WHITE ROCK
Minerals Ltd

(ABN 64 142 809 970)

White Rock Minerals Ltd
and its controlled entities

31 December 2020
Consolidated interim financial report

Corporate Directory

DIRECTORS

Peter Lester (Non-Executive Chairman)
Matthew Gill (Managing Director and Chief Executive Officer)
Jeremy Gray (Non-Executive Director)

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Shane Turner

PRINCIPAL & REGISTERED OFFICE

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Ballarat Victoria 3350

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AUDITOR

KPMG
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LEGAL ADVISOR

Baker McKenzie
181 William Street
Melbourne Victoria 3000

Contents

Directors' report

The Directors present their report together with the consolidated interim financial statements of White Rock Minerals Ltd ("the Company" or "White Rock") and its controlled entities ("the Group") for the half-year ended 31 December 2020 and the auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the half-year are:

Name	**Appointed/Resignation date**
Executive Director/Managing Director	
Matthew Gill	Appointed 1 August 2016
Non-Executive Director/Chairman	
Peter Lester	Appointed 12 April 2013 Chairman from 1 January 2019
Non-Executive Director	
Jeremy Gray	Appointed 5 May 2017
Non-Executive Director	
Stephen Gorenstein	Appointed 17 December 2018 Resigned 1 February 2021

Principal activities

The consolidated interim statement of comprehensive income shows a loss after tax of $1,849,459 for the half-year ended 31 December 2020 (December 2019: loss $578,379). This result was after an impairment charge recognised on exploration and evaluation assets of $197,643 (December 2019: $316,472) and an adjustment to the rehabilitation provision of $530,839 (December 2019: $0). Refer to note 7 of the Consolidated Interim Financial Report for further detail of the impairment assessment performed and to note 10 for the rehabilitation provision.

The Group has no bank debt. As at 31 December 2020 the Group had a cash position of $11,595,430 (June 2020: $2,789,660).

Review of operations

White Rock Minerals Ltd is an Australian exploration and development company whose activities are focussed on gold, silver and copper exploration and development in eastern Australia and zinc - silver - lead – gold - copper exploration in Alaska, USA. The Company's two projects are 100% owned – the globally significant Red Mountain zinc and precious metals VMS project in Alaska and the Mt Carrington gold-silver project located near Drake in northern New South Wales.

Subsequent Events

Director resignation

On 1 February 2021, Mr Stephen Gorenstein resigned as a Non-Executive Director.

Proposed Acquisition of AuStar Gold Limited

On 3 February 2021, the Company announced a proposed 100% acquisition of AuStar Gold Limited (ASX:AUL) (AuStar Gold) by way of scheme of arrangement in an all-share transaction under which, if implemented, AuStar Gold shareholders will receive 0.78 White Rock shares for every AuStar Gold share held. A binding Merger Implementation

Deed (MID) was signed, pursuant to which it is proposed that White Rock will acquire 100% of the issued share capital of AuStar Gold via a scheme of arrangement (Scheme) between AuStar Gold and its shareholders (refer ASX announcement 3 February 2021).

Details of the Merger Implementation Deed

The implementation of the Scheme is subject to a number of conditions, including (in summary):

- each party completing its due diligence enquiries on the other with satisfactory results;
- AuStar Gold shareholder approval by the requisite majorities being obtained;
- Court approval being obtained;
- an independent expert's report concluding the Scheme is in the best interests of AuStar Gold shareholders and not changing or withdrawing that conclusion;
- there being no "AuStar Gold Material Adverse Change", "AuStar Gold Regulated Event", "White Rock Material Adverse Change" or "White Rock Prescribed Occurrence" (each as defined in the MID);
- all unquoted options and performance rights issued by AuStar Gold are exercised (in the case of options only), lapsed or cancelled;
- the parties have agreed a mechanism in connection with the Scheme for dealing with the AuStar Gold Listed Options;
- each of the representations and warranties given by the parties under the MID being true and correct in all material respects; and
- other conditions customary for a transaction of this nature.

The MID contains standard “no shop”, “no talk”, “notification” and “matching rights” provisions, with a reciprocal break fee payable in certain circumstances. The “no talk” and "notification" obligations are subject to a fiduciary carve-out. Full details of the conditions to the Scheme and other agreed terms are set out in the MID, a copy of which was attached to the announcement on 3 February 2021.

Term sheet signed with Thomson Resources Ltd to Earn-In and Joint Venture Mt Carrington

On 23 February 2021, the Company announced that a binding and exclusive Term Sheet for a 3 stage Earn-In and Option to Joint Venture Agreement was signed with Thomson Resources Ltd (ASX:TMZ) (Thomson). The Term Sheet contemplates Thomson earning up to 70% of White Rock's Mt Carrington gold-silver Project on the formation of a 70:30 (Thomson:White Rock) joint venture with the objective to then develop and put into production the Project (refer ASX announcement 23 February 2021).

- Under the terms of the Term Sheet, Thomson is committed to Stage 1 of the earn-in including a minimum spend of A$500,000 in the first six months and progressive cash payments of A$700,000 over 18 months, before, at Thomson's sole discretion, electing whether to proceed to Stage 2, remain with a 30% stake in the Project or to exit the Project.

- Thomson can elect to advance the Mt Carrington gold and silver project through the following 3 stages that would deliver to Thomson 70% ownership of the Project:

Stage 1: Earn-in to 30% by delivering:

- a Definitive Feasibility Study (DFS) and
- completion and submission of the Environmental Impact Statement (EIS) concurrent with the Project's community consultation plans.

Stage 2: At Thomson's election, earn an additional 21% (total 51%) by:

- achieving government Development Consent (Final Investment Decision – FID) and
- so placing the project in a position to have the mine funded, built and commissioned.

Stage 3: At Thompson's election, exercise its right to purchase a further 19% (total 70%) of the project by paying White Rock A$12.5M.

Stage 4 - Operations: Project Management, financing, and project development. Funding for the Development of the Project through to commercial production (in accordance with the parties respective interests) will be on a pro-rata basis and either through a combined or separate financing arrangement(s), to be described further in the Joint Venture Agreement. Similarly, if either party decides to withdraw or not contribute its share, default provisions will be described in the Joint Venture Agreement.

- White Rock will be free carried through Stages 1, 2 and 3.
- Thomson will assume management of the Project and will have sole responsibility for keeping the Project in good standing and funding all of the site care and maintenance costs until formation of the Joint Venture Agreement, be that on a 30:70, 51:49 or 70:30 basis.

- The transactions contemplated by the Term Sheet are subject to various conditions including completion of due diligence to the satisfaction of Thomson and the entry into definitive documentation for the transactions, including the Joint Venture Agreement.

Provision for Rehabilitation

Post reporting period end, the NSW Resource Regulator has agreed to allow the Group to engage a third-party expert to conduct a more detailed review of the Mine Closure Plan (MCP) and allow the Group to re-submit to the Regulator by 30 September 2021. It is expected that this review will address the knowledge gaps identified by the Regulator and significantly influence the updated determination of the required security deposit and therefore estimate of the provision for environmental rehabilitation. Until this review is completed, management is of the view that the best estimate of the provision remains that based on the previously submitted and accepted MCP as recognised in the liability above (refer Note 10 for further detail).

Other than the events described, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future periods.

Red Mountain Zinc-Silver-Lead-Gold Project, Alaska, USA

Background

The 100% owned Red Mountain Project is located in the Bonnifield District of central Alaska. White Rock is exploring for Intrusion Related Gold System (**IRGS**) mineralisation and high-grade zinc and precious metals volcanogenic massive sulphide (**VMS**) deposits.

IRGS exploration is focussed on the Last Chance gold target located within the Tintina Gold Province, host to giant gold deposits including Donlin Creek (45 Moz Au), Fort Knox (13.5 Moz Au) and Pogo (10 Moz Au), which are all Cretaceous aged IRGS deposits.

VMS exploration is focussed on the East Bonnifield District within the Yukon-Tanana Terrane. There are already two high-grade zinc-silver rich deposits with an Inferred Mineral Resource of 9.1 million tonnes @ 157g/t silver, 5.8% zinc, 2.6% lead and 0.9g/t gold (13.2% ZnEq or 609g/t AgEq) (Table 2).

