exercise of Spookfish Option and \$4m Placement

Highlights

- **White Star exercises option early to acquire 100% of Spookfish and Geospatial Investments**
- **Firm commitments received to raise \$4 million pursuant to a prospectus**
- **Funds to be used in 2015 to finance pilot programme and develop commercial product offering**
- **Hoperidge Capital and Brent Stewart commit to becoming cornerstone investors in White Star**
- **White Star is to be renamed Spookfish Limited**

White Star Resources Limited (ASX: WSR) ("White Star") is pleased to announce that it has exercised the option to acquire Spookfish Pty Ltd ("Spookfish") and Geospatial Investments Pty Ltd ("Geospatial Investments") ("Acquisition") while receiving firm commitments to raise a minimum of \$4 million through a capital raising ("Capital Raising") on the terms set out below.

White Star has appointed Forrest Capital as lead manager for the Capital Raising, pursuant to a re-compliance prospectus, and has secured firm commitments for a minimum capital raise of \$4 million through the issue of 115,000,000 shares at an issue price of \$0.035 each with a 1 for 2 free attaching option. The unlisted options are exercisable at \$0.05 by 30 November 2018.

The funds will be used in 2015 to finance the pilot programme of the technology demonstrator and the development of the phase two higher altitude commercial offering.

Commenting on exercising its option to acquire Spookfish and investor support received for the transaction, White Star Executive Director, Jason Marinko, said:

"White Star has been excited by the potential for the Spookfish technology from the outset and the ability of the exceptional technical team to advance the development of the technology demonstrator has enabled us to exercise our option early.

"The progress achieved by the Spookfish team has led to demand from the original shareholders of Spookfish to increase their support, and their continuing confidence and loyalty is very encouraging as we move into a new phase of our growth."

ASX ANNOUNCEMENT

Board & Management:

Steve Anastos
Chairman

Jason Marinko
Director

Davide Bosio
Director

Shannon Robinson
Director | Company Secretary

Issued Capital:
363 million shares

Registered Office:
Level 1, Suite 5, The Business Centre
55 Salvado Road
Subiaco WA 6008

Postal Address:
PO Box 131
Subiaco WA 6904

Contact Details:
T: +61 8 9380 6789
F: +61 8 9380 6761
E: admin@whitestarresources.com.au

Website
www.whitestarresources.com.au

ASX Code:
WSR

Share Registry:
Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009

T: +61 8 9389 8033
F: +61 8 9262 3723



White Star Resources is also pleased to advise that Hoperidge Capital and Brent Stewart have committed to becoming new cornerstone investors in White Star.

Hoperidge Capital is the Family Office of Rod Jones, (co-founder and Managing Director of Navitas Limited), a leading global education provider with a market capitalisation of approximately \$2bn. Mr Jones was awarded the 2008 Ernst & Young Australian Entrepreneur of the Year.

Brent Stewart established and grew one of Australia's largest privately owned marketing research and consulting businesses, Market Equity, which was ultimately acquired by Aegis PLC in 2005. Mr Stewart became Global CEO of the Aegis' marketing research business, Synovate, with responsibility for Geographies in over 100 offices throughout more than 50 countries. Mr Stewart has a wealth of experience in corporate strategy and business planning and has held key strategic roles in numerous private and early stage public companies.

"We are delighted to welcome our two new key cornerstone investors, Hoperidge Capital and Brent Stewart, to our share register at a very significant time for the Company. Hoperidge Capital and Brent Stewart are investors who can add significant value to Spookfish as they continue to develop and commercialise the exciting Spookfish technology platform."

"It provides us with confidence that these experienced cornerstone investors recognise the same significant opportunity to redefine the global geospatial industry through Spookfish and we look forward to developing a long standing partnership with them. We believe that White Star is now well positioned to develop and commercialise the revolutionary Spookfish Technology and we look forward to beginning full scale testing," Mr Marinko added.

Furthermore, the Capital Raising will be conditional on White Star obtaining shareholder approval and the successful completion of the Acquisition. Completion of the Acquisition is subject to further due diligence including full-scale testing of the Spookfish Technology Demonstrator., which is anticipated to be completed prior to the shareholder meeting.

Indicative Capital Structure

The table below reflects the indicative capital structure.

