

ASX and Media Release: 27 June 2016

ASX Code: WRM



White Rock signs transformational financing package with Cartesian Royalty Holdings

ASX Code: WRM

Issued Securities

Shares: 401.8 million
Options: 15.5 million

Cash on hand (31 Mar 2016)

\$0.6M

Market Cap (24 June 2016)

\$6.0M at \$0.015 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 signed a binding conditional Term Sheet with Cartesian Royalty Holdings Pte Ltd (CRH), an affiliate of the US-based Cartesian Capital Group, in connection with a proposed two-phase financing package for White Rock to develop its Mt Carrington Project to full commercial production comprising:

- an equity investment of A\$1,000,000 in two equal tranches to fund White Rock's working capital requirements and to contribute funding for White Rock to progress its Definitive Feasibility Study (DFS) and Environmental Impact Statement (EIS) activities (Phase I); and
- a future streaming financing of US\$19 million in return for a share of gold and silver production to fund working capital and the construction and commissioning of White Rock's Mt Carrington Project to reach commercial production (Phase II).

The transactions contemplated by the Term Sheet are subject to various conditions including completion of due diligence to the satisfaction of CRH, certain shareholder and ASX approvals, and the entry into definitive documentation for the transactions, as set out in more detail below.

The streaming financing component (Phase II) for the construction and commissioning of the Mt Carrington Project provides for repayments to be made from a percentage of future gold and silver production from Mt Carrington and hence Phase II repayments do not require White Rock to undertake future dilutive share issues.

The finance package is intended to help White Rock achieve its strategic goal of becoming a cash-generative gold and silver producer.

It is intended that CRH will have board representation for as long as it has material involvement with White Rock. White Rock is confident that it will benefit from the breadth of CRH's strategic and financial experience.

CEO Matt Gill said "This innovative agreement with Cartesian Royalty Holdings provides White Rock with a long-term supportive strategic partner. White Rock now has obtained a funding proposal not only to advance its Mt Carrington gold – silver Project through feasibility and permitting, but also to then move directly into construction, commissioning and commercial production, subject to the delivery of a successful DFS. The compelling financial metrics from our recent 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".

Peter Yu, Founder and Managing Partner of Cartesian Capital Group said "We are proud to partner with White Rock in its development. Mt. Carrington is a high-quality project, with existing infrastructure and a proven resource base that should produce at a low cost for many years. Under Matthew Gill's superior leadership, we are confident that the Company will promptly complete a positive definitive feasibility study. We look forward to a long-term partnership with White Rock and its management team."

For more information about White Rock and its Projects, please visit our website
www.whiterockminerals.com.au

or contact:

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This announcement has been prepared for publication in Australia.

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.

FINANCING PACKAGE

Phase I - Key Terms

- Phase I is expected to raise A\$1,000,000 in two equal tranches of A\$500,000 (**Tranche 1** and **Tranche 2**, respectively).
- The consideration for the Phase I equity investment will be the issue of ordinary White Rock shares at A\$0.013 (1.3 cents) per share. For each share issued, CRH will also receive two unlisted options to subscribe for fully paid ordinary shares for no additional consideration. The options will consist of:
 - 1.5 options per share with an exercise price of A\$0.018 (1.8 cents) (**A Options**); and
 - 0.5 options per share with an exercise price of A\$0.023 (2.3 cents) (**B Options**),

all of which will have a five year term from their date of issue. It is intended that the option terms will contain an optional cashless exercise mechanism. This mechanism 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 excess between the exercise price and the market value of White Rock shares at the time the options are exercised.

- It is intended that the Tranche 1 shares and Tranche 1 A Options will be issued upon CRH paying the initial subscription price of A\$500,000 under White Rock's existing placement capacity without shareholder approval being required. Shareholder approval will be required to issue the Tranche 1 B Options and all of the shares and options issued under Tranche 2.