White Rock has a significant land package (1,269 State of Alaska mining claims over 798km^2) that incorporates regional-scale potential around the exciting Last Chance gold target and the majority of prospective VMS stratigraphy associated with the Dry Creek and West Tundra Flats (WTF) deposits where there are many lookalike conductivity targets and numerous historic VMS prospects.

The Last Chance gold target was identified late-2019 following a regional stream sediment sampling program. The size and strength of the gold anomalism made this exploration target the focus of White Rock's activities during 2020.

The original Red Mountain Project was focused on the VMS potential of the East Bonnifield District. White Rock acquired 100% of the project in February 2016. At that time the project consisted of 25 mining claims over 16km^2 and included two historic prospects; Dry Creek and West Tundra Flats.

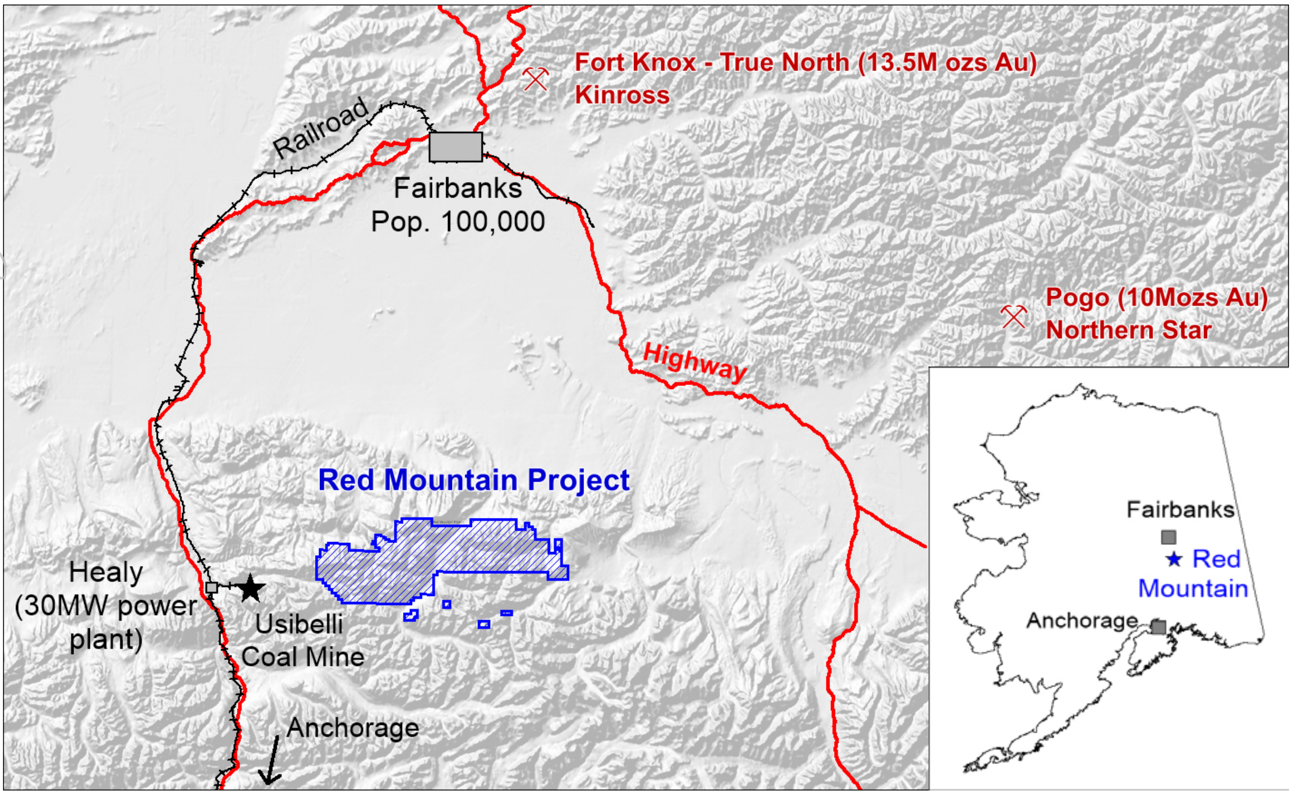

Figure 1: Red Mountain Project Location

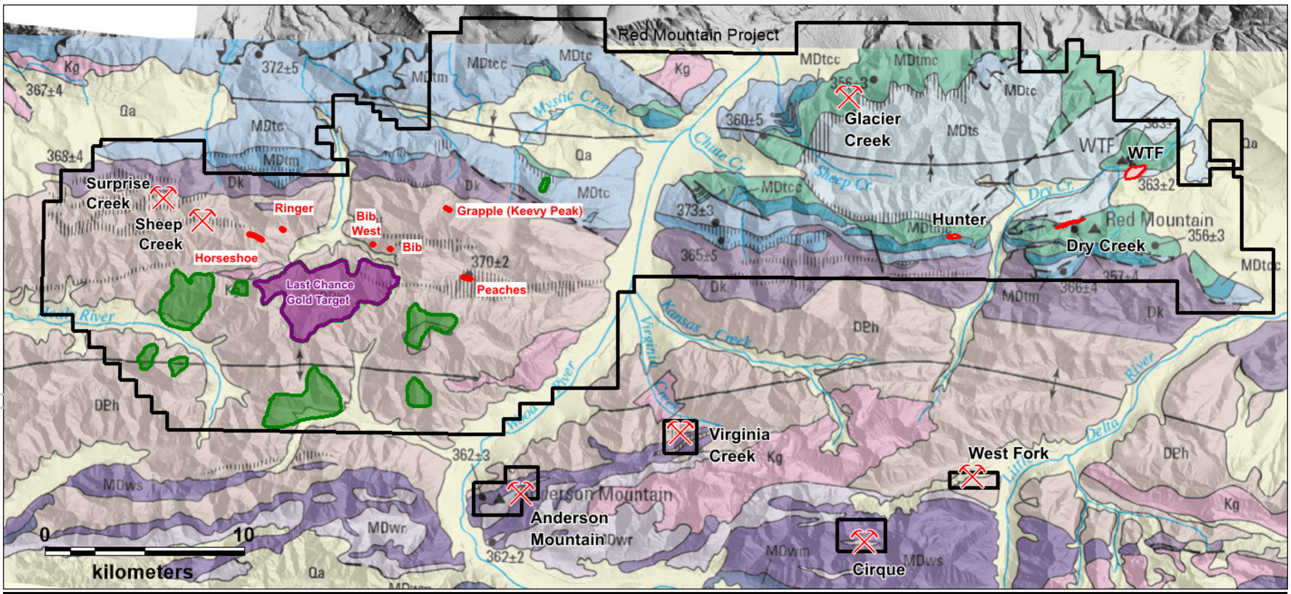

Figure 2: *Red Mountain project tenement outline (black) with locations for the Dry Creek and West Tundra Flats (WTF) VMS deposits, the Hunter VMS discovery, selected historic VMS prospects (Surprise Creek, Sheep Creek, Anderson Mountain, Virginia Creek, Cirque, West Fork and Glacier Creek), new VMS targets (Horseshoe, Ringer, Bib, Bib West, Peaches & Grapple), the Last Chance Gold Target (purple) and the surrounding new gold stream sediment anomalies (green).*

Mineral Resources

In April 2017 the Company completed a maiden Mineral Resource estimate for the Red Mountain project (ASX Announcement 26 April 2017). Highlights of the Mineral Resource are:

- **High grade Inferred Mineral Resource of 9.1 million tonnes @ 157g/t silver, 5.8% zinc, 2.6% lead and 0.9g/t gold at a 3% Zn cut-off, with a Zinc Equivalent[1] grade of 13.2% or a Silver Equivalent[2] grade of 609g/t.**
- **Total Inferred Mineral Resource of 16.7 million tonnes @ 99g/t silver, 4.1% zinc, 1.7% lead and 0.7g/t gold at a 1% Zn cut-off for Dry Creek, 3% Zn cut-off for West Tundra Flats & 0.5% Cu cut-off for Dry Creek Cu Zone. This delivers Zinc Equivalent grade of 9.2% or a Silver Equivalent grade of 424g/t.**
- **Impressive base metal and precious metal content with 678,000t zinc, 286,000t lead, 53.5 million ounces silver and 352,000 ounces gold.**
- **This Mineral Resource places the Red Mountain Project in the top quartile of undeveloped high-grade VMS (zinc, silver, gold) deposits globally[3].**
- **Mineralisation commences at surface and is open down dip.**

Table 1 - *Red Mountain June 2018 Inferred Mineral Resource Estimate*

Prospect	Cut-off	Tonnage Mt	Zn %	Pb %	Ag g/t	Cu %	Au g/t	Zn kt	Pb kt	Ag Moz	Cu kt	Au koz
Dry Creek Main	1% Zn	9.7	2.7	1.0	41	0.2	0.4	262	98	12.7	15	123
West Tundra Flats	3% Zn	6.7	6.2	2.8	189	0.1	1.1	416	188	40.8	7	229
Dry Creek Cu Zone	0.5% Cu	0.3	0.2	0.04	4.4	1.4	0.1	0.5	0.1	0.04	4	1
Total		**16.7**	**4.1**	**1.7**	**99**	**0.2**	**0.7**	**678**	**286**	**53.5**	**26**	**352**

Table 2 - *Red Mountain June 2018 Inferred Mineral Resource Estimate at a 3% Zn Cut-off (contained within Table 1, not additional)*

Prospect	Cut-off	Tonnage Mt	Zn %	Pb %	Ag g/t	Cu %	Au g/t	Zn kt	Pb kt	Ag Moz	Cu kt	Au koz
Dry Creek Main	3% Zn	2.4	4.7	1.9	69	0.2	0.4	115	46	5.3	5	32
West Tundra Flats	3% Zn	6.7	6.2	2.8	189	0.1	1.1	416	188	40.8	7	229
Total		**9.1**	**5.8**	**2.6**	**157**	**0.1**	**0.9**	**531**	**234**	**46.1**	**12**	**260**

Exploration

Last Chance Gold Target

The Last Chance gold target was identified from regional stream sediment samples collected in 2019[4]. The Company's maiden exploration program on the Last Chance prospect commenced mid-June 2020. Systematic soil sampling indicated the presence of a large mineralising system with considerable gold anomalism distributed over a 6km strike and 1.2km width[5]. Geological reconnaissance identified a series of hydrothermal silica breccia bodies and associated narrow quartz veins associated with gold, arsenic and antinomy anomalism.

Initial shallow drilling confirmed that the hydrothermal silica breccia bodies and quartz-arsenopyrite veins encountered in drilling and mapped at surface show a large system of strongly anomalous arsenic and antimony[6]. A broad, strong halo of multi-elements is typical in the upper levels of IRGS/orogenic systems providing additional confidence to geological observations that the target for high-grade gold mineralisation remains deeper than has been tested to date. Nonetheless, the presence of shallow zones of significant gold mineralisation within the broad system suggests that there remains potential for localised high-grade gold mineralisation at shallow levels.

In addition to drill testing Last Chance, during the 2020 field season White Rock completed further stream sediment sampling that identified a further 7 gold anomalies[7] that are clustered to the south around the Last Chance gold target, to now total an area of 30km^2, and where the associated Cretaceous age granites are interpreted to trend beneath the surface at relatively shallow depths. The spatial clustering of gold anomalism, together with shallow structural controls in the form of hydrothermal silica breccias that host gold mineralisation identified at Last Chance, suggests this region of gold anomalism could represent an area where structures tap a strong, long lived, fertile gold-rich intrusive system at depth, with the potential for an array of trap sites that could yield significant mineralisation close to the surface.

White Rock plans to continue to identify both shallow and deep targets for aggressive follow up drill testing in 2021.

VMS Zinc-Silver Targets

VMS deposits typically occur as a cluster of deposits (“camps”). Typically, deposits are evenly spaced within a camp. Within almost all camps, deposit sizes are normally distributed. In mature camps this means one “giant” (> 40Mt of ore, 1.8Mt of total base metal: upper 10% of all VMS deposits), two large (>10Mt ore, 550,000 tonnes of base metals: upper 25% of all deposits) and 3-8 small (<3.3Mt ore, 150,000 tonnes of base metal, 50% of all deposits) deposits /occurrences. Typical VMS camps consist of 4-8 deposits, each spaced about 4 to 6 km apart. Dry Creek and West Tundra Flats are the most prominent occurrences in the East Bonnifield District and can be considered a single VMS camp.

White Rock controls a large tenement package over VMS prospective stratigraphy that hosts the Dry Creek and West Tundra Flats (WTF) deposits. Analysis of historic exploration data identified 30 conductivity targets[8] located within the prospective VMS stratigraphic package and associated with geochemical vectors indicating proximity to VMS alteration systems. A modern airborne EM survey[9] was flown during 2019 to improve the definition of conductivity targets, together with extensive surface prospecting and geochemical sampling. A pipeline of conductivity targets within the Dry Creek – West Tundra Flats VMS camp are ready for drill testing.

At the Dry Creek deposit a single deep drill hole completed at the end of the 2019 field season intersected the down-dip extension of the Fosters lens over 200 metres down-dip from previous drilling before being terminated due to poor ground conditions leaving the footwall Discovery lens untested. Assay results for this intersection returned 1.4m @ 13.9% zinc, 4.4% lead, 115g/t silver, 0.8g/t gold & 0.3% copper[10]. While this particular intersection is narrow, White Rock believes that typical VMS lenses pinch and swell along strike and down dip, as evidenced by previous drilling where true width intersections of up to 40 metres at the Fosters lens have been recorded. The majority of the current Inferred Resource is drilled to a depth of just 200 metres so a further step out of over 200 metres suggests considerable upside is possible in expanding the size of the deposit, especially when considering the Resource footprint is open down dip along its entire 1,200 metres of strike extent.

During 2020, follow-up of stream sediment anomalism north of the Last Chance gold target discovered multiple exposures of massive sulphide mineralisation located between the Gossan Peak and Peaches prospects within a productive VMS stratigraphic package that trends east-west over a strike length in excess of 13km with a thickness of 500 to 750 metres. Highlights of regional reconnaissance rock chip sampling[11] from outcropping massive sulphides that have no evidence of drilling includes:

- Horseshoe (up to 8.3% Zn, 0.3% Pb, 1.1% Cu, 12g/t Ag & 3.6g/t Au).
- Bib (up to 7.3% Zn, 5.1% Pb, 0.3% Cu, 40g/t Ag & 0.3g/t Au).
- Bib West (up to 5.7% Zn, 1.4% Pb & 0.2% Cu)
- Grapple (up to 3.6% Zn, 1.9% Pb, 0.7% Cu & 40g/t Ag).
- Peaches (up to 2.9% Zn, 2.8% Pb, 0.2% Cu, 46g/t Ag & 1.5g/t Au).
- Ringer (up to 1.0% Cu, 26g/t Ag & 0.4g/t Au).

The VMS lenses are coincident with podiform magnetic features identified by an airborne magnetics survey flown in 2020. A number of the magnetic features coincident with VMS lenses can be interpreted over strike lengths of 1.0 to 1.5km, similar to the VMS deposit dimensions that make up the Dry Creek and WTF deposits. These VMS targets potentially present a new camp of VMS deposits for drill testing.

