

ASX and Media Release

Tuesday 20th October 2020

Term Sheet signed to progress the Mt Carrington gold and silver Project

ASX Code: WRM
OTCQX: WRMCF

ASX Issued Securities
Shares: 72.7 million
Options: 5.8 million

Cash on hand (24 July 2020)
A\$15.7M

Market Cap (19 Oct 2020)
A\$40.7M at \$0.56 per share

Directors & Management
Peter Lester
Non-Executive Chairman

Matthew Gill
Managing Director &
Chief Executive Officer

Jeremy Gray
Non-Executive Director

Stephen Gorenstein
Non-Executive Director

Shane Turner
Company Secretary

Rohan Worland
Exploration Manager

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HIGHLIGHTS

- White Rock signs a non-binding, non-exclusive Term Sheet with the objective of entering into a joint venture with Koala Metals to advance the Mt Carrington gold and silver project through the regulatory approvals process and ultimately into production.
- The Term Sheet contemplates Koala Metals funding the advancement of the Mt Carrington gold and silver project through to Definitive Feasibility Study (DFS), completion and submission of the Environmental Impact Statement (EIS), concurrent with community consultation, achieving government Development Consent (Final Investment Decision – FID) and so placing the project and its partners in a position to then fund, build and commission the mine under the joint venture agreement.
- On completion of the DFS and EIS, and with a budget of ~A\$5M, Koala Metals would earn 30% of the Mt Carrington asset – **Stage 1**.
- On achieving FID, Koala Metals would advance to 51%. A further A\$1.5M is budgeted during this stage for extension drilling and upside studies – **Stage 2**.
- Koala Metals can exercise an option and move from 51% to 70% by paying White Rock A\$12.5M subject to the gold price exceeding AUD \$2,600/oz in the preceding 6 months – **Stage 3**.
- Development of the project into production would occur along JV ownership lines – **Stage 4**.
- Koala Metals will be responsible for keeping the tenements in good standing and funding all of the site care and maintenance costs until Stage 2 is complete.
- White Rock will receive 3 non-refundable staged cash payments totalling \$1M as the project advances through the first two stages.

White Rock Minerals Ltd (“White Rock”) (“the Company”) (ASX:WRM) (OTCQX:WRMCF) is pleased to announce that it has signed a non-binding Term Sheet (**Term Sheet**) with Koala Metals Pty Ltd (**KM**), a private unlisted Australian company, defining the key terms under which the parties will work together to form an unincorporated Joint Venture (**JV**) to advance the Company’s gold and silver project at Mt Carrington in NSW, Australia (**Project**).

White Rock MD & CEO Matt Gill said “White Rock is extremely pleased to partner with Koala Metals, a company setup to target quality gold and silver projects with near term development opportunities. The Koala Metals management team have extensive industry experience spanning project funding, geology, processing plant design and construction and mine operations, and we believe possess the key requirements to advance and develop the Mt Carrington project.

“Securing a quality partner to advance Mt Carrington is a key step in White Rock’s strategy to unlock the value in our three projects; the Mt Carrington gold-silver project and our two Alaskan projects, the high-grade silver and zinc Red Mountain VMS project and the neighbouring Last Chance Intrusion Related Gold System (IRGS) project.

“With Koala Metals leading the development of Mt Carrington, White Rock will be able to focus on a second stage of its strategy that investigates the enhancement of shareholder value from these Alaskan assets. Importantly, the Company is well-funded to pursue these investigations and assess ways in which exploration activities can be maximised to drive the best chance of discovery and development of these two exciting Alaskan projects into 2021. At its core will be consideration on what is best for our shareholders to realise the inherent value of the three assets we have and to see these, and the Company, advance successfully.”

The transactions contemplated by the Term Sheet are subject to various conditions including completion of due diligence to the satisfaction of KM and the entry into definitive documentation for the transactions.

As the Term Sheet is non-binding, there is no guarantee that any transaction will eventuate.

About Koala Metals Pty Ltd

Koala Metals is a private company targeting near term and quality gold and silver exploration opportunities throughout Australia. Chaired by Andrew Vigar, Koala Metals has an experienced team focused on delivering shareholder value through operation and advancement of precious metal projects, with the aim to build a solid precious metal portfolio. www.koalametals.com

About White Rock Minerals

White Rock Minerals Ltd (ASX:WRM, OTCQX:WRMCF) is an Australian minerals exploration and development company with activities focussed on two projects: Red Mountain and Mt Carrington.

Mt Carrington is a 100% owned advanced gold-silver epithermal project located in the southern New England Fold Belt, northern NSW, Australia. A 2020 Pre-Feasibility Study (PFS)¹ Update into the “Gold First” development stage declared an Ore Reserve of 4.1 million tonnes at 1.3g/t gold for 174,000 ounces gold from within an overall Mineral Resource of 352,000 ounces gold. There is also a Silver Mineral Resource estimate totalling 23M ounces. The gold pits 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 financial metrics for this project are robust, especially in this strong gold price environment. Using a conservative A\$2,300 per ounce, the 2020 Gold First PFS financial metrics demonstrate a capital payback of just 14 months, an IRR greater than 80% and with free cash flow generated from the gold over its first 5 years of greater than A\$120M.

With successful implementation of the Stage One gold development the Company will investigate a Stage Two operation to develop the silver deposits and remaining gold deposits. The Mt Carrington Mining Leases are enveloped by an Exploration Licence (183km²) 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 since 2010.

The 100% owned **Red Mountain Project**, covering 798km², is located in the Bonnifield District of central Alaska. The Company 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 target² 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 in the East Bonnifield District within the Yukon-Tanana Terrane. There are already two high-grade zinc-silver rich deposits with an Inferred Mineral Resource³ of **9.1 million tonnes @ 157g/t silver, 5.8% zinc and 0.9g/t gold (12.9% ZnEq⁴)**.

This release is authorised by the Board of White Rock Minerals Ltd.

¹ Refer ASX Announcement 19th August 2020 "Exceptional Updated Gold Pre-Feasibility Study Results".

² Refer ASX Announcement 26th August 2020 "Mid-season Exploration Update - Last Chance Gold Target"

³ Refer ASX Announcement 26th April 2017 "Maiden JORC Mineral Resource, Red Mountain".

⁴ ZnEq = Zinc equivalent grades are estimated using long-term broker consensus estimates compiled by RFC Ambrian as at 20 March 2017 adjusted for recoveries from historical metallurgical test work and calculated with the formula: $ZnEq = 100 \times [(Zn\% \times 2,206.7 \times 0.9) + (Pb\% \times 1,922 \times 0.75) + (Cu\% \times 6,274 \times 0.70) + (Ag \text{ g/t} \times (19.68/31.1035) \times 0.70) + (Au \text{ g/t} \times (1,227/31.1035) \times 0.80)] / (2,206.7 \times 0.9)$. White Rock is of the opinion that all elements included in the metal equivalent calculation have reasonable potential to be recovered and sold.

Competent Persons Statement

The information in this report that relates to exploration results is based on information compiled by Mr Rohan Worland who is a Member of the Australian Institute of Geoscientists and is a consultant to White Rock Minerals Ltd. Mr Worland has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Worland consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

No New Information or Data

This announcement contains references to exploration results and Mineral Resource estimates, 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 and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.