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- Upon completion of the Phase I equity investment, it is intended that CRH will have a participation right to participate in any new issues of shares in White Rock on the same terms as other participants in that share issue, up to such additional number of equity securities as is sufficient to enable CRH to maintain its ownership percentage in White Rock (subject to ASX approval).
- Upon completion of the Phase I equity investment, and for the duration of the Phase II streaming investment, it is intended that CRH will have a right to nominate a non-executive director to the White Rock Board of Directors.
- Phase I is subject to a number of conditions including:
 - in respect of Tranche 1, satisfactory completion of due diligence by CRH;
 - in respect of Tranche 2, satisfactory completion of further due diligence by CRH and the announcement by White Rock that it has commenced DFS work;
 - ASX granting a waiver in respect of the participation (anti-dilution) right, and approval in respect of the cashless exercise mechanism for the options;
 - White Rock shareholder approval in respect of the issue of the Tranche 1 B Options and all of the shares and options proposed to be issued in connection with Tranche 2. If shareholder approval is not obtained by 31 December 2016, White Rock has agreed to provide CRH with an irrevocable 1.0% net smelter return (**NSR**) royalty on White Rock's Mt Carrington tenements as well as a break fee of US\$50,000; and
 - negotiation and execution of definitive documentation for the Phase I transactions.

Phase II - Key Terms

- Phase II is expected to comprise streaming financing of US\$19 million to fund construction and commissioning of White Rock's Mt Carrington Project.
- The Phase II funding is currently expected to be provided in four tranches over a period of 6 to 12 months, subject to the satisfactory completion and outcome of the DFS, the obtaining of the necessary permits, Phase I equity investment and certain other conditions, as set out below.
- In exchange for the Phase II investment, it is intended that White Rock will deliver to CRH a gold stream of 20% of gold equivalent (cash, gold or gold credits, to be chosen at CRH's election) produced at the Mt Carrington Project over a period of 84 months, subject to a minimum delivery requirement of 40,000 ounces of gold equivalent. It is anticipated that the minimum delivery requirement may be adjusted on a pro-rata basis depending on whether a higher or lower stream investment is required pursuant to the DFS. It is intended that White Rock will also grant CRH an NSR royalty of 1.75% of all gold and silver production from the Mt Carrington tenements once the Phase II gold delivery minimum of 40,000 ounces gold equivalent has been repaid.
- Phase II is subject to a number of conditions including:
 - successful completion of the DFS, EIS and full permitting;
 - White Rock decision to proceed with the construction of the Mt Carrington Project and draw on the Phase II streaming investment;

- satisfactory completion of due diligence by CRH;
- acceptance of the mine plan and capital expenditure included in the DFS;
- access to grid power for 100% of the project power needs; and
- negotiation and execution of definitive documentation for the Phase II transactions.

Other key terms of the Term Sheet

- If the Phase II investment proceeds, it is intended that:
 - White Rock will agree to pay CRH an establishment fee of 3% of the total Phase II investment amount (which at White Rock's election may be satisfied by the issue of White Rock shares); and
 - the Phase II investment will be secured against White Rock and its interests in the Mt Carrington Project for the duration of the streaming investment (subject to any ASX or other regulatory requirements or restrictions).
- For the duration of the Term Sheet, White Rock is subject to certain exclusivity obligations under which, subject to the White Rock board's fiduciary or statutory obligations, it cannot directly or indirectly, initiate any discussions or undertake any other actions (including the provision of information) with any person relating to a direct or indirect investment in the Mt Carrington Project without the consent of CRH. It is intended that CRH will have a first right of refusal on White Rock project financing during Phase I and II.
- In the event that White Rock materially breaches its exclusivity obligations, or receives alternative funding for the construction of the Mt Carrington project, White Rock will be required to pay to CRH a break-fee of US\$50,000 if this occurs after Phase I Tranche 1 has been funded, or US\$1.5 million if this occurs after Phase I Tranche 2 has been funded.
- If Phase I Tranche 1 has been funded and White Rock is unable to raise adequate funding to finance the DFS and full permitting within six months from the date of the Term Sheet, it is intended that White Rock will instead grant CRH a 1.0% NSR on the Mt Carrington tenements.
- The parties have rights to terminate the Term Sheet in certain circumstances including if:
 - CRH has not advised White Rock of the outcome of its Phase I due diligence and completed the Phase I investment within 35 days from the date of this Term Sheet;
 - closing of the Phase II streaming Investment has not been completed by the date which is 46 days from the date of completion of the DFS and full permitting;
 - White Rock is unable to raise adequate funding to finance the completion of the DFS and full permitting within six months from the date of the Term Sheet; or
 - White Rock is unable to obtain shareholder approval of the Tranche 1 B Options and all Tranche 2 shares and options by 31 December 2016.