[1] *Zinc equivalent grades are estimated using S&P Global forecasts for the 2020 to 2030 period as at 2 November 2020 adjusted for recoveries derived from historical metallurgical testing work and calculated with the formula: ZnEq =[(Zn% x 2,425 x 0.9) + (Pb% x 2,072 x 0.75) + (Cu% x 6,614 x 0.70) + (Ag g/t x (21.00/31.1035) x 0.70) + (Au g/t x (1,732/31.1035) x 0.80)] / (2,425 x 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.*

[2] *Silver equivalent grades are estimated using S&P Global forecast for the 200 to 2030 period as at 2 November 2020 adjusted for recoveries derived from historical metallurgical testing work and calculated with the formula: AgEq =100 x [(Zn% x 2,425 x 0.9) + (Pb% x 2,072 x 0.75) + (Cu% x 6,614 x 0.70) + (Ag g/t x (21.00/31.1035) x 0.70) + (Au g/t x (1,732/31.1035) x 0.80)] / (21.00/31.1035*

x 0.70). White Rock is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold. WRM has chosen to report AgEq grades in addition to ZnEq grades as although individually zinc is the dominant metal by value, the precious metals (Ag+Au) are of similar contribution by value (44% for zinc and 40% for silver+gold respectively) and will be recovered and sold separately to the zinc.

[3] Source:- SNL, RFC Ambrian and company data.

[4] Refer ASX Announcement 28th January 2020 "Large Gold Anomaly Discovered, Tintina Gold Province, Alaska".

[5] Refer ASX Announcement 22nd July 2020 "Exploration Update: Last Chance Gold Target, Alaska".

[6] Refer ASX Announcement 15th September 2020 "Drilling Update - Last Chance Gold Target, Alaska".

[7] Refer ASX Announcement 21st December 2020 "Another Large Gold Anomaly Discovered, Tintina Gold Province, Alaska".

[8] Refer ASX Announcement 13th September 2016 "White Rock Identifies Multiple Zinc-Silver VMS Targets".

[9] Refer ASX Announcement 20th May 2019 "Airborne EM Survey Successfully Completed at Red Mountain".

[10] Refer ASX Announcement 4th November 2019 "Red Mountain – 21.6% Zinc Equivalent Grade intersected in 200m Depth Extension".

[11] Refer ASX Announcement 1st February 2021 "Multiple New Mineralised VMS Targets at Red Mountain, Alaska".

Mt Carrington Gold-Silver Project, NSW, Australia

Background

The Mt Carrington project contains substantial precious and base metal mineralisation predominantly hosted by the Permian Drake Volcanics, within the southern New England Fold Belt in north-eastern New South Wales.

Mt Carrington is a historic mining centre with a number of low sulphidation epithermal gold-silver deposits characterised by relatively high levels of base metal (copper-lead-zinc) mineralisation. The deposits manifest as fissure veins, stockworks, breccias and stratabound disseminations within the andesitic, andesitic volcaniclastic and intrusive rhyolitic lithologies.

Mineralisation is hosted within the Drake Volcanics, which locally is centred on the Drake Quiet Zone, a 20km diameter circular feature of low magnetic signature. Detailed mapping has confirmed that the Drake Quiet Zone is a caldera structure. Calderas are a common setting for a range of epithermal mineralisation styles from low-grade disseminated bulk tonnage deposits through to high grade “bonanza” vein hosted deposits. At depth the volcanic centres within a fertile caldera setting can host intrusions with porphyry copper-gold mineralisation.

The Mt Carrington Project presents exploration opportunities on three levels:

- The existing deposits provide a potential near-term development opportunity.
- The recognition of the mineralisation setting within a major volcanic caldera and the lack of modern exploration provide significant upside potential in identifying a world-class epithermal gold-silver deposit.
- The metals zonation, spatial relationships to volcanic intrusions and change in mineralisation styles seen through the area can provide a vector for targeting deeper porphyry-style Cu +/- Au mineralisation.

The Mt Carrington project is located near the township of Drake in northern NSW and comprises one Exploration Licence (EL6273) and 22 mining leases wholly contained within EL6273, covering a total area of 183km^2. The mining leases cover an area of 940 hectares and include significant infrastructure and assets which are owned by White Rock. These include a tailings dam, freshwater dam, waste water treatment plant, road network, high voltage power supply, office and accommodation facilities

Since 2010 White Rock has grown the Mineral Resources, completed development studies, initiated permitting activities and generated an extensive exploration target portfolio at Mt Carrington.

Development Studies

During 2020 a Pre-Feasibility Study Update[10] (refer ASX Announcement 19th August 2020) into the “Gold First” development “Stage One” declared an Ore Reserve of 4.1 million tonnes at 1.3g/t gold for 174,000 ounces gold at the Kylo and Strauss deposits, from within an overall Mineral Resource of 221,000 ounces gold. Using a base case gold price of A$2,300/oz the Stage One mine plan’s economic returns and payback period are robust, with free cash flow in excess of A$126 million to be generated during an initial five year mine life, delivering an IRR of 82% and a payback period of 14 months expected. The two gold pits contemplated to be mined initially are pre-stripped and there is considerable existing infrastructure including a tailings storage facility, freshwater dam, granted Mining Leases, access to State grid power and site office. The PFS Stage One did not include development studies for the remaining 6 deposits (of which 2 are gold dominant and four are silver dominant) where there are Mineral Resources of 23,000,000 ounces silver and 131,000 ounces gold.

***Table 3** – Mt Carrington Ore Reserve*

Description	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (koz Au)
Mt Carrington Gold Project			
Proved	-	-	-
Probable	4.06	1.33	174
Total	4.06	1.33	174

The Ore Reserve was prepared and reported in accordance with the JORC Code (2012) as per the ASX Announcement by White Rock on 19th August 2020.

***Table 4** – Key 2020 PFS Project Metrics at different Australian gold prices*

Project Economics	Unit	PFS @A$2,000/oz	PFS Base Case @A$2,300/oz	PFS @A$2,600/oz	PFS @A$3,000/oz
Pre-Tax Free Cash Flow	A$m	77.9	**126.4**	174.7	239.3
NPV_8	A$m	54.2	**93.6**	132.9	185.3
IRR	%	52	**82**	112	153
Payback Period	months	18	**14**	11	8

Mineral Resources

The Mt Carrington project Mineral Resource contains 352,000 oz gold and 23.3M oz silver in the Indicated and Inferred categories. The Mineral Resource is contained within 8 mineral deposits located on granted Mining Leases and Exploration Licences at Mt Carrington, as presented on Figure 3, and summarised in Table 5.

Table 5: *Mt Carrington Mineral Resource Summary*

MT CARRINGTON MINERAL RESOURCES						
Gold Dominant						
Resource Category	**Deposit**	**Tonnes**	**Gold grade (g/t)**	**Gold ounces**	**Silver grade (g/t)**	**Silver ounces**
Indicated	Strauss	2,192,000	1.5	105,000	1.8	126,100
	Kylo North	1,695,000	1.2	64,100	1.4	77,600
	Kylo West	521,000	1.5	24,500	1.1	19,000
	Sub-Total	**4,410,000**	**1.4**	**193,400**	**1.6**	**223,000**
Inferred	Strauss	470,000	1.7	25,100	2.3	35,200
	Kylo North	46,000	0.8	1,200	1.5	2,200
	Kylo West	36,000	1.0	1,200	0.9	1,000
	Sub-Total	**554,000**	**1.6**	**27,600**	**2.2**	**38,500**
Inferred	Red Rock	1,630,000	1.0	54,000	3.5	182,000
	Guy Bell	160,000	2.5	13,000	4.9	24,000
	Sub-Total	**1,790,000**	**1.2**	**67,000**	**3.6**	**206,000**
Silver Dominant						
Resource Category	**Deposit**	**Tonnes**	**Gold grade (g/t)**	**Gold ounces**	**Silver grade (g/t)**	**Silver ounces**
Indicated	Lady Hampden	1,840,000	0.6	37,000	69	4,056,000
	White Rock	1,710,000	-	-	77	4,214,000
	Sub-Total	**3,540,000**	**0.3**	**37,000**	**73**	**8,270,000**
Inferred	Lady Hampden	2,470,000	0.3	27,000	51	4,023,000
	White Rock	2,660,000	-	-	47	3,978,000
	White Rock North	3,180,000	-	-	52	5,314,000
	Silver King	640,000	-	-	59	1,218,000
	Sub-Total	**8,950,000**	**0.1**	**27,000**	**51**	**14,533,000**

MT CARRINGTON COMBINED MINERAL RESOURCES			
Category	***Tonnes***	***Gold ounces***	***Silver ounces***
Indicated	***7,950,000***	***230,400***	***8,493,000***
Inferred	***11,294,000***	***121,600***	***14,778,000***
Total	**19,244,000**	**352,000**	**23,271,000**

Gold dominant Mineral Resources have been estimated using a cut-off of 0.5g/t Au except Red Rock, which uses a cut-off of 0.7g/t Au. All silver dominant Mineral Resources have been estimated using a cut-off of 25g/t Ag. The Strauss, Kylo North and Kylo West Mineral Resource was prepared and reported in accordance with the JORC Code (2012) as per the ASX Announcement by White Rock on 19 August 2020. The Red Rock, Guy Bell, Lady Hampden, White Rock, White Rock North and Silver King Mineral Resource was prepared and reported in accordance with the JORC Code (2004) as per ASX Announcements by White Rock on 13 February 2012, 11 July 2013 and 20 November 2013, and the ASX Announcement 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.