Capital Structure	Shares
Currently on Issue	363,085,005
Acquisition of Spookfish and Geospatial Investments ¹	160,000,000
Introduction and Facilitation Shares ²	8,400,000
Placement (\$4m) ³	115,000,000
Total on Issue	646,485,005
<p>Notes:</p> <ol style="list-style-type: none"> The following securities will be issued to vendors: <ol style="list-style-type: none"> 160,000,000 Milestone Shares would be issued upon generation of \$20,000,000 of cumulative revenue or VWAP of the Company's Shares calculated on the preceding 20 days on which trades are recoded on ASX being equal to or greater than 18 cents within 4 years of completion of the Acquisition; 200,000,000 Milestone Shares would be issued upon generation of \$36,000,000 of cumulative revenue or VWAP of the Company's Shares calculated on the preceding 20 days on which trades are recoded on ASX being equal to or greater than 18 cents within 5 years of completion of the Acquisition; The following securities would be issued as part of completion of the Acquisition to advisors for the introduction and facilitation of the transaction: <ol style="list-style-type: none"> 11,200,000 Milestone Shares would be issued upon generation of \$20,000,000 of cumulative revenue or VWAP of the Company's Shares calculated on the preceding 20 days on which trades are recoded on ASX being equal to or greater than 18 cents within 4 years of completion of the Acquisition; 14,000,000 Milestone Shares would be issued upon generation of \$36,000,000 of cumulative revenue or VWAP of the Company's Shares calculated on the preceding 20 days on which trades are recoded on ASX being equal to or greater than 18 cents within 5 years of completion of the Acquisition. <p>Further detail of the terms and conditions of the Milestone Shares is set out in the announcement made to ASX on 17 July 2014.</p> Pursuant to the Placement terms, 57,500,000 unlisted options exercisable at \$0.05 on or before 30 November 2018 will be issued as free attaching options. In addition, the Company intends to issue 7,500,000 unlisted options to existing directors subject to shareholder approval. 	

Indicative Timetable

The Company intends to convene a general meeting of its shareholders to seek all necessary approvals for the Acquisition and the Capital Raising. An indicative timetable is set out below for completion of the transaction as well as White Star's re-compliance with the ASX listing rules:

Event	Date
Announcement of exercise of option to acquire Spookfish and Geospatial Investments	29 October 2014
Dispatch Notice of Meeting seeking approval for the Acquisition	17 November 2014
Lodgement of prospectus with ASIC	1 December 2014
General Shareholder Meeting to approve Acquisition and other matters ¹	17 December 2014
Closing date of offer under the prospectus	17 December 2014
Trading in securities reinstated by ASX (subject to satisfaction of Chapters 1 and 2 of the ASX Listing Rules) ²	January 2015
Notes: 1. The Company's securities will be put into a trading halt pending the outcome of the General Meeting. If shareholders approve the Acquisition, then the Company's securities will be suspended from trading on ASX until the Company re-complies with requirements of Chapters 1 and 2 of the ASX Listing Rules 2. Trading in securities will only be reinstated by ASX after the Company has complied with Chapters 1 and 2 of the ASX Listing Rules. The Company will endeavour to minimise the period of suspension as much as possible. 3. The above timetable is indicative only and may be varied in consultation with the ASX.	

Full details of the Acquisition, Capital Raising and the Notice of Meeting will be forwarded to shareholders in due course.

For more information, please contact:

Jason Marinko

Executive Director

+61 402 032 876

jason@wsrl.com.au

About Spookfish Pty Ltd

Spookfish is an Australian company focused on the commercialisation of premium geospatial imagery products and services. Spookfish is seeking to redefine the global geospatial industry by aiming to provide the highest quality aerial imagery at significantly improved levels of resolution, accuracy, cost effectiveness and consistency compared to current industry offerings.



Spookfish has planned a clear, pragmatic, staged approach to develop, evolve and commercialise its suite of technologies over the next few years. Spookfish has a world-class management and technical team with a high degree of knowledge in geospatial, engineering aeronautics, data processing, data storage, control systems, communications, optics and sensor devices. These skills will be employed to perform the first demonstration step for launching commercial operations.

White Star acquired a 12.5% interest in Spookfish for a cash payment of \$1,000,000 on 1 August 2014 and has exercised its option to acquire the remaining share capital of Spookfish. Completion of the acquisition is conditional on due diligence including completion of the enhancement and testing of the first phase technology demonstrator.