About Cartesian Capital Group

Cartesian Capital Group, LLC is a New York, USA-based global private equity firm with proven expertise in assisting closely-held companies develop into global market leaders. Cartesian manages more than US\$2.4 billion in capital and has offices in New York, Sao Paulo, Shanghai, Warsaw, and Bermuda.

About Mount Carrington

- The Mt Carrington Project is located in northern NSW, near the township of Drake on the Bruxner Highway, 4 hour's drive south-west of Brisbane. The tenement package comprises 22 mining leases and two exploration licences over a total area of 229km² (Figure 1).
- 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 NPV₁₀ 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 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 2016–17 with development targeted in 2017–18.
- 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 2: 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.

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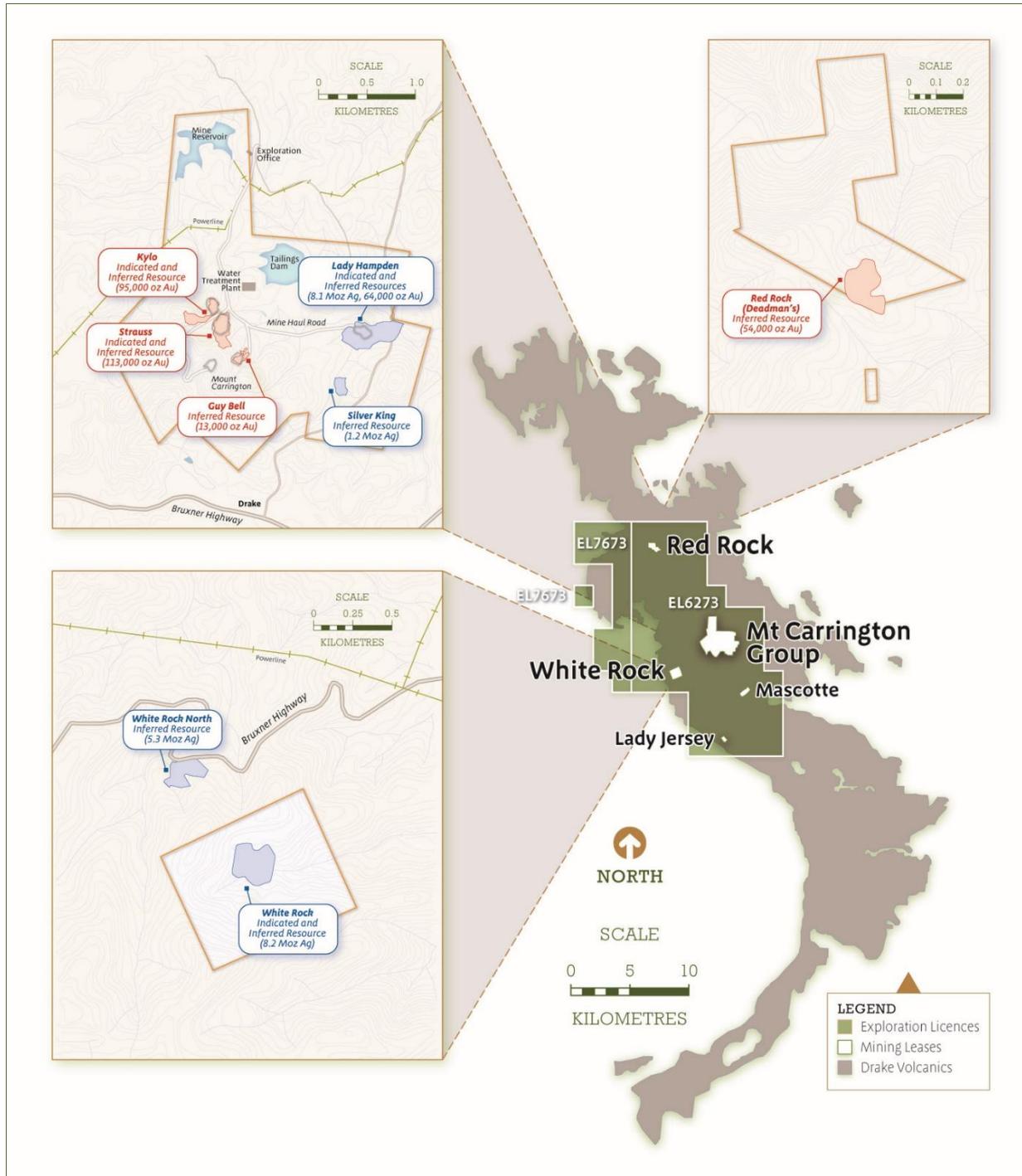