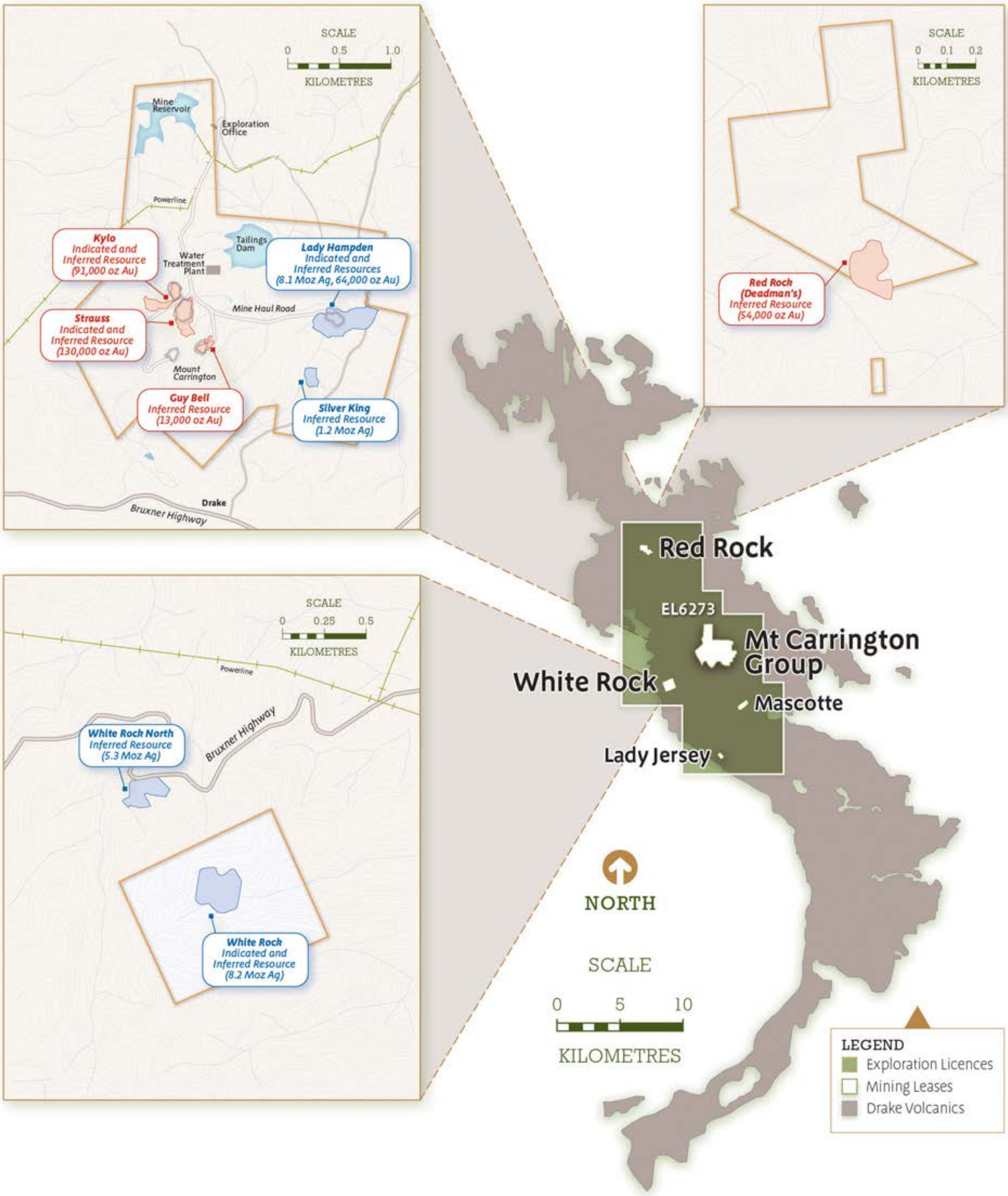

***Figure 3:** Location of the Mt Carrington exploration and mining tenements with gold and silver Resources*

<u>Environment</u>

White Rock maintains an environmental management program on the Mt Carrington mining leases. It is focused on structured rehabilitation of remnants of the 1980's mining venture on the main leases, and includes remediation works on the old ore pad, waste rock dumps, roads, stormwater drains and diversion channels.

The primary focus is the management of water contained in the tailings dam, and the prevention of overflow of untreated water into the natural drainage systems in the district. To meet this objective, a waste water treatment plant was commissioned in November 2010 to facilitate treatment of the tailings dam water. More recently in 2014 a sprinkler system was installed to assist in evaporation of water from the storage facility, supplementing the existing water treatment process. The sprinkler system was further upgraded in late 2015. During 2017, the reverse osmosis water treatment plant was re-commissioned to complement the expanded water sprinkler system and thus provide a more reliable water management and discharge system.

When required, the treatment plant allows for release of the treated water into the local drainage system at a rate of 500,000 litres per day. The water quality is monitored and independently analysed off site. Treated water is of significantly better quality than the benchmark determined by the Australian and New Zealand Environment Conservation Council. Compliance water sampling is undertaken on a quarterly basis for 21 catchment sites in the Drake district.

White Rock Minerals Ltd Tenement schedule as at 31 December 2020

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	183km²
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, ADL626740-626873 (134), ADL627166-627540 (375)	798km²

Table 4: *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. The Mt Carrington Project is subject to a binding Earn in and Option to Joint Venture Term Sheet with Thomson Resources Ltd (refer Subsequent Events).

The Red Mountain Project comprises 1,269 Mining Claims. All tenements are held 100% by White Rock (RM) Inc., a wholly owned subsidiary of White Rock Minerals Ltd. No farm-in or farm-out agreements are applicable.

Corporate

As at 31 December 2020 the Company had 72,702,033 shares and 923,659 listed options and 4,754,691 unlisted options on issue. There was a 1 for 100 Equity Consolidation completed on 3 August 2020.

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.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 30 and forms part of the Directors' Report for the half-year ended 31 December 2020.

Signed in accordance with a resolution of the Directors:

Peter Lester

Chairman

Dated at Melbourne this 15th day of March 2021

Consolidated interim statement of financial position

As at 31 December 2020

	Note	31 Dec 2020 $	30 June 2020 $
Current assets			
Cash and cash equivalents		11,595,430	2,789,660
Trade and other receivables		21,468	28,443
Prepayments		285,301	71,126
Total current assets		11,902,199	2,889,229
Non-current assets			
Trade and other receivables		978,000	978,000
Exploration and evaluation assets	7	34,985,604	31,807,436
Property, plant and equipment		167,068	224,520
Total non-current assets		36,130,672	33,009,956
Total assets		48,032,871	35,899,185
Current liabilities			
Trade and other payables	7(ii)	960,253	1,693,966
Employee benefits		12,390	22,415
Total current liabilities		972,643	1,716,381
Non-current liabilities			
Employee benefits		22,367	20,897
Provision for rehabilitation	10	1,711,839	1,181,000
Total non-current liabilities		1,734,206	1,201,897
Total liabilities		2,706,849	2,918,278
Net assets		45,326,022	32,980,907
Equity			
Issued capital	8(i)	64,989,419	50,880,316
Reserves	8(iii)	628,097	640,006
Accumulated losses		(20,291,494)	(18,539,415)
Total equity		45,326,022	32,980,907

The condensed notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

Consolidated interim statement of comprehensive income

For the six months ended 31 December 2020

	Note	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
Net financing income		14,073	8,942
Other income	6	12,260	445,223
Administrative expenses		(391,836)	(317,259)
Depreciation expense		(2,748)	(3,091)
Contract labour expenses		(498,028)	(322,196)
Employee benefits expense		(73,130)	(55,746)
Impairment of assets	7(i)	(197,643)	(316,472)
Rehabilitation provision expense	10	(530,839)	-
Marketing expenses		(27,798)	(84,787)
Foreign exchange gain/(loss)		(153,770)	67,007
Loss before income tax		**(1,849,459)**	**(578,379)**
Income tax benefit		-	-
Net loss for the period after tax		**(1,849,459)**	**(578,379)**
Total comprehensive loss attributable to members of White Rock Minerals Ltd		**(1,849,459)**	**(578,379)**
Loss per share attributable to ordinary equity holders			
Basic loss per share (cents)	(a)	(2.74)	(3.43)
Diluted loss per share (cents)		(2.74)	(3.43)

The condensed notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

(a) Earnings per share for the 6 months ended 31 December 2019 has been calculated on the basis that the shares were consolidated on the same basis as the consolidation in the 6 months ended 31 December 2020.

Consolidated interim statement of changes in equity

For the six months ended 31 December 2020

	Share Capital	Reserves	Accumulated Losses	Total Equity
	$	$	$	$
Balance at 1 July 2019	48,452,534	794,635	(31,090,765)	18,156,404
Issue of ordinary shares	997,108	-	-	997,108
Transaction costs on share issue, net of tax	(67,099)	-	-	(67,099)
Share based payments transaction	-	3,530	-	3,530
Transfers from share based payments reserve	-	(15,259)	15,259	-
Total comprehensive loss for the period	-	-	(578,379)	(578,379)
Balance at 31 December 2019	**49,382,543**	**782,906**	**(31,653,885)**	**18,511,564**
Balance at 1 July 2020	50,880,316	640,006	(18,539,415)	32,980,907
Issue of ordinary shares	14,773,525	-	-	14,773,525
Transaction costs on share issue, net of tax	(664,422)	-	-	(664,422)
Share based payments transaction	-	75,000	10,471	85,471
Transfers from share based payments reserve	-	(86,909)	86,909	-
Total comprehensive loss for the period	-	-	(1,849,459)	(1,849,459)
Balance at 31 December 2020	**64,989,419**	**628,097**	**(20,291,494)**	**45,326,022**

The condensed notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

Consolidated interim statement of cash flows

For the six months ended 31 December 2020

	6 months to 31 Dec 2020 $	6 months to 31 Dec 2019 $
Cash flows from operating activities		
Cash paid to suppliers and employees	(1,146,591)	(676,469)
RMJV management fees received	-	267,555
Research and Development refund received	-	246,435
Other income	19,129	-
Interest received	3,451	8,942
Net cash (used in) operating activities	**(1,124,011)**	**(153,537)**
Cash flows from investing activities		
Exploration and evaluation payments	(3,813,740)	(318,843)
Net cash (used in) investing activities	**(3,813,740)**	**(318,843)**
Cash flows from financing activities		
Proceeds from the issue of share capital	14,137,488	997,108
Sandfire funding received	-	2,675,560
Sandfire funding expended	-	(5,010,986)
Payment of transaction costs	(289,422)	(40,600)
Red Mountain payment	(104,544)	(282,596)
Net cash from/(used in) from financing activities	**13,743,522**	**(1,661,514)**
Net increase/(decrease) in cash and cash equivalents	8,805,770	(2,133,894)
Cash and cash equivalents at beginning of the period	2,789,660	3,894,291
Cash and cash equivalents at period end	**11,595,430**	**1,760,397**

The condensed notes on pages 20 to 26 are an integral part of these consolidated interim financial statements.

Condensed notes to the consolidated interim financial statements
For the period ended 31 December 2020

1 Reporting entity

White Rock Minerals Ltd (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is 12 Anderson Street West, Ballarat, Victoria, 3350. The consolidated interim financial statements of the Company as at and for the six months period ended 31 December 2020 comprise the Company and its controlled entities (together referred to as the "Group"). The Group is a profit orientated entity and is primarily involved in minerals exploration, evaluation and development in NSW, Australia and Alaska, USA.

The consolidated annual financial statements of the Group as at and for the year ended 30 June 2020 are available upon request from the Company's registered office or at *www.whiterockminerals.com.au.*

2 Statement of compliance

The consolidated interim general purpose financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 30 June 2020. The consolidated interim financial statements do not include all of the information required for a complete set of annual financial statements and should be read in conjunction with the consolidated annual financial statements of the Group as at and for the year ended 30 June 2020.

These consolidated interim financial statements were approved by the Board of Directors on 15th March 2021.

3 Significant accounting policies

(i) Going Concern

The Group recorded a loss after tax of $1,849,459 and net cash inflows from operating, investing and financing activities of $8,805,771 for the interim period ended 31 December 2020. Key features of the Group's financial position as at 31 December 2020 are as follows:

- The Group had available cash reserves of $11,595,430;
- The Group's current assets of $11,902,199 exceed current liabilities of $972,643 by $10,929,556; and

The Group is required to make one future payment of $US 520,000 by 31 December 2021 as described in Note 7(ii) in relation to the original acquisition of Red Mountain. The $AUD equivalent of this amount is $675,149 and is included in current liabilities. This liability is payable in United States Dollars and exposes the Group to movements in the United States Dollar against the Australian Dollar until settlement. Under the terms of the original acquisition agreement, the Group can avoid payment of this liability however must return to the vendor the relevant portion of title in the Red Mountain tenements acquired, which accounts for approximately 161km² of the current 798km².

The Group's main activity is exploration and as such it does not presently have a source of operating income, rather it is reliant on equity raisings or funds from other external sources to fund its activities.

Current forecasts incorporating the above indicate that cash on hand as at 31 December 2020 will be sufficient to fund exploration, studies and operational activities at Red Mountain and Mount Carrington and settle the last payment in respect of Red Mountain as noted above and further detailed in Note 7(ii) in addition to maintaining the Group's tenements in good standing and meeting minimum operational and expenditure commitments during the period through to the expected signing date of the interim financial report for the half year ending 31 December 2020 (the "Relevant Period").

Accordingly, the interim financial statements for the six months ended 31 December 2020 have been prepared on a going concern basis, as in the opinion of the Directors, the Group will be in a position to continue to meet its essential operating costs and pay its debts as and when they fall due for at least the Relevant Period from the date of this report.

(ii) Changes in accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2020. There were no new standards and amendments to other standards, with a date of initial application of 1 July 2020.

4 Use of estimates and judgement

The preparation of the consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2020.

5 Segment reporting

The Group consists of two operating segments and operates in two geographic locations, Mt Carrington, New South Wales, Australia and Red Mountain, Bonnifield, Alaska, United States of America.

Note 7 contains details of exploration expenditure capitalised on each operating segment. With the exception of the impairment of capitalised exploration during the period of $197,643 and adjustment to rehabilitation provision of $530,839 which were attributable to the Mt Carrington segment (refer to note 7 and note 10) and foreign exchange loss of $153,770, no income or expense were incurred by the operating segments. All other income and expenses incurred by the Group relate to corporate activities and are therefore unallocated to the operating segments.

6 Other income

Other income includes a cashflow boost receipt (2019 includes a management fee of $445,223 earned under the Joint Venture of the Red Mountain project).