Figure 1: Mt Carrington Project Tenement and Resource Summary

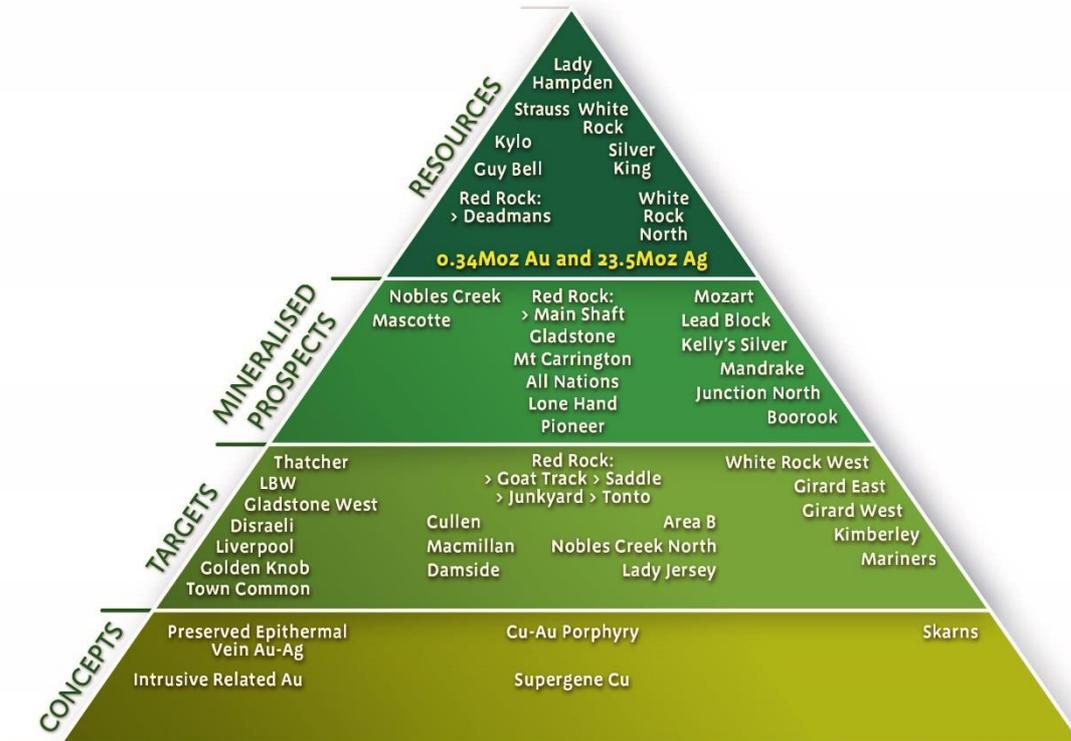


Figure 2: Mt Carrington exploration target pipeline.

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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 Bonfield 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 from 39.1m

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 from 160.9m
- 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.