7 Exploration and evaluation assets

Exploration and evaluation assets carried forward in respect of minerals exploration areas of interest:

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $
Mount Carrington:		
Opening balance	23,101,981	9,699,935
Additions	249,428	523,873
Reversal/(Impairment) of exploration assets (i)	(197,643)	12,878,173
Closing balance	**23,153,766**	23,101,981

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $
Red Mountain:		
Opening balance	8,705,455	8,211,096
Additions	3,126,383	494,359
Closing balance (ii)	**11,831,838**	8,705,455

	31 Dec 2020 $	30 Jun 2020 $
Combined:		
Mount Carrington	23,153,766	23,101,981
Red Mountain	11,831,838	8,705,455
Closing balance	**34,985,604**	**31,807,436**

Recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

(i) The Group capitalises exploration and evaluation expenditure in accordance with its accounting policy.

As a result of the 2017 PFS and the prolonged increase in the gold price, the Group is aware of facts and circumstances that indicated the recoverable value of the Mount Carrington Cash Generating (CGU) could exceed the carrying value of capitalised exploration and accordingly performed a reversal of impairment assessment.

The recoverable amount of the Mount Carrington CGU was determined based on its Fair Value less Costs of Disposal (FVLCOD) using a level 2 valuation technique.

The FVLCOD valuation was conducted as at 30 June 2020 and has resulted in a reversal of previous impairment losses of $12,878,173. The reversal has been recognised in the profit or loss for the year. The FVLCOD was determined by the Group adopting the low end of the preferred value range provided in an independent valuation commissioned by the Group. The independent valuation used observable market transactions involving similar resources to those associated with the CGU. Specifically, the independent valuation utilised comparative transactions for Mineral Resources and Ore Reserves based on recent transactions in Australia when forming the preferred valuation range. The implied value of these comparative transactions was normalised using the spot price of gold as at 30 June 2020 of $US 1,784/oz.

The costs to dispose in respect of the FVLCOD assessment have been estimated based on prevailing market conditions, although would not be expected to be material in the context of the CGU's value.

Following the reversal of impairment the carrying value for the capitalised exploration and evaluation expenditure for Mount Carrington was $23,101,981 as at 30 June 2020. The Group maintained the same value for Mount Carrington of $23,101,981 as at 31 December 2020. This resulted in an impairment for the period of $197,643.

The valuation includes a number of significant assumptions including commodity prices, foreign exchange rates, the confidence level of known mineralisation measured in accordance with the JORC code, and expectations regarding exploration potential which can change significantly over short periods of time, and which may have a significant impact on the valuation if there was a change in assumption or new information became available. As a result, any variation in the key assumptions used to determine FVLCOD would result in a change of the assessed FVLCOD. If the variation in assumption had a negative impact on FVLCOD, it could in the absence of other factors indicate a requirement for subsequent impairment of the exploration and evaluation asset in future periods.

(ii) In May 2016, the Group acquired the Red Mountain tenements paying $US40,000 and agreeing to make the following payments:

- US $50,000 in each of the years ended 31 December 2016 and 2017 (paid)
- US $100,000 in the year ended 31 December 2018 (paid)
- US $200,000 in the year ending 31 December 2019 (paid)
- US $550,000 in the year ending 31 December 2020 (see revised terms below)

In addition, the Group was required to undertake exploration activities totalling US $1,200,000 as follows:

- US $100,000 in the year ended 31 December 2016
- US $200,000 in the year ended 31 December 2017
- US $300,000 in the year ended 31 December 2018
- US $600,000 in the year ending 31 December 2019

Amounts spent in excess of the annual amount are allowed to be carried forward and applied against future years. During the year ended 30 June 2018 the Group's cumulative exploration expenditure exceeded the aggregate required amount. Accordingly, the liability was extinguished and amounts in excess are recognised as an exploration asset.

On 14 August 2020, the remaining US$550,000 payment which was due by 31 December 2020 was renegotiated and under the revised terms, a total amount of US$595,000 became payable with US$75,000 being payable by 24 August 2020 (paid), US$75,000 payable by 15 June 2021 and US$445,000 payable by 31 December 2021.

As at 31 December 2020 a payment of US $520,000 due in the year ending 31 December 2020 remains outstanding, which is recognised and included in trade and other payables as liabilities in the statement of financial position.

8 Issued capital and reserves

(i) Movements in shares on issue:

	Date of issue	No. of Shares	Issue price (cents)	$
Opening balance at 1 January 2020		**1,840,629,537**		**49,382,543**
Capital Raising – Entitlement offer shortfall funds received	13/02/2020	41,000,000	0.5	205,000
Capital Raising - Placement	01/06/2020	470,250,000	0.3	1,410,750
Issue of Ordinary Shares – Options conversion	25/06/2020	66,667	1.0	667
Less costs associated with Capital Raisings				(118,644)
Closing balance at 30 June 2020		**2,351,946,204**		**50,880,316**
Opening balance at 1 July 2020		**2,351,946,204**		**50,880,316**
Issue of Ordinary Shares – Options conversion	16/07/2020	222,223	1.0	2,222
Issue of Ordinary Shares – Options conversion	16/07/2020	100,000	2.0	2,000
Issue of Ordinary Shares – Corporate mandate	16/07/2020	100,000,000	0.3	300,000
Issue of Ordinary Shares - Placement	16/07/2020	1,479,750,000	0.3	4,439,303
Capital Raising – Share Purchase Plan	22/07/2020	3,333,333,416	0.3	10,000,000
Consolidation – 1 for 100	03/08/2020	(7,265,351,843)		-
Consolidation – 1 for 100	03/08/2020	72,654,305		-
Issue of Ordinary Shares – Consultant	25/09/2020	47,619	63.0	30,000
Consolidation Adjustment - Rounding	25/11/2020	109		-
Less costs associated with Capital Raisings				(664,422)
Closing balance at 31 December 2020		**72,702,033**		**64,989,419**

(ii) Movements in options on issue:

	Date of issue	No. of options issued / (lapsed)	Exercise price (cents)	Expiry Date
Opening balance 1 January 2020		**573,930,219**		
Options lapsed - Consultant	06/09/2016	(8,000,000)	2.5	30/04/2020
Options lapsed - Consultant	31/03/2017	(3,000,000)	6.0	31/03/2020
Options lapsed - Director	28/11/2017	(1,500,000)	2.0	05/06/2020
Issue of Options – Entitlement Issue	13/02/2020	13,666,668	1.0	04/11/2022
Options converted	25/06/2020	(66,667)		
Closing balance at 30 June 2020		**575,030,222**		
Opening balance 1 July 2020		**575,030,222**		
Options converted	19/11/2019	(222,223)	1.0	04/11/2022
Options converted	11/05/2018	(100,000)	2.0	26/03/2021
Issue of Options – Corporate mandate	16/07/2020	12,500,000	1.0	04/11/2022
Consolidation – 1 for 100	03/08/2020	(587,207,999)		
Consolidation – 1 for 100	03/08/2020	5,872,288		
Options lapsed - Consultant	13/04/2016	(14,000)	350	30/09/2020
Consolidation Adjustment - Rounding	25/11/2020	22	100	04/11/2022
Consolidation Adjustment - Rounding	25/11/2020	40	200	26/03/2021
Options lapsed - Consultant	28/11/2017	(30,000)	600	27/11/2020
Options lapsed - Consultant	13/12/2017	(50,000)	200	12/12/2020
Options lapsed - Consultant	13/12/2017	(50,000)	300	12/12/2020
Options lapsed - Consultant	13/12/2017	(50,000)	400	12/12/2020
Closing balance at 31 December 2020		**5,678,350**		

(iii) Movements in share based payments reserve

	6 months to 31 Dec 2020 $	12 months to 30 June 2020 $
Opening balance	640,006	794,635
Issue of options	75,000	-
Share based payments expensed	10,471	3,530
Options lapsed during the period	(97,380)	(158,159)
Closing balance	**628,097**	**640,006**

9 Financial Instruments

Carrying amounts versus fair values
The fair values of financial assets and financial liabilities approximate the carrying amounts in the consolidated interim statement of financial position.

Financial risk management credit risk, liquidity risk, and interest rate risk
There have been no changes in the Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2020.

10 Provisions

	6 months to 31 Dec 2020 $	12 months to 30 Jun 2020 $
Opening balance	1,181,000	1,181,000
Adjustment	530,839	-
Closing balance	**1,711,839**	1,181,000

The Group's bankers have provided guarantees amounting to $856,000 (30 June 2020: $856,000) to certain government bodies as security over the Group's performance of rehabilitation obligations on certain tenements. Under the agreement, the Group has indemnified the bank in relation to these guarantees. The guarantees are backed by collateral deposits amounting to $856,000 as at 31 December 2020 (30 June 2020: $856,000). In addition, the Group has lodged a security bond with the relevant government body of $122,000 based a revision to the Rehabilitation Bond in a previous year. Further, the Group had increased the Provision for Rehabilitation by $213,000 in a previous year after calculating a revised estimate of the Rehabilitation Bond.

During the period, the Group submitted an updated Mine Closure Plan ("MCP") and associated Resource Cost Estimate ("RCE") as required by the NSW Resource Regulator. The Regulator is currently reviewing the adequacy of the security deposit previously lodged with and approved by the Department of Regional NSW under s261BC of the Mining Act (NSW) 1992 following this submission. The security deposit is directly linked to the estimate of the provision for environmental rehabilitation, and as such any re-estimation may require an adjustment to this liability in addition to the related security deposit.

The review is progressing and as at 31 December 2020, the Regulator had identified substantial knowledge gaps between the previously accepted MCP and their updated RCE guidelines and assistance tools, which if left unaddressed, may lead to a significant increase in the security deposit required, and therefore possibly a commensurate increase in the associated liability.

Post reporting period end, the NSW Resource Regulator has agreed to allow the Group to engage a third-party expert to conduct a more detailed review of the MCP and allow the Group to re-submit to the Regulator by 30 September 2021. It is expected that this review will address the knowledge gaps identified by the Regulator and significantly influence the updated determination of the required security deposit and therefore estimate of the provision for environmental rehabilitation. Until this review is completed, management is of the view that the best estimate of the provision remains that based on the previously submitted and accepted MCP as recognised in the liability above.

The Directors are of the opinion that there are no further matters for which further provision is required in relation to any contingencies as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurements.

11 Subsequent events

Director resignation

On 1 February 2021, Mr Stephen Gorenstein resigned as a Non-Executive Director.

Proposed Acquisition of AuStar Gold Limited

On 3 February 2021, the Company announced a proposed 100% acquisition of AuStar Gold Limited (ASX:AUL) (AuStar Gold) by way of scheme of arrangement in an all-share transaction under which, if implemented, AuStar Gold shareholders will receive 0.78 White Rock shares for every AuStar Gold share held. A binding Merger Implementation Deed (MID) was signed, pursuant to which it is proposed that White Rock will acquire 100% of the issued share capital of AuStar Gold via a scheme of arrangement (Scheme) between AuStar Gold and its shareholders (refer ASX announcement 3 February 2021).

Details of the Merger Implementation Deed

The implementation of the Scheme is subject to a number of conditions, including (in summary):

- each party completing its due diligence enquiries on the other with satisfactory results;
- AuStar Gold shareholder approval by the requisite majorities being obtained;
- Court approval being obtained;
- an independent expert's report concluding the Scheme is in the best interests of AuStar Gold shareholders and not changing or withdrawing that conclusion;
- there being no "AuStar Gold Material Adverse Change", "AuStar Gold Regulated Event", "White Rock Material Adverse Change" or "White Rock Prescribed Occurrence" (each as defined in the MID);
- all unquoted options and performance rights issued by AuStar Gold are exercised (in the case of options only), lapsed or cancelled;
- the parties have agreed a mechanism in connection with the Scheme for dealing with the AuStar Gold Listed Options;
- each of the representations and warranties given by the parties under the MID being true and correct in all material respects; and
- other conditions customary for a transaction of this nature.

The MID contains standard "no shop", "no talk", "notification" and "matching rights" provisions, with a reciprocal break fee payable in certain circumstances. The "no talk" and "notification" obligations are subject to a fiduciary carve-out. Full details of the conditions to the Scheme and other agreed terms are set out in the MID, a copy of which was attached to the announcement.

Term sheet signed with Thomson Resources Ltd to Earn-In and Joint Venture Mt Carrington

On 23 February 2021, the Company announced that a binding and exclusive Term Sheet for a 3 stage Earn-In and Option to Joint Venture Agreement was signed with Thomson Resources Ltd (ASX:TMZ) (Thomson). The Term contemplates Thomson earning up to 70% of White Rock's Mt Carrington gold-silver Project on the formation of a 70:30 (Thomson:White Rock) joint venture with the objective to then develop and put into production the Project (refer ASX announcement 23 February 2021).

- Under the terms of the Term Sheet, Thomson is committed to Stage 1 of the earn-in including a minimum spend of A$500,000 in the first six months and progressive cash payments of A$700,000 over 18 months, before, at

Thomson's sole discretion, electing whether to proceed to Stage 2, remain with a 30% stake in the Project or to exit the Project.

- Thomson can elect to advance the Mt Carrington gold and silver project through the following 3 stages that would deliver to Thomson 70% ownership of the Project:

Stage 1: Earn-in to 30% by delivering:

- a Definitive Feasibility Study (DFS) and
- completion and submission of the Environmental Impact Statement (EIS) concurrent with the Project's community consultation plans.

Stage 2: At Thomson's election, earn an additional 21% (total 51%) by:

- achieving government Development Consent (Final Investment Decision – FID) and
- so placing the project in a position to have the mine funded, built and commissioned.

Stage 3: At Thompson's election, exercise its right to purchase a further 19% (total 70%) of the project by paying White Rock A$12.5M.

Stage 4 - Operations: Project Management, financing, and project development. Funding for the Development of the Project through to commercial production (in accordance with the parties respective interests) will be on a pro-rata basis and either through a combined or separate financing arrangement(s), to be described further in the Joint Venture Agreement. Similarly, if either party decides to withdraw or not contribute its share, default provisions will be described in the Joint Venture Agreement.

- White Rock will be free carried through Stages 1, 2 and 3.
- Thomson will assume management of the Project and will have sole responsibility for keeping the Project in good standing and funding all of the site care and maintenance costs until formation of the Joint Venture Agreement, be that on a 30:70, 51:49 or 70:30 basis.
- The transactions contemplated by the Term Sheet are subject to various conditions including completion of due diligence to the satisfaction of Thomson and the entry into definitive documentation for the transactions, including the Joint Venture Agreement.

Provision for Rehabilitation

Post reporting period end, the NSW Resource Regulator has agreed to allow the Group to engage a third-party expert to conduct a more detailed review of the Mine Closure Plan (MCP) and allow the Group to re-submit to the Regulator by 30 September 2021. It is expected that this review will address the knowledge gaps identified by the Regulator and significantly influence the updated determination of the required security deposit and therefore estimate of the provision for environmental rehabilitation. Until this review is completed, management is of the view that the best estimate of the provision remains that based on the previously submitted and accepted MCP as recognised in the liability above (refer Note 10 for further detail).

Other than the events described, there has not arisen in the interval between the end of the reporting period and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future periods.

Directors' declaration

In the opinion of the Directors of White Rock Minerals Ltd ("the Company"):

1. The consolidated financial statements and notes set out on pages 16 to 26, are in accordance with the *Corporations Act 2001* including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Peter Lester
Chairman

Dated at Melbourne this 15th day of March 2021

KPMG

Independent Auditor's Review Report

To the shareholders of White Rock Minerals Ltd

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of White Rock Minerals Ltd (the Company).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of White Rock Minerals Ltd does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Interim Financial Report*** comprises:

- Consolidated interim statement of financial position as at 31 December 2020;
- Consolidated interim statement of comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the Half-year ended on that date;
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Group*** comprises White Rock Minerals Ltd (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the Half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

KPMG

Adrian Nathanielsz

Partner

Melbourne

15 March 2021

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of White Rock Minerals Ltd

I declare that, to the best of my knowledge and belief, in relation to the review of White Rock Minerals Ltd for the half-year ended 31 December 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Adrian Nathanielsz

Partner

Melbourne

15 March